

**CITY COUNCIL MEETINGS
RULES – PUBLIC DECORUM**

Strict adherence to the following rules of decorum by the public will be observed and adhered to during City Council meetings, including open forum, public comment period on legislative items, and Council deliberations:

- 1. No Clapping!**
- 2. No Cheering!**
- 3. No Booing!**
- 4. No public outbursts!**
- 5. Three-minute time limit for comments made during open forum and public testimony on legislative items!**
- 6. No person shall be permitted to speak at open forum more often than once per month.**

In addition, please silence your cell phones when entering the Council Chambers!

Further, keep the following City Council Rules in mind:

Rule 2.2 Open Forum

- 2.2.4 The open forum is a limited public forum and all matters discussed shall relate to affairs of the City. No person may use the open forum to speak on such matters and in such a manner as to violate the laws governing the conduct of municipal affairs. No person shall be permitted to speak on matters related to the current or advance agendas, potential or pending hearing items, or ballot propositions for a pending election. Individuals speaking during the open forum shall address their comments to the Council President and shall not make personal comment or verbal insults about any individual.
- 2.2.6 In an effort to encourage wider participation in open forum so that the Council can hear a wide array of citizen comment, no person shall be permitted to speak at open forum more often than once per month. However, this limitation has no effect on the public comment rules concerning items on the Council's current legislative agenda, special consideration items, hearing items, and other items before the City Council requiring Council action that are not adjudicatory or administrative in nature, as specified in Rules 5.3 and 5.4.

Rule 5.4 Public Testimony Regarding Legislative Agenda Items – Time Limits

- 5.3.1 Members of the public may address the Council regarding items on the Council's legislative agenda, special consideration items, hearing items and other items before the City Council requiring Council action that are not adjudicatory or administrative in nature. This rule shall not limit the public's right to speak during the open forum.
- 5.3.2 No one may speak without first being recognized for that purpose by the Chair. Except for named parties to an adjudicative hearing, a person may be required to sign a sign-up sheet and provide his or her address as a condition of recognition. In order for a council member to be recognized by the Chair for the purpose of obtaining the floor, the council member shall either raise a hand or depress the call button on the dais until recognized by the Council President.
- 5.3.3 Each person speaking at the public microphone shall verbally identify him(her)self by name and, if appropriate, representative capacity.
- 5.3.4 Each speaker shall follow all written and verbal instructions so that verbal remarks are electronically recorded and documents submitted for the record are identified and marked by the Clerk.
- 5.3.5 In order that evidence and expressions of opinion be included in the record and that decorum befitting a deliberative process be maintained, no modes of expression not provided by these rules, including but not limited to demonstrations, banners, applause, profanity, vulgar language, or personal insults will be permitted.
- 5.3.6 A speaker asserting a statement of fact may be asked to document and identify the source of the factual datum being asserted.
- 5.3.7 When addressing the Council, members of the public shall direct all remarks to the Council President and shall confine remarks to the matters that are specifically before the Council at that time.
- 5.3.8 When any person, including members of the public, City staff and others are addressing the Council, council members shall observe the same decorum and process, as the rules require among the members inter se. That is, a council member shall not engage the person addressing the Council in colloquy, but shall speak only when granted the floor by the Council President. All persons and/or council members shall not interrupt one another. The duty of mutual respect set forth in Rule 1.2 and the rules governing debate set forth in *Robert's Rules of Order* shall extend to all speakers before the City Council. The council president pro-tem shall be charged with the task of assisting the council president to insure that all individuals desiring to speak, be they members of the public, staff or council members, shall be identified and provided the opportunity to speak.

THE CITY OF SPOKANE



CURRENT COUNCIL AGENDA

MEETING OF MONDAY, JUNE 20, 2016

MISSION STATEMENT

TO DELIVER EFFICIENT AND EFFECTIVE SERVICES
THAT FACILITATE ECONOMIC OPPORTUNITY
AND ENHANCE QUALITY OF LIFE.

MAYOR DAVID A. CONDON

COUNCIL PRESIDENT BEN STUCKART

COUNCIL MEMBER BREEAN BEGGS

COUNCIL MEMBER MIKE FAGAN

COUNCIL MEMBER LORI KINNEAR

COUNCIL MEMBER CANDACE MUMM

COUNCIL MEMBER KAREN STRATTON

COUNCIL MEMBER AMBER WALDREF

CITY COUNCIL CHAMBERS
CITY HALL

808 W. SPOKANE FALLS BLVD.
SPOKANE, WA 99201

City of Spokane Guest Wireless access for Council Chambers for June 20, 2016:

User Name: **COS Guest**

Password: **such8Pup**

Please note the space in user name. Also, both user name and password are case sensitive

CITY COUNCIL BRIEFING SESSION

Council will adopt the Administrative Session Consent Agenda after they have had appropriate discussion. Items may be moved to the 6:00 p.m. Legislative Session for formal consideration by the Council at the request of any Council Member.

SPOKANE CITY COUNCIL BRIEFING SESSIONS (BEGINNING AT 3:30 P.M. EACH MONDAY) AND LEGISLATIVE SESSIONS (BEGINNING AT 6:00 P.M. EACH MONDAY) ARE BROADCAST LIVE ON CITY CABLE CHANNEL FIVE AND STREAMED LIVE ON THE CHANNEL FIVE WEBSITE. THE SESSIONS ARE REPLAYED ON CHANNEL FIVE ON THURSDAYS AT 6:00 P.M. AND FRIDAYS AT 10:00 A.M.

The Briefing Session is open to the public, but will be a workshop meeting. Discussion will be limited to Council Members and appropriate Staff and Counsel. There will be an opportunity for the expression of public views on any issue not relating to the Current or Advance Agendas during the Open Forum at the beginning and the conclusion of the Legislative Agenda.

ADDRESSING THE COUNCIL

- No one may speak without first being recognized for that purpose by the Chair. Except for named parties to an adjudicative hearing, a person may be required to sign a sign-up sheet as a condition of recognition.
- Each person speaking at the public microphone shall print his or her name and address on the sheet provided at the entrance and verbally identify him/herself by name, address and, if appropriate, representative capacity.
- If you are submitting letters or documents to the Council Members, please provide a minimum of ten copies via the City Clerk. The City Clerk is responsible for officially filing and distributing your submittal.
- In order that evidence and expressions of opinion be included in the record and that decorum befitting a deliberative process be maintained, modes of expression such as demonstration, banners, applause and the like will not be permitted.
- A speaker asserting a statement of fact may be asked to document and identify the source of the factual datum being asserted.

SPEAKING TIME LIMITS: Unless deemed otherwise by the Chair, each person addressing the Council shall be limited to a three-minute speaking time.

CITY COUNCIL AGENDA: The City Council Advance and Current Agendas may be obtained prior to Council Meetings from the Office of the City Clerk during regular business hours (8 a.m. - 5 p.m.). The Agenda may also be accessed on the City website at www.spokanecity.org. Agenda items are available for public review in the Office of the City Clerk during regular business hours.

AMERICANS WITH DISABILITIES ACT (ADA) INFORMATION: The City of Spokane is committed to providing equal access to its facilities, programs and services for persons with disabilities. The Spokane City Council Chamber in the lower level of Spokane City Hall, 808 W. Spokane Falls Blvd., is wheelchair accessible and also is equipped with an infrared assistive listening system for persons with hearing loss. Headsets may be checked out (upon presentation of picture I.D.) at the City Cable 5 Production Booth located on the First Floor of the Municipal Building, directly above the Chase Gallery or through the meeting organizer. Individuals requesting reasonable accommodations or further information may call, write, or email Christine Cavanaugh at (509) 625-6383, 808 W. Spokane Falls Blvd, Spokane, WA, 99201; or ccavanaugh@spokanecity.org. Persons who are deaf or hard of hearing may contact Ms. Cavanaugh at (509) 625-7083 through the Washington Relay Service at 7-1-1. Please contact us forty-eight (48) hours before the meeting date.

If you have questions, please call the Agenda Hotline at 625-6350.

BRIEFING SESSION

(3:30 p.m.)

(Council Chambers Lower Level of City Hall)

(No Public Testimony Taken)

Council Reports

Staff Reports

Committee Reports

Advance Agenda Review

Current Agenda Review

ADMINISTRATIVE SESSION

Roll Call of Council

CONSENT AGENDA

REPORTS, CONTRACTS AND CLAIMS

RECOMMENDATION

- | | | |
|--|---------|------------------------------|
| 1. Purchase from US Micro an estimated 161 desktop computers and 4 notebooks for the Police Department utilizing Spokane County contract P7858-001 through the City/County Interlocal Agreement—2-year cost of \$220,000. | Approve | OPR 2016-0486 |
| 2. Contract Extension with Spokane Regional Chamber of Commerce dba Greater Spokane Incorporated for Federal Lobbying Services (\$18,000) and Business Recruitment Assistance (\$28,220). Total contract amount—\$46,220. | Approve | OPR 2015-0584 |
| 3. Low Bid of Halme Construction, Inc. (Spokane, WA) for West Plains to SIA System Connection—\$683,406.18 (plus tax). An administrative reserve of \$68,340.62 (plus tax), which is 10% of the contract price (plus tax) will be set aside. (West Hills Neighborhood) | Approve | PRO 2016-0026
ENG 2015168 |

- | | | |
|--|-----------------------------------|------------------------------|
| 4. Loan Agreements & other documents with: | Approve
All | |
| a. 1 South Madelia LLC (Spokane, WA) for construction of a 36-unit apartment building at 1 and 51 S. Madelia St.—\$300,000 HOME funds. (East Central Neighborhood) | | OPR 2016-0487 |
| b. Inland Empire Residential Resources (Spokane, WA) for construction of duplex with accessible units at 2418 E. 4th Ave.—\$280,000 HOME CHDO funds. (East Central Neighborhood) | | OPR 2016-0488 |
| c. Konstantin & Tatyana Vasilenko (Spokane, WA) for rehabilitation of a house and construction of five additional units at 611 South Scott Street—\$395,000 HOME funds. (East Central Neighborhood) | | OPR 2016-0489 |
| 5. Contract Amendment with SNAP to add CDBG funding to accomplish 49 loans to low-income homeowners for life, health and safety home repairs. Total amended Contract amount—\$1,752,946. (Citywide) | Approve | OPR 2015-0266
RFP 4076-14 |
| 6. Report of the Mayor of pending claims and payments of previously approved obligations, including those of Parks and Library, through June 10, 2016, total \$6,392,411.41, with Parks and Library claims approved by their respective boards. Warrants excluding Parks and Library total \$5,984,134.29. | Approve &
Authorize
Payment | CPR 2016-0002 |
| 7. City Council Meeting Minutes: June 9, 2016. | Approve
All | CPR 2016-0013 |
| Request for Suspension of Council Rules to add the following item: | | |
| 8. Contract Extension #2 with the Seabold Group, (Seattle WA) for independent investigative services concerning the end of former Police Chief Frank Straub's tenure—increase of \$50,000 for a total contract amount of \$123,000. | Approve | OPR 2016-0025 |

EXECUTIVE SESSION

(Closed Session of Council)

(Executive Session may be held or reconvened during the 6:00 p.m. Legislative Session)

CITY COUNCIL SESSION

(May be held or reconvened following the 3:30 p.m. Administrative Session)
(Council Briefing Center)

This session may be held for the purpose of City Council meeting with Mayoral nominees to Boards and/or Commissions. The session is open to the public.

LEGISLATIVE SESSION

(6:00 P.M.)

(Council Reconvenes in Council Chamber)

WORDS OF INSPIRATION

PLEDGE OF ALLEGIANCE

ROLL CALL OF COUNCIL

ANNOUNCEMENTS

(Announcements regarding Changes to the City Council Agenda)

NO BOARDS AND COMMISSIONS APPOINTMENTS

ADMINISTRATIVE REPORT

COUNCIL COMMITTEE REPORTS

(Committee Reports for Finance, Neighborhoods, Public Safety, Public Works, and Planning/Community and Economic Development Committees and other Boards and Commissions)

OPEN FORUM

This is an opportunity for citizens to discuss items of interest not relating to the Current or Advance Agendas nor relating to political campaigns/items on upcoming election ballots. This Forum shall be for a period of time not to exceed thirty minutes. After all the matters on the Agenda have been acted on, unless it is 10:00 p.m. or later, the open forum shall continue for a period of time not to exceed thirty minutes. Each speaker will be limited to three minutes, unless otherwise deemed by the Chair. If you wish to speak at the forum, please sign up on the sign-up sheet located in the Chase Gallery.

Note: No person shall be permitted to speak at Open Forum more often than once per month (Council Rule 2.2.6).

NO EMERGENCY ORDINANCES

RESOLUTIONS & FINAL READING ORDINANCES

(Require Four Affirmative, Recorded Roll Call Votes)

- RES 2016-0052 Providing for the sale of surplus City property. (Emerson/Garfield Neighborhood) (Deferred from June 6, 2016, Agenda)
- RES 2016-0057 Setting hearing before the City Council for July 25, 2016 for the vacation of portions of North Center Street, North Crescent Drive, Ross Court, Hamlin Street, and a portion of a nearby alley, as requested by Avista. (Logan Neighborhood)
- RES 2016-0058
OPR 2016-0490 Declaring Allen Bradley/Rockwell Automation Motor Control Centers (MCC) and associated software for use in the Central Well Station Motor Control Centers (MCC) upgrade project as Sole Source and thus authorizing its purchase from Columbia Electric Supply of Spokane Washington, at an estimated cost of \$114,475 (excl. taxes).

Request motion to accept revised Ordinance C35402:

- ORD C35402 Relating to the organization of the Spokane Police Department; amending sections 03.01A.370, 03.01A.375, and 03.01A.400 of the Spokane Municipal Code; repealing sections 03.01A.380, 03.01A.385, and 03.01A.390 of the Spokane Municipal Code.
- ORD C35404 Providing for the acquisition by eminent domain of certain lands necessary to be acquired for public purposes in connection with the Martin Luther King Jr. Way (Riverside Extension) Project, located in the City and County of Spokane, State of Washington.

FIRST READING ORDINANCES

(No Public Testimony Will Be Taken)

- ORD C35387 Relating to the Spokane Employees Retirement System amending Spokane Municipal Code sections 03.05.020, 03.05.030, 03.05.035, 03.05.040, 03.05.120.
- ORD C35407
OPR 2016-0458 Approving an easement between the Park Board and Avista Corporation.
- ORD C35408 Relating to the establishment of new exempt positions; amending section 03.07.330 of the Spokane Municipal Code.
- ORD C35409 Relating to Executive and Administration Organization; amending section 03.01A.205 of the Spokane Municipal Code; adopting a new section 03.01A.195 of the Spokane Municipal Code.

FURTHER ACTION DEFERRED

NO SPECIAL CONSIDERATIONS

HEARINGS

(If there are items listed you wish to speak on, please sign your name on the sign-up sheets in the Chase Gallery.)

RECOMMENDATION

- | | | | |
|-----|---|----------------------------------|------------------------------|
| H1. | Resolution 2016-0053 adopting the Six Year Comprehensive Street Program 2017-2022. | Adopt Upon
Roll Call
Vote | RES 2016-0053
ENG 2016015 |
| H2. | Final Reading Ordinance C35406 approving and confirming the 2016 assessments and assessment roll for the East Sprague Parking and Business Improvement Area, prepared under Ordinance C35377. | Passed
Upon Roll
Call Vote | ORD C35406 |
-

OPEN FORUM (CONTINUED)

This is an opportunity for citizens to discuss items of interest not relating to the Current or Advance Agendas nor relating to political campaigns/items on upcoming election ballots. This Forum shall be for a period of time not to exceed thirty minutes. After all the matters on the Agenda have been acted on, unless it is 10:00 p.m. or later, the open forum shall continue for a period of time not to exceed thirty minutes. Each speaker will be limited to three minutes, unless otherwise deemed by the Chair. If you wish to speak at the forum, please sign up on the sign-up sheet located in the Chase Gallery.

Note: No person shall be permitted to speak at Open Forum more often than once per month (Council Rule 2.2.6).

ADJOURNMENT

The June 20, 2016, Regular Legislative Session of the City Council is adjourned to June 27, 2016.

NOTES



Agenda Sheet for City Council Meeting of:
06/20/2016

Date Rec'd	6/7/2016
Clerk's File #	OPR 2016-0486
Renews #	
Cross Ref #	P7858
Project #	
Bid #	
Requisition #	VALUE BLANKET

Submitting Dept	POLICE
Contact Name/Phone	JUSTIN LUNDGREN 835-4527
Contact E-Mail	JCLUNDGREN@SPOKANEPOLICE.ORG
Agenda Item Type	Purchase w/o Contract
Agenda Item Name	0680-DESKTOP COMPUTER PURCHASE

Agenda Wording

Approval to purchase an estimated 161 desktop computers and 4 notebooks for the Police Department from US Micro utilizing Spokane County contract P7858-001 through the City/County Interlocal Agreement. Total cost for a period of 2 years is \$220,000.00

Summary (Background)

Desktop computers should be replaced every 5 years in order to maintain functionality and warranties. SPD is requesting a value blanket to be set up with U.S Micro for the 2016 and the 2017 purchase. Estimated cost for 2016 is \$135,000.00 and \$85,000.00 for 2017.

Fiscal Impact

Expense	\$ 135,000.00
Expense	\$ 85,000.00
Select	\$
Select	\$

Budget Account

#	5310-73100-94000-56409 - 2016
#	5901-79115-94000-56409 - 2017
#	
#	

Approvals

Dept Head	LYNDS, SARAH
Division Director	LYNDS, SARAH
Finance	KECK, KATHLEEN
Legal	WHALEY, HUNT
For the Mayor	WHITNEY, TYLER

Council Notifications

Study Session	Finance Meeting 06/06/16
Other	

Distribution List

achirowamangu
spdfinance
slynds
ktenny
cwahl
Purchasing

**Briefing Paper
City of Spokane
Spokane Police Department
Desktop Computer Value Blanket 2016
Finance Committee Meeting – June 6, 2016**

Subject

Establish a value blanket with US Micro for the 2016-2017 desktop purchase

Background

SPD uses desktop computers for Administration, Detectives, Records, Property, Support Staff, etc. so replacements of these are needed on a 5 year rotation.

Impact

- Funds will be used to replace desktop computers for SPD as current ones become non-functional.
- These technology improvements will ensure SPD employees are able to complete essential job functions more effectively and efficiently.
- Estimated 2016 purchase – 101 desktops - \$125,000.00
- Estimated 2016 purchase – 4 notebooks - \$10,000.00
- Estimated 2017 purchase – 60 desktops - \$85,000.00
- Estimated total value blanket for 160 desktops is \$220,000.00 (includes tax).

Action

Council Approval for value blanket utilizing Spokane County Resolution 2013-0756

Funding

Asset Management Fund – SPD Capital.



Proposal For: Spokane County Info Systems

Attention: Mattie Arnold

Quote Number: 042816-MA1

Date: April 28, 2016

Representative: Todd Marvin

Phone: (425) 462-7300 or (800) 874-5505 Ext 102

E-Mail Address: tmarvin@usmicro.com

Expires: May 29, 2016

Qty	Description - Spokane County Contract P7858	Each	Total
1	US Micro SFF Core i3-6100 Dual Core Workstation	580.00	580.00

In-Win BQ656 Mini-ATX Mini Tower Case w/ Front USB 2.0 Ports and 120w PS

<http://www.in-win.com.tw/Corporate/en/goods.php?act=view&id=BQ656>

ASUS H110i-Plus Micro ATX Socket 11511 Motherboard (2x Video Ports)

[H110I-PLUS | Motherboards | ASUS Global](http://www.asus.com/Motherboards/H110I-PLUS)

Intel Core i3-6100 3.7 8GT/s Dual Core Processor

http://ark.intel.com/products/90729/Intel-Core-i3-6100-Processor-3M-Cache-3_70-GHz

8GB DDR4 2133MHz Kingston Memory (1 x 8GB)

Microsoft Windows 7 (or Windows 10) Professional 64-Bit (OEM / Media / License)

Warranty: 3 Years Parts & Labor

SFF Optical Drives:

LG 16x Slimline SATA DVD-RW Drive w/Software	28.00	0.00
--	-------	------

SFF Processor Options:

To Intel Core i5-6400T 2.2/2.8GHz 6MB Cache Quad Core Processor, 35v	80.00	0.00
--	-------	------

http://ark.intel.com/products/88187/Intel-Core-i5-6400T-Processor-6M-Cache-up-to-2_80-GHz

To Intel Core i7-6700T 2.8/3.6GHz 8MB Cache Quad Core Processor, 35v	160.00	0.00
--	--------	------

http://ark.intel.com/products/88200/Intel-Core-i7-6700T-Processor-8M-Cache-up-to-3_60-GHz

SFF Memory Upgrades:

To 16GB DDR4 2133MHz Kingston Memory (H110 Motherboard)	40.00	0.00
---	-------	------

To 16GB DDR3 1600MHz Kingston Memory (H170 Motherboard)	40.00	0.00
---	-------	------

SFF Motherboard Options:

To ASUS H170i-PLUS D3 Mini ITX Motherboard w/ M.2 & WiFi, 3x Video	40.00	0.00
--	-------	------

<https://www.asus.com/us/Motherboards/H170I-PLUS-D3/>

SFF Hard Drive Options:

250GB Samsung 750 Series 2.5" SATA-3 6 GB/s Solid State Drive	90.00	0.00
---	-------	------

250GB Samsung 850 Series M.2 SATA-3 6 GB/s Solid State Drive (H170 I	120.00	0.00
--	--------	------

500GB Samsung 850 Series 2.5" SATA-3 6 GB/s Solid State Drive	200.00	0.00
---	--------	------

500GB Samsung 850 Series M.2 SATA-3 6 GB/s Solid State Drive	210.00	0.00
--	--------	------

1TB Samsung 850 Series 2.5" SATA-3 6 GB/s Solid State Drive	375.00	0.00
---	--------	------

1 US Micro Core i3-6100 Dual Core Workstation	580.00	580.00
--	---------------	---------------

In-Win BP691 Mini ITX Case w/ Front USB 3.0 Ports and 300w Power Supply

[BP691 BP-Series Corporation | IN WIN | CORPORATE](#)

ASUS H110i-PLUS Mini ITX Socket 1151 Motherboard

[H110I-PLUS | Motherboards | ASUS Global](#)

Intel Core i3-6100 3.7 3MB Cache Dual Core Processor

http://ark.intel.com/products/90729/Intel-Core-i3-6100-Processor-3M-Cache-3_70-GHz

8GB DDR4 2133MHz Kingston Memory (2 x 4GB)

Microsoft Windows 7 (or Windows 10) Professional 64-Bit (OEM / Media / License)

Warranty: 3 Years Parts & Labor

Processor Options:

To Intel Core i5-6400 2.7/3.3GHz 6MB Cache Quad Core Processor	80.00	0.00
--	-------	------

[Intel | Core | i5-6400 Processor \(6M Cache, up to 3.30 GHz\) Specifications](#)

To Intel Core i5-6600 3.3/3.9GHz 6MB Cache Quad Core Processor	125.00	0.00
--	--------	------

[Intel | Core | i5-6600 Processor \(6M Cache, up to 3.90 GHz\) Specifications](#)

To Intel Core i7-6700 3.4/4GHz 8MB Cache Quad Core Processor w/ HD	230.00	0.00
--	--------	------

[Intel | Core | i7-6700 Processor \(8M Cache, up to 4.00 GHz\) Specifications](#)

To Intel Core i7-6700K 4/4.2GHz 8MB Cache Quad Core Processor w/ HD	280.00	0.00
---	--------	------

[Intel | Core | i7-6700K Processor \(8M Cache, up to 4.20 GHz\) Specifications](#)

Motherboard Options:

To ASUS H170i-PLUS D3 Mini ITX Motherboard w/ M.2 & WiFi, 3x Video	40.00	0.00
--	-------	------

<https://www.asus.com/us/Motherboards/H170I-PLUS-D3/>

Memory Upgrades:

To 16GB DDR4 2133MHz Kingston Memory (H110 Motherboard)	40.00	0.00
---	-------	------

To 32GB DDR4 2133MHz Kingston Memory (H110 Motherboard)	160.00	0.00
---	--------	------

To 16GB DDR3 1600MHz Kingston Memory (H170 Motherboard)	40.00	0.00
---	-------	------

To 32GB DDR3 1600MHz Kingston Memory (H170 Motherboard)	160.00	0.00
---	--------	------

Hard Drive Options:

250GB Samsung 750 Series 2.5" SATA-3 6 GB/s Solid State Drive	90.00	0.00
---	-------	------

250GB Samsung 850 Series M.2 SATA-3 6 GB/s Solid State Drive (H170 I	120.00	0.00
--	--------	------

500GB Samsung 850 Series 2.5" SATA-3 6 GB/s Solid State Drive	200.00	0.00
---	--------	------

500GB Samsung 850 Series M.2 SATA-3 6 GB/s Solid State Drive	210.00	0.00
--	--------	------

1TB Samsung 850 Series 2.5" SATA-3 6 GB/s Solid State Drive	375.00	0.00
---	--------	------

1TB Seagate 7200 RPM 3.5" SATA-3 6 GB/s Hard Drive	60.00	0.00
--	-------	------

2TB Seagate 7200 RPM 3.5" SATA-3 6 GB/s Hard Drive	85.00	0.00
--	-------	------

4TB WD Black 7200 RPM 3.5" SATA-3 6 GB/s Hard Drive	240.00	0.00
---	--------	------

Video Card Options:

1GB ASUS nVidia GeForce GT720 Dual Head Graphics Card	65.00	0.00
2GB ASUS nVidia GeForce GT730 Dual Head Graphics Card	70.00	0.00
2GB ASUS nVidia GeForce GT740 Dual Head Graphics Card	120.00	0.00
2GB XFX AMD R7-250X Triple Head Graphics Card	125.00	0.00
1GB DDR3 PNY nVidia Quadro K620 PCIe Graphics Card	195.00	0.00
2GB DDR5 AMD FirePro W4100 PCIe Graphics Card (4 x Mini DP; Incl. M	195.00	0.00
2GB DDR5 ASUS nVidia GTX960 OC PCIe 3.0 Graphics Card	250.00	0.00
2GB DDR5 PNY nVidia GTX970 OC PCIe 3.0 Graphics Card	425.00	0.00
1GB DDR5 PNY nVidia Quadro K2200 PCIe Graphics Card	495.00	0.00

Optical Drives:

LG 24x SATA DVD-RW Drive w/Software	20.00	0.00
-------------------------------------	-------	------

Keyboards & Mice:

Microsoft Natural Elite 4000 USB 2.0 Keyboard	40.00	0.00
Logitech MK120 USB 2.0 Keyboard & Optical Wheel Mouse	20.00	0.00
Microsoft 600 USB 2.0 Keyboard & Optical Wheel Mouse	30.00	0.00
Microsoft 600 USB 2.0 Keyboard	15.00	0.00
Logitech MK520 Wireless Keyboard & Optical Wheel Mouse	65.00	0.00
Logitech MK550 Wave Wireless Keyboard & Optical Wheel Mouse	85.00	0.00
Logitech MK710 Wireless Keyboard & Optical Wheel Mouse	100.00	0.00
Microsoft USB Optical Wheel Mouse	15.00	0.00

Displays:

22" ASUS VE228H Black LED Display (VGA & DVI, Speakers) ASUS - VE228H	125.00	0.00
24" ASUS VE247H Black LED Display (VGA & DVI, Speakers) Monitors & Projectors - VE247H - ASUS	160.00	0.00
27" ASUS VE278H Black LED Display (VGA & DVI, Speakers) Monitors & Projectors - VE278H	255.00	0.00
23" ASUS PB238Q Black LED Display (VGA & DVI, Height Adjust, Speak ASUS - PB238Q	240.00	0.00
10' DVI-D to DVI-D Video Cable	15.00	0.00
10' HDMI to DVI-D Video Cable	15.00	0.00
6' Mini DP to DVI-D Video Cable	15.00	0.00

Accessories:

Logitech S120 Powered Stereo Speakers	15.00	0.00
Logitech Z200 Powered Stereo Speakers	35.00	0.00
Add a SYBA Single 9-Pin Serial Port PCIe Card	40.00	0.00

Sub Total	1,160.00
Tax (8.7%)	100.92
Total	1,260.92



COUNTY OF SPOKANE

WASHINGTON

Department Of Purchasing

CHANGE ORDER 2

BÉLA G. KOVÁCS
DIRECTOR

PH (509) 477-2301
FAX (509) 477-6627

Spokane County Purchasing Department
1101 W. College Ave., Ste. 241B
Spokane, WA 99201

Resolution Number: 123-0756
Contract/Project Number: P7858
Date: July 15, 2015
Department: Information Systems

Contract Title: Microcomputers, Parts and Peripherals
Contractor: US Micro Inc.

You are hereby directed to make the changes listed below in the subject contract.

Nature of the change:

Change order item 1: In accordance with Article 3, Term of Agreement, Spokane County offers to renew this contract for Renewal 2, Term 3, from August 23, 2015 through Midnight, August 22, 2016.

The changes result in the following adjustment of the contract price and time:

CONTRACT WORK	
Original Contract Award (less tax)	\$200,000.00
Previously Authorized Change Order(s) (less tax)	\$0.00
Contract price prior to this change order (less tax)	\$200,000.00
Contract price (increase) (decrease) resulting from this change order (less tax)	\$0.00
Contract price including this change order (less tax)	\$200,000.00
8.7% Sales Tax =	\$17,400.00
Total Contract Value =	\$217,400.00

CONTRACT TIME	
Contract completion date prior to the change order	August 22, 2015
Contract time (increase/decrease) resulting from this change order	1 year
Contract completion date including this change order	August 22, 2016

The above change(s) are approved and I certify that these change(s) are consistent within the original scope of work for this project and that sufficient funds have been budgeted for this change order.	The change(s) as set forth in this Change Order are accepted.
Information Systems	US Micro Inc.
Becky Gehret, Director	Todd Marvin
Date	Date 7/15/15

Purchasing Department	
The above change(s) have been reviewed.	
P7858 Contract Manager/Facilitator	Purchasing Director
Terrie Roberts C.P.M. A.P.P. CPPB	Béla G. Kovács, C.P.M., CPPO
Date	Date



Agenda Sheet for City Council Meeting of:
06/20/2016

Date Rec'd	6/1/2016
Clerk's File #	OPR 2015-0584
Renews #	

Submitting Dept	NEIGHBORHOOD & BUSINESS	Cross Ref #	
Contact Name/Phone	JONATHAN 509-625-6734	Project #	
Contact E-Mail	JMALLAHAN@SPOKANECITY.ORG	Bid #	
Agenda Item Type	Contract Item	Requisition #	
Agenda Item Name	0750 - CONTRACT EXTENSION - GREATER SPOKANE INCORPORATED		

Agenda Wording

Contract extension with Spokane Regional Chamber of Commerce dba Greater Spokane Incorporated (GSI) for Federal Lobbying Services (\$18,000) and Business Recruitment Assistance (\$28,220) for a total contract amount of \$46,220

Summary (Background)

The contract amendment would extend the term through December 31, 2016. Expenses for the extension will total \$46,220 with \$18,000 for federal lobbying services and \$28,220 for business recruitment assistance. Between June 30, 2016 and October 1, 2016 the City will release an RFP to consider proposals for continued economic development assistance and federal lobbying services in 2017. The RFP draft will be briefed with the City Council prior to its issuance.

Fiscal Impact

Expense	\$ 18,000.00
Expense	\$ 28,220.00
Select	\$
Select	\$

Budget Account

#	0520 36200 11600 54101 99999
#	0750 30210 58100 54201 99999
#	
#	

Approvals

<u>Dept Head</u>	MALLAHAN, JONATHAN
<u>Division Director</u>	MALLAHAN, JONATHAN
<u>Finance</u>	KECK, KATHLEEN
<u>Legal</u>	WHALEY, HUNT
<u>For the Mayor</u>	WHITNEY, TYLER

Council Notifications

<u>Study Session</u>	PED 6/20/16
<u>Other</u>	
<u>Distribution List</u>	
	jhappy@spokanecity.org
	rcrow@spokanecity.org

Additional Approvals

<u>Purchasing</u>	

BRIEFING PAPER
City of Spokane
Planning and Economic Development Committee
June, 2016

Subject

Greater Spokane Incorporated (GSI) Contract Extension

Background

The City of Spokane Contracts with GSI for federal lobbying services and business recruitment assistance. The current contract with GSI expires June 30th 2016. The annual value of the contract is \$92,440 with \$36,000 dedicated to federal lobbying services and the remaining \$56,440 for business recruitment assistance.

The contract delineates performance measures for each funded activity. The measures are listed below and performance reports are included as an attachment.

Federal Lobbying Services Performance:

- Number of issues lobbied for the City
- Number of successes obtained for the City

Business Recruitment Assistance:

- Number of businesses shown sites within the City of Spokane by industry (manufacturing, aerospace and medical)
- Number of businesses shown sites by each geographic area (The Yard, West Plains, University District)
- Success rate of recruiting businesses
- What is the feedback from targeted industries on why Spokane is or is not competitive for their business
- Post-mortem on businesses unsuccessfully recruited

The contract amendment would extend the term through December 31, 2016. Expenses for the extension will total \$46,220 with \$18,000 for federal lobbying services and \$28,220 for business recruitment assistance. Between June 30, 2016 and October 1, 2016 the City will release an RFP to consider proposals for continued economic development assistance and federal lobbying services in 2017. The RFP draft will be briefed with the City Council prior to its issuance.

Action

Extend City contract with GSI through December 31, 2016

CONTRACT EXTENSION

THIS CONTRACT EXTENSION is between the CITY OF SPOKANE, a Washington State municipal corporation, as "City", and SPOKANE REGIONAL CHAMBER OF COMMERCE, dba GREATER SPOKANE INCORPORATED, whose address is 801 West Riverside Avenue, Suite 100, Spokane, Washington 99201-2147, as "GSI".

WHEREAS, the parties entered into a Contract wherein GSI agreed to provide (A) FEDERAL LOBBYING SERVICES; AND (B) BUSINESS RECRUITMENT ASSISTANCE; and,

WHEREAS, the parties would like to extend the Contract; -- Now, Therefore,

The parties agree as follows:

1. CONTRACT DOCUMENTS. The Contract dated August 3, 2015, any previous amendments, addendums and / or extensions / renewals thereto, are incorporated by reference into this document as though written in full and shall remain in full force and effect except as provided herein.
2. EXTENSION. The contract documents are hereby extended and shall run from July 1, 2016 through December 31, 2016.
3. COMPENSATION. The City shall pay the Company a maximum total amount not to exceed FORTY SIX THOUSAND TWO HUNDRED TWENTY AND NO/100 DOLLARS (\$46,220.00) for everything furnished and done under this Contract Extension. The division and proportion of this aforementioned compensation is as follows:
 - (A) FEDERAL LOBBYING SERVICES = EIGHTEEN THOUSAND AND NO/100 DOLLARS (\$18,000.00); and,
 - (B) BUSINESS RECRUITMENT ASSISTANCE = TWENTY EIGHT THOUSAND TWO HUNDRED TWENTY AND NO/100 DOLLARS (\$28,220.00).

Dated: _____

CITY OF SPOKANE

By: _____
Title

Attest:

Approved as to form:

City Clerk

Assistant City Attorney

Dated: _____

GREATER
INCORPORATED

SPOKANE

E-Mail address: _____

By: _____

Title: _____



Agenda Sheet for City Council Meeting of:
06/20/2016

Date Rec'd	6/7/2016
Clerk's File #	PRO 2016-0026
Renews #	

Submitting Dept	ENGINEERING SERVICES	Cross Ref #	
Contact Name/Phone	DAN BULLER 625-6391	Project #	2015168
Contact E-Mail	DBULLER@SPOKANECITY.ORG	Bid #	
Agenda Item Type	Contract Item	Requisition #	BT
Agenda Item Name	0370 - LOW BID - HALME CONSTRUCTION		

Agenda Wording

Low Bid of Halme Construction, Inc. (Spokane, WA) for West Plains to SIA System Connection-\$683,406.18. An administrative reserve of \$68,340.62 plus tax, which is 10% of the contract price plus tax will be set aside.(West Hills Neighborhood Council)

Summary (Background)

On June 6, 2016 bids were opened for the above project. The low bid was from Halme Construction, Inc. in the amount of \$683,406.18, which is \$320,560.57 or 31.93% under the Engineer's Estimate; eight other bids were received as follows: L&L Cargile, Inc. - \$701,076.00, West Company, Inc. - \$703,262.00, Red Diamond Construction, Inc. - \$710,868.40, Sandry Construction Co. - \$715,743.00, N.A. Degerstrom, Inc. - \$792,220.50, N & N Excavaton LLC - \$854,199.50, MJM Grand, Inc. - \$877,523.24 and

Fiscal Impact

Expense	\$ 817,148.77
Select	\$
Select	\$
Select	\$

Budget Account

4340-42300-94000-56501-15725
#
#
#

Approvals

<u>Dept Head</u>	TWOHIG, KYLE
<u>Division Director</u>	SIMMONS, SCOTT M.
<u>Finance</u>	KECK, KATHLEEN
<u>Legal</u>	WHALEY, HUNT
<u>For the Mayor</u>	WHITNEY, TYLER

Council Notifications

<u>Study Session</u>	
<u>Other</u>	PW 5/23/16

Additional Approvals

<u>Purchasing</u>		eraea@spokanecity.org
		kkeck@spokanecity.org
		kbustos@spokanecity.org
		htrautman@spokanecity.org
		jahensley@spokanecity.org
		jlargent@spokanecity.org
		kgoodman@spokanecity.org

Distribution List



Continuation of Wording, Summary, Budget, and Distribution

Agenda Wording

Summary (Background)

T. LaRiviere Equipment & Excavation - \$884,000.00

Fiscal Impact

Select \$

Select \$

Budget Account

#

#

Distribution List

mhughes@spokanecity.org

City Of Spokane
Engineering Services Department

***** Bid Tabulation *****

Project Number: 2015168

Project Description: West Plains to SIA System Connection

Original Date: 3/11/2016 1:38:22 PM

Funding Source: Local

Update Date: 6/6/2016 2:29:12 PM

Preparer: Mark Melnick

Addendum:

Project Number: 2015168			Engineer's Estimate		Halme Construction Inc		L & L Cargile Inc		West Company, Inc_	
Item No	Bid Item Description	Estimated Quantity	Unit Price	Amount	Unit Price	Amount	Unit Price	Amount	Unit Price	Amount

Schedule Description

Tax Classification

Schedule 01

Sales tax shall NOT be included in unit prices

101	REIMBURSEMENT FOR THIRD PARTY DAMAGE	1 EST	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
102	SPCC PLAN	1 LS	*****	500.00	*****	5,000.00	*****	50.00	*****	1,000.00
103	POTHOLING	10 EA	300.00	3,000.00	300.00	3,000.00	100.00	1,000.00	250.00	2,500.00
104	MOBILIZATION	1 LS	*****	58,823.00	*****	68,000.00	*****	40,625.00	*****	70,000.00
105	PROJECT TEMPORARY TRAFFIC CONTROL	1 LS	*****	17,000.00	*****	15,000.00	*****	4,000.00	*****	10,000.00
106	SPECIAL SIGNS	123 SF	20.00	2,460.00	10.50	1,291.50	11.00	1,353.00	15.00	1,845.00
107	SAWCUTTING FLEXIBLE PAVEMENT	116 LFI	3.00	348.00	0.28	32.48	0.50	58.00	2.50	290.00
108	PREPARATION OF UNTREATED ROADWAY	35 SY	2.25	78.75	4.50	157.50	3.00	105.00	20.00	700.00
109	CONSTRUCTION GEOSYNTHETIC FOR SOIL STABILIZATION	13020 SY	2.50	32,550.00	0.80	10,416.00	1.00	13,020.00	1.00	13,020.00
110	CRUSHED SURFACING TOP COURSE	30 CY	35.00	1,050.00	105.00	3,150.00	40.00	1,200.00	40.00	1,200.00
111	CSTC FOR SIDEWALK AND DRIVEWAYS	8 CY	40.00	320.00	35.00	280.00	55.00	440.00	100.00	800.00
112	CSTC FOR ACCESS ROAD	1400 CY	70.00	98,000.00	27.00	37,800.00	25.00	35,000.00	25.00	35,000.00
113	HMA FOR APPROACH CL. 1/2 IN. PG 64-28, 4 INCH	80 SY	16.00	1,280.00	53.50	4,280.00	57.00	4,560.00	50.00	4,000.00
114	HMA FOR PAVEMENT REPAIR CL.1/2 IN. PG 64-28, 5 INCH THICK	80 SY	50.00	4,000.00	62.00	4,960.00	65.00	5,200.00	60.00	4,800.00

Project Number: 2015168			Engineer's Estimate		Halme Construction Inc		L & L Cargile Inc		West Company, Inc_	
Item No	Bid Item Description	Estimated Quantity	Unit Price	Amount	Unit Price	Amount	Unit Price	Amount	Unit Price	Amount

Schedule Description

Tax Classification

Schedule 01

Sales tax shall NOT be included in unit prices

115	PAVEMENT REPAIR EXCAVATION INCL. HAUL	80 SY	25.00	2,000.00	20.00	1,600.00	30.00	2,400.00	17.50	1,400.00
116	RECONSTRUCT DRYWELL GRAVEL BACKFILL	2 EA	325.00	650.00	545.00	1,090.00	200.00	400.00	1,000.00	2,000.00
117	EXTRA WORK ALLOWANCE FOR ROCK EXCAVATION - TRENCHES	800 CY	80.00	64,000.00	47.70	38,160.00	60.00	48,000.00	85.00	68,000.00
118	EXTRA WORK ALLOWANCE FOR EXCAVATION - YPL	1 LS	*****	1,500.00	*****	35,000.00	*****	1,400.00	*****	10,000.00
119	REMOVE UNSUITABLE PIPE FOUNDATION MATERIAL	200 CY	20.00	4,000.00	7.00	1,400.00	9.00	1,800.00	25.00	5,000.00
120	REPLACE UNSUITABLE PIPE FOUNDATION MATERIAL	200 CY	12.00	2,400.00	7.00	1,400.00	7.00	1,400.00	15.00	3,000.00
121	IMPORTED BACKFILL	200 CY	17.00	3,400.00	7.00	1,400.00	15.00	3,000.00	15.00	3,000.00
122	TRENCH SAFETY SYSTEM	1 LS	*****	3,500.00	*****	15,000.00	*****	1,200.00	*****	2,500.00
123	TEMPORARY ADJACENT UTILITY SUPPORT	1 LS	*****	2,000.00	*****	1,700.00	*****	100.00	*****	15,000.00
124	ENCASE WATER/SEWER AT CROSSINGS	2 EA	3,000.00	6,000.00	1,700.00	3,400.00	2,500.00	5,000.00	1,000.00	2,000.00
125	DUCTILE IRON PIPE FOR WATER MAIN 12 IN. DIAM.	10500 LF	55.00	577,500.00	32.10	337,050.00	42.75	448,875.00	34.00	357,000.00
126	BLOWOFF ASSEMBLY (Y-103)	1 EA	5,300.00	5,300.00	4,600.00	4,600.00	4,768.00	4,768.00	4,000.00	4,000.00
127	GATE VALVE 12 IN.	8 EA	2,800.00	22,400.00	1,900.00	15,200.00	2,100.00	16,800.00	2,000.00	16,000.00
128	COMBINATION AIR RELEASE/AIR VACUUM VALVE ASSEMBLY 2 IN.	1 EA	2,200.00	2,200.00	2,300.00	2,300.00	2,618.00	2,618.00	2,000.00	2,000.00
129	PRESSURE REDUCING VALVE SYSTEM	1 EA	70,500.00	70,500.00	53,000.00	53,000.00	48,000.00	48,000.00	50,000.00	50,000.00
130	ESC LEAD	1 LS	*****	500.00	*****	10,000.00	*****	150.00	*****	500.00
131	HYDROSEEDING	16306 SY	1.00	16,306.00	0.45	7,337.70	0.50	8,153.00	1.00	16,306.00
132	PAVEMENT MARKING - PAINT	1 EST	400.00	400.00	400.00	400.00	400.00	400.00	400.00	400.00
Schedule Totals				1,003,966.75		683,406.18		701,076.00		703,262.00

Project Number: 2015168			Engineer's Estimate		Red Diamond Construction Inc		Sandry Construction Company Inc		N A Degerstrom Inc	
Item No	Bid Item Description	Estimated Quantity	Unit Price	Amount	Unit Price	Amount	Unit Price	Amount	Unit Price	Amount

Schedule Description

Tax Classification

Schedule 01

Sales tax shall NOT be included in unit prices

101	REIMBURSEMENT FOR THIRD PARTY DAMAGE	1 EST	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
102	SPCC PLAN	1 LS	*****	500.00	*****	250.00	*****	531.00	*****	1,500.00
103	POTHOLING	10 EA	300.00	3,000.00	100.00	1,000.00	275.00	2,750.00	250.00	2,500.00
104	MOBILIZATION	1 LS	*****	58,823.00	*****	15,000.00	*****	33,663.00	*****	35,000.00
105	PROJECT TEMPORARY TRAFFIC CONTROL	1 LS	*****	17,000.00	*****	7,300.00	*****	7,500.00	*****	6,000.00
106	SPECIAL SIGNS	123 SF	20.00	2,460.00	11.00	1,353.00	11.00	1,353.00	15.00	1,845.00
107	SAWCUTTING FLEXIBLE PAVEMENT	116 LFI	3.00	348.00	0.30	34.80	3.00	348.00	2.00	232.00
108	PREPARATION OF UNTREATED ROADWAY	35 SY	2.25	78.75	10.00	350.00	15.00	525.00	12.00	420.00
109	CONSTRUCTION GEOSYNTHETIC FOR SOIL STABILIZATION	13020 SY	2.50	32,550.00	1.30	16,926.00	0.50	6,510.00	1.00	13,020.00
110	CRUSHED SURFACING TOP COURSE	30 CY	35.00	1,050.00	25.00	750.00	46.50	1,395.00	40.00	1,200.00
111	CSTC FOR SIDEWALK AND DRIVEWAYS	8 CY	40.00	320.00	38.00	304.00	84.00	672.00	60.00	480.00
112	CSTC FOR ACCESS ROAD	1400 CY	70.00	98,000.00	24.95	34,930.00	26.75	37,450.00	38.00	53,200.00
113	HMA FOR APPROACH CL. 1/2 IN. PG 64-28, 4 INCH	80 SY	16.00	1,280.00	38.00	3,040.00	60.00	4,800.00	73.00	5,840.00
114	HMA FOR PAVEMENT REPAIR CL.1/2 IN. PG 64-28, 5 INCH THICK	80 SY	50.00	4,000.00	45.00	3,600.00	69.00	5,520.00	85.00	6,800.00
115	PAVEMENT REPAIR EXCAVATION INCL. HAUL	80 SY	25.00	2,000.00	30.00	2,400.00	30.00	2,400.00	25.00	2,000.00
116	RECONSTRUCT DRYWELL GRAVEL BACKFILL	2 EA	325.00	650.00	700.00	1,400.00	1,600.00	3,200.00	2,500.00	5,000.00
117	EXTRA WORK ALLOWANCE FOR ROCK EXCAVATION - TRENCHES	800 CY	80.00	64,000.00	10.00	8,000.00	34.00	27,200.00	30.00	24,000.00
118	EXTRA WORK ALLOWANCE FOR EXCAVATION - YPL	1 LS	*****	1,500.00	*****	1,800.00	*****	2,347.00	*****	7,500.00

Project Number: 2015168			Engineer's Estimate		Red Diamond Construction Inc		Sandyry Constructions Company Inc		N A Degerstrom Inc	
Item No	Bid Item Description	Estimated Quantity	Unit Price	Amount	Unit Price	Amount	Unit Price	Amount	Unit Price	Amount

<i>Schedule Description</i>					<i>Tax Classification</i>					
<i>Schedule 01</i>					Sales tax shall NOT be included in unit prices					
119	REMOVE UNSUITABLE PIPE FOUNDATION MATERIAL	200 CY	20.00	4,000.00	0.01	2.00	22.00	4,400.00	20.00	4,000.00
120	REPLACE UNSUITABLE PIPE FOUNDATION MATERIAL	200 CY	12.00	2,400.00	0.01	2.00	23.50	4,700.00	18.00	3,600.00
121	IMPORTED BACKFILL	200 CY	17.00	3,400.00	0.01	2.00	23.50	4,700.00	37.00	7,400.00
122	TRENCH SAFETY SYSTEM	1 LS	*****	3,500.00	*****	400.00	*****	355.00	*****	5,000.00
123	TEMPORARY ADJACENT UTILITY SUPPORT	1 LS	*****	2,000.00	*****	7,500.00	*****	1,180.00	*****	5,000.00
124	ENCASE WATER/SEWER AT CROSSINGS	2 EA	3,000.00	6,000.00	1,500.00	3,000.00	4,745.00	9,490.00	3,000.00	6,000.00
125	DUCTILE IRON PIPE FOR WATER MAIN 12 IN. DIAM.	10500 LF	55.00	577,500.00	48.60	510,300.00	44.00	462,000.00	48.00	504,000.00
126	BLOWOFF ASSEMBLY (Y-103)	1 EA	5,300.00	5,300.00	6,000.00	6,000.00	5,300.00	5,300.00	3,000.00	3,000.00
127	GATE VALVE 12 IN.	8 EA	2,800.00	22,400.00	2,390.00	19,120.00	2,850.00	22,800.00	3,300.00	26,400.00
128	COMBINATION AIR RELEASE/AIR VACUUM VALVE ASSEMBLY 2 IN.	1 EA	2,200.00	2,200.00	1,700.00	1,700.00	2,600.00	2,600.00	4,500.00	4,500.00
129	PRESSURE REDUCING VALVE SYSTEM	1 EA	70,500.00	70,500.00	45,817.00	45,817.00	48,500.00	48,500.00	35,000.00	35,000.00
130	ESC LEAD	1 LS	*****	500.00	*****	250.00	*****	3,000.00	*****	1,000.00
131	HYDROSEEDING	16306 SY	1.00	16,306.00	1.10	17,936.60	0.50	8,153.00	1.25	20,382.50
132	PAVEMENT MARKING - PAINT	1 EST	400.00	400.00	400.00	400.00	400.00	400.00	400.00	400.00
Schedule Totals				1,003,966.75		710,868.40		715,743.00		792,220.50

Project Number: 2015168			Engineer's Estimate		N & N Excavation LLC		MJM Grand Inc		T LaRiviere Equipment & Excavation Inc	
Item No	Bid Item Description	Estimated Quantity	Unit Price	Amount	Unit Price	Amount	Unit Price	Amount	Unit Price	Amount

Schedule Description

Tax Classification

Schedule 01

Sales tax shall NOT be included in unit prices

101	REIMBURSEMENT FOR THIRD PARTY DAMAGE	1 EST	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
102	SPCC PLAN	1 LS	*****	500.00	*****	500.00	*****	1,000.00	*****	575.00
103	POTHOLING	10 EA	300.00	3,000.00	350.00	3,500.00	343.00	3,430.00	200.00	2,000.00
104	MOBILIZATION	1 LS	*****	58,823.00	*****	85,000.00	*****	35,655.00	*****	66,991.80
105	PROJECT TEMPORARY TRAFFIC CONTROL	1 LS	*****	17,000.00	*****	8,500.00	*****	6,800.00	*****	3,500.00
106	SPECIAL SIGNS	123 SF	20.00	2,460.00	10.50	1,291.50	11.50	1,414.50	14.00	1,722.00
107	SAWCUTTING FLEXIBLE PAVEMENT	116 LFI	3.00	348.00	4.00	464.00	5.00	580.00	1.00	116.00
108	PREPARATION OF UNTREATED ROADWAY	35 SY	2.25	78.75	10.00	350.00	39.14	1,369.90	15.00	525.00
109	CONSTRUCTION GEOSYNTHETIC FOR SOIL STABILIZATION	13020 SY	2.50	32,550.00	1.10	14,322.00	1.21	15,754.20	1.00	13,020.00
110	CRUSHED SURFACING TOP COURSE	30 CY	35.00	1,050.00	75.00	2,250.00	58.79	1,763.70	40.00	1,200.00
111	CSTC FOR SIDEWALK AND DRIVEWAYS	8 CY	40.00	320.00	75.00	600.00	166.59	1,332.72	115.00	920.00
112	CSTC FOR ACCESS ROAD	1400 CY	70.00	98,000.00	35.00	49,000.00	43.27	60,578.00	31.00	43,400.00
113	HMA FOR APPROACH CL. 1/2 IN. PG 64-28, 4 INCH	80 SY	16.00	1,280.00	89.00	7,120.00	55.84	4,467.20	43.00	3,440.00
114	HMA FOR PAVEMENT REPAIR CL.1/2 IN. PG 64-28, 5 INCH THICK	80 SY	50.00	4,000.00	62.00	4,960.00	64.63	5,170.40	43.00	3,440.00
115	PAVEMENT REPAIR EXCAVATION INCL. HAUL	80 SY	25.00	2,000.00	20.00	1,600.00	18.69	1,495.20	35.00	2,800.00
116	RECONSTRUCT DRYWELL GRAVEL BACKFILL	2 EA	325.00	650.00	1,000.00	2,000.00	2,350.10	4,700.20	920.00	1,840.00
117	EXTRA WORK ALLOWANCE FOR ROCK EXCAVATION - TRENCHES	800 CY	80.00	64,000.00	60.00	48,000.00	124.39	99,512.00	225.00	180,000.00
118	EXTRA WORK ALLOWANCE FOR EXCAVATION - YPL	1 LS	*****	1,500.00	*****	5,000.00	*****	4,500.00	*****	1,725.00

Project Number: 2015168			Engineer's Estimate		N & N Excavation LLC		MJM Grand Inc		T LaRiviere Equipment & Excavation Inc	
Item No	Bid Item Description	Estimated Quantity	Unit Price	Amount	Unit Price	Amount	Unit Price	Amount	Unit Price	Amount

Schedule Description

Tax Classification

Schedule 01

Sales tax shall NOT be included in unit prices

119	REMOVE UNSUITABLE PIPE FOUNDATION MATERIAL	200 CY	20.00	4,000.00	9.00	1,800.00	15.20	3,040.00	23.00	4,600.00
120	REPLACE UNSUITABLE PIPE FOUNDATION MATERIAL	200 CY	12.00	2,400.00	18.00	3,600.00	17.76	3,552.00	29.00	5,800.00
121	IMPORTED BACKFILL	200 CY	17.00	3,400.00	18.00	3,600.00	15.81	3,162.00	29.00	5,800.00
122	TRENCH SAFETY SYSTEM	1 LS	*****	3,500.00	*****	2,000.00	*****	1,080.00	*****	575.00
123	TEMPORARY ADJACENT UTILITY SUPPORT	1 LS	*****	2,000.00	*****	2,000.00	*****	500.00	*****	345.00
124	ENCASE WATER/SEWER AT CROSSINGS	2 EA	3,000.00	6,000.00	3,200.00	6,400.00	4,830.00	9,660.00	3,450.00	6,900.00
125	DUCTILE IRON PIPE FOR WATER MAIN 12 IN. DIAM.	10500 LF	55.00	577,500.00	49.23	516,915.00	49.36	518,280.00	42.50	446,250.00
126	BLOWOFF ASSEMBLY (Y-103)	1 EA	5,300.00	5,300.00	4,900.00	4,900.00	6,940.00	6,940.00	2,875.00	2,875.00
127	GATE VALVE 12 IN.	8 EA	2,800.00	22,400.00	2,450.00	19,600.00	2,748.57	21,988.56	2,700.00	21,600.00
128	COMBINATION AIR RELEASE/AIR VACUUM VALVE ASSEMBLY 2 IN.	1 EA	2,200.00	2,200.00	2,200.00	2,200.00	4,350.00	4,350.00	1,150.00	1,150.00
129	PRESSURE REDUCING VALVE SYSTEM	1 EA	70,500.00	70,500.00	39,420.00	39,420.00	44,100.00	44,100.00	48,500.00	48,500.00
130	ESC LEAD	1 LS	*****	500.00	*****	600.00	*****	1,000.00	*****	575.00
131	HYDROSEEDING	16306 SY	1.00	16,306.00	1.00	16,306.00	0.61	9,946.66	0.70	11,414.20
132	PAVEMENT MARKING - PAINT	1 EST	400.00	400.00	400.00	400.00	400.00	400.00	400.00	400.00
Schedule Totals				1,003,966.75		854,199.50		877,523.24		884,000.00

Project Number **2015168**

West Plains to SIA System Connection

SCHEDULE SUMMARY

	Sched 1	Sched 2	Sched 3	Sched 4	Sched 5	Sched 6	Sched 7	Sched 8	Total
Engineer's Est	1,003,966.75	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,003,966.75
Halme Construction Inc	683,406.18	0.00	0.00	0.00	0.00	0.00	0.00	0.00	683,406.18
L & L Cargile Inc	701,076.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	701,076.00
West Company, Inc.	703,262.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	703,262.00
Red Diamond Construc	710,868.40	0.00	0.00	0.00	0.00	0.00	0.00	0.00	710,868.40
Sandry Conststruction	715,743.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	715,743.00
N A Degerstrom Inc	792,220.50	0.00	0.00	0.00	0.00	0.00	0.00	0.00	792,220.50
N & N Excavation LLC	854,199.50	0.00	0.00	0.00	0.00	0.00	0.00	0.00	854,199.50
MJM Grand Inc	877,523.24	0.00	0.00	0.00	0.00	0.00	0.00	0.00	877,523.24
T LaRiviere Equipment	884,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	884,000.00

Low Bid Contractor: Halme Construction Inc

	Contractor's Bid	Engineer's Estimate	% Variance	
Schedule 01	\$742,862.52	\$1,091,311.86	31.93	% Under Estimate
Bid Totals	\$742,862.52	\$1,091,311.86	31.93	% Under Estimate

BRIEFING PAPER
Public Works Committee
Engineering Services
May 23, 2016

Subject:

Plains to SIA Water Main (2015168)

Background:

This project constructs a 12" water main to loop the dead end 36" water main to Fairchild Air Force Base which is currently not in service. By means of a pressure reducing valve, flow will be induced through this 12" main thereby inducing flow in the 36" main which will permit the 36" main to be put in service. Putting the 36" main in service is necessary to permit wholesaling of water to Medical Lake.

Please refer to attached exhibits.

Impact:

This main is almost entirely out of the public right of way so impacts to the traveling public will be minimal except during the tie in to the 36" main on Craig Road during which time a detour will be required.

Because of the very busy construction season and because a project like this, which is mostly not under a street, is ideally suited for winter construction, the specifications required construction beginning no earlier than November 1, 2016 meaning that the project will be finished in spring of 2017.

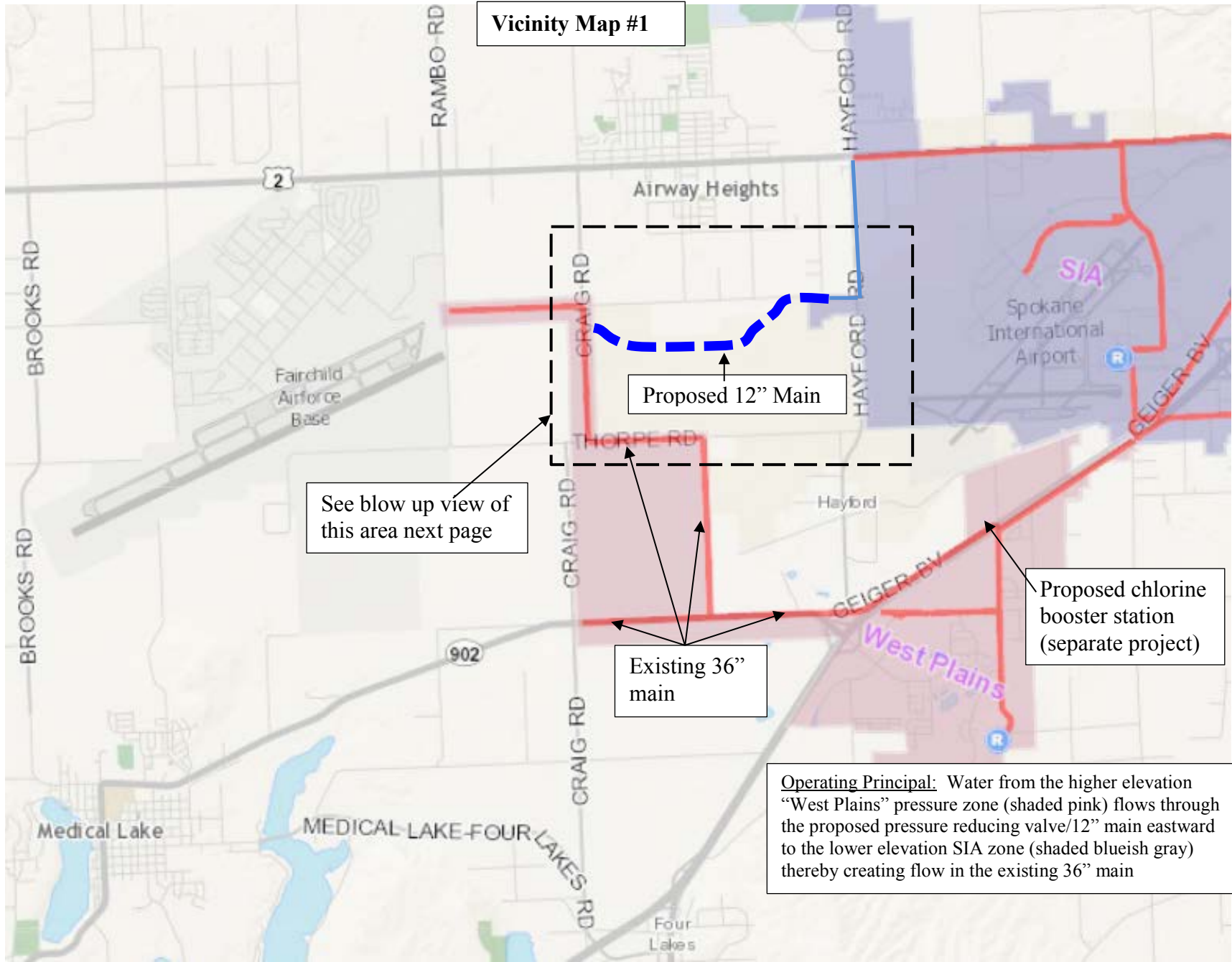
Action:

The engineer's estimate is \$950,000.00. We expect to forward a recommendation to award to Council in mid-June.

Funding:

This project is paid with Water Department funds.

Vicinity Map #1



See blow up view of this area next page

Proposed 12" Main

Existing 36" main

Proposed chlorine booster station (separate project)

Operating Principal: Water from the higher elevation "West Plains" pressure zone (shaded pink) flows through the proposed pressure reducing valve/12" main eastward to the lower elevation SIA zone (shaded blueish gray) thereby creating flow in the existing 36" main



Agenda Sheet for City Council Meeting of:
06/20/2016

Date Rec'd	7/12/2013
Clerk's File #	OPR 2016-0487
Renews #	

Submitting Dept	HOUSING & HUMAN SERVICES	Cross Ref #	
Contact Name/Phone	M SHARTS X6325	Project #	
Contact E-Mail	MSHARTS@SPOKANECITY.ORG	Bid #	
Agenda Item Type	Contract Item	Requisition #	
Agenda Item Name	1680 COMMUNITY FRAMEWORKS - 1 SOUTH MADELIA		

Agenda Wording

Loan Agreement & other documents with 1 South Madelia LLC (Spokane, WA)for construction of a 36-unit apartment building at 1 and 51 S Madelia St - \$300,000 HOME funds (East Central neighborhood)

Summary (Background)

The City receives HOME grants from HUD for rental housing projects affordable to low-income households. The loan agreement requires that 4 units (2 2-brm, 2 3-bdrm) benefit households at or below 30% of the area median income for at least 20 years. 35 units will be restricted by other funders. Other financing includes a construction loan, tax credit equity & State funds. Community Frameworks is the sole member of the managing member of the LLC.

Fiscal Impact	Budget Account
Expense \$ 300,000	# 1710-99999-99999-99999-99999 HOME
Neutral \$ neutral	# pending approval of EBO
Select \$	#
Select \$	#

Approvals		Council Notifications	
Dept Head	CROW, ROB	Study Session	CHE 3/7/16
Division Director	MALLAHAN, JONATHAN	Other	
Finance	KECK, KATHLEEN	Distribution List	
Legal	WHALEY, HUNT	kkeck, sscheidegger, mdoval	
For the Mayor	WHITNEY, TYLER	sstopher, cbrown, kkeenan	
Additional Approvals		dkinder, msharts	
Purchasing		timw@communityframeworks.org	

**CITY OF SPOKANE
1 SOUTH MADELIA LLC**

1 SOUTH MADELIA

HOME PROGRAM LOAN AGREEMENT

This HOME Program Loan Agreement (the “Loan Agreement”) is made effective this ____ day of _____ 2016 (“Effective Date”), by and between the City of Spokane, Washington, a Washington municipal corporation (the “City”), whose address is **City of Spokane**, c/o Community, Housing and Human Services Department (the “Department”), 808 W. Spokane Falls Blvd., Room 650, Spokane, WA 99201, and **1 South Madelia LLC**, a Washington limited liability company (the “Borrower”), whose address is c/o Community Frameworks, 907 W. Riverside Avenue, Spokane, WA 99201. Borrower and City are together referenced as the “Parties”. This Loan Agreement is part of a transaction further reflected in a Promissory Note (the “Note”) and a HOME Program Loan Covenant Agreement (“Covenant Agreement”). The City’s disbursements under the Loan Agreement are further secured by a Deed of Trust of even date herewith (“Deed of Trust”). The terms of said documents are incorporated herein as if fully set forth herein, and together shall be referenced as the “Related Documents.” The capitalized terms in said documents shall have the same meaning in this Loan Agreement unless the context clearly suggests otherwise. In the event of conflict in the terms of any of these documents, the terms most favorable to the City shall apply.

WITNESSETH: The Parties hereby agree to diligently fulfill the following duties and to perform the following services in accordance with all of the conditions, terms and requirements of this Loan Agreement.

I. PURPOSE

- A. The purpose of this Loan Agreement is to expand the supply of decent, safe, sanitary, and affordable housing for very low-income households pursuant to the HOME Investment Partnerships Program (24 CFR part 92 et seq., CFDA #14.239) (“HOME”).
- B. To accomplish the purpose of this Loan Agreement, the City shall use HOME funds to provide a portion of the financing for the Borrower’s construction of 1 South Madelia an apartment complex with 36 one-, two-, and three-bedroom units, to be constructed at 1 South Madelia Street and 51 South Madelia Street in Spokane, WA (the “Project”). Thirty-five of these units will be available for rent and one will be for a manager. The legal description of the Project is:

CHECK Legal descriptions against title policy when issued after
BLA done

DRAFT

LOTS 1, 2, & PTN 3, BLOCK 2, WADSWORTH AND MCDONALD'S
ADD., VOL. "A", P. 71, SPOKANE COUNTY

Lots 9, 10, 11, & 12, Block 2, Wadsworth and McDonalds
Addition

Assessor's Parcel Numbers: 35212.0201 and 35212.0211
Property Address: 1 South Madelia Street and 51 South Madelia
Street, Spokane, WA 99202

See Attachment 1 for the full legal description.

The Project includes four HOME-assisted units under this Loan Agreement and Related Documents, including two two-bedroom units and two three-bedroom units. These units shall be considered as "floating units", meaning that units originally designated as HOME-assisted units may change over time. The number of HOME-assisted units in the Project under the City's program may never be less than four (4) and units must be comparable in size, features, and number of bedrooms to those units originally identified as HOME-assisted units. In addition, the Project will have six (6) units designated as HOME-assisted units under agreements with the State of Washington's Department of Commerce. Borrower shall provide the City with the address (e.g., street address and apartment number) of each HOME assisted unit no later than the time of initial occupancy. If the Project includes floating units, the units originally designated as HOME-assisted may change over time, but the number of HOME-assisted units, for purposes of this Loan Agreement and Related Documents, shall never be less than the number designated in this section, and any replacement units must be comparable in size, features, and number of bedrooms to those units originally identified as HOME-assisted in this section.

Upon completion, at least two (2) units in the project shall be accessible to individuals with mobility impairments and one (1) additional unit shall be accessible to individuals with sensory impairments pursuant to the requirements of Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794).

- C. The Project is expected to conform to the estimates noted in the Project Budget, attached hereto as "Attachment 2" and incorporated herein. All additional costs over and above the sum noted as compensation for this Loan Agreement shall be borne by the Borrower.

II. DURATION OF THE LOAN AGREEMENT

This Loan Agreement shall commence and be effective on the Effective Date and shall terminate on the later of the end of the HOME Affordability Period or full repayment of sums due under the Note. The City and Borrower, upon mutual agreement, shall have the power to extend the term of this Loan Agreement. Any

DRAFT

extension shall not increase the overall dollar amount loaned by the City pursuant to this Loan Agreement.

III. AMOUNT OF LOAN

The City shall loan the Borrower a sum not to exceed THREE HUNDRED THOUSAND AND NO/100 DOLLARS (\$300,000.00) from HOME funds, to be disbursed as provided herein, subject to the terms and conditions of this Loan Agreement and Related Documents.

IV. PRICING

This loan is subject to interest on the outstanding principal balance loaned at the rate of three percent (3%) per annum, such interest commencing on the time of disbursement(s) and compounding monthly during the Affordability Period. Payments shall be made pursuant to the Note and Section XV herein below. If rents for any HOME-assisted in the Project are increased above the level of the Affordability Requirements defined in this Loan Agreement or any other provisions, covenants, terms, conditions or restrictions of this Loan Agreement are not adhered to, then the rate on the outstanding balance shall be increased to the prevailing prime lending rate as published in The Wall Street Journal, plus three percent (3%) for the remaining term of the loan, compounded monthly, and may be subject to accelerated repayment pursuant to XV.B. herein below.

V. SECURITY/SUPPORT

- A. Borrower shall assure and maintain the City's security position on the underlying real estate as evidenced by the Deed of Trust, which will be subordinate only to the following: covenants, use restrictions, and deeds of trust of the Washington State Housing Finance Commission, the Washington State Commerce Department, and an interim construction lender. The sum of all loans against the Project, including the City's, cannot exceed ninety percent (90%) of the appraised value or cost.
- B. The Affordability Requirement outlined in this Loan Agreement shall be recorded as a **covenant running with the Project**, and shall apply without regard to the term of any loan or mortgage or transfer of ownership.
- C. Borrower shall keep in force, continuously, insurance covering the Project and property legally described above, listing the City as policy beneficiary, pursuant to Section IX of this Loan Agreement.

VI. FUNDING DISBURSEMENTS

- A. The timing and disbursement of HOME funds shall be determined by the City in its sole discretion, consistent with the provisions of this Loan Agreement. Without limiting the foregoing, funding disbursements are subject to the following conditions:

DRAFT

1. City HOME funds shall be disbursed only after completion of all requirements imposed by the United States Department of Housing and Urban Development (“HUD”), as determined by the City in its sole discretion, and upon completion of an environmental review by the City.
 2. All funds lent under this Agreement must be utilized by March 30, 2018.
 3. Borrower may not request disbursement of funds until needed for payment of eligible project costs, as defined by 24 CFR §92.206 and as further defined in the Program Description of the City’s Multifamily Housing Program, and the amount of each request must be limited to the amount needed. Architectural, engineering, or related professional services required to prepare plans, drawings, specifications, or work write-ups may be reimbursed if they were incurred not more than 24 months before the date of this Loan Agreement. In case of a dispute between the Parties regarding when the funds shall be disbursed, the determination of the Director of the Department of Community, Housing, and Human Services of the City of Spokane (“Director”) shall govern.
- B. Notwithstanding any other provision of this Loan Agreement, except as approved by the City, prior to the drawdown or disbursement of any City HOME funds hereunder, the Borrower shall provide documentation, in a form reasonably acceptable to the City, that the following actions have been taken to the City’s satisfaction:
1. Recording of the Covenant Agreement and Deed of Trust.
 2. The Borrower has in place all applicable construction, land use, environmental, zoning permits and/or other federal, state and local governmental approvals as necessary for undertaking the activity for which the specific draw request is to be used.
 3. For projects including acquisition of land and/or buildings, an appropriate assessment of fair market value must be reviewed and approved by the City.
 4. Notwithstanding any provision in this Loan Agreement, the Borrower and the City hereto agree and acknowledge that Borrower shall not be entitled to any drawdown or disbursement of funds until satisfactory completion of environmental review and receipt by the City of a release of funds from HUD under 24 CFR Part 58. The Borrower and the City further agree that the provision of any funds to the Project shall be conditioned upon the City’s determination to proceed with, modify, or cancel the project based on the results of a subsequent environmental review. The Borrower shall not spend any funds on physical or choice-limiting actions, including property acquisitions, demolition, movement, rehabilitation, conversion, repair, or construction prior to the environmental clearance as described herein. Violation of this provision may result in the denial of any funds under this Loan Agreement. The Borrower shall perform all the required

DRAFT

mitigation measures referenced in the environmental review record completed by the City.

5. As applicable, the Borrower shall demonstrate, to the City's satisfaction, full compliance with the minimum wage requirements set forth in Section XVIII herein below.
- D. Notwithstanding the foregoing, a retainage of ten percent (10%) of the total amount allocated under this Loan Agreement shall be held by the City until all permits have been received, final inspections are complete, a final Certificate of Occupancy is issued, the Borrower accepts the work, federal requirements are fully satisfied, and all other obligations under this Loan Agreement or related agreements are carried out to the satisfaction of the Director.

VII. INCOME DETERMINATIONS

- A. For purposes of this Loan Agreement, tenant "annual income" is defined pursuant to 24 CFR §92.203, and includes income from all persons in the household, less income adjustments pursuant to 24 CFR §5.611. An individual does not qualify as a low-income family if the individual is a student who is not eligible to receive Section 8 assistance under 24 CFR §5.612.
- B. Initial tenant annual income determinations shall be made by the Borrower pursuant to 24 CFR §92.203. Subsequent tenant income determinations shall be made by the Borrower pursuant to 24 CFR §92.203 and 24 CFR §92.252(h).
- C. Rent increases and annual income recertifications shall be governed by the terms outlined in the Affordability Requirements.

VIII. AFFORDABILITY REQUIREMENTS

- A. HOME Affordability Period. The HOME Affordability Period, established pursuant to 24 CFR §92.252, is twenty (20) years, beginning after Project Completion, as determined by the Director. "Project Completion" means that all necessary title transfer requirements and construction work have been performed; the Project complies with the requirements of 24 CFR §92, including the property standards under 24 CFR §92.251; the final drawdown of HOME funds has been disbursed for the Project; and the project completion information has been entered in the disbursement and information system established by HUD, except that with respect to rental housing project completion, for the purposes of §92.502(d), Project Completion occurs upon completion of construction and before occupancy. Repayment of the loan during the HOME Affordability Period will not extinguish the requirements of the Related Documents.
- B. City Affordability Period. The City Affordability Period is thirty (30) years, beginning after Project Completion, as determined by the Director. The HOME Affordability Period and City Affordability Period shall run concurrently. Collectively, the two periods are hereinafter referred to as the "Affordability

DRAFT

Period.” Upon expiration of the HOME Affordability Period, the City Affordability Period shall continue, but HUD will no longer monitor compliance with Affordability Requirements, unless the City Affordability Period is coterminous with the HOME Affordability Period. The requirements of the Affordability Period and other conditions of the Related Documents shall apply, as long as there are funds owing under the Note.

- C. Rent Limit. During the Affordability Period, rents (exclusive of rent paid through project-based subsidies) on the four (4) HOME-assisted units shall not exceed thirty percent (30%) of the adjusted income of a family whose annual income equals thirty percent (30%) of Spokane area median income (“AMI”), as defined by HUD and adjusted for family size, unit size by number of bedrooms, tenant-paid utilities and tenant-supplied appliances. These units shall include two (2) two-bedroom units and two (2) three-bedroom units. Should the HUD rents decline below the initial project rents, the Borrower’s rents do not need to be reduced below the initial rents. A table of initial HOME rents for the Project as established by HUD is attached to this Loan Agreement as Attachment 3. The adjustment for tenant-paid utilities and tenant-supplied appliances is subject to 24 CFR §92.252, which previously used the Section 8 existing housing allowance for tenant-furnished utilities and other services as published annually by HUD and issued by the Spokane Housing Authority or twelve (12) months of documented actual utility costs as acceptable to the Department. New HUD requirements are being clarified and may include that the adjustment for tenant-paid utilities and tenant-supplied appliances be based on the HUD Utility Schedule Model, twelve (12) months of documented actual utility costs as acceptable to the Department, or other methods as determined by HUD. Currently, the HUD Utility Schedule Model can be found at: <http://huduser.org/portal/resources/utimodel.html>.

However, any HOME-assisted unit receiving federal or state project-based rental subsidy, where the tenant pays not more than thirty percent (30%) of the household’s adjusted income as a contribution toward rent, shall be limited to the maximum rent allowed under the federal or state project-based rental assistance program.

The City will provide Borrower with information on updated HOME rent limits so that rents may be adjusted (not to exceed the maximum HOME rent limits exclusive of rent paid through project-based subsidies) in accordance with this Loan Agreement and 24 CFR §92.252(f)(2). The Borrower must annually provide the City with information on rents and occupancy of HOME-assisted units to demonstrate compliance with the Affordability Requirements of this Loan Agreement. The City will review rents for compliance and approve or disapprove them every year. The Borrower must provide tenants of HOME-assisted units written notification of rent increases no less than 30 days prior to the beginning of the month in which the increase is intended to be implemented, subject to the provisions of a tenant’s lease agreement, pursuant to 24 CFR §92.252(f)(3).

DRAFT

- D. LIHTC Rent Clause. For tenants of low-income tax credit assisted units (if low-income housing tax credits are awarded to the Project or portions of the Project), any increases in rent associated with tenant income shall be governed solely by Section 42 of the Internal Revenue Code of 1986, as amended from time to time.
- E. Upon completion of the HOME Affordability Period, if the maximum rent and income limits are exceeded, the loan will be subject to repayment at the higher interest rate as provided for in Paragraph 2 of the Promissory Note.
- F. Income Limit. At initial occupancy, tenants of the four (4) HOME-assisted units shall have incomes not greater than thirty percent (30%) of the AMI as defined by HUD. If any of these tenants' incomes increases to a level exceeding fifty percent (50%) of AMI, then the next available HOME-assisted unit shall be made available to families at or below thirty percent (30%) of AMI. If the income of a tenant of a HOME-assisted unit increases and exceeds eighty percent (80%) of AMI, then the tenant's rent shall increase to the lesser of thirty percent (30%) of the tenant's adjusted monthly income or Fair Market Rent, subject to paragraph VIII.D hereof.
- G. Income Certifications. All tenants' incomes shall be recertified annually by the Borrower. Any applicable rent increases will be effective upon the next lease renewal, and are subject to thirty (30) days' written notice.
- H. Additional Affordability Requirements. The Project must comply with the affordable housing requirements of 24 CFR §92.252.
- I. Relocation. Tenants in occupancy prior to the Project are subject to the provisions of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 as amended ("URA"), 42 USC 4601 et seq. and the regulations promulgated thereunder. All relocation payments and expenses shall be borne by the Borrower.
- J. Protection of Affordability Requirements – City Purchase Option. The Affordability Requirements will terminate upon foreclosure or transfer in lieu of foreclosure by any lender (a "Senior Lender") whose mortgage or deed of trust (the "Senior Mortgage") is senior to the Deed of Trust. In the event of a pending or threatened foreclosure, once applicable notice and cure periods have expired, the City is hereby granted an option to purchase the Project before foreclosure or deed in lieu of foreclosure to preserve affordability. The City may exercise its option to purchase the Project by paying the purchase price to Borrower (who shall immediately transfer such amount, without deduction, to the Senior Lender). Borrower shall provide written notice of pending or threatened foreclosure proceedings and/or a possible deed in lieu of foreclosure to the City immediately upon Borrower learning of the same. The purchase price shall be the assessed fair market value of the Project at the time of the City's exercise of its purchase option, less any financial obligations assumed by the City at the time of the City's acquisition of the Project. Pursuant to 24 CFR §92.252(e)(3),

DRAFT

the City further reserves the right to revive any affordability restrictions according to the original terms of this Loan Agreement if, during the HOME Affordability Period (as defined herein), the owner of record before the foreclosure, or deed in lieu of foreclosure, or any entity that includes the former owner or those with whom the former owner has or had family or business ties, obtains an ownership interest in the Project or property.

IX. INSURANCE

The Borrower shall keep the Project and all improvements now existing or hereafter erected thereon continuously insured as required in the Deed of Trust, the Note and the Covenant Agreement and this Loan Agreement, naming the City as mortgagee and/or loss payee. The insurance requirements apply during the Affordability Period, or during any such time as there are outstanding sums due under the Note, whichever is longer.

X. PROPERTY STANDARDS

- A. All HOME-assisted housing under this Loan Agreement shall meet the requirements of 24 CFR §92.251, which includes applicable Federal, State and local code requirements and housing quality standards, construction standards, ordinances and zoning ordinances at the time of Project completion and for the duration of the Affordability Period. Where relevant, the housing must be constructed to mitigate the impact of potential disasters (e.g., earthquakes, hurricanes, flooding, and wildfires), in accordance with applicable State and local codes, ordinances, or other State and local requirements, or such other requirements as HUD may establish. The standards under 24 CFR §92.251 were modified in 2013 and implementation awaits further clarification from HUD, at this time.
- B. Any accessible HOME-assisted housing units under this Loan Agreement shall, for the duration of the Affordability Period, meet the accessibility requirements of 24 CFR part 8, which implements Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794), and Titles II and III of the Americans with Disabilities Act (42 U.S.C. 12131-12189) implemented at 28 CFR parts 35 and 36, as applicable. Covered multifamily dwellings, as defined at 24 CFR 100.201, must also meet the design and construction requirements at 24 CFR 100.205, which implements the Fair Housing Act (42 U.S.C. 3601-3619). The foregoing shall not be interpreted as limiting Borrower's obligation to comply with accessibility requirements applicable to the Project as whole.
- C. The Borrower shall comply with the provisions of 24 CFR §92.251.

XI. ADDITIONAL MISCELLANEOUS COVENANTS

Borrower shall:

DRAFT

- A. Comply with the Affordability Requirements described in this Loan Agreement and Related Documents.
- B. Maintain all required insurance, including without limitation the insurance required by the Deed of Trust.
- C. Maintain Project financial reports, Project financial records, and provide all other information and documentation that the City may reasonably request.
- D. Make prompt payment of all taxes and financial liabilities.
- E. Not hypothecate or encumber Project assets in any way, except to the extent provided for under this Loan Agreement or as approved of by the Director in writing. The Director may withhold such approval at his/her reasonable discretion.
- F. Promptly provide (i) rent and tenant income information at initial tenant occupancy and (ii) rent, occupancy, and tenant income information annually throughout the term of this Loan Agreement, or as otherwise requested by the City. If the Project has floating HOME units, the Borrower must provide the City with information regarding the unit substitution and filling vacancies so that the Project remains in compliance with HOME rental occupancy requirements.
- G. Promptly provide, upon request by the City, such documentation as is necessary (including financial statements) to enable the City to determine the financial condition and continued financial viability of the Project.
- H. During the Affordability Period, prohibit occupancy of any HOME-assisted unit by Borrower (or officer, employee, agent, elected or appointed official, or consultant of the Borrower, or immediate family member or immediate family member of an officer, employee, agent, elected or appointed official, or consultant of Borrower) whether private, for-profit or nonprofit, (including a community housing development organization ("CHDO") when acting as an owner, developer or sponsor).
- I. Comply with all applicable federal, state, and local regulations and requirements, including, but not limited to Uniform Administrative Requirements, Federal Labor Standards, Davis-Bacon and Related Acts, Uniform Relocation Act requirements applicable as of the date of the execution of this Loan Agreement, and the provisions of the Lead-Based Paint Poisoning Prevention Act. When applicable, the City's costs to administer Davis-Bacon Federal Labor Standards, and Related Acts shall be borne by the Borrower. When Washington State prevailing wages apply, the Borrower shall comply with all State requirements under RCW 39.12 to the satisfaction of the State of Washington. When applicable, the higher of Washington State prevailing wages or Davis-Bacon wages shall apply.

DRAFT

- J. Comply with all HOME program project requirements pursuant to 24 CFR part 92 et seq.
- K. Maintain housing in compliance with the property standards of 24 CFR §92.251 and local code requirements throughout the term of this Loan Agreement.
- L. Upon Project Completion, the Project shall obtain a final Certificate of Occupancy, meet all licensing requirements needed to operate the facility as proposed by Borrower in its various funding applications, and meet the property standards of 24 CFR §92.251, minimum rehabilitation standards, and all applicable state and local codes and ordinances. New construction projects must also meet HUD, state, and local requirements relating to accessibility and disaster mitigation.
- M. Cause each of the four (4) HOME-assisted units to have been occupied by income-eligible households within eighteen (18) months after the Project is completed. If any HOME-assisted units have not been occupied by eligible tenants within 6 months following the date of Project Completion, Borrower shall submit to the City current marketing information and, if the City requests it, an enhanced marketing plan for leasing the unoccupied units as quickly as possible, which information the City will provide to HUD as required by 24 CFR §92.252. If any HOME-assisted unit has not been rented to eligible tenants within eighteen (18) months after the date of Project Completion, Borrower shall repay the City \$75,000.00/unit for each such unit within thirty (30) days of the City's written request for repayment. This reflects the proportionate per unit share of HOME funds, i.e., \$300,000 HOME dollars/4 HOME units. The number of HOME-assisted units required hereunder shall be reduced in proportion to the amounts so repaid.

The Borrower shall cause the Covenant Agreement (which shall contain the foregoing covenants) to be recorded as a covenant running with the land and the Project.

Borrower shall pay at loan closing all costs associated with the negotiation, documentation and closing of the loan, including without limitation title premiums escrow fees, recording fees, appraisal fees and City's attorneys' fees.

XII. PROJECT TIMETABLE

- A. The Borrower agrees to complete work required in accordance with the timetable set forth in Attachment 4. Timely completion of the work is an integral and essential part of performance. The expenditure of HOME funds is subject to Federal deadlines and failure to meet deadlines could result in the loss of the Federal funds. By the acceptance and execution of this Loan Agreement, the Borrower agrees that the Project will be completed as expeditiously as possible and make every effort to ensure the project will proceed and will not be delayed. Failure to meet these deadlines can result in cancellation of this contract and revocation of HOME funds. Since it is mutually agreed that time is of the essence, the Borrower shall cause

DRAFT

appropriate provisions to be included in all contracts or subcontracts relative to the work tasks in Attachment 4. It is intended that such provisions included in any subcontracts be, to the fullest extent permitted by law and equity, binding for the benefit of the City and enforceable by the City against the Borrower and its successors and assigns to the project or any part thereof or any interest therein.

- B. In the event the Borrower is unable to meet the above schedule or complete the above services due to delays resulting from Acts of God, untimely review and approval by the City and other governmental authorities having jurisdiction over the Project, or other delays that are not caused by the Borrower, the City shall grant a reasonable extension of time for completion of the work. It shall be the responsibility of the Borrower to notify the City promptly in writing whenever a delay is anticipated or experienced, and to inform the City of all facts and delays related to the delay.

XIII. DEFAULT

A. The following shall be considered “Events of Default” for purposes of this Loan Agreement:

1. Failure of Borrower to make any principal and interest payment within fifteen (15) days after such payment is due.
2. Failure to perform, observe or comply with the Affordability Requirements, Income Determinations, or any other provisions, related covenants, terms, conditions or restrictions of this Loan Agreement or any agreement relating to the Project (i.e., the occurrence of an event of default under other indebtedness secured by the Project property) or any part thereof, and failure to fully cure the same within the period of time, if any, permitted for cure and, if no period for cure is otherwise provided for, within sixty (60) days of written notice from the City of such failure, requesting the same to be remedied; provided, after a second non-compliance of any provision in a five- (5-) year period, only fourteen (14) days written notice is needed.
3. Failure to perform required maintenance or performance of any act by Borrower which would, in the City's reasonable opinion, adversely affect the value of the Project.
4. Except as otherwise permitted under this Loan Agreement, the sale, transfer, lease, or other conveyance of the Project or any portion thereof, including assumptions and subordinations, without obtaining the prior written consent of the Director.
5. Filing a voluntary or involuntary petition not dismissed within ninety (90) days after filing under the United States Bankruptcy Code by or against the Borrower.

DRAFT

6. Any representation, warranty, or disclosure made to the City or any other Project lender which proves to be materially false or misleading as of the date made, whether or not such representation, warranty, or disclosure appears in this Loan Agreement.
7. Failure to maintain and keep in force adequate amounts of insurance as is usual in the business carried on by the Borrower, or as required herein.
8. Without limiting any of the foregoing, Borrower's failure to comply with the minimum wage requirements set forth in Section XVIII of this Loan Agreement.

XIV. REMEDIES

- A. Upon the occurrence of an event of default not timely cured after notice, the City may, in addition to any other remedies which the City may have hereunder or under this Loan Agreement or by law or equity, at its option and upon written notice to the Borrower, take any or all of the following actions:
 1. Immediately terminate any further advance of loan funds.
 2. Declare the debt incurred hereunder and under the Related Documents immediately due and payable and commence collection proceedings against the Borrower.
 3. Seek judicial appointment of a receiver.
 4. Foreclose under the security documents or instruments, judicially or non-judicially.
 5. File suit against the Borrower.
 6. Seek specific performance or injunctive relief to enforce performance of the undertakings, duties, and agreements provided in this Loan Agreement or any related security document or instrument, whether or not a remedy at law exists or is adequate.
- B. All remedies of the City provided for herein are cumulative and shall be in addition to all other rights and remedies provided by law or in equity or by this Loan Agreement. The exercise of any right or remedy by the City shall not in any way constitute a cure or waiver of default under this Loan Agreement or any other related Project agreement, or invalidate any act done pursuant to any notice of default, or prejudice the City in the exercise of any of its rights unless, in the exercise of such rights, the City realizes all amounts owed to it by the Borrower.

DRAFT

- C. A failure to declare or a delay in declaring a default shall not constitute a waiver of any rights or remedies or excuse any failure by the Borrower to strictly comply with its obligations under this Loan Agreement or any other related Project agreement or document.
- D. As long as Wincopin Circle LLLP, a Maryland limited liability limited partnership (“Tax Credit Investor”) or an affiliate thereof remains the investor member of Borrower, if a default occurs under this Loan Agreement or any other related document, and the City intends to exercise any of its remedies on account of such default, then prior to the initiation of any remedy by the City on account of such default, then City at the same time as it delivers notice to the Borrower shall deliver written notice of such default to the Tax Credit Investor at the address specified in Section XXVII. The City shall accept cure of the defaults by the Tax Credit Investor within the cure periods, if any, provided in this Loan Agreement or any other related document, and in any event, shall not exercise any rights to accelerate or foreclose with respect to this Loan until Tax Credit Investor has been given the notice (but not the obligation) to remedy any default forming the basis with respect to such remedy.
- E. Notwithstanding anything to the contrary herein, the Borrower, its members, officers, directors, employees, agents and contractors shall have no personal liability for payment of the indebtedness evidenced hereby or performance of the covenants set forth in this Loan Agreement and in the Related Documents and the sole recourse of the City shall be confined to the exercise of its rights under this Loan Agreement and the Related Documents, provided that nothing shall diminish the Borrower’s liability for damages or deficiencies resulting from theft, waste, fraud, material misrepresentation and misuse of rents.

XV. REPAYMENT

- A. Deferral Period: No payments of principal or interest shall be due during the HOME Affordability Period, so long as Borrower and the Project are in compliance with the Affordability Requirements per the terms of this Loan Agreement and Covenant Agreement together with all other provisions of this Note and Related Documents.
- B. Payment Period: Following the HOME Affordability Period, and during the remainder of the City Affordability Period, principal and interest due under the Note shall be repayable in approximately equal amortized installments of principal and interest on the first day of each month (or the first business day thereafter if the first day of the month is a weekend or a holiday for the City), in the amount required to fully amortize the principal and accrued interest during the remaining term of the City Affordability Period.
- C. Notification of Non-Compliance: During the Affordability Period, Borrower shall notify the City in writing if, for any reason, the Project will not comply with the Affordability Requirements, at which time any and all outstanding balance would become immediately due and payable in full.

DRAFT

- D. Prepayment: The Borrower may repay all or any portion of the outstanding principal of the Loan at any time, without penalty. Repayment during the HOME Affordability Period described in Paragraph VIII.A of this Loan Agreement shall not extinguish the Affordability Requirements.
- E. Late Charges: A late charge of thirty dollars (\$30.00) will be added to any payment received after the 10th day of the month in which it is due in addition to any other remedy.
- F. Application of Payments: Payments received will first be applied to late charges, then to interest, and finally to principal.
- G. Place of Payment: Payment of principal, interest, and fees shall be made in lawful money of the United States of America in immediately available funds to the City of Spokane, at the Community, Housing and Human Services Department, 808 W. Spokane Falls Blvd., Room 650, Spokane, WA 99201, or at such other place as the City may designate to Borrower in writing.

XVI. NONDISCRIMINATION/RENT SUBSIDY

Neither the Borrower nor any of its agents shall refuse to lease HOME-assisted units to a certificate or voucher holder under 24 CFR part 982 – Section 8 Tenant-Based Assistance: Unified Rule for Tenant-Based Assistance under the Section 8 Rental Certificate Program and the Section 8 Rental Voucher Program or to the holder of a comparable document evidencing participation in a HOME tenant-based rental assistance program because of the status of the prospective tenant as a holder of such certificate, voucher, or comparable HOME tenant-based assistance document.

XVII. FAITH-BASED ACTIVITIES AND ORGANIZATIONS

- A. Borrower, in providing services supported in whole or in part with HOME program funds, shall not discriminate against current or prospective program beneficiaries (i.e., tenants) on the basis of religion, a religious belief, or a refusal to attend or participate in a religious practice.
- B. If Borrower engages in explicitly religious activities, including activities that involve overt religious content such as worship, religious instruction, or proselytization, Borrower must perform such activities and offer such services outside of and separately in time or location, from the activities or programs financed under this Loan Agreement, and participation in any such explicitly religious activities must be voluntary for the program beneficiaries of the HUD-funded programs or services (i.e., tenants).
- C. Whether or not Borrower is a faith-based organization, it may use the loan proceeds provided under this Loan Agreement as provided under relevant regulations and this Loan Agreement without impairing its independence, autonomy, expression of religious beliefs, or religious character. Borrower will

DRAFT

retain its independence from Federal, State, and local government, and may continue to carry out its mission, including the definition, development, practice, and expression of its religious beliefs, provided that it does not use direct HOME funds to support or engage in any explicitly religious activities, including activities that involve overt religious content, such as worship, religious instruction, or proselytization, or any manner prohibited by law. Borrower may use space in its facilities to provide program-funded services, without removing or altering religious art, icons, scriptures, or other religious symbols. In addition, Borrower retains its authority over its internal governance, and it may retain religious terms in its organization's name, select its board members on a religious basis, and include religious references in its organization's mission statements and other governing documents.

- D. The loan proceeds provided to Borrower pursuant to this Loan Agreement may not be used for the acquisition, construction, or rehabilitation of structures to the extent that those structures are or will be used for explicitly religious activities. Subject to other limitations in this Loan Agreement, loan proceeds may be used for the acquisition, construction, or rehabilitation of structures only to the extent that those structures are used for conducting eligible activities under HOME regulations. When a structure is or will be used for both eligible and explicitly religious activities, HOME funds may not exceed the cost of those portions of the acquisition, construction, or rehabilitation that are attributable to eligible activities in accordance with the cost accounting requirements applicable to the HOME program. Sanctuaries, chapels, or other rooms that Borrower uses as its principal place of worship, however, are ineligible for HOME-funded improvements. Disposition of real property after the term of the loan or grant, or any change in use of the property during the term of the loan or grant, is subject to government-wide regulations governing real property disposition (see 24 CFR parts 84 and 85).
- E. This limitations in this Section XVII shall apply regardless whether the loan proceeds under this Loan Agreement includes local funds that the City has voluntarily contributed to supplement federally funded activities.

XVIII. COMPLIANCE WITH LAWS

- A. The Borrower shall comply with all HOME Program requirements as outlined in 24 CFR part 92 et seq., as may be amended from time to time.
- B. The Borrower shall comply with Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d-2000d-4), the Fair Housing Act (42 U.S.C. 3601 et seq.), E.O. 11063 (3 CFR, 1959-1963 Comp., p. 652), Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) and HUD regulations issued pursuant thereto.
- C. The Borrower shall comply with the nondiscrimination and equal opportunity, disclosure requirements, debarred, suspended or ineligible contractors, and drug-free workplace, per 24 CFR §92.350.

DRAFT

- D. The Borrower shall comply with the affirmative marketing and minority outreach program of 24 CFR §92.351, and shall further comply with the tenant selection requirements set forth in 24 CFR 92.253(d). For purposes of complying with 24 CFR 92.253(d), the City agrees that the Borrower may limit eligibility or give a preference to disabled persons and large families when selecting tenants.
- E. The Borrower shall comply with the National Environmental Policy Act of 1969, as outlined in 24 CFR 92.352 and Borrower agrees to implement City-identified conditions on safeguards to protect and enhance environmental quality or minimize adverse environmental impacts.
- F. Minimum Wages.
1. Federal Labor Standards/Davis-Bacon Act [] Applicable [] Not Applicable. If the “Applicable” box is checked, the following provisions apply:
 - a. The Borrower shall pay prevailing wages, as predetermined by the Secretary of Labor pursuant to the Davis-Bacon Act (40 U.S.C. 276a-276a-5), to all laborers and mechanics employed in the development of the Project; provided, in the event the Project is subject to state minimum wage requirements, and if the state minimum wage rate exceeds the Department of Labor rate, the conflict will be resolved by applying the higher rate
 - b. All contracts relating to the Project shall contain a provision requiring the payment of such wages, as predetermined by the Secretary of Labor under the Davis-Bacon Act, 40 USC 276(a) under wage decision [DECISION #], modification [MODIFICATION #], dated _____.
 - c. The Borrower shall pay overtime, as applicable, pursuant to the Contract Work Hours and Safety Standards Act (40 U.S.C. 327-332).
 - d. The Borrower shall comply with all regulations issued under the Davis-Bacon Act and the Contract Work Hours and Safety Standards Act, all Federal laws and regulations pertaining to labor standards, Federal Labor Standards, HUD Handbook 1344.1 (Federal Labor Standards Compliance in Housing and Community Development Programs), and 24 CFR §92.354, as applicable.
 - e. The Borrower shall provide contracts with the prime contractor and major subcontractors as soon as these contracts are available and the contracts shall evidence compliance with Federal Labor Standards.
 - f. These prevailing wage requirements do not apply to volunteers or sweat equity pursuant to 24 CFR §92.354(a) and (b).
 - g. Borrower shall reimburse the City for all costs incurred by the City in administering Borrower’s compliance with applicable Davis-Bacon, Federal Labor Standards, and Related Acts.
 2. Labor Standards. If applicable, the Federal Labor Standards Provisions (HUD 4010) are attached as Attachment n.a.

DRAFT

3. State Minimum Wage. When Washington State prevailing wages apply, the Borrower shall comply with all State requirements under RCW 39.12 to the satisfaction of the State of Washington. When applicable, the higher of Washington State prevailing wages or Davis-Bacon wages shall apply. When Washington State prevailing wages apply, the contractor and all subcontractors will submit a "Statement of Intent to Pay Prevailing Wages" certified by the industrial statistician of the State Department of Labor and Industries, prior to any payments. The "Statement of Intent to Pay Prevailing Wages" shall include: (1) the contractor's registration number; and (2) the prevailing rate of wage for each classification of workers entitled to prevailing wages under RCW 39.12.020 and the number of workers in each classification. Each voucher claim submitted by the contractor for payment on a project estimate shall state that the prevailing wages have been paid in accordance with the "Statement(s) of Intent to Pay Prevailing Wages" on file with the City. Prior to the payment of funds held under chapter 60.28 RCW, the contractor and subcontractors must submit an "Affidavit of Wages Paid" certified by the industrial statistician.
- G. Conflict of Interest. The Borrower shall comply with the conflict of interest provisions prescribed in 24 CFR §92.356(f). During the Affordability Period, Borrower shall prohibit occupancy of any HOME-assisted unit by Borrower (or officer, employee, agent, elected or appointed official, or consultant of the Borrower, or immediate family member or immediate family member of an officer, employee, agent, elected or appointed official, or consultant of the Borrower), whether private, for-profit or nonprofit (including a community housing development organization (CHDO) when acting as an owner, developer, or sponsor).
- H. The Borrower shall comply with the equal employment opportunities for low- and very low-income persons pursuant to 24 CFR part 135.
- I. The Borrower shall comply with the Fair Housing Act as implemented by 24 CFR parts 100-115, as applicable.

XIX. TENANT AND PARTICIPANT PROTECTIONS

- A. There must be a written lease between the tenant and the Borrower that complies with 24 CFR 92.253 (Tenant Protections and Selection) and that is for a period of not less than one year, unless by mutual agreement between the tenant and the Borrower a shorter period is specified.
- B. Leases between the Borrower and a tenant shall not contain any of the following provisions:
 1. Agreement by the tenant to be sued, to admit guilt, or to a judgment in favor of the Borrower in a lawsuit brought in connection with the lease.

DRAFT

2. Agreement by the tenant that Borrower may take, hold, or sell personal property of household members without notice to the tenant and a court decision on the rights of the Borrower and tenant. This prohibition does not apply to an agreement by the tenant concerning disposition of personal property remaining in the housing unit after the tenant has moved out of the unit. Borrower may dispose of this personal property in accordance with Washington state law.
 3. Agreement by the tenant not to hold the Borrower or the Borrower's agents legally responsible for any action or failure to act, whether intentional or negligent.
 4. Agreement by the tenant that the Borrower may institute a lawsuit against a tenant or affecting a tenant's interests without notice to tenant.
 5. Agreement by the tenant that the Borrower may evict the tenant or household members without instituting a civil court proceeding in which the tenant has the opportunity to present a defense, or before a court decision on the rights of the Borrower and tenant.
 6. Agreement by the tenant to waive any right to a trial by jury.
 7. Agreement by the tenant to waive the tenant's right to appeal, or otherwise challenge in court, a court decision in connection with the lease.
 8. Agreement by the tenant to pay attorney's fees or other legal costs even if the tenant wins in a court proceeding by the Borrower against the tenant. The tenant, however, may be obligated to pay costs if the tenant loses.
 9. Agreement by the tenant (other than a tenant in transitional housing) to accept supportive services that are offered.
- C. Borrower may not terminate the tenancy or refuse to renew the lease of a tenant occupying a HOME-assisted unit except for serious or repeated violation of the terms and conditions of the lease; for violation of applicable Federal, State, or local law; for completion of the tenancy period for transitional housing or failure to follow any required transitional housing supportive services plan; or for other good cause. Good cause does not include an increase in the tenant's income or refusal of the tenant to purchase the housing. To terminate or refuse to renew tenancy, Borrower must serve written notice upon the tenant specifying the grounds for the action at least thirty (30) days before the termination of tenancy.
- D. Borrower shall adopt and follow written tenant selection policies and criteria that:

DRAFT

1. Limit the HOME-assisted units to very low-income and low-income families;
 2. Are reasonably related to the applicants' ability to perform the obligations of the lease (i.e., to pay the rent, not to damage the housing, not to interfere with the rights and quiet enjoyment of other tenants);
 3. Limit eligibility or give a preference to a particular segment of the population if otherwise permitted in this Loan Agreement (and only if the limitation or preference is described in the City's consolidated plan).
- E. Borrower shall select tenants from a written waiting list in the chronological order of their application, insofar as is practicable, and give prompt written notification to any rejected applicant of the grounds for any rejection pursuant to 24 CFR §92.253(d)(5) and 24 CFR §92.253(d)(6).
- F. Borrower shall not charge fees that are not customarily charged in rental housing (e.g., laundry room access fees), except that Borrower may charge: (i) reasonable application fees to prospective tenants; (ii) parking fees to tenants only if such fees are customary for rental projects in the neighborhood; and (iii) fees for services such as bus transportation or meals, as long as such services are voluntary and fees are charged for services provided.

XX. TENANT PARTICIPATION PLAN

If the Borrower is a Community Housing Development Organization ("CHDO") as defined by 24 CFR 92.2, the Borrower shall adhere to a fair lease and grievance procedure approved by the City and shall provide a plan for and follow a program of tenant participation in management decisions pursuant to 24 CFR §92.303.

XXI. UNIFORM ADMINISTRATIVE REQUIREMENTS/PROJECT REQUIREMENTS

- A. The Borrower shall comply with the applicable uniform administrative requirements of 24 CFR §92.505 if the Borrower is organized as a non-profit organization.
- B. The Borrower shall comply with all applicable Project requirements of Subpart F of 24 CFR part 92 et seq.
- C. The Borrower shall maintain all tenant and Project records for the most recent five- (5-) year period until five (5) years after the Affordability Period, terminates. The Borrower shall permit the Department, the HUD, and the Comptroller General of the United States, or their authorized representatives, access to all books, records, and papers of the Borrower pertinent to the Project. The Borrower shall keep and retain records sufficient to document invoices of all expenditures, project beneficiary data, and all other records required to be kept pursuant to 24 CFR §92.508.

DRAFT

- D. The Borrower shall permit the Department, HUD, the Comptroller General of the United States, or their authorized representatives, site visits at all times upon reasonable notice throughout the Affordability Period.

XXII. TRANSFER/ASSIGNMENT

The Borrower shall not assign, transfer, subordinate or sublet any obligation of this Loan Agreement nor shall it sell or otherwise transfer any property subject to this Loan Agreement (other than by leasing or renting for residential tenant use as contemplated by various provisions of the Loan Agreement, or for any other incidental use (to the extent permissible under all applicable federal and state laws and regulations)) without prior written consent of the Director, who may withhold consent at his/her discretion. Notwithstanding any other provision of this Loan Agreement or the Related Documents, the Director's consent will not be required for any of the following transactions ("Permitted Transfers"):

- A. The transfer by Tax Credit Investor, as investor member of the Borrower as provided for in that certain First Amended and Restated Operating Agreement of Borrower dated on or about the date hereof ("Borrower's Governing Agreement"), of its equity interests in Borrower to one or more Affiliates (as defined in Borrower's Governing Agreement) of Tax Credit Investor, subject to any and all requirements for such a transfer set forth in Borrower's Governing Agreement and so long as Tax Credit Investor or its Affiliate is not relieved of its obligation to make capital contributions to Borrower required under the terms of Borrower's Governing Agreement;
- B. The transfer of interests within Tax Credit Investor;
- C. The removal by Tax Credit Investor or its Affiliate of a managing member or manager of Borrower for cause in accordance with the terms of Borrower's Governing Agreement, and the replacement of such removed managing member or manager with an Affiliate, with the special limited member designated in the Borrowers Governing Agreement, or with an individual or entity, not an Affiliate, who or which is reasonably acceptable to the City and meets the requirements of Paragraph XXIV regarding suspension and debarment;
- D. Execution and/or exercise of a purchase option and/or right of first refusal agreement by Borrower's managing member or manager and/or or its Affiliate to be exercised following expiration of the fifteen-year "compliance period" as defined in and determined in accordance with Section 42(i) of the Internal Revenue Code of 1986 (the "Code"), or any corresponding provision or provisions of succeeding law; and
- E. Recording of the Washington State Housing Finance Commission's ("WSHFC") Regulatory Agreement (Extended Use Agreement), as required by Section 42 of the Code.

DRAFT

The provisions of this Loan Agreement shall apply to all persons or entities performing obligations set forth by this Loan Agreement, including approved persons or entities to whom or to which the Borrower assigns, transfers, or sublets services as above. Such approved persons or entities shall be subject to the provisions for faith-based activities and organizations as outlined in this Loan Agreement, as applicable.

XXIII. HAZARDOUS SUBSTANCES/REPRESENTATIONS AND WARRANTIES

- A. The Borrower shall not cause or permit the presence, use, disposal, storage, or release of any "Hazardous Substances" (as defined below) on or in the Property. The Borrower shall not perform any act, nor allow, cause or permit the performance of any act, affecting the Property when such act constitutes a violation of any federal, state or local Environmental Law, ordinance or rule. As used in this provision, "Environmental Law" means federal laws, state laws and local codes, laws, and/or ordinances of the jurisdiction where the Property is located that relate to health, safety, or environmental protection.
- B. The Borrower shall promptly give the City written notice of any investigation, claim, demand, lawsuit, or other action by any governmental or regulatory agency or private party involving the Property, and any hazardous substance or Environmental Law of which the Borrower has actual knowledge. If the Borrower learns, or is notified by any governmental or regulatory authority, that any removal or other remediation of any hazardous substance affecting the Property is necessary, the Borrower shall promptly take all necessary remedial actions in accordance with Environmental Law and shall bear all costs and expenses thereof.
- C. The Borrower hereby represents and warrants that, to the best of the Borrower's knowledge and belief, and after reasonable investigation and inquiry, the Project has never been and is not being used to make, store, handle, treat, dispose of, generate, or transport Hazardous Substances in violation of any applicable law, which Hazardous Substances have not been or will not be abated according to all applicable law and regulations related thereto prior to tenant occupancy of the project. To the best of Borrower's knowledge and belief, and after reasonable investigation and inquiry, there has not been a release of Hazardous Substances on, from, or near the Project, which release has not been or will not be abated to levels acceptable under all applicable law and regulations related thereto prior to tenant occupancy of the project. The Borrower has never received any notification, citation, complaint, violation, or notice of any kind from any person relating or pertaining to the making, storing, handling, treating, disposing, generating, transporting, or release of Hazardous Substances, for which there has not been or will not be abatement to levels acceptable under all applicable law and regulations related thereto prior to tenant occupancy. Borrower represents and warrants that any asbestos and lead-based paint found within the Project will be abated to levels acceptable under applicable law prior to tenant occupancy of the project. "Hazardous Substances" means (i) any "hazardous waste" as defined by the Resource Conservation and Recovery Act of 1976 (42 U.S.C. § 6901, et seq.), as amended

DRAFT

from time to time, and regulations promulgated thereunder; (ii) any “hazardous substance” as defined by the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (42 U.S.C. § 9601, et seq.), as amended from time to time, and regulations promulgated thereunder; (iii) “oil, petroleum products and their by-products” as defined under Washington law as amended from time to time, and regulations promulgated thereunder; (iv) any “hazardous substance” as defined under Washington law, as amended from time to time, and regulations promulgated thereunder; (v) any “asbestos material” as defined under Washington law, as amended from time to time, and regulations promulgated thereunder and/or as defined by 40 C.F.R. Section 61.141, as amended from time to time; (vi) any “radon gas” in excess of levels recommended in U. S. Environmental Protection Agency Guidance Documents, as modified from time to time, or lower levels as provided by any applicable law or regulation now or hereafter in effect; (vii) any “infectious waste” as defined under Washington law, as amended from time to time, and regulations promulgated thereunder; (viii) any substance the presence of which on any property attributable to the operations of the Borrower is prohibited, restricted or regulated by any law or regulation similar to those laws, regulations and/or documents set forth above, including without limitation, polychlorinated biphenyls (“PCBs”) and lead-based paints; and (ix) any other substance which by law or regulation requires special handling in its collection, generation, storage, transportation, treatment or disposal.

XXIV. DEBARMENT AND SUSPENSION

The Borrower shall comply with the provisions of 24 CFR Part 24 that neither it nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this contract by any federal department or agency. Additionally, the Borrower shall not use, directly or indirectly, any of the funds provided by this contract to employ, award contracts to, or otherwise engage the services of, or fund any contractor/ subcontractor during any period that the contractor/subcontractor is debarred, suspended or ineligible under the provisions of 24 CFR Part 24. Using the System for Award Management (<https://www.sam.gov>), the City has determined, as of the date of this contract that the Borrower is not excluded from federal procurement and non-procurement programs. The Borrower has provided in Attachment 5 its certification that it is in compliance with and shall not contract with individuals or organizations which are debarred, suspended, or otherwise excluded from or ineligible from participation in Federal Assistance Programs under Executive Order 12549 and “Debarment and Suspension”, codified at 29 CFR part 98.

XXV. ANTI-LOBBYING

Borrower certifies that, to the best of Borrower’s knowledge and belief:

- A. No Federal appropriated funds have been paid or will be paid, by or on behalf of the Borrower, 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

DRAFT

Congress, or an employee of a Member of Congress in connection with the awarding of this loan;

- B. That 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 employees of Congress, or an employee of a Member of Congress in connection with this loan, Borrower shall complete and submit Standard Form-LLL "Disclosure Form to Report Lobbying" in accordance with its instruction; and
- C. Borrower shall require that the language of paragraphs A and B of this anti-lobbying certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all such subrecipients shall certify and disclose accordingly.

XXVI. SEVERABILITY

The invalidity of any clause, part or provision of this Loan Agreement shall not affect the validity of the remaining portions thereof.

XXVII. NOTICES

All notices given pursuant to this Loan Agreement shall be in writing and shall be deemed given when mailed by certified or registered mail, return receipt requested, to the Parties hereto at the addresses set forth below, or to such other place as a Party may from time to time designate in writing:

City of Spokane
Community, Housing and Human Services Department
808 W. Spokane Falls Blvd.
Spokane, WA 99201-3339

1 South Madelia LLC
c/o Community Frameworks
907 W. Riverside Avenue
Spokane, WA 99201

Wincopin Circle LLLP
c/o Enterprise Community Asset Management, Inc.
70 Corporate Center
11000 Broken Land Parkway, Suite 700
Attn: General Counsel

XXVIII. INDEMNIFICATION

The Borrower shall protect, defend, indemnify, and hold harmless the City, its officers, employees and agents from any and all costs, claims, judgments, and/or awards of damages, arising out of, or in any way resulting from, the negligent acts or omissions of the Borrower, its officers, employees or agents, in its performance and/or

DRAFT

non-performance of its obligations under this Loan Agreement. The Borrower agrees that its obligations under this indemnification shall extend to any claim, demand, and/or cause of action brought by, or on behalf of, any of its employees or agents. ***This agreement to indemnify is a separate agreement, shall survive any foreclosure action, attempted transfer or the like, is a legal obligation of the Borrower and action may be brought thereon independently of any other remedy at law or provided for herein.***

XXIX. TERMINATION

In accordance with 24 CFR §85.43, this Loan Agreement may be suspended or terminated if the Borrower materially fails to comply with any term of this Loan Agreement. This Loan Agreement may be terminated for convenience in accordance with 24 CFR §85.44.

XXX. CERTAIN CITY REPRESENTATIONS

The City represents and warrants to the Borrower that none of the money used by the City to make this loan is or will be derived, directly or indirectly, from any obligation the interest on which is exempt from tax under Section 103 of the Code.

XXXI. EXECUTION IN COUNTERPARTS

This Loan Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement.

ORAL AGREEMENTS OR ORAL COMMITMENTS TO LOAN MONEY, TO EXTEND CREDIT, TO MODIFY OR AMEND ANY AGREEMENT TERMS, TO RELEASE ANY GUARANTOR, TO FORBEAR FROM ENFORCING REPAYMENT OF A DEBT OR FORBEAR FROM EXERCISING ANY REMEDIES, OR TO MAKE ANY OTHER FINANCIAL ACCOMMODATION RELATED TO THIS LOAN AGREEMENT ARE NOT ENFORCEABLE UNDER WASHINGTON LAW.

IN WITNESS WHEREOF, the Parties have executed this Loan Agreement as of the Effective Date.

(THE REMAINDER OF THIS PAGE IS INTENTIONALLY BLANK.)

DRAFT

ATTACHMENT 1

LEGAL DESCRIPTION

1 South Madelia Street

Check updated title report – this is from old one.

Lots 1 and 2 and the West half of Lot 3, Block 2, WADSWORTH AND MCDONALD'S ADDITION, according to plat recorded in Volume "A: of Plats, Page 71, in the City of Spokane, Spokane County, Washington

APN: 35212.0201

51 South Madelia Street

Need update after BLA

APN: 35212.0211

DRAFT

**ATTACHMENT 2
PROPOSED BUDGET**

**1 SOUTH MADELIA LLC
1 SOUTH MADELIA**

Purchase price	\$525,000	Low-income Housing Tax	
Closing/title/recording	15,750	Credit (LIHTC)	
Demolition	40,000	equity	\$7,294,302
New building	5,278,401		
Construction conting	497,840	WA State Housing	
Solar	150,000	Trust Fund	1,200,000
Sales tax	459,221		
Equipment & furnishings	39,000	Solar Tax Credits	45,000
Appraisal & market study	6,000		
Architect	285,000	City HOME funds	300,000
Environ. assessment	22,204		
Surveys, geotechnical	14,100		
Legal-real estate	50,000		
Soft cost contingency	20,000		
Permits/fees/hookups	56,748		
Construct'n loan fees	55,000		
Construct'n loan expenses	11,000		
Construct'n loan legal	15,000		
Construct'n loan interest	98,000		
Leaseup period interest	130,000		
LIHTC fees	70,947		
LIHTC legal	50,000		
Owner's title policy	15,000		
City/state app fees	2,300		
RE taxes/insurance	21,015		
Bidding/impact fees	10,997		
Donation	15,000		
Accounting/audit	17,000		
Marketing/leaseup	27,780		
Reserves	116,000		
Developer fee	725,000		
TOTAL	\$8,839,302	TOTAL	\$8,839,302

The Project includes the construction of 35 rental units and a manager's unit in four buildings on two sites that bridge an alley. The buildings will include 6 one-bedroom units, 12 two-bedroom units, and 18 three-bedroom units. The buildings will include green building features, as required by State funding. The Sprague building will have 18 rental units, a resident manager's unit, tenant space with a coin-operated laundry, and manager's office. The First Avenue buildings will be two-story townhouse-style apartments with 17 two- and three-bedroom units and a central play area. Both sites will access parking from the alley.

DRAFT

Attachment 3
Initial Project Rents

DRAFT

DRAFT

ATTACHMENT 4

TIMETABLE

Category	Milestone/Task	Deadline Month Yr/Status
Site control	Close on property.	August 2016.
Financing	Funding awarded by public lenders.	Completed.
	Construction lender and investor selection	May 2016
	Funding documented by all lenders	August 2016.
Design/Permits	Approval of zoning, site plan, construction plans.	August 2016.
	Building permits issued.	August 2016.
Construction	Select general contractor	May 2016
	Begin construction.	September 2016.
	Complete construction.	September 2017.
	Certificate of occupancy issued.	September 2017.
Occupancy	Units occupied.	60 days from Certificate of Occupancy

DRAFT

**CITY OF SPOKANE
1 SOUTH MADELIA LLC**

1 SOUTH MADELIA

PROMISSORY NOTE

OPR #2016-_____

Borrower: 1 South Madelia LLC
c/o Community Frameworks
907 W. Riverside Avenue
Spokane, WA 99201

Lender: City of Spokane
Community, Housing and Human Services Department
808 W. Spokane Falls Blvd., Room 650
Spokane, WA 99201

Principal: \$300,000.00

Date: _____, 2016

1. **PROMISE TO REPAY:** FOR VALUE RECEIVED, the undersigned **1 SOUTH MADELIA LLC**, a Washington limited liability company, hereinafter referred to as "Borrower", promises to repay to the order of the **City of Spokane**, a Washington state municipal corporation, or its successors and assigns (hereinafter called "Lender" or "City") the maximum principal sum of THREE HUNDRED THOUSAND AND NO/100 DOLLARS (\$300,000.00) or so much of said sum or sums as may now or hereafter be loaned or disbursed to the Borrower by the Lender, for the purpose of providing a portion of the financing for the Borrower's construction of 1 South Madelia, a 36-unit apartment complex, located at 1 South Madelia Street and 51 South Madelia Street in Spokane, WA (the "Project"). This Promissory Note (the "Note") is part of a transaction further reflected in a HOME Program Loan Agreement ("Loan Agreement") and HOME Program Loan Covenant Agreement ("Covenant Agreement") of even date herewith. Lender's disbursements under the Loan Agreement and the Note are further secured by a Deed of Trust of even date herewith ("Deed of Trust"). The terms of said documents are incorporated herein as if fully set forth herein, and together shall be referenced as the "Related Documents". The capitalized terms in said Related Documents shall have the same meaning in this Note unless the context clearly suggests otherwise. In the event of conflict or ambiguity in the terms of any of these documents, the terms most favorable to Lender shall apply.

2. **INTEREST:** In addition to repayment of principal sums loaned, Borrower agrees to pay interest, compounded monthly, commencing on the date the money is first disbursed under the Loan Agreement, at the rate of three percent (3%) per annum. If

DRAFT

rents for any HOME-assisted unit of the Project are raised above the level of the Affordability Requirement defined in the Loan Agreement, or any other provisions, covenants, terms, conditions or restrictions of the Loan Agreement are not adhered to, then the rate on the outstanding balance shall be increased to the prevailing prime lending rate as published in The Wall Street Journal, plus three percent (3%), compounded monthly, for the period of noncompliance, as determined by the Director of Community, Housing and Human Services for the City of Spokane (the "Director").

3. REPAYMENT; MATURITY:

A. Deferral Period: Payment of principal and interest shall be deferred during the HOME Affordability Period, as defined in the Loan Agreement and Covenant Agreement, so long as Borrower and the Project are in compliance with the Affordability Requirements per the terms of the Loan Agreement and Covenant Agreement together with all other provisions of this Note and Related Documents.

B. Payment Period: Principal and interest on this Note shall be payable in approximately equal amortized installments on the first day of each month (or the first business day thereafter if the first day of the month is a weekend or a holiday for the City of Spokane), commencing immediately after the HOME Affordability Period ends, in the amount required to fully amortize the outstanding principal and accrued interest on this Note (including the interest accrued) during the remaining City Affordability Period, as defined in the Loan Agreement. During the Affordability Period, Borrower shall notify the City in writing if, for any reason, Borrower and/or the Project will not comply with the Affordability Requirements, at which time any remaining balance would become immediately due and payable in full. This Note shall mature on the earlier of (i) the thirtieth (30th) anniversary of the date of Project Completion, and (ii) December 1, 2048.

C. Prepayment: The Borrower may pay all or any portion of the outstanding principal of the Note at any time, without penalty. Repayment during the HOME Affordability Period, as described in the Loan Agreement, shall not extinguish the Affordability Requirements.

D. Late Charges: A late charge of thirty dollars (\$30.00) will be added to any payment received after the 10th day of the month in which it is due in addition to any other remedy.

E. Application of Payments: Payments received will first be applied to late charges, then to interest, and finally to principal.

F. Place of Payment: Payments of principal, interest, and fees shall be made in lawful money of the United States of America in immediately available funds to the City of Spokane, at the Community, Housing and Human Services Department, 808 W. Spokane Falls Blvd., Room 650, Spokane, WA 99201, or at such other place as Lender may designate in writing according to the schedule noted above.

DRAFT

4. SECURITY: This Note is secured by the Deed of Trust of even date herewith, duly filed for record in the County of Spokane, Washington.

5. PURPOSE: This loan is made for the purpose of financing a portion of the costs of the acquisition and construction of the 1 South Madelia project on the property described in the Deed of Trust and Loan Agreement. As a condition of receiving this loan, Borrower agrees to abide by all of the terms and conditions of this Note, the Deed of Trust, the Loan Agreement and associated Covenant Agreement, incorporated herein by reference as if fully set forth.

6. IF THE BORROWER SHALL default in the payment of any amount due under this Note, and such default is not cured within ten (10) days after such payment is due, or if any other Event of Default occurs under the Deed of Trust, the Loan Agreement or the Covenant Agreement and such default is not cured within the cure period, if any, applicable thereto, the entire unpaid principal amount of this Note, together with accrued interest, shall immediately become due and payable, at Lender's option, upon notice to the Borrower. Failure of Lender to exercise such option shall not constitute a waiver of default. If Lender exercises its option to declare the entire amount of Borrower's loan immediately due and payable as provided above, Borrower agrees to pay Lender's cost and expenses of collection, including reasonable attorney's fees and court costs. If this Note is reduced to judgment, the judgment shall bear interest at the maximum rate permissible on judgments in the State of Washington.

7. IF THE BORROWER voluntarily sells, transfers, leases or otherwise conveys the Project or any portion thereof, to any person/persons or entity/entities (the "Transferee"), other than by leasing or renting for residential tenant use as contemplated by various provisions of the Loan Agreement, or for any other incidental use (to the extent permissible under all applicable federal and state laws and regulations), an Event of Default shall occur under the terms of this Note and the Related Documents unless the Borrower obtained prior written consent of the Director. However, the following actions are consented to and shall not trigger loan acceleration or cause an event of default: The admission of the investor partners to the Borrower and/or a transfer of the Property at the end of the compliance period to CF Madelia Manager LLC or Community Frameworks. The remedies provided for Default may be exercised at the discretion of the Director. An unauthorized transfer also occurs if Borrower grants a junior security interest without obtaining the prior written consent of the Director. Any sale, transfer, leasing or other disposition of the Project in violation of this Section 7 shall not relieve the Borrower of any obligation or obligations under this Note or any Related Document. The Borrower hereby agrees that upon any sale, transfer, lease or other disposition of the Project, the Borrower shall transfer all records, accounts, electronic data or other documents pertaining to the Project, including documents related to Borrower's compliance with this Note and any Related Document, to the Transferee or its designated agent. Failure by the City to exercise any of its rights and remedies under this Note or any Related Documents shall not be construed as a waiver of any kind. The Director's written consent may be conditioned upon the following, at the Director's sole discretion:

DRAFT

(a) reasonable evidence satisfactory to the Director that the Borrower is not then in default under any document related to this transaction beyond any applicable grace period or cure period;

(b) an opinion of counsel for the Transferee, delivered to the City, to the effect that the Transferee (i) has assumed in writing and in full, all duties and obligations of the Borrower under this Note, the Loan Agreement and the Covenant Agreement, and (ii) that this Note and the Related Documents constitute the legal, valid and binding obligations of the Transferee;

(c) a showing that written assumption of the Transferee and/or the written agreement of the Transferee complies with all provisions of local, state and federal laws, ordinances and regulations applicable to the Borrower under this Note and Related Documents;

(d) a showing that the Borrower or the Transferee is not in arrears on any payments due and owing to the City or is in default under this Note or any of the Related Documents, beyond any applicable grace period or cure period;

(e) a showing that the Borrower or the Transferee do not have a history of instances of non-compliance with any non-monetary provision of this Note or any of the Related Documents, which were not cured after notice thereof and within the applicable cure period or grace period; and/or,

(f) a showing that the Borrower or the Transferee do not have a documented history of instances of failure to make payments due and owing to the City which are not paid within a reasonable period after notice thereof.

Notwithstanding any other provision of this Note or the Related Documents, the Director's consent will not be required for any of the following transactions ("Permitted Transfers"):

A. The transfer by Wincopin Circle LLLP, a Maryland limited liability limited partnership ("Tax Credit Investor"), as investor member of the Borrower as provided for in that certain First Amended and Restated Operating Agreement of Borrower dated on or about the date hereof ("Borrower's Governing Agreement"), of its equity interests in Borrower to one or more Affiliates (as defined in Borrower's Governing Agreement) of Tax Credit Investor, subject to any and all requirements for such a transfer set forth in Borrower's Governing Agreement and so long as Tax Credit Investor or its Affiliate is not relieved of its obligation to make capital contributions to Borrower required under the terms of Borrower's Governing Agreement;

B. The transfer of interests within Tax Credit Investor;

C. The removal by Tax Credit Investor or its Affiliate of a managing member or manager of Borrower for cause in accordance with the terms of Borrower's Governing Agreement, and the replacement of such removed managing member or manager with an Affiliate, with the special limited member designated in the Borrower's Governing Agreement, or with an individual or entity, not an Affiliate, who or which is reasonably acceptable to the City and meets the requirements of Paragraph XXIV of the Loan Agreement regarding suspension and debarment;

DRAFT

D. Execution and/or exercise of a purchase option and/or right of first refusal agreement by Borrower's managing member or manager and/or its Affiliate to be exercised following expiration of the fifteen-year "compliance period" as defined in and determined in accordance with Section 42(i) of the Internal Revenue Code of 1986 (the "Code"), as amended from time to time, or any corresponding provision or provisions of succeeding law; and

E. Recording of the Washington State Housing Finance Commission's ("WSHFC") Regulatory Agreement (Extended Use Agreement), as required by Section 42 of the Code.

8. ASSIGNMENT: This Note is not assignable or assumable without the express written consent of the Lender, except for the transfer of the Property to CF Madelia Manager LLC or Community Frameworks, as provided for in Paragraph 7.

9. MISCELLANEOUS: Each maker and endorser of this Note hereby waives demand and presentment for payment, notice of nonpayment, protest, notice of protest, notice of dishonor, bringing of suit, and diligence in taking action to collect any amounts called for hereunder and in the handling of properties, rights or collateral at any time existing in connection herewith. Each maker and endorser expressly agrees that this Note or any payment thereunder may be extended from time to time, and consent to the acceptance of further security for this Note, including other types of security, all without in any way affecting the liability of each maker and endorser hereof. The right to plead any statutes of limitation as a defense to any demand on this Note, or any guaranty thereof or to any agreement to pay the same or to any demand secured by the Deed of Trust or other security, securing the Note, or any and all obligations or liabilities arising out of or in connection with said Note or Deed of Trust by any parties hereto is expressly waived by each and every of the makers, endorsers, guarantors or sureties.

10. SEVERABILITY: If any provision, or a part thereof, of this Note is declared by a court of competent jurisdiction to be invalid, the invalid provision or part thereof shall be stricken, with the remainder of the provision and other provisions of this Note surviving with full force and effect.

11. NO MATERIAL ADVERSE CHANGE: Borrower ratifies and reaffirms all information previously submitted in Borrower's loan application or financial statement, and by signing this Note, Borrower represents and warrants to Lender that the information provided is true and correct and that there has been no adverse change in Borrower's financial condition as disclosed to Lender in Borrower's most recent application or financial statement.

12. APPLICABLE LAW AND VENUE: This Note has been issued, executed and delivered in the State of Washington and shall be governed by and construed in accordance with the laws of the State of Washington, except to the extent that the laws of the United States of America may prevail. Venue to enforce any provision shall be in the Spokane County Superior Court.

DRAFT

13. NONRECOURSE. Notwithstanding anything to the contrary herein, Borrower, its partners, officers, directors, employees, agents and contractors shall have no personal liability for payment of the indebtedness evidenced by this Note or performance of the covenants set forth in the Loan Agreement and in the Related Documents, and the sole recourse of the City shall be confined to the exercise of its rights under the Loan Agreement and the Related Documents, provided that nothing shall diminish Borrower's liability for damages or deficiencies resulting from theft, waste, fraud, material misrepresentation and misuse of rents.

ORAL AGREEMENTS OR ORAL COMMITMENTS TO LOAN MONEY, TO EXTEND CREDIT, TO MODIFY OR AMEND ANY AGREEMENT TERMS, TO RELEASE ANY GUARANTOR, TO FORBEAR FROM ENFORCING REPAYMENT OF A DEBT OR FORBEAR FROM EXERCISING ANY REMEDIES, OR TO MAKE ANY OTHER FINANCIAL ACCOMMODATION RELATED TO THIS NOTE ARE NOT ENFORCEABLE UNDER WASHINGTON LAW.

PRIOR TO SIGNING THIS NOTE, BORROWER HAS READ AND UNDERSTOOD ALL THE PROVISIONS OF THIS NOTE. BORROWER AGREES TO ALL TERMS AND CONDITIONS OF THIS NOTE AND ACKNOWLEDGES RECEIPT OF A COMPLETED COPY OF THIS NOTE.

IN WITNESS WHEREOF, the Borrower has caused this Promissory Note to be executed as of the date first set forth above.

(THE REMAINDER OF THIS PAGE IS INTENTIONALLY BLANK.)

DRAFT

1 SOUTH MADELIA LLC, a Washington limited liability company

By: CF Madelia Manager LLC, a Washington limited liability company
Its: Managing Member

By: Community Frameworks, a Washington nonprofit corporation
Its: Manager and sole member

By: _____
Name: _____
Title: _____

Date of execution: _____

DRAFT

DRAFT

AFTER RECORDING MAIL TO:

City of Spokane
Department of Community, Housing and Human Services
808 W. Spokane Falls Blvd., Room 650
Spokane, WA 99201

OPR #2016 - _____

**CITY OF SPOKANE
1 SOUTH MADELIA LLC**

1 SOUTH MADELIA

DEED OF TRUST

Grantor: 1 South Madelia LLC, a Washington limited liability company

Beneficiary: City of Spokane, a Washington state municipal corporation

Assessor's Parcel No.: 35212.0201 and 35212.0211

Legal Description (abbreviated): CHECK Legal descriptions against title policy
when issued after BLA done

LOTS 1, 2, & PTN 3, BLOCK 2, WADSWORTH AND
MCDONALD'S ADD., VOL. "A", P. 71, SPOKANE COUNTY

Lots 9, 10, 11, & 12, Block 2, Wadsworth and McDonalds
Addition

(See Attachment 1 for full legal description.)

THIS DEED OF TRUST, made as of the _____ day of _____, 2016, by and between **1 South Madelia LLC**, a Washington limited liability company referred to herein as GRANTOR, whose address is c/o Community Frameworks, 907 West Riverside Avenue, Spokane, WA 99201, **Inland Professional Title**, TRUSTEE, whose address is 501 S. Bernard, 1st Floor, Spokane, WA 99204, and the **City of Spokane**, Washington, a Washington state municipal corporation, BENEFICIARY, whose address is City of Spokane, c/o Community, Housing and Human Services Department, 808 W. Spokane Falls Blvd., Room 650, Spokane, WA 99201.

DRAFT

This Deed of Trust is part of a transaction further reflected in a HOME Program Loan Agreement (“Loan Agreement”), HOME Program Loan Covenant Agreement (“Covenant Agreement”), and Promissory Note, secured by this Deed of Trust. The terms of said agreements are incorporated into this Deed of Trust, and the capitalized terms in said agreements shall have the same meaning in this Deed of Trust unless the context clearly suggests otherwise. In the event of conflict in the terms of any of these documents, the terms most favorable to Beneficiary shall apply.

WITNESSETH: Grantor hereby irrevocably grants and conveys to Trustee in trust, with power of sale, the following described real property (the “Property”) in Spokane County, Washington:

LOTS 1, 2, & PTN 3, BLOCK 2, WADSWORTH AND MCDONALD’S ADD.,
VOL. “A”, P. 71, SPOKANE COUNTY

Lots 9, 10, 11, & 12, Block 2, Wadsworth and McDonalds Addition

Assessor's Parcel Numbers: 35212.0201 and 35212.0211
Property Addresses: 1 South Madelia Street and 51 South Madelia
Street, Spokane, WA 99202

See Attachment 1 for full legal description.

which real property is not used principally for agricultural or farming purposes, together with all the tenements, hereditaments, easements, fixtures and appurtenances now or hereafter thereunto belonging or in any way appertaining, and the rents, issues, and profits thereof.

This Deed of Trust is for the purpose of securing performance of each agreement of Grantor herein contained and as further contained in the Loan Agreement, Covenant Agreement, and Promissory Note, secured by this Deed of Trust, and for the purpose of securing payment of the sum of **THREE HUNDRED THOUSAND AND NO/100 DOLLARS (\$300,000.00)** with interest, in accordance with the terms of a Promissory Note of even date herewith, payable to Beneficiary, and made by Grantor, and all renewals, modifications, and extensions thereof, and also such further sums as may be advanced or loaned by Beneficiary to Grantor, or any of his/her/their successors or assigns, together with interest thereon at such rate as shall be agreed upon. This Deed of Trust also secures to Beneficiary: (a) the payment of other sums, with interest, advanced to protect the security of this Deed of Trust; and (b) the performance of Grantor’s covenants and agreements under this Deed of Trust and the Promissory Note, Covenant Agreement and Loan Agreement of even date herewith.

GRANTOR COVENANTS that Grantor is lawfully seized of the estate hereby conveyed and has the right to grant and convey the Property that the Property is unencumbered, except for encumbrances of record. Grantor warrants and will defend the title to the Property against all claims and demands, subject to any prior

DRAFT

encumbrances of record and encumbrances listed in the Priority and Subordination Agreement recorded of even date herewith.

COVENANTS: Grantor and Beneficiary covenant and agree as follows:

1. PAYMENT OF PRINCIPAL AND INTEREST; PREPAYMENT AND LATE CHARGES. Grantor shall promptly pay when due the principal of and interest on the debt evidenced by the Promissory Note and any late charges due under the Promissory Note.

2. APPLICATION OF PAYMENTS. Unless applicable law provides otherwise, all payments received by Beneficiary under Paragraph 1 shall be applied: first, to any late charges due under the Promissory Note; second, to interest; and third, to principal due under the Promissory Note.

3. CHARGES; LIENS. Grantor shall pay all taxes, assessments, charges, fines, and impositions attributable to the Property, which may attain priority over this Deed of Trust, including utility charges, whether or not reflected in a recorded lien. Grantor shall pay these obligations on time directly to the person or entity owed payment. Grantor shall promptly furnish to Beneficiary upon request copies of all notices of amounts to be paid under this Paragraph. If Grantor makes these payments directly, Grantor shall promptly furnish to Beneficiary upon request receipts evidencing the payments. Grantor shall promptly discharge any lien which has priority over this Deed of Trust unless: (a) Grantor agrees in writing to the payment of the obligation secured by the lien in a manner acceptable to Beneficiary; (b) Grantor contests in good faith the lien in legal proceedings, or defends against enforcement of the lien in legal proceedings, which, in the Beneficiary's opinion, operate to prevent the enforcement of the lien; or (c) Grantor secures from the holder of the lien an agreement satisfactory to Beneficiary subordinating the lien to this Deed of Trust, or (d) Beneficiary has executed an agreement subordinating its interest. If Beneficiary determines that any part of the Property is subject to a lien to which the Beneficiary has not provided its consent, which lien may attain priority over this Deed of Trust, Beneficiary may give Grantor a notice identifying the lien. Grantor shall satisfy the lien or take one or more of the actions set forth above within ten business (10) days of the giving of the notice. Should Grantor fail to pay when due any taxes, assessments, insurance premiums, recorded or unrecorded liens, encumbrances, or other charges against the Property, Beneficiary may pay the same, and the amount so paid, with interest at the rate set forth in the Promissory Note secured hereby, shall be added to and become a part of the debt secured in this Deed of Trust.

4. HAZARD OR PROPERTY INSURANCE. A. Grantor shall keep the improvements now existing or hereafter erected on the Property continuously insured against loss by fire, hazards included within the term "extended coverage", and any other hazards, including floods or flooding, for which the Beneficiary requires insurance. This insurance shall be maintained in the amounts and for the periods that Beneficiary requires in order to maintain adequate protection for the Property, but no act or

DRAFT

omission by the Beneficiary shall relieve Grantor of the primary duty to procure adequate insurance. In no event shall such insurance be less than the full replacement cost of the Property (*i.e.*, 100% of replacement cost). The insurance carrier providing the insurance shall be chosen by the Grantor subject to Beneficiary's approval. All policies shall be held by the Beneficiary, and have loss payable first to the Beneficiary, as its interest may appear, and then to the Grantor. If Grantor fails to maintain coverage as described above, Beneficiary may, at Beneficiary's option, obtain coverage to protect Beneficiary's rights in the Property in accordance with Paragraph 7.

B. All insurance policies and renewals shall be acceptable to Beneficiary and shall include a standard mortgage clause. If Beneficiary requires, Grantor shall promptly give to Beneficiary all receipts of paid premiums and renewal notices. In the event of loss, Grantor shall give prompt notice to the insurance carrier and to Beneficiary. Beneficiary may make proof of loss if not made promptly by Grantor.

C. Unless Beneficiary and Grantor otherwise agree in writing, insurance proceeds shall be applied to restoration or repair of the Property damaged, if the restoration or repair is economically feasible and Beneficiary's security is not lessened thereby. If the restoration or repair is not economically feasible or if Beneficiary's security would be lessened, the insurance proceeds shall be applied to the sums secured by this Deed of Trust, whether or not then due, with any excess paid to Grantor. If Grantor abandons the Property or does not answer within thirty (30) days notice from the Beneficiary that the insurance carrier has offered to settle a claim, then Beneficiary may collect the insurance proceeds. Beneficiary may, in its sole discretion, use the proceeds to restore or repair the Property or to pay sums secured by this Deed of Trust, whether or not then due. The 30-day period will begin when the notice is given. Such application of proceeds 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.

D. Unless Beneficiary and Grantor otherwise agree in writing, any application of insurance proceeds to principal shall not extend or postpone the due date of the monthly payments referred to in Paragraph 1 or change the amount of the payments. If under Paragraph 20, the Property is acquired by Beneficiary, Grantor's right to any insurance policies or proceeds resulting from damage to the Property prior to the acquisition shall pass to Beneficiary to the extent of the sums secured by this Deed of Trust immediately prior to the acquisition.

5. FLOOD INSURANCE. If the Property is located in a one hundred year FEMA Flood Zone, Grantor shall maintain flood insurance throughout the term of the Loan in an amount not less than the total amount of the Loan or the maximum amount of coverage available through the National Flood Insurance Program, furnishing proof of same upon request by Beneficiary.

DRAFT

6. OCCUPANCY, PRESERVATION, MAINTENANCE AND PROTECTION OF THE PROPERTY; LOAN APPLICATION; LEASEHOLDS. Grantor shall cause the Property to be occupied, established, and used as decent, safe, sanitary and affordable housing for low-income families pursuant to the HOME Investment Partnerships Program (24 CFR part 92 et seq.) throughout the term of the loan as described in the Promissory Note and Covenant Agreement. Grantor covenants and agrees to keep the Property in good condition and repair, to permit no waste thereof, to complete any building, structure, or improvement being built now or hereafter thereon, to restore or replace promptly any building, structure, or improvement thereon which may be damaged or destroyed, and to comply with all laws, ordinances, regulations, covenants, conditions, and restrictions affecting the Property. Grantor shall be in default if any forfeiture action or proceeding, whether civil or criminal, is begun that in Beneficiary's good faith judgment could result in forfeiture of the Property or otherwise materially impair the lien created by this Deed of Trust or Beneficiary's security interest. Grantor may cure such a default and reinstate, as provided in Paragraph 17 by causing the action or proceeding to be dismissed with a ruling that, in Beneficiary's good faith determination, precludes forfeiture of Grantor's interest in the Property or other material impairment of the lien created by this Deed of Trust or Beneficiary's security interest. Grantor shall also be in default if Grantor, during the loan application process, gave materially false or inaccurate information or statements to Beneficiary (or failed to provide Beneficiary with any material information) in connection with the loan evidenced by the Promissory Note. If this Deed of Trust is on a leasehold, Grantor shall comply with all the provisions of the lease. If Grantor acquires fee title to the property, the leasehold and the fee title shall not merge unless Beneficiary agrees to the merger in writing.

7. PROTECTION OF BENEFICIARY'S RIGHTS IN THE PROPERTY. A. If Grantor fails to perform the covenants and agreements contained in this Deed of Trust, the Loan Agreement and/or the Covenant Agreement, or there is a legal proceeding which, in the Beneficiary's good faith judgment, may affect Beneficiary's rights in the Property (including but not limited to proceedings in bankruptcy, probate, for condemnation or forfeiture, or to enforce laws or regulations), then Beneficiary shall have the right to take whatever action it deems reasonably necessary and appropriate to protect the value of the Property and Beneficiary's rights in the Property. Although Beneficiary may take action under this Paragraph 7, Beneficiary is not obligated to do so.

B. Any amounts caused to be disbursed by Beneficiary under this Paragraph 7 shall become additional debt secured by this Deed of Trust. Unless Grantor and Beneficiary agree to other terms of payment, these amounts shall bear interest from the date of disbursement at the Promissory Note rate and shall be payable with interest upon notice from Beneficiary to Grantor requesting payment.

C. Grantor covenants and agrees 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 the cost of title search and any and all attorney's

DRAFT

fees actually incurred, in any such action or proceeding, and in any suit brought by Beneficiary to foreclose this Deed of Trust.

D. Grantor further covenants and agrees to pay any and 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 attorney's fees actually incurred, as provided by statute.

8. INSPECTIONS. Beneficiary or its agent may make reasonable entries upon and inspections of the Property, subject to all applicable landlord/tenant laws. Beneficiary shall give Grantor notice at least 24 hours prior to an inspection; provided, however, such right to notice does not apply to Beneficiary when acting in its regulatory capacity or when exercising its police powers.

9. CONDEMNATION. A. The proceeds of any award or claim for damages, direct or consequential, in connection with any condemnation or other taking of the Property or any part thereof, or for conveyance in lieu of condemnation, are hereby assigned and shall be paid to Beneficiary. In the event of a total taking of the Property, the proceeds shall be applied to the sums secured by this Deed of Trust and other liens as approved by the Beneficiary, whether or not then due, with any excess paid to Grantor. In the event of a partial taking of the Property in which the fair market value of the Property immediately before the taking is equal to or greater than the amount of the sums secured by this Deed of Trust immediately before the taking, unless Grantor and Beneficiary otherwise agree in writing, the sums secured by this Deed of Trust shall be reduced by the amount of the proceeds multiplied by the following fraction: (i) the total amount of the sums secured immediately before the taking, divided by (ii) the fair market value of the Property immediately before the taking. Any balance shall be paid to Grantor. In the event of a partial taking of the Property in which the fair market value of the Property immediately before the taking is less than the amount of the sums secured immediately before the taking, unless Grantor and Beneficiary otherwise agree in writing or unless applicable law otherwise provides, the proceeds shall be applied to the sums secured by this Deed of Trust whether or not the sums are then due.

B. If the Property is abandoned by Grantor, or if, after notice by Beneficiary to Grantor that the condemnor offers to make an award or settle a claim for damages, and Grantor fails to respond to Beneficiary within thirty (30) days after the date the notice is given, Beneficiary is authorized to collect and apply the proceeds, at its option, either to restoration or repair of the Property or to the sums secured by this Deed of Trust, whether or not then due.

C. Unless Beneficiary and Grantor otherwise agree in writing, any application of proceeds to principal shall not extend or postpone the due date of the monthly payments referred to in Paragraph 1 or change the amount of such payments.

DRAFT

10. GRANTOR NOT RELEASED; FORBEARANCE BY BENEFICIARY NOT A WAIVER. Extension of the time for payment or modification of amortization of the sums secured by this Deed of Trust granted by Beneficiary to any successor in interest of Grantor shall not operate to release the liability of the original Grantor or of Grantor's successors in interest. Beneficiary shall not be required to commence proceedings against any successor in interest or refuse to extend time for payment or otherwise modify amortization of the sums secured by this Deed of Trust by reason of any demand made by the original Grantor or Grantor's successors in interest. Any forbearance by Beneficiary in exercising any right or remedy shall not be a waiver of or preclude the exercise of any right or remedy.

11. SUCCESSORS AND ASSIGNS BOUND; JOINT AND SEVERAL LIABILITY; CO-SIGNERS. The covenants and agreements of this Deed of Trust shall bind and benefit the successors and assigns of Beneficiary and Grantor, except as otherwise provided for in this Deed of Trust. Grantor's covenants and agreements shall be joint and several.

12. LOAN CHARGES. If the loan secured by this Deed of Trust is subject to a law which sets maximum loan charges, and that law is finally interpreted so that the interest or other loan charges collected or to be collected in connection with the loan exceed the permitted limits, then: (i) any such loan charge shall be reduced by the amount necessary to reduce the charge to the permitted limit, and; (ii) any sums already collected from Grantor which exceeded permitted limits will be refunded to Grantor. Beneficiary may choose to make this refund by reducing the principal owed under the Promissory Note or by making a direct payment to Grantor. If a refund reduces principal, the reduction will be treated as a partial prepayment without any prepayment charge under the Promissory Note.

13. NOTICES. Grantor shall promptly give Beneficiary written notice of any and all Project defaults (regardless of whether the default is related to the financing provided by Beneficiary and the various agreements governing the terms of such financing, or whether the default is related to any of the various other parties or entities providing financing to the Project under their various agreements), investigations, claims, demands, lawsuits, licensing issues relating to the operation of the building or care facility, or other actions by any governmental or regulatory agency or private party involving the Property, and any hazardous substance or Environmental Law (as defined in Paragraph 19 of this Deed of Trust) of which Grantor has actual or constructive knowledge. Any notice provided for in this Deed of Trust shall be given pursuant to the procedures outlined in the Loan Agreement.

14. GOVERNING LAW; SEVERABILITY. This Deed of Trust shall be governed by federal law and the laws of the State of Washington. In the event that any provisions of this Deed of Trust or the Promissory Note conflict with applicable law, such conflict shall not affect other non-conflicting provisions of this Deed of Trust or the Promissory Note, which shall continue in full force and effect.

DRAFT

15. GRANTOR'S COPY. Grantor hereby acknowledges receipt of a conformed copy of the Loan Agreement, Covenant Agreement, Promissory Note, and of this Deed of Trust.

16. TRANSFER OF THE PROPERTY OR A BENEFICIAL INTEREST IN GRANTOR.

A. Except as provided in the Loan Agreement, if all or any part of the Property or any interest in it is sold or transferred (or if a beneficial interest of Grantor is sold or transferred and Grantor is not a natural person) without Beneficiary's prior written consent, or if any other default occurs under this Deed of Trust, the Promissory Note, the Loan Agreement or the Covenant Agreement, Beneficiary may, at its option, require immediate payment in full of all sums secured by this Deed of Trust. However, this option shall not be exercised by Beneficiary if exercise is prohibited by federal law as of the execution date of this Deed of Trust. By accepting payment of any sum secured by this Deed of Trust after payment is due, Beneficiary does not waive the right to require prompt payment when due of all other sums so secured or to declare default for failure to so pay.

B. If Beneficiary exercises the above option, Beneficiary shall give Grantor notice of acceleration. The notice shall provide a cure period of not less than thirty (30) days from the date the notice is delivered or mailed within which Grantor must pay all sums secured by this Deed of Trust. If Grantor fails to pay these sums prior to the expiration of this period, Beneficiary may invoke any and all remedies permitted by this Deed of Trust without further notice or demand on Grantor.

17. GRANTOR'S RIGHT TO REINSTATE FOLLOWING ACCELERATION. If Grantor meets the conditions outlined in this paragraph, Grantor shall have the right to have enforcement by acceleration of this Deed of Trust discontinued at any time prior to the earlier of: (i) 10 days (or such other period as applicable law may specify for reinstatement) before sale of the Property pursuant to any power of sale contained in this Deed of Trust; or (ii) entry of a judgment enforcing this Deed of Trust. The conditions which Grantor must meet are that Grantor shall: pay Beneficiary all sums which then would be due under this Deed of Trust and the Promissory Note as if no acceleration had occurred; cure any default of any other covenants or agreements; pay all expenses incurred in enforcing this Deed of Trust, including, but not limited to, reasonable attorneys' fees, and; take such action as Beneficiary may reasonably require to assure that the lien of this Deed of Trust, Beneficiary's rights in the Property, and Grantor's obligation to pay the sums secured by this Deed of Trust continue unchanged. Upon reinstatement by Grantor, this Deed of Trust and the obligations secured hereby shall remain fully effective as if no acceleration had occurred. However, this right to reinstate shall not apply in the case of acceleration caused by Grantor's selling or transferring all or any part of the Property or any interest in it (or if a beneficial interest of Grantor is sold or transferred and Grantor is not a natural person) without Beneficiary's prior written consent.

18. NO FURTHER ENCUMBRANCES. A. For the purposes of protecting Beneficiary's security and keeping the Property free from junior and subordinate financing liens, Grantor agrees and understands that any sale, conveyance, further encumbrance

DRAFT

(including the granting of easements and any and all other matters affecting title except for easements required for delivery of services or utilities to the Property or other transfer of title to the Property, or any interest therein (whether voluntary or by operation of law), without Beneficiary's prior written consent or except as permitted under the Loan Agreement or Note, shall be an Event of Default under this Deed of Trust.

B. Notice is hereby given to all third parties that any mortgage or other Deed of Trust that they may receive against the Property without the prior written approval and acknowledgment of the Beneficiary of this Deed of Trust shall be null and void and without force or effect.

19. HAZARDOUS SUBSTANCES; REPRESENTATIONS AND WARRANTY. A. Grantor shall not cause or permit the presence, use, disposal, storage, or release of any Hazardous Substances (as defined in this Paragraph 19) on or in the Property, except for the presence, use, storage and disposal of reasonable quantities of such Hazardous Substances as are generally used in the ordinary course of operating, maintaining or developing properties such as the Property, all of which Indemnitor represents, warrants and covenants shall be used, stored and disposed of in accordance with commercially reasonable practices and all applicable laws. Grantor shall not perform any act, nor allow, cause or permit the performance of any act, affecting the Property when such act constitutes a violation of any federal, state, or local Environmental Law, ordinance, or rule. As used in this Paragraph 19, "Environmental Law" means federal laws, state laws and local codes, laws, and/or ordinances of the jurisdiction where the Property is located that relate to health, safety, or environmental protection.

B. Grantor shall promptly give Beneficiary written notice of any investigation, claim, demand, lawsuit, or other action by any governmental or regulatory agency or private party involving the Property, and any hazardous substance or Environmental Law of which Grantor has actual knowledge. If Grantor learns, or is notified by any governmental or regulatory authority, that any removal or other remediation of any hazardous substance affecting the Property is necessary, Grantor shall promptly take all necessary remedial actions in accordance with Environmental Law and shall bear all costs and expenses thereof.

C. The Grantor hereby represents and warrants that, to the best of the Grantor's knowledge and belief, and after reasonable investigation and inquiry, the Project has never been and is not being used to make, store, handle, treat, dispose of, generate, or transport Hazardous Substances in violation of any applicable law, which Hazardous Substances have not been or will not be abated according to all applicable law and regulations related thereto prior to tenant occupancy of the project. To the best of Grantor's knowledge and belief, and after reasonable investigation and inquiry, there has not been a release of Hazardous Substances on, from, or near the Property, which release has not been or will not be abated to levels acceptable under all applicable law and regulations related thereto prior to tenant occupancy of the project. The Grantor

DRAFT

has never received any notification, citation, complaint, violation, or notice of any kind from any person relating or pertaining to the making, storing, handling, treating, disposing, generating, transporting, or release of Hazardous Substances, for which there has not been or will not be abatement to levels acceptable under all applicable law and regulations related thereto prior to tenant occupancy. Grantor represents and warrants that any asbestos and lead-based paint found within the Project will be abated to levels acceptable under applicable law prior to tenant occupancy of the project. "Hazardous Substances" means (i) any "hazardous waste" as defined by the Resource Conservation and Recovery Act of 1976 (42 U.S.C. § 6901, et seq.), as amended from time to time, and regulations promulgated thereunder; (ii) any "hazardous substance" as defined by the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (42 U.S.C. § 9601, et seq.), as amended from time to time, and regulations promulgated thereunder; (iii) "oil, petroleum products and their by-products" as defined under Washington law as amended from time to time, and regulations promulgated thereunder; (iv) any "hazardous substance" as defined under Washington law, as amended from time to time, and regulations promulgated thereunder; (v) any "asbestos material" as defined under Washington law, as amended from time to time, and regulations promulgated thereunder and/or as defined by 40 C.F.R. Section 61.141, as amended from time to time; (vi) any "radon gas" in excess of levels recommended in U. S. Environmental Protection Agency Guidance Documents, as modified from time to time, or lower levels as provided by any applicable law or regulation now or hereafter in effect; (vii) any "infectious waste" as defined under Washington law, as amended from time to time, and regulations promulgated thereunder; (viii) any substance the presence of which on any property attributable to the operations of the Grantor is prohibited, restricted or regulated by any law or regulation similar to those laws, regulations and/or documents set forth above, including without limitation, polychlorinated biphenyls ("PCBs") and lead-based paints; and (ix) any other substance which by law or regulation requires special handling in its collection, generation, storage, transportation, treatment or disposal.

20. ACCELERATION: REMEDIES. A. Beneficiary shall give notice to Grantor, prior to acceleration, following Grantor's breach of any covenant or agreement noted in this Deed of Trust, the Loan Agreement, or the Covenant Agreement. The notice shall specify: (a) the nature of the default; (b) the action required to cure the default; (c) a date, not less than thirty (30) days from the date the notice is given to Grantor, by which the default must be cured; and (d) that failure to cure the default on or before the date specified in the notice may result in acceleration of the sums secured by this Deed of Trust and sale of the Property at public auction to the highest bidder, in accordance with the Deed of Trust Act of the State of Washington (RCW 61.24 or as hereafter amended). The notice shall further inform Grantor of applicable rights to reinstate after acceleration, rights to bring a court action to assert the nonexistence of a default or any other defense Grantor wishes to assert prior to acceleration and sale, and of any other matters required by applicable law to be included in the notice. If the default is not cured on or before the date specified in the notice (or, if later, by the date specified in the Loan Agreement), Beneficiary, at its option, may require immediate payment in full of all sums secured by this Deed of Trust without further demand and

DRAFT

may invoke the power of sale and any other remedies permitted under the Loan Agreement, the Covenant Agreement, the Promissory Note, this Deed of Trust or by applicable law. Beneficiary shall be entitled to collect from Grantor all expenses incurred in pursuing the remedies provided in this Paragraph 20, including, but not limited to, attorneys' fees and costs of title evidence.

B. If Beneficiary invokes the power of sale, Beneficiary shall give written notice to Trustee of the occurrence of an event of default. Upon instruction from the Beneficiary to do so, Trustee shall cause the trust Property to be sold, in accordance with the Deed of Trust Act of the State of Washington, at public auction to the highest bidder. Beneficiary or its designee may purchase the Property at any sale. Trustee and Beneficiary shall take such action regarding notice of sale and shall give such notices to Grantor and to other persons as applicable law may require.

C. Trustee shall deliver to the purchaser a Trustee's Deed conveying the Property without warranty, expressed or implied. The recitals in the Trustee's deed shall be prima facie evidence of the truth of the statements made therein. Trustee shall apply the proceeds of the sale in the following order: (a) to all expenses of the sale, including, but not limited to, reasonable Trustee's and attorneys' fees; (b) to all sums secured by this Deed of Trust; and (c) any excess to the person or persons legally entitled to it or to the clerk of the superior court of the county in which the sale took place.

D. 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.

E. As long as Wincopin Circle LLLP, a Maryland limited liability limited partnership ("Tax Credit Investor") or an affiliate thereof remains the investor member of Grantor, if a default occurs under the Loan Agreement, this Deed of Trust or any other related document, and Beneficiary intends to exercise any of its remedies on account of such default, then prior to the initiation of any remedy by Beneficiary on account of such default, then Beneficiary at the same time as it delivers notice to Grantor shall deliver written notice of such default to the Tax Credit Investor at the address specified in the Loan Agreement. Beneficiary shall accept cure of the defaults by the Tax Credit Investor within the cure periods, if any, provided in the Loan Agreement, this Deed of Trust or any other related document, and in any event, shall not exercise any rights to foreclose this Deed of Trust until Tax Credit Investor has been given the notice (but not the obligation) to remedy any default forming the basis with respect to such remedy.

21. RECONVEYANCE. Upon payment of all sums secured by this Deed of Trust, Beneficiary shall request Trustee to reconvey the Property to the person entitled thereto and shall surrender this Deed of Trust and all Promissory Notes evidencing the debt secured by this Deed of Trust to Trustee. Trustee shall reconvey the Property without warranty and without charge to the person or persons legally entitled to it. Such person or persons shall pay any recordation costs.

22. SUBSTITUTE TRUSTEE. In the event of the death, incapacity, disability, or resignation of Trustee, or at Beneficiary's reasonable discretion, 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 an action or proceeding in which Grantor, Trustee, or Beneficiary shall be a party unless such action or proceeding is brought by the Trustee.

23. USE OF PROPERTY. The Property is not used principally for agricultural or farming purposes.

24. BINDING EFFECT. This Deed of Trust applies to, inures to the benefit of, and is binding not only on the parties hereto, but on his/her/their heirs, devisees, legatees, administrators, executors, and assigns. The term "Beneficiary" shall mean the holder and owner of the Promissory Note secured hereby, whether or not named as Beneficiary herein.

25. EXTENDED USE AGREEMENT. Beneficiary acknowledges that Grantor intends to enter into an extended use agreement, which constitutes the extended low-income housing commitment described in Section 42(h)(6)(B) of the Internal Revenue Code, as amended (the "Code"). As of the date hereof, Code Section 42(h)(6)(E)(ii) does not permit the eviction or termination of tenancy (other than for good cause) of an existing tenant of any low-income unit or any increase in the gross rent with respect to such unit not otherwise permitted under Code Section 42 or a period of three (3) years after the date the building is acquired by foreclosure or by instrument in lieu of foreclosure. In the event the extended use agreement is recorded against the Property, the Beneficiary agrees to comply with the provisions set forth in Code Section 42(h)(6)(E)(ii).

26. NONRECOURSE PROVISION. Notwithstanding anything to the contrary herein, Borrower, its partners, officers, directors, employees, agents and contractors shall have no personal liability for payment of the indebtedness secured or evidenced hereby or performance of the covenants set forth in this Deed of Trust, the Loan Agreement, the Covenant Agreement or the Promissory Note, and the sole recourse of the Beneficiary shall be confined to the exercise of its rights under this Deed of Trust, the Loan Agreement, the Covenant Agreement and the Promissory Note, provided that nothing shall diminish Borrower's liability for damages or deficiencies resulting from theft, waste, fraud, material misrepresentation and misuse of rents.

27. ORAL AGREEMENTS OR ORAL COMMITMENTS. ORAL AGREEMENTS OR ORAL COMMITMENTS TO LOAN MONEY, TO EXTEND CREDIT, TO MODIFY OR AMEND ANY AGREEMENT TERMS, TO RELEASE ANY GUARANTOR, TO FORBEAR FROM ENFORCING REPAYMENT OF A DEBT OR FORBEAR FROM EXERCISING ANY

DRAFT

REMEDIES, OR TO MAKE ANY OTHER FINANCIAL ACCOMMODATION RELATED TO THIS INSTRUMENT ARE NOT ENFORCEABLE UNDER WASHINGTON LAW.

BY SIGNING BELOW, Grantor accepts and agrees to the terms and covenants contained in this Deed of Trust and in any riders executed by Grantor and recorded with it.

IN WITNESS WHEREOF, the Parties have executed this Deed of Trust as of the day and year first written above.

(THE REMAINDER OF THIS PAGE IS INTENTIONALLY BLANK.)

DRAFT

DRAFT

ATTACHMENT 1

LEGAL DESCRIPTION

1 South Madelia Street

Check updated title report – this is from old one.

Lots 1 and 2 and the West half of Lot 3, Block 2, WADSWORTH AND MCDONALD'S ADDITION, according to plat recorded in Volume "A: of Plats, Page 71, in the City of Spokane, Spokane County, Washington

APN: 35212.0201

51 South Madelia Street

Need update after BLA

APN: 35212.0211

DRAFT

WHEN RECORDED RETURN TO:
CITY OF SPOKANE
COMMUNITY, HOUSING AND HUMAN SERVICES DEPARTMENT
808 W. SPOKANE FALLS BLVD., ROOM 650
SPOKANE, WASHINGTON 99201-3339

OPR #2016-_____

**CITY OF SPOKANE
1 SOUTH MADELIA LLC**

1 SOUTH MADELIA

HOME PROGRAM LOAN COVENANT AGREEMENT

Grantor: 1 South Madelia LLC, a Washington limited liability company

Beneficiary: City of Spokane, a Washington state municipal corporation

Assessor's Parcel Nos.: Current: 35212.0201, 35212.0211

Legal Description (abbreviated):
INSERT when BLA complete

(See Attachment 1 for full legal description.)

This HOME Program Loan Covenant Agreement ("Covenant Agreement") is made this ____ day of _____, 2016, by and between the **City of Spokane**, Washington, a Washington municipal corporation (the "City"), whose address is City of Spokane, c/o Community, Housing and Human Services Department, 808 W. Spokane Falls Blvd., Room 650, Spokane, Washington 99201-3339 and **1 South Madelia LLC**, a Washington limited liability company (the "Borrower" or "Grantor"), whose address is c/o Community Frameworks, 907 West Riverside Avenue, Spokane, WA 99201.

I. STIPULATIONS

1. This Covenant Agreement is a condition of and part of the consideration for the financial assistance provided by the City to the Borrower for the Borrower's acquisition and construction of 1 South Madelia, an apartment complex with 36 one-, two-, and three-bedroom units to be constructed at 1 South Madelia Street and 51 South Madelia Street in Spokane, WA (the "Project"). Thirty-five of these units will be available for rent and one will be for a manager. Four of the units will be HOME-assisted, including two two-bedroom units and two three-bedroom units.

2. This Covenant Agreement is part of a transaction further reflected in a Promissory Note (“Promissory Note”) and a HOME Program Loan Agreement (“Loan Agreement”) of even date herewith. The City’s disbursements under the Loan Agreement are further secured by a Deed of Trust (“Deed of Trust”). The terms of said documents are incorporated herein as if fully set forth herein, and together shall be referenced as the “Related Documents.” The capitalized terms in said agreements shall have the same meaning in this Covenant Agreement unless the context clearly suggests otherwise. In the event of conflict in the terms of any of these documents, the terms most favorable to the City shall apply.

3. The Project is situated in the City and County of Spokane, State of Washington, and is legally described in Attachment 1. The abbreviated legal description is:

INSERT when BLA complete

Assessor's Parcel Numbers: 35212.0201 and 35212.0211

Address: 1 South Madelia Street and 51 South Madelia Street, Spokane, WA 99202

4. This Covenant Agreement shall be filed and recorded in the official public land records of Spokane County, Washington, and shall constitute a restriction upon the use of the property and Project described herein, subject to and in accordance with the terms of this Covenant Agreement during the Affordability Period described in Section IV herein below.

5. 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 Borrower, its successors in interest, assigns, heirs or lessees of the Project, beginning on the date this Covenant Agreement is executed. Each and every contract, deed or other instrument covering or conveying the property or Project, 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.

NOW, THEREFORE, it is hereby covenanted, that during the Affordability Period described in Section IV herein below, the Borrower agrees to the following covenants running with the land which shall bind the Borrower, its heirs, assigns, lessees and successors in interest through the Affordability Period.

II. COVENANTS

Borrower shall:

- A. Comply with the Affordability Requirements described in this Covenant Agreement and Related Documents.
- B. Maintain all required insurance, including without limitation the insurance required by the Deed of Trust.
- C. Maintain Project financial reports, Project financial records and provide all other information and documentation that the City may reasonably request.
- D. Make prompt payment of all taxes and financial liabilities.
- E. Not hypothecate or encumber Project assets in any way, except to the extent provided for under the Loan Agreement or as approved of by the Director of Community, Housing and Human Services of the City of Spokane (the "Director") in writing. The Director may withhold such approval at his/her reasonable discretion.
- F. Promptly provide (i) rent and tenant income information at initial tenant occupancy and (ii) rent, occupancy, and tenant income information annually throughout the term of the Loan Agreement, or as otherwise requested by the City. If the Project has floating HOME units, the Borrower must provide the City with information regarding the unit substitution and filling vacancies so that the Project remains in compliance with HOME rental occupancy requirements.
- G. Promptly provide, upon request by the City, such documentation as is necessary (including financial statements) to enable the City to determine the financial condition and continued financial viability of the Project.
- H. During the Affordability Period, prohibit occupancy of any HOME-assisted unit by Borrower (or officer, employee, agent, elected or appointed official, or consultant of the Borrower, or immediate family member or immediate family member of an officer, employee, agent, elected or appointed official, or consultant of Borrower) whether private, for-profit or nonprofit (including a community housing development organization (CHDO) when acting as an owner, developer or sponsor).
- I. Comply with all applicable federal, state and local regulations and requirements, including, but not limited to, Uniform Administrative Requirements, Federal Labor Standards, Davis-Bacon and Related Acts, Uniform Relocation Act requirements applicable as of the date of the execution of this Covenant Agreement, and the provisions of the Lead-Based Paint Poisoning Prevention Act. When applicable, the City's cost to administer Davis Bacon Federal Labor Standard, and Related Acts shall be borne by the Borrower. When Washington State prevailing wages apply, the Borrower shall comply with all State requirements under RCW 39.12 to the satisfaction of the State of Washington. When applicable, the higher of Washington State prevailing wages or Davis-Bacon wages shall apply.

- J. Comply with all HOME program project requirements pursuant to 24 CFR part 92 et seq.
- K. Maintain housing in compliance with the property standards of 24 CFR §92.251 and local code requirements throughout the term of the Loan Agreement.
- L. Upon Project Completion (as defined in Section IV.A), the Project shall obtain a final Certificate of Occupancy, meet all licensing requirements needed to operate the facility as proposed by Borrower in its various funding applications, and meet the property standards of 24 CFR §92.251, minimum rehabilitation standards, and all applicable federal, state and local codes and ordinances. New construction projects must also meet HUD, state, and local requirements relating to accessibility and disaster mitigation.
- M. Cause each of the four (4) HOME-assisted units to have been occupied by income-eligible households within eighteen (18) months after the Project is completed. If any HOME-assisted units have not been occupied by eligible tenants within 6 months following the date of Project Completion, Borrower shall submit to the City current marketing information and, if the City requests it, an enhanced marketing plan for leasing the unoccupied units as quickly as possible, which information the City will provide to HUD as required by 24 CFR §92.252. If any HOME-assisted unit has not been rented to eligible tenants within eighteen (18) months after the date of Project Completion, Borrower shall repay the City \$75,000.00/unit for each such unit within thirty (30) days of the City's written request for repayment. This reflects the proportionate per unit share of HOME funds, i.e., \$300,000 HOME dollars/4 HOME units. The number of HOME-assisted units required hereunder shall be reduced in proportion to the amounts so repaid.

The Borrower shall cause this Covenant Agreement to be recorded as a covenant running with the land and the Project.

Borrower shall pay at loan closing all costs associated with the negotiation, documentation and closing of the loan, including without limitation title premiums escrow fees, recording fees, appraisal fees and City's attorneys' fees.

III. INCOME DETERMINATIONS

- A. For purposes of this Covenant Agreement, tenant "annual income" is defined pursuant to 24 CFR §92.203), and includes income from all persons in the household, less income adjustments pursuant to 24 CFR §5.611. An individual does not qualify as a low-income family if the individual is a student who is not eligible to receive Section 8 assistance under 24 CFR §5.612.

- B. Initial tenant annual income determinations shall be made by the Borrower pursuant to 24 CFR §92.203. Subsequent tenant income determinations shall be made by the Borrower pursuant to 24 CFR §92.203 and 24 CFR §92.252(h).
- C. Rent increases and annual income recertifications shall be governed by the terms outlined in the Affordability Requirements below.

IV. AFFORDABILITY REQUIREMENTS

- A. HOME Affordability Period. The HOME Affordability Period, established pursuant to 24 CFR §92.252, is twenty (20) years, beginning after Project Completion, as determined by the Director. “Project Completion” means that all necessary title transfer requirements and construction work have been performed; the Project complies with the requirements of 24 CFR §92, including the property standards under 24 CFR §92.251; the final drawdown of HOME funds has been disbursed for the Project; and the project completion information has been entered in the disbursement and information system established by HUD, except that with respect to rental housing project completion, for the purposes of §92.502(d), “Project Completion” occurs upon completion of construction and before occupancy. Repayment of the loan during the HOME Affordability Period will not extinguish the requirements of the Related Documents.
- B. City Affordability Period. The City Affordability Period is thirty (30) years, beginning after Project Completion, as determined by the Director. The HOME Affordability Period and City Affordability Period shall run concurrently. Collectively, the two periods are hereinafter referred to as the “Affordability Period.” Upon expiration of the HOME Affordability Period, the City Affordability Period shall continue, but HUD will no longer monitor compliance with affordability requirements, unless the City Affordability Period is coterminous with the HOME Affordability Period. The requirements of the Affordability Period and other conditions of the Related Documents shall apply, as long as there are funds owing under the Note.
- C. Rent Limit. During the Affordability Period, rents (exclusive of rent paid through project-based subsidies) on the four (4) HOME–assisted units shall not exceed thirty percent (30%) of the adjusted income of a family whose annual income equals thirty percent (30%) of Spokane area median income (“AMI”), as defined by HUD and adjusted for family size, unit size by number of bedrooms, tenant-paid utilities and tenant-supplied appliances. These units shall include two (2) two-bedroom units and two (2) three-bedroom units. Should the HUD rents decline below the initial project rents, the Borrower’s rents do not need to be reduced below the initial rents. A table of initial HOME rents for the Project as established by HUD is attached to the Loan Agreement as Attachment 3. The adjustment for tenant-paid utilities and tenant-supplied appliances is subject to 24 CFR §92.252, which previously used the Section 8 existing housing allowance for tenant-furnished utilities and other services as published annually by HUD and issued by the Spokane Housing Authority or twelve (12)

months of documented actual utility costs as acceptable to the City's Community, Housing & Human Services Department ("Department"). New HUD requirements are being clarified and may include that the adjustment for tenant-furnished utilities and tenant-supplied appliances be based on the HUD Utility Schedule Model, twelve (12) months of documented actual utility costs as acceptable to the Department, or other methods as determined by HUD. Currently, the HUD Utility Schedule Model can be found at: <http://huduser.org/portal/resources/utimodel.html>.

However, any HOME-assisted unit receiving federal or state project-based rental assistance, where the tenant pays not more than thirty percent (30%) of the household's adjusted income as a contribution toward rent, shall be limited to the maximum rent allowed under the federal or state project-based rental assistance program.

The City will provide Borrower with information on updated HOME rent limits so that rents may be adjusted (not to exceed the maximum HOME rent limits, exclusive of rent paid through project-based subsidies) in accordance with this Covenant Agreement and 24 CFR §92.252(f)(2). The Borrower must annually provide the City with information on rents and occupancy of HOME-assisted units to demonstrate compliance with the Affordability Requirements of this Covenant Agreement. The City will review rents for compliance and approve or disapprove them every year. The Borrower must provide tenants of HOME-assisted units written notification of rent increases no less than 30 days prior to the beginning of the month in which the increase is intended to be implemented, subject to the provisions of a tenant's lease agreement, pursuant to 24 CFR §92.252(f)(3).

- D. LIHTC Rent Clause. For tenants of low-income tax credit assisted units (if low-income housing tax credits are awarded to the Project or portions of the Project), any increases in rent associated with tenant income shall be governed solely by Section 42 of the Internal Revenue Code of 1986, as amended from time to time.
- E. Rents can be increased above the maximum limits described above after expiration of the HOME Affordability Period, but the loan will be subject to repayment at the higher interest rate as provided for in Paragraph 2 of the Promissory Note.
- F. Income Limit. At initial occupancy, tenants of the four (4) HOME-assisted units shall have incomes not greater than thirty percent (30%) of the AMI as defined by HUD. If any of these tenants' incomes increases to a level exceeding fifty percent (50%) of AMI, then the next available HOME-assisted unit shall be made available to families at or below thirty percent (30%) of AMI. If the income of a tenant of a HOME-assisted unit increases and exceeds eighty percent (80%) of AMI, then the tenant's rent shall increase to the lesser of thirty percent (30%) of the tenant's adjusted monthly income or Fair Market Rent, subject to paragraph IV.D hereof.

- G. Income Certifications. All tenants' incomes shall be recertified annually by the Borrower. Any applicable rent increases will be effective upon the next lease renewal, and are subject to thirty (30) days' written notice.
- H. Additional Affordability Requirements. The Project must comply with the affordable housing requirements of 24 CFR §92.252.
- I. Relocation. Tenants in occupancy prior to the Project are subject to the provisions of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 as amended ("URA"), 42 USC 4601 et seq. and the regulations promulgated thereunder. All relocation payments and expenses shall be borne by the Borrower.
- J. Protection of Affordability Requirements – City Purchase Option. The Affordability Requirements may terminate upon foreclosure or transfer in lieu of foreclosure at the sole election of the Director. In the event of a pending or threatened foreclosure, once applicable notice and cure periods have expired, the City is hereby granted an option and a right of first refusal to purchase the Project before foreclosure or deed in lieu of foreclosure to preserve affordability. The City may exercise its right to purchase the Project in any reasonable manner following the City's receipt of written notice of pending or threatened foreclosure proceedings and/or a possible deed in lieu of foreclosure, which notice Borrower hereby agrees to provide to City. The purchase price shall be the assessed value of the Project at the time of the City's exercise of its purchase rights, less any financial obligations assumed by the City at the time of the City's acquisition of the Project. Pursuant to 24 CFR §92.252(e)(3), the City further reserves the right to revive any affordability restrictions according to the original terms of the Loan Agreement if, during the HOME Affordability Period (as defined herein), the owner of record before the foreclosure, or deed in lieu of foreclosure, or any entity that includes the former owner or those with whom the former owner has or had family or business ties, obtains an ownership interest in the Project or property.

V. DEFAULT

If a violation of any of the foregoing covenants occurs, the City may, after thirty (30) days written notice, the default meanwhile not having been cured, institute and prosecute any proceeding at law or in equity or as otherwise provided for in this Covenant Agreement, or Related Documents, to abate, prevent, or enjoin any such violation or to compel specific performance by the Borrower of its obligations hereunder, including, without limitation of other remedies, the exercise of the City's purchase rights described herein. 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 violation or any similar breach or violation hereof at any later time.

ORAL AGREEMENTS OR ORAL COMMITMENTS TO LOAN MONEY, TO EXTEND CREDIT, TO MODIFY OR AMEND ANY AGREEMENT TERMS, TO RELEASE ANY GUARANTOR, TO FORBEAR FROM ENFORCING REPAYMENT OF A DEBT OR FORBEAR FROM EXERCISING ANY REMEDIES, OR TO MAKE ANY OTHER FINANCIAL ACCOMMODATION RELATED TO THIS COVENANT AGREEMENT ARE NOT ENFORCEABLE UNDER WASHINGTON LAW.

(THE REMAINDER OF THIS PAGE IS INTENTIONALLY BLANK.)

DRAFT

ATTACHMENT 1
LEGAL DESCRIPTION

INSERT when BLA complete

Tax Parcel Number: _____.

Situs Address: 1 South Madelia Street, Spokane, WA 99202

DRAFT

PLACEHOLDER FOR
PRIORITY AND SUBORDINATION AGREEMENT
WHICH IS UNDER NEGOTIATION
WITH OTHER FUNDERS

BRIEFING PAPER
City of Spokane – City Council CHE
Community, Housing & Human Services Department
Multifamily Housing Program Update
March 7, 2016

Subject

Review of affordable rental housing projects, which have been allocated federal HOME funds through the Community, Housing, and Human Services (CHHS) Dept. and will come before City Council in 2016 and early 2017. The attached table includes recommended new projects and projects that are underway.

Background

The City receives federal funds from the U. S. Department of Housing and Urban Development (HUD) through its HOME Investment Partnerships Program (HOME), which is administered by the CHHS Dept. Eligible uses include the construction, rehabilitation, and acquisition of rental properties, which are affordable to low-income tenants. Eligible recipients include for-profit and non-profit housing providers and housing authorities. Some funding is restricted to non-profits designated as Community Housing Development Organizations (CHDO).

Following an RFP process and review by its Affordable Housing subcommittee, the CHHS Board recommends projects for allocations of HOME funds. On 11/4/15, the CHHS Board allocated funds to two new projects and increased funding for a CHDO set aside project that was originally allocated funds on 12/3/14. These three projects are included in the attached table, which shows proposed projects and projects that are currently underway. The proposed projects are:

- The ECCO First Avenue Duplex will be built by the Spokane Service Team on a lot currently owned by the City at 2418 E 1st Avenue, in the East Central neighborhood and the Sprague TIP. One unit will be affordable to households at or below 50% of Spokane area median income (AMI) and one will be affordable to households at or below 30% AMI. Construction will start this Spring.
- Transitions' Permanent Supportive Housing Project will build 24 cottage homes and a residents' common building on Transitions' North Hemlock property. Seven of the 24 units will be HOME-assisted and affordable to households at or below 30% AMI. Construction is planned for early 2017.
- The 1 South Madelia project will construct 36 units in four buildings on land that currently has a used car lot and a house. The 3-story apartment building at Sprague and Madelia will have 19 1-, 2- and 3-bedroom units

(including a resident manager's unit), a tenant common area, tenant laundry, and a manager's office. Three buildings along First Avenue will have 17 townhouse-style apartments with 2 and 3 bedrooms, a central play area, and parking accessible from the alley. The four City HOME units include 2 two-bedroom and 2 three-bedroom units at or below 30% AMI. Community Frameworks expects to start construction in August 2016.

Impact

The three proposed projects will construct a total of 62 units. The targeted income levels of the various funders range from 30% to 60% of AMI. Twelve of the 13 HOME units will serve households at or below 30% AMI. The HOME units include 1 studio, 2 one-bedroom units, 6 two-bedroom units, and 4 three-bedroom units. All projects are in established neighborhoods with good bus service.

Action

Loan documents for the ECCO Duplex and 1 South Madelia will be to Council before the end of summer. Documents for Transitions' Cottage Homes will be before the Council for action in early 2017.

Funding

The HUD program began in 1992 and the City's annual allocation of HOME funds ranged from \$1.4 to \$1.8 million from 1995 to 2011, and was reduced to under \$1 million in 2012-2016. HOME's eligible uses include: rental housing (acquisition, rehabilitation, or construction), single family housing rehabilitation, tenant-based rental assistance, and homebuyer assistance.

HOME is subject to a number of federal requirements and regulations. The catalogue of Federal Domestic Assistance Number (CFDA) is 14.239. More information is at: <http://www.hud.gov/offices/cpd/affordablehousing/programs/home/>.

Most uses of HOME funds require a 25% match from non-federal sources. The match requirement is evaluated at the program level, not the level of each project. Thus far, the City has easily met the HOME program match requirement.

PROPOSED BUDGET

**1 SOUTH MADELIA LLC
1 SOUTH MADELIA**

Purchase price	\$525,000	Low-income Housing Tax	
Closing/title/recording	15,750	Credit (LIHTC)	
Demolition	40,000	equity	\$7,294,302
New building	5,278,401		
Construction conting	497,840	WA State Housing	
Solar	150,000	Trust Fund	1,200,000
Sales tax	459,221		
Equipment & furnishings	39,000	Solar Tax Credits	45,000
Appraisal & market study	6,000		
Architect	285,000	City HOME funds	300,000
Environ. assessment	22,204		
Surveys, geotechnical	14,100		
Legal-real estate	50,000		
Soft cost contingency	20,000		
Permits/fees/hookups	56,748		
Construct'n loan fees	55,000		
Construct'n loan expenses	11,000		
Construct'n loan legal	15,000		
Construct'n loan interest	98,000		
Leaseup period interest	130,000		
LIHTC fees	70,947		
LIHTC legal	50,000		
Owner's title policy	15,000		
City/state app fees	2,300		
RE taxes/insurance	21,015		
Bidding/impact fees	10,997		
Donation	15,000		
Accounting/audit	17,000		
Marketing/leaseup	27,780		
Reserves	116,000		
Developer fee	725,000		
TOTAL	\$8,839,302	TOTAL	\$8,839,302

The Project includes the construction of 35 rental units and a manager's unit in four buildings on two sites that bridge an alley. The buildings will include 6 one-bedroom units, 12 two-bedroom units, and 18 three-bedroom units. The buildings will include green building features, as required by State funding. The Sprague building will have 18 rental units, a resident manager's unit, tenant space with a coin-operated laundry, and manager's office. The First Avenue buildings will be two-story townhouse-style apartments with 17 two- and three-bedroom units and a central play area. Both sites will access parking from the alley.



Agenda Sheet for City Council Meeting of:

06/20/2016

Date Rec'd	7/12/2013
Clerk's File #	OPR 2016-0488
Renews #	

Submitting Dept	HOUSING & HUMAN SERVICES	Cross Ref #	2016-0477
Contact Name/Phone	M SHARTS X6325	Project #	
Contact E-Mail	MSHARTS@SPOKANECITY.ORG	Bid #	
Agenda Item Type	Contract Item	Requisition #	
Agenda Item Name	1680 INLAND EMPIRE RESIDENTIAL RESOURCES - SPECIAL SKILLS DUPLEX		

Agenda Wording

Loan Agreement & other documents with Inland Empire Residential Resources(Spokane)for construction of duplex with accessible units at 2418 E 4th Ave \$280,000 HOME CHDO funds (East Central neighborhood)

Summary (Background)

The City receives HOME grants from HUD for rental housing projects affordable to low-income households. The loan agreement requires that 2 units (1 2-brm, 1 3-bdrm) benefit households at or below 30% of the area median income for at least 20 years. Loan is forgivable, if affordable for 30 years. Lot was City surplus (RES 2012-0068).

Fiscal Impact

Expense	\$ 280,000
Neutral	\$ 0
Select	\$
Select	\$

Budget Account

#	1710-99999-99999-99999-99999 HOME CHDO
#	pending approval of EBO
#	
#	

Approvals

<u>Dept Head</u>	CROW, ROB
<u>Division Director</u>	MALLAHAN, JONATHAN
<u>Finance</u>	KECK, KATHLEEN
<u>Legal</u>	WHALEY, HUNT
<u>For the Mayor</u>	WHITNEY, TYLER

Council Notifications

<u>Study Session</u>	CHE 5/2/16
<u>Other</u>	

Additional Approvals

<u>Purchasing</u>	dkinder, msharts
	ierr811@omnicast.net

DRAFT
OPR #2016-_____

CITY OF SPOKANE
INLAND EMPIRE RESIDENTIAL RESOURCES
SPECIAL SKILLS DUPLEX
HOME PROGRAM LOAN AGREEMENT

This HOME Program Loan Agreement (the "Loan Agreement") is made effective this ___ day of _____ 2016 ("Effective Date"), by and between the City of Spokane, Washington, a Washington municipal corporation (the "City"), whose address is **City of Spokane**, c/o Community, Housing and Human Services Department (the "Department"), 808 W. Spokane Falls Blvd., Room 650, Spokane, WA 99201, and **Inland Empire Residential Resources**, a Washington nonprofit corporation (the "Borrower"), whose address is P.O. Box 3123, Spokane, WA 99220. Borrower and City are together referenced as the "Parties". This Loan Agreement is part of a transaction further reflected in a Promissory Note (the "Note"), a HOME Program Loan Covenant Agreement ("Covenant Agreement"), and a Quit Claim Deed dated _____, recorded concurrently with the Covenant Agreement. The City's disbursements under the Loan Agreement are further secured by a Deed of Trust of even date herewith ("Deed of Trust"). The terms of said documents are incorporated herein as if fully set forth herein, and together shall be referenced as the "Related Documents." The capitalized terms in said documents shall have the same meaning in this Loan Agreement unless the context clearly suggests otherwise. In the event of conflict in the terms of any of these documents, the terms most favorable to the City shall apply.

WITNESSETH: The Parties hereby agree to diligently fulfill the following duties and to perform the following services in accordance with all of the conditions, terms, and requirements of this Loan Agreement.

I. PURPOSE

- A. The purpose of this Loan Agreement is to expand the supply of decent, safe, sanitary, and affordable housing for extremely low-income households pursuant to the HOME Investment Partnerships Program (24 CFR part 92 et seq., CFDA #14.239) ("HOME"). The City has designated Borrower as a Community Housing Development Organization ("CHDO"), and the Borrower will be the developer of the Project, pursuant to 24 CFR §92.300.
- B. To accomplish the purpose of this Loan Agreement, the City shall use HOME funds to provide a portion of the financing for the Borrower's construction of the Special Skills Duplex, a duplex with one two-bedroom unit and one three-bedroom unit to be constructed at 2418 East 4th Avenue in Spokane, WA (the "Project"). The legal description of the Project is:

DRAFT

LOT 4 IN BLOCK 19 OF UNION PARK ADDITION, AS PER PLAT THEREOF RECORDED IN VOLUME "A" OF PLATS, PAGE 139;

SITUATE IN THE CITY OF SPOKANE, COUNTY OF SPOKANE, STATE OF WASHINGTON.

Assessor's Parcel Number: 35211.3704

Property Address: 2418 E 4th Ave, Spokane, WA 99202

The Project includes 2 HOME-assisted units, including a two-bedroom unit and a three-bedroom unit. Borrower shall provide the City with the address (e.g., street address and apartment number) of each HOME assisted unit no later than the time of initial occupancy. Both units will be constructed to meet the standards of the Americans with Disabilities Act.

- C. The Project is expected to conform to the estimates noted in the Project Budget, attached hereto as "Attachment 1" and incorporated herein. All additional costs over and above the sum noted as compensation for this Loan Agreement shall be borne by the Borrower.

II. DURATION OF THE LOAN AGREEMENT

This Loan Agreement shall commence and be effective on the Effective Date and shall terminate on the later of the end of the HOME Affordability Period or full repayment and/or forgiveness of sums due under the Note. The City and Borrower, upon mutual agreement, shall have the power to extend the term of this Loan Agreement. Any extension shall not increase the overall dollar amount loaned by the City pursuant to this Loan Agreement.

III. AMOUNT OF LOAN

The City shall loan the Borrower a sum not to exceed TWO HUNDRED EIGHTY THOUSAND AND NO/100 DOLLARS (\$280,000.00) from HOME funds, to be disbursed as provided herein, subject to the terms and conditions of this Loan Agreement and Related Documents.

IV. PRICING

This loan is subject to interest on the outstanding principal balance loaned at the rate of three percent (3%) per annum, such interest commencing on the time of disbursement(s) and compounding monthly during the loan term. Payments shall be made pursuant to the Note and Section XV herein below. If rents for any HOME-assisted in the Project are increased above the level of the Affordability Requirements defined in this Loan Agreement or any other provisions, covenants, terms, conditions or restrictions of this Loan Agreement are not adhered to, then the rate on the outstanding balance shall be increased to the prevailing prime lending rate as published in The Wall Street Journal, plus three percent (3%) for the remaining term

DRAFT

of the loan, compounded monthly, and may be subject to accelerated repayment pursuant to XV.B. herein below.

V. SECURITY/SUPPORT

- A. Borrower shall assure and maintain the City's security position on the underlying real estate as evidenced by the Deed of Trust. There will be no superior financial liens.
- B. The Affordability Requirement outlined in this Loan Agreement shall be recorded as a **covenant running with the Project**, and shall apply without regard to the term of any loan or mortgage or transfer of ownership.
- C. Borrower shall keep in force, continuously, insurance covering the Project and property legally described above, listing the City of Spokane as policy beneficiary, pursuant to Section IX of this Loan Agreement.

VI. FUNDING DISBURSEMENTS

- A. The timing and disbursement of HOME funds shall be determined by the City in its sole discretion, consistent with the provisions of this Loan Agreement. Without limiting the forgoing, funding disbursements are subject to the following conditions:
 - 1. City HOME funds shall be disbursed only after completion of all requirements imposed by HUD, as determined by the City in its sole discretion, and upon completion of an environmental review by the City.
 - 2. All funds lent under this Agreement must be utilized by June 30, 2017.
 - 3. Borrower may not request disbursement of funds until needed for payment of eligible project costs, as defined by 24 CFR §92.206 and as further defined in the Program Description of the City's Multifamily Housing Program, and the amount of each request must be limited to the amount needed. Architectural, engineering, or related professional services required to prepare plans, drawings, specifications, or work write-ups may be reimbursed if they were incurred not more than 24 months before the date of this Loan Agreement. In case of a dispute between the Parties regarding when the funds shall be disbursed, the determination of the Director of the Department of Community, Housing, and Human Services of the City of Spokane ("Director") shall govern.
- B. Notwithstanding any other provision of this Loan Agreement, except as approved by the City, prior to the drawdown or disbursement of any City HOME funds hereunder, the Borrower shall provide documentation, in a form reasonably acceptable to the City, that the following actions have been taken to the City's satisfaction:

DRAFT

1. Recording of the Covenant Agreement and Deed of Trust.
 2. The Borrower has in place all applicable construction, land use, environmental, zoning permits and/or other federal, state and local governmental approvals as necessary for undertaking the activity for which the specific draw request is to be used.
 3. For projects including acquisition of land and/or buildings, an appropriate assessment of fair market value must be reviewed and approved by the City.
 4. Notwithstanding any provision in this Loan Agreement, the Borrower and the City hereto agree and acknowledge that Borrower shall not be entitled to any drawdown or disbursement of funds until satisfactory completion of environmental review and receipt by the City of a release of funds from HUD under 24 CFR Part 58. The Borrower and the City further agree that the provision of any funds to the Project shall be conditioned upon the City's determination to proceed with, modify, or cancel the project based on the results of a subsequent environmental review. The Borrower shall not spend any funds on physical or choice-limiting actions, including property acquisitions, demolition, movement, rehabilitation, conversion, repair, or construction prior to the environmental clearance as described herein. Violation of this provision may result in the denial of any funds under this Loan Agreement. The Borrower shall perform all the required mitigation measures referenced in the environmental review record completed by the City.
 5. As applicable, the Borrower shall demonstrate, to the City's satisfaction, full compliance with the minimum wage requirements set forth in Section XVIII herein below.
- D. Notwithstanding the foregoing, a retainage of ten percent (10%) of the total amount allocated under this Loan Agreement shall be held by the City until all permits have been received, final inspections are complete, a final Certificate of Occupancy is issued, the Borrower accepts the work, federal requirements are fully satisfied, and all other obligations under this Loan Agreement or related agreements are carried out to the satisfaction of the Director.

VII. INCOME DETERMINATIONS

- A. For purposes of this Loan Agreement, tenant "annual income" is defined pursuant to 24 CFR §92.203, and includes income from all persons in the household, less income adjustments pursuant to 24 CFR §5.611. An individual does not qualify as a low-income family if the individual is a student who is not eligible to receive Section 8 assistance under 24 CFR §5.612.
- B. Initial tenant annual income determinations shall be made by the Borrower pursuant to 24 CFR §92.203. Subsequent tenant income determinations shall be made by the Borrower pursuant to 24 CFR §92.203 and 24 CFR §92.252(h).
- C. Rent increases and annual income recertifications shall be governed by the terms outlined in the Affordability Requirements.

DRAFT

VIII. AFFORDABILITY REQUIREMENTS

A. HOME Affordability Period. The HOME Affordability Period, established pursuant to 24 CFR §92.252, is twenty (20) years, beginning after Project Completion, as determined by the Director. "Project Completion" means that all necessary title transfer requirements and construction work have been performed; the Project complies with the requirements of 24 CFR §92, including the property standards under 24 CFR §92.251; the final drawdown of HOME funds has been disbursed for the Project; and the project completion information has been entered in the disbursement and information system established by HUD, except that with respect to rental housing project completion, for the purposes of §92.502(d), Project Completion occurs upon completion of construction and before occupancy. Repayment of the loan during the HOME Affordability Period will not extinguish the requirements of the Related Documents.

B. City Affordability Period. The City Affordability Period is thirty (30) years, beginning after Project Completion, as determined by the Director. The HOME Affordability Period and City Affordability Period shall run concurrently. Collectively, the two periods are hereinafter referred to as the "Affordability Period." Upon expiration of the HOME Affordability Period, the City Affordability Period shall continue, but HUD will no longer monitor compliance with Affordability Requirements, unless the City Affordability Period is coterminous with the HOME Affordability Period. The requirements of the Affordability Period and other conditions of the Related Documents shall apply, as long as there are funds owing under the Note.

C. Rent Limits.

Group Homes.

During the Affordability Period, the sum of the rents paid by all tenants of each of the two- or three-bedroom units shall not exceed the Spokane area's Section 8 Fair Market Rent ("FMR") for a two- or three-bedroom unit, as defined by HUD, and adjusted for tenant-paid utilities and tenant-supplied appliances. Each tenant's rent shall be a proportionate share of the total unit rent. Rent limits include utilities, but do not include food or the cost of any supportive services. Bedrooms occupied by resident supportive services providers are not counted as eligible bedrooms for rent purposes.

Non-Group Homes.

During the Affordability Period, rents on the two HOME-assisted units shall not exceed thirty percent (30%) of the adjusted income of a family whose annual income equals thirty percent (30%) of Spokane area median income ("AMI"), as defined by HUD and adjusted for family size, unit size by number of bedrooms, tenant-paid utilities, and tenant-supplied appliances. These units shall include one (1) two-bedroom unit and one three-bedroom unit.

DRAFT

However, any HOME-assisted unit receiving federal or state project-based rental subsidy, where the tenant pays not more than thirty percent (30%) of the household's adjusted income as a contribution toward rent, shall be limited to the maximum rent allowed under the federal or state project-based rental assistance program.

Group and Non-Group Homes.

Should the HUD rents or the FMR decline below the initial project rents, the Borrower's rents do not need to be reduced below the initial rents. A table of initial HUD rents for the Project is attached to this Loan Agreement as Attachment 2.

However, any HOME-assisted unit receiving federal or state project-based rental assistance, where the tenant pays not more than thirty percent (30%) of the household's adjusted income as a contribution toward rent, shall be limited to the maximum rent allowed under the federal or state project-based rental assistance program.

The adjustment for tenant-paid utilities and tenant-supplied appliances is subject to §92.252. New HUD requirements include that the adjustment for tenant-paid utilities and tenant-supplied appliances be based on the HUD Utility Schedule Model, twelve (12) months of documented actual utility costs as acceptable to the City's Community, Housing & Human Services Department ("Department"), or other methods as determined by HUD. Currently, the HUD Utility Schedule Model can be found at: <http://huduser.org/portal/resources/utilmodel.html>. HUD may clarify the new requirements to allow the use (in some circumstances) of the prior requirement, which used the Section 8 existing housing allowance for tenant-furnished utilities and other services as published annually by HUD and issued by the Spokane Housing Authority or twelve (12) months of documented actual utility costs as acceptable to the Department.

The City will provide Borrower with information on updated HOME rent limits so that rents may be adjusted (not to exceed the maximum HOME rent limits) in accordance with this Loan Agreement. Owners must annually provide the City with information on rents and occupancy of HOME-assisted units to demonstrate compliance with the Affordability Requirements of this Loan Agreement. The City will review rents for compliance and approve or disapprove them every year.

Rents can be increased above the maximum limits described above after expiration of the HOME Affordability Period, but the loan will be subject to repayment at the higher interest rate as provided for in Paragraph 2 of the Promissory Note.

- C. LIHTC Rent Clause. For tenants of low-income tax credit assisted units (if low-income housing tax credits are awarded to the Project or portions of the Project), any increases in rent associated with tenant income shall be governed

DRAFT

solely by section 42 of the Internal Revenue Code of 1986, as amended from time to time.

- D. Income limits. At initial occupancy, tenants of the HOME-assisted unit shall have incomes not greater than thirty percent (30%) of the Spokane area median income ("AMI"), as defined by HUD. If one of these tenants' incomes increases to a level exceeding 50% of AMI, the next available HOME-assisted unit shall be made available to families at or below 30% AMI. The Property owner may choose to increase rent for the now over-50% household, provided that the new rent does not exceed the HOME rent at the 30% of 50% of AMI level. In addition, if the tenant's income increases and exceeds 80% of AMI, the tenant's rent shall increase to the lesser of 30% of the tenants adjust monthly income or Fair Market Rent.
- E. Income Certifications. All tenants' incomes shall be recertified annually by the Borrower. Any applicable rent increases will be effective upon the next lease renewal, and are subject to thirty (30) days' written notice.
- F. Upon completion of the HOME Affordability Period, if the maximum rent and income limits are exceeded, the loan will be subject to repayment at the higher interest rate as provided for in Paragraph 2 of the Promissory Note.
- G. Additional Affordability Requirements. The Project must comply with the affordable housing requirements of 24 CFR §92.252.
- H. Relocation. Tenants in occupancy prior to the Project are subject to the provisions of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 as amended ("URA"), 42 USC 4601 et seq. and the regulations promulgated thereunder. All relocation payments and expenses shall be borne by the Borrower.
- I. Protection of Affordability Requirements – City Purchase Option. The Affordability Requirements may terminate upon foreclosure or transfer in lieu of foreclosure at the sole election of the Director. In the event of a pending or threatened foreclosure, once applicable notice and cure periods have expired, the City is hereby granted an option and a right of first refusal to purchase the Project before foreclosure or deed in lieu of foreclosure to preserve affordability. The City may exercise its right to purchase the Project in any reasonable manner following the City's receipt of written notice of pending or threatened foreclosure proceedings and/or a possible deed in lieu of foreclosure, which notice Borrower hereby agrees to provide to City. The purchase price shall be the assessed value of the Project at the time of the City's exercise of its purchase rights, less any financial obligations assumed by the City at the time of the City's acquisition of the Project. The City further reserves the right to revive any affordability restrictions according to the original terms of this Loan Agreement if, during the HOME Affordability Period (as defined herein), the owner of record before the foreclosure, or deed in lieu of foreclosure, or any entity that includes the former owner or those with whom the former owner has

DRAFT

or had family or business ties, obtains an ownership interest in the Project or property.

IX. INSURANCE

The Borrower shall keep the Project and all improvements now existing or hereafter erected thereon continuously insured as required in the Deed of Trust, the Note and the Covenant Agreement and this Loan Agreement, naming the City as mortgagee and/or loss payee. The insurance requirements apply during the Affordability Period, or during any such time as there are outstanding sums due under the Note, whichever is longer.

X. PROPERTY STANDARDS

- A. All HOME-assisted housing under this Loan Agreement shall meet the requirements of 24 CFR §92.251, which includes all applicable Federal, State and local code requirements and housing quality standards, rehabilitation standards, ordinances and zoning ordinances at the time of Project completion and for the duration of the Affordability Period. Where relevant, the housing must be constructed to mitigate the impact of potential disasters (e.g., earthquakes, hurricanes, flooding, and wildfires), in accordance with applicable State and local codes, ordinances, or other State and local requirements, or such other requirements as HUD may establish. The standards under 24 CFR §92.251 were modified in 2013 and implementation awaits further clarification from HUD, at this time.
- B. Any accessible HOME-assisted housing units under this Loan Agreement shall, for the duration of the Affordability Period, meet the accessibility requirements of 24 CFR part 8, which implements Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794), and Titles II and III of the Americans with Disabilities Act (42 U.S.C. 12131-12189) implemented at 28 CFR parts 35 and 36, as applicable. Covered multifamily dwellings, as defined at 24 CFR 100.201, must also meet the design and construction requirements at 24 CFR 100.205, which implements the Fair Housing Act (42 U.S.C. 3601-3619). The foregoing shall not be interpreted as limiting Borrower's obligation to comply with accessibility requirements applicable to the Project as whole.
- C. The Borrower shall comply with the provisions of 24 CFR §92.251.

XI. ADDITIONAL MISCELLANEOUS COVENANTS

Borrower shall:

- A. Comply with the Affordability Requirements described in this Loan Agreement and Related Documents.
- B. Maintain all required insurance, including without limitation the insurance required by the Deed of Trust.

DRAFT

- C. Maintain Project financial reports, Project financial records, and provide all other information and documentation that the City may reasonably request.
- D. Make prompt payment of all taxes and financial liabilities.
- E. Not hypothecate or encumber Project assets in any way, except to the extent provided for under this Loan Agreement or as approved of by the Director in writing. The Director may withhold such approval at his/her reasonable discretion.
- F. Promptly provide (i) rent and tenant income information at initial tenant occupancy and (ii) rent, occupancy, and tenant income information annually throughout the term of this Loan Agreement, or as otherwise requested by the City.
- G. Promptly provide, upon request by the City, such documentation as is necessary (including financial statements) to enable the City to determine the financial condition and continued financial viability of the Project.
- H. During the Affordability Period, prohibit occupancy of any HOME-assisted unit by Borrower, or officer, employee, agent, elected or appointed official, or consultant of the Borrower, or immediate family member or immediate family member of an officer, employee, agent, elected or appointed official, or consultant of Borrower, whether private, for-profit or nonprofit, including a community housing development organization ("CHDO") when acting as an owner, developer or sponsor.
- I. Comply with all applicable federal, state, and local regulations and requirements, including, but not limited to Uniform Administrative Requirements, Federal Labor Standards, Davis-Bacon and Related Acts, Uniform Relocation Act requirements applicable as of the date of the execution of this Loan Agreement, and the provisions of the Lead-Based Paint Poisoning Prevention Act. When applicable, the City's costs to administer Davis-Bacon Federal Labor Standards, and Related Acts shall be borne by the Borrower. When Washington State prevailing wages apply, the Borrower shall comply with all State requirements under RCW 39.12 to the satisfaction of the State of Washington. When applicable, the higher of Washington State prevailing wages or Davis-Bacon wages shall apply.
- J. Comply with all HOME program project requirements pursuant to 24 CFR part 92 et seq.
- K. Maintain housing in compliance with the property standards of 24 CFR §92.251 and local code requirements throughout the term of this Loan Agreement.
- L. Upon Project completion, the Project shall obtain a final Certificate of Occupancy, meet all licensing requirements needed to operate the facility as

DRAFT

proposed by Borrower in its various funding applications, and meet the property standards of 24 CFR §92.251, minimum rehabilitation standards, and all applicable federal, state and local codes and ordinances. New construction projects must also meet HUD, state, and local requirements relating to accessibility and disaster mitigation.

- M. Cause each of the two (2) HOME-assisted units to be occupied by income-eligible households within eighteen (18) months after the Project is completed. If any HOME-assisted units are not occupied by eligible tenants within 6 months following the date of Project Completion, Borrower shall submit to the City current marketing information and, if the City requests it, an enhanced marketing plan for leasing the unoccupied units as quickly as possible, which information the City will provide to HUD as required by 24 CFR §92.252. If any HOME-assisted unit has not been rented to eligible tenants within eighteen (18) months after the date of Project Completion, Borrower shall repay the City \$140,000.00/unit for each such unit within thirty (30) days of the City's written request for repayment. This reflects the proportionate per unit share of HOME funds, i.e., \$280,000.00 HOME dollars/2 HOME units.

The Borrower shall cause the Covenant Agreement (which shall contain the foregoing covenants) to be recorded as a covenant running with the land.

Borrower shall pay at loan closing all costs associated with the negotiation, documentation and closing of the loan, including without limitation title premiums escrow fees, recording fees, appraisal fees and City's attorneys' fees.

XII. PROJECT TIMETABLE

- A. The Borrower agrees to complete work required in accordance with the timetable set forth in Attachment 3. Timely completion of the work is an integral and essential part of performance. The expenditure of HOME funds is subject to Federal deadlines and failure to meet deadlines could result in the loss of the Federal funds. By the acceptance and execution of this Loan Agreement, the Borrower agrees that the Project will be completed as expeditiously as possible and make every effort to ensure the project will proceed and will not be delayed. Failure to meet these deadlines can result in cancellation of this contract and revocation of HOME funds. Since it is mutually agreed that time is of the essence, the Borrower shall cause appropriate provisions to be included in all contracts or subcontracts relative to the work tasks in Attachment 3. It is intended that such provisions included in any subcontracts be, to the fullest extent permitted by law and equity, binding for the benefit of the City and enforceable by the City against the Borrower and its successors and assigns to the project or any part thereof or any interest therein.

- B. In the event the Borrower is unable to meet the above schedule or complete the above services due to delays resulting from Acts of God, untimely review and approval by the City and other governmental authorities having jurisdiction

DRAFT

over the Project, or other delays that are not caused by the Borrower, the City shall grant a reasonable extension of time for completion of the work. It shall be the responsibility of the Borrower to notify the City promptly in writing whenever a delay is anticipated or experienced, and to inform the City of all facts and delays related to the delay.

XIII. DEFAULT

A. The following shall be considered "Events of Default" for purposes of this Loan Agreement:

1. Failure of Borrower to make any principal and interest payment within fifteen (15) days after such payment is due.
2. Failure to perform, observe or comply with the Affordability Requirements, Income Determinations, or any other provisions, related covenants, terms, conditions or restrictions of this Loan Agreement or any agreement relating to the Project (i.e., the occurrence of an event of default under other indebtedness secured by the Project property) or any part thereof, and failure to fully cure the same within the period of time, if any, permitted for cure and, if no period for cure is otherwise provided for, within sixty (60) days of written notice from the City of such failure, requesting the same to be remedied; provided, after a second non-compliance of any provision in a five- (5-) year period, only fourteen (14) days written notice is needed.
3. Failure to perform required maintenance or performance of any act by Borrower which would, in the City's reasonable opinion, adversely affect the value of the Project.
4. Sale, transfer, lease, or other conveyance of the Project or any portion thereof, including assumptions and subordinations, without obtaining the prior written consent of the Director.
5. Filing a voluntary or involuntary petition not dismissed within ninety (90) days after filing under the United States Bankruptcy Code by or against the Borrower.
6. Any representation, warranty, or disclosure made to the City or any other Project lender which proves to be materially false or misleading as of the date made, whether or not such representation, warranty, or disclosure appears in this Loan Agreement.
7. Failure to maintain and keep in force adequate amounts of insurance as is usual in the business carried on by the Borrower, or as required herein.
8. Without limiting any of the foregoing, Borrower's failure to comply with the minimum wage requirements set forth in Section XVIII of this Loan Agreement.

DRAFT

XIV. REMEDIES

- A. Upon the occurrence of an event of default not timely cured after notice, the City may, in addition to any other remedies which the City may have hereunder or under this Loan Agreement or by law or equity, at its option and upon written notice to the Borrower, take any or all of the following actions:
1. Immediately terminate any further advance of loan funds.
 2. Declare the debt incurred hereunder and under the Related Documents immediately due and payable and commence collection proceedings against the Borrower.
 3. Seek judicial appointment of a receiver.
 4. Foreclose under the security documents or instruments, judicially or non-judicially.
 5. File suit against the Borrower.
 6. Seek specific performance or injunctive relief to enforce performance of the undertakings, duties, and agreements provided in this Loan Agreement or any related security document or instrument, whether or not a remedy at law exists or is adequate.
- B. All remedies of the City provided for herein are cumulative and shall be in addition to all other rights and remedies provided by law or in equity or by this Loan Agreement. The exercise of any right or remedy by the City shall not in any way constitute a cure or waiver of default under this Loan Agreement or any other related Project agreement, or invalidate any act done pursuant to any notice of default, or prejudice the City in the exercise of any of its rights unless, in the exercise of such rights, the City realizes all amounts owed to it by the Borrower.
- C. A failure to declare or a delay in declaring a default shall not constitute a waiver of any rights or remedies or excuse any failure by the Borrower to strictly comply with its obligations under this Loan Agreement or any other related Project agreement or document.

XV. REPAYMENT/DEBT FORGIVENESS

- A. Payment of principal and interest shall be deferred during the HOME Affordability Period.
- B. Following the HOME Affordability Period, and during the remaining City Affordability Period, this loan may be eligible for debt forgiveness. In exchange for complying with the Affordability Requirements during that period of the City Affordability that extends beyond the HOME Affordability Period (the

DRAFT

“Forgiveness Period”), the principal and interest may be forgiven for each year of the Forgiveness Period, until it is fully forgiven or paid at the end of the Affordability Period. If, at the end of each year during Forgiveness Period, the Borrower has complied, for that year, with the Affordability Requirements of this Loan Agreement and the Covenant Agreement and is in compliance with all other provisions of this Loan Agreement and Related Documents, then the loan payments shall be forgiven for that year; provided, no payments shall be forgiven for affordability periods of less than one (1) year. The amount of the annual loan forgiveness shall be the sum of twelve monthly payments; the monthly payments will be in an amount sufficient to amortize the principal and interest over the remaining term of the Affordability Period. During the Affordability Period, Borrower shall notify the City in writing if, for any reason, the Project will not comply with the Affordability Requirements, at which time any and all outstanding balance would become immediately due and payable in full.

- C. If Borrower elects not to comply with the Affordability Requirements beyond the end of the HOME Affordability Period, repayment of principal and interest shall be made monthly in an amount sufficient to amortize the loan over the remaining term of the Affordability Period.
- D. Repayment during the HOME Affordability Period described in Paragraph VIII.A of this Loan Agreement shall not extinguish the Affordability Requirements.
- E. Payment of principal, interest, and fees shall be made in lawful money of the United States of America in immediately available funds to the City of Spokane, at the Community, Housing and Human Services Department, 808 W. Spokane Falls Blvd., Room 650, Spokane, WA 99201, or at such other place as the City may designate to Borrower in writing.

XVI. NONDISCRIMINATION/RENT SUBSIDY

Neither the Borrower nor any of its agents shall refuse to lease HOME-assisted units to a certificate or voucher holder under 24 CFR part 982 – Section 8 Tenant-Based Assistance: Unified Rule for Tenant-Based Assistance under the Section 8 Rental Certificate Program and the Section 8 Rental Voucher Program or to the holder of a comparable document evidencing participation in a HOME tenant-based rental assistance program because of the status of the prospective tenant as a holder of such certificate, voucher, or comparable HOME tenant-based assistance document.

XVII. FAITH-BASED ACTIVITIES AND ORGANIZATIONS

- A. Borrower, in providing services supported in whole or in part with HOME program funds, shall not discriminate against current or prospective program beneficiaries (i.e., tenants) on the basis of religion, a religious belief, or a refusal to attend or participate in a religious practice.

DRAFT

- B. If Borrower engages in explicitly religious activities, including activities that involve overt religious content such as worship, religious instruction, or proselytization, Borrower must perform such activities and offer such services outside of and separately in time or location, from the activities or programs financed under this Loan Agreement, and participation in any such explicitly religious activities must be voluntary for the program beneficiaries of the HUD-funded programs or services (i.e., tenants).
- C. Whether or not Borrower is a faith-based organization, it may use the loan proceeds provided under this Loan Agreement as provided under relevant regulations and this Loan Agreement without impairing its independence, autonomy, expression of religious beliefs, or religious character. Borrower will retain its independence from Federal, State, and local government, and may continue to carry out its mission, including the definition, development, practice, and expression of its religious beliefs, provided that it does not use direct HOME funds to support or engage in any explicitly religious activities, including activities that involve overt religious content, such as worship, religious instruction, or proselytization, or any manner prohibited by law. Borrower may use space in their facilities to provide program-funded services, without removing or altering religious art, icons, scriptures, or other religious symbols. In addition, Borrower retains its authority over its internal governance, and it may retain religious terms in its organization's name, select its board members on a religious basis, and include religious references in its organization's mission statements and other governing documents.
- D. The loan proceeds provided to Borrower pursuant to this Loan Agreement may not be used for the acquisition, construction, or rehabilitation of structures to the extent that those structures are or will be used for explicitly religious activities. Subject to other limitations in this Loan Agreement, loan proceeds may be used for the acquisition, construction, or rehabilitation of structures only to the extent that those structures are used for conducting eligible activities under HOME regulations. When a structure is or will be used for both eligible and explicitly religious activities, HOME funds may not exceed the cost of those portions of the acquisition, construction, or rehabilitation that are attributable to eligible activities in accordance with the cost accounting requirements applicable to the HOME program. Sanctuaries, chapels, or other rooms that Borrower uses as its principal place of worship, however, are ineligible for HOME-funded improvements. Disposition of real property after the term of the loan or grant, or any change in use of the property during the term of the loan or grant, is subject to government-wide regulations governing real property disposition (see 24 CFR parts 84 and 85).
- E. This limitations in this Section XVII shall apply regardless whether the loan proceeds under this Loan Agreement includes local funds that the City has voluntarily contributed to supplement federally funded activities.

DRAFT

XVIII. COMPLIANCE WITH LAWS

- A. The Borrower shall comply with all HOME Program requirements as outlined in 24 CFR part 92 et seq., as may be amended from time to time.
- B. The Borrower shall comply with Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d-2000d-4), the Fair Housing Act (42 U.S.C. 3601 et seq.), E.O. 11063 (3 CFR, 1959-1963 Comp., p. 652), Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) and HUD regulations issued pursuant thereto.
- C. The Borrower shall comply with the nondiscrimination and equal opportunity, disclosure requirements, debarred, suspended or ineligible contractors, and drug-free workplace, per 24 CFR §92.350.
- D. The Borrower shall comply with the affirmative marketing and minority outreach program of 24 CFR §92.351, and shall further comply with the tenant selection requirements set forth in 24 CFR 92.253(d).
- E. The Borrower shall comply with the National Environmental Policy Act of 1969, as outlined in 24 CFR 92.352 and Borrower agrees to implement City-identified conditions on safeguards to protect and enhance environmental quality or minimize adverse environmental impacts.
- F. Minimum Wages.
 - 1. Federal Labor Standards/Davis-Bacon Act [] Applicable [XXX] Not Applicable. If the "Applicable" box is checked, the following provisions apply:
 - a. The Borrower shall pay prevailing wages, as predetermined by the Secretary of Labor pursuant to the Davis-Bacon Act (40 U.S.C. 276a-276a-5), to all laborers and mechanics employed in the development of the Project; provided, in the event the Project is subject to state minimum wage requirements, and if the state minimum wage rate exceeds the Department of Labor rate, the conflict will be resolved by applying the higher rate
 - b. All contracts relating to the Project shall contain a provision requiring the payment of such wages, as predetermined by the Secretary of Labor under the Davis-Bacon Act, 40 USC 276(a) under wage decision [DECISION #], modification [MODIFICATION #], dated _____.
 - c. The Borrower shall pay overtime, as applicable, pursuant to the Contract Work Hours and Safety Standards Act (40 U.S.C. 327-332).
 - d. The Borrower shall comply with all regulations issued under the Davis-Bacon Act and the Contract Work Hours and Safety Standards Act, all Federal laws and regulations pertaining to labor standards, Federal Labor Standards, HUD Handbook 1344.1 (Federal Labor Standards Compliance in Housing and Community Development Programs), and 24 CFR §92.354, as applicable.

DRAFT

- e. The Borrower shall provide contracts with the prime contractor and major subcontractors as soon as these contracts are available and the contracts shall evidence compliance with Federal Labor Standards.
 - f. These prevailing wage requirements do not apply to volunteers or sweat equity pursuant to 24 CFR §92.354(a) and (b).
 - g. Borrower shall reimburse the City for all costs incurred by the City in administering Borrower's compliance with applicable Davis-Bacon, Federal Labor Standards, and Related Acts.
2. Labor Standards. If applicable, the Federal Labor Standards Provisions (HUD 4010) are attached as Attachment n.a. .
 3. State Minimum Wage. When Washington State prevailing wages apply, the Borrower shall comply with all State requirements under RCW 39.12 to the satisfaction of the State of Washington. When applicable, the higher of Washington State prevailing wages or Davis-Bacon wages shall apply. When Washington State prevailing wages apply, the contractor and all subcontractors will submit a "Statement of Intent to Pay Prevailing Wages" certified by the industrial statistician of the State Department of Labor and Industries, prior to any payments. The "Statement of Intent to Pay Prevailing Wages" shall include: (1) the contractor's registration number; and (2) the prevailing rate of wage for each classification of workers entitled to prevailing wages under RCW 39.12.020 and the number of workers in each classification. Each voucher claim submitted by the contractor for payment on a project estimate shall state that the prevailing wages have been paid in accordance with the "Statement(s) of Intent to Pay Prevailing Wages" on file with the City. Prior to the payment of funds held under chapter 60.28 RCW, the contractor and subcontractors must submit an "Affidavit of Wages Paid" certified by the industrial statistician.
- G. Conflict of Interest. The Borrower shall comply with the conflict of interest provisions prescribed in 24 CFR §92.356(f). During the Affordability Period, Borrower shall prohibit occupancy of any HOME-assisted unit by Borrower or officer, employee, agent, elected or appointed official, or consultant of the Borrower, or immediate family member or immediate family member of an officer, employee, agent, elected or appointed official, or consultant of the Borrower, whether private, for-profit or nonprofit (including a CHDO) when acting as an owner, developer, or sponsor). Upon written request of the owner, the City may grant an exception, as provided under 24 CFR §92.356(f)(2).
 - H. The Borrower shall comply with the equal employment opportunities for low- and very low-income persons pursuant to 24 CFR part 135.
 - I. The Borrower shall comply with the Fair Housing Act as implemented by 24 CFR parts 100-115, as applicable.

DRAFT

XIX. TENANT AND PARTICIPANT PROTECTIONS

- A. There must be a written lease between the tenant and the Borrower that complies with 24 CFR 92.253 (Tenant Protections and Selection) and that is for a period of not less than one year, unless by mutual agreement between the tenant and the owner a shorter period is specified.
- B. Leases between the Borrower and a tenant shall not contain any of the following provisions:
1. Agreement by the tenant to be sued, to admit guilt, or to a judgment in favor of the Borrower in a lawsuit brought in connection with the lease.
 2. Agreement by the tenant that Borrower may take, hold, or sell personal property of household members without notice to the tenant and a court decision on the rights of the Borrower and tenant. This prohibition does not apply to an agreement by the tenant concerning disposition of personal property remaining in the housing unit after the tenant has moved out of the unit. Borrower may dispose of this personal property in accordance with Washington state law.
 3. Agreement by the tenant not to hold the Borrower or the Borrower's agents legally responsible for any action or failure to act, whether intentional or negligent.
 4. Agreement by the tenant that the Borrower may institute a lawsuit against a tenant or affecting a tenant's interests without notice to tenant.
 5. Agreement by the tenant that the Borrower may evict the tenant or household members without instituting a civil court proceeding in which the tenant has the opportunity to present a defense, or before a court decision on the rights of the Borrower and tenant.
 6. Agreement by the tenant to waive any right to a trial by jury.
 7. Agreement by the tenant to waive the tenant's right to appeal, or otherwise challenge in court, a court decision in connection with the lease; and,
 8. Agreement by the tenant to pay attorney's fees or other legal costs even if the tenant wins in a court proceeding by the Borrower against the tenant. The tenant, however, may be obligated to pay costs if the tenant loses.
 9. Agreement by the tenant (other than a tenant in transitional housing) to accept supportive services that are offered.
- C. Borrower may not terminate the tenancy or refuse to renew the lease of a tenant occupying a HOME-assisted unit except for serious or repeated violation of the terms and conditions of the lease; for violation of applicable Federal, State, or

DRAFT

local law; for completion of the tenancy period for transitional housing or failure to follow any required transitional housing supportive services plan; or for other good cause. Good cause does not include an increase in the tenant's income or refusal of the tenant to purchase the housing. To terminate or refuse to renew tenancy, Borrower must serve written notice upon the tenant specifying the grounds for the action at least thirty (30) days before the termination of tenancy.

- D. Borrower shall adopt and follow written tenant selection policies and criteria that:
1. Limit the HOME-assisted units to very low-income and low-income families;
 2. Are reasonably related to the applicants' ability to perform the obligations of the lease (i.e., to pay the rent, not to damage the housing, not to interfere with the rights and quiet enjoyment of other tenants);
 3. Limit eligibility or give a preference to a particular segment of the population if otherwise permitted in this Loan Agreement (and only if the limitation or preference is described in the City's consolidated plan).
- E. Borrower shall select tenants from a written waiting list in the chronological order of their application, insofar as is practicable, and give prompt written notification to any rejected applicant of the grounds for any rejection, pursuant to 24 CFR §92.253(d)(5) and 24 CFR §92.253(d)(6).
- F. Borrower shall not charge fees that are not customarily charged in rental housing (e.g., laundry room access fees), except that Borrower may charge: (i) reasonable application fees to prospective tenants; (ii) parking fees to tenants only if such fees are customary for rental projects in the neighborhood; and (iii) fees for services such as bus transportation or meals, as long as such services are voluntary and fees are charged for services provided.

XX. TENANT PARTICIPATION PLAN

If the Borrower is a CHDO, as defined by 24 CFR 92.2, the Borrower shall adhere to a fair lease and grievance procedure approved by the City and shall provide a plan for and follow a program of tenant participation in management decisions pursuant to 24 CFR §92.303.

XXI. UNIFORM ADMINISTRATIVE REQUIREMENTS/PROJECT REQUIREMENTS

- A. The Borrower shall comply with the applicable uniform administrative requirements of 24 CFR §92.505, if the Borrower is organized as a non-profit organization.
- B. The Borrower shall comply with all applicable Project requirements of Subpart F of 24 CFR part 92 et seq.

DRAFT

- C. The Borrower shall maintain all tenant and Project records for the most recent five- (5-) year period until five (5) years after the Affordability Period, terminates. The Borrower shall permit the Department, the HUD, and the Comptroller General of the United States, or their authorized representatives, access to all books, records, and papers of the Borrower pertinent to the Project. The Borrower shall keep and retain records sufficient to document invoices of all expenditures, project beneficiary data, and all other records required to be kept pursuant to 24 CFR §92.508.
- D. The Borrower shall permit the Department, HUD, the Comptroller General of the United States, or their authorized representatives, site visits at all times upon reasonable notice throughout the Affordability Period.

XXII. TRANSFER/ASSIGNMENT

The Borrower shall not assign, transfer, subordinate or sublet any obligation of this Loan Agreement nor shall it sell or otherwise transfer any property subject to this Loan Agreement without prior written consent of the Director, who may withhold consent at his/her discretion. The provisions of this Loan Agreement shall apply to all persons or entities performing obligations set forth by this Loan Agreement, including approved persons or entities to whom or to which the Borrower assigns, transfers, or sublets services as above. Such approved persons or entities shall be subject to the provisions for faith-based activities and organizations as outlined in this Loan Agreement, as applicable.

XXIII. HAZARDOUS SUBSTANCES/REPRESENTATIONS AND WARRANTIES

- A. The Borrower shall not cause or permit the presence, use, disposal, storage, or release of any "Hazardous Substances" (as defined below) on or in the Property. The Borrower shall not perform any act, nor allow, cause or permit the performance of any act, affecting the Property when such act constitutes a violation of any federal, state, or local Environmental Law, ordinance, or rule. As used in this provision, "Environmental Law" means federal laws, state laws and local codes, laws, and/or ordinances of the jurisdiction where the Property is located that relate to health, safety, or environmental protection.
- B. The Borrower shall promptly give the City written notice of any investigation, claim, demand, lawsuit, or other action by any governmental or regulatory agency or private party involving the Property, and any hazardous substance or Environmental Law of which the Borrower has actual knowledge. If the Borrower learns, or is notified by any governmental or regulatory authority, that any removal or other remediation of any hazardous substance affecting the Property is necessary, the Borrower shall promptly take all necessary remedial actions in accordance with Environmental Law and shall bear all costs and expenses thereof.

DRAFT

- C. The Borrower hereby represents and warrants that, to the best of the Borrower's knowledge and belief, and after reasonable investigation and inquiry, the Project has never been and is not being used to make, store, handle, treat, dispose of, generate, or transport Hazardous Substances in violation of any applicable law, which Hazardous Substances have not been or will not be abated according to all applicable law and regulations related thereto prior to tenant occupancy of the rehabilitated project. To the best of Borrower's knowledge and belief, and after reasonable investigation and inquiry, there has not been a release of Hazardous Substances on, from, or near the Project, which release has not been or will not be abated to levels acceptable under all applicable law and regulations related thereto prior to tenant occupancy of the rehabilitated project. The Borrower has never received any notification, citation, complaint, violation, or notice of any kind from any person relating or pertaining to the making, storing, handling, treating, disposing, generating, transporting, or release of Hazardous Substances, for which there has not been or will not be abatement to levels acceptable under all applicable law and regulations related thereto prior to tenant occupancy. Borrower represents and warrants that any asbestos and lead-based paint found within the Project will be abated to levels acceptable under applicable law prior to tenant occupancy of the rehabilitated project. "Hazardous Substances" means (i) any "hazardous waste" as defined by the Resource Conservation and Recovery Act of 1976 (42 U.S.C. § 6901, et seq.), as amended from time to time, and regulations promulgated thereunder; (ii) any "hazardous substance" as defined by the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (42 U.S.C. § 9601, et seq.), as amended from time to time, and regulations promulgated thereunder; (iii) "oil, petroleum products and their by-products" as defined under Washington law as amended from time to time, and regulations promulgated thereunder; (iv) any "hazardous substance" as defined under Washington law, as amended from time to time, and regulations promulgated thereunder; (v) any "asbestos material" as defined under Washington law, as amended from time to time, and regulations promulgated thereunder and/or as defined by 40 C.F.R. Section 61.141, as amended from time to time; (vi) any "radon gas" in excess of levels recommended in U. S. Environmental Protection Agency Guidance Documents, as modified from time to time, or lower levels as provided by any applicable law or regulation now or hereafter in effect; (vii) any "infectious waste" as defined under Washington law, as amended from time to time, and regulations promulgated thereunder; (viii) any substance the presence of which on any property attributable to the operations of the Borrower is prohibited, restricted or regulated by any law or regulation similar to those laws, regulations and/or documents set forth above, including without limitation, polychlorinated biphenyls ("PCBs") and lead-based paints; and (ix) any other substance which by law or regulation requires special handling in its collection, generation, storage, transportation, treatment or disposal.

XXIV. DEBARMENT AND SUSPENSION

The Borrower shall comply with the provisions of 24 CFR Part 24 that neither it nor its principals are presently debarred, suspended, proposed for debarment,

DRAFT

declared ineligible, or voluntarily excluded from participation in this contract by any federal department or agency. Additionally, the Borrower shall not use, directly or indirectly, any of the funds provided by this contract to employ, award contracts to, or otherwise engage the services of, or fund any contractor/subcontractor during any period that the contractor/subcontractor is debarred, suspended or ineligible under the provisions of 24 CFR Part 24. Using the System for Award Management (<https://www.sam.gov>), the City has determined, as of the date of this contract that the Borrower is not excluded from federal procurement and non-procurement programs. The Borrower has provided in Attachment 4 its certification that it is in compliance with and shall not contract with individuals or organizations which are debarred, suspended, or otherwise excluded from or ineligible from participation in Federal Assistance Programs under Executive Order 12549 and "Debarment and Suspension", codified at 29 CFR part 98.

XXV. ANTI-LOBBYING

Borrower certifies that, to the best of Borrower's knowledge and belief:

- A. No Federal appropriated funds have been paid or will be paid, by or on behalf of the Borrower, 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 this loan;
- B. That 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 employees of Congress, or an employee of a Member of Congress in connection with this loan, Borrower shall complete and submit Standard Form-LLL "Disclosure Form to Report Lobbying" in accordance with its instruction; and
- C. Borrower shall require that the language of paragraphs A and B of this anti-lobbying certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all such subrecipients shall certify and disclose accordingly.

XXVI. SEVERABILITY

The invalidity of any clause, part or provision of this Loan Agreement shall not affect the validity of the remaining portions thereof.

XXVII. NOTICES

All notices given pursuant to this Loan Agreement shall be in writing and shall be deemed given when mailed by certified or registered mail, return receipt requested, to the Parties hereto at the addresses set forth below, or to such other place as a Party may from time to time designate in writing:

DRAFT

City of Spokane
Community, Housing and Human Services Department
808 W. Spokane Falls Blvd.
Spokane, WA 99201-3339

Inland Empire Residential Resources
P.O. Box 3123
Spokane, WA 99220

XXVIII. INDEMNIFICATION

The Borrower shall protect, defend, indemnify, and hold harmless the City, its officers, employees and agents from any and all costs, claims, judgments, and/or awards of damages, arising out of, or in any way resulting from, the negligent acts or omissions of the Borrower, its officers, employees or agents, in its performance and/or non-performance of its obligations under this Loan Agreement. The Borrower agrees that its obligations under this indemnification shall extend to any claim, demand, and/or cause of action brought by, or on behalf of, any of its employees or agents. ***This agreement to indemnify is a separate agreement, shall survive any foreclosure action, attempted transfer or the like, is a legal obligation of the Borrower and action may be brought thereon independently of any other remedy at law or provided for herein.***

XXIX. TERMINATION

In accordance with 24 CFR §85.43, this Loan Agreement may be suspended or terminated if the Borrower materially fails to comply with any term of this Loan Agreement. This Loan Agreement may be terminated for convenience in accordance with 24 CFR §85.44.

XXX. EXECUTION IN COUNTERPARTS

This Loan Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement.

ORAL AGREEMENTS OR ORAL COMMITMENTS TO LOAN MONEY, TO EXTEND CREDIT, TO MODIFY OR AMEND ANY AGREEMENT TERMS, TO RELEASE ANY GUARANTOR, TO FORBEAR FROM ENFORCING REPAYMENT OF A DEBT OR FORBEAR FROM EXERCISING ANY REMEDIES, OR TO MAKE ANY OTHER FINANCIAL ACCOMMODATION RELATED TO THIS LOAN AGREEMENT ARE NOT ENFORCEABLE UNDER WASHINGTON LAW.

IN WITNESS WHEREOF, the Parties have executed this Loan Agreement as of the Effective Date.

DRAFT

ATTACHMENT 1
PROPOSED BUDGET

INLAND EMPIRE RESIDENTIAL RESOURCES
SPECIAL SKILLS DUPLEX

2418 E 4th Avenue

Closing/title/recording	1,500	Sponsor	1,500
Construction	249,600		
Permits/fees/hookups	5,976		
Soft cost contingency	780	City HOME funds	280,000
Architect	2,500		
Insurance	400		
Impact fees	744		
Construction contingency/ Developer fee	20,000		
TOTAL	\$281,500	TOTAL	\$281,500

Construction of a duplex with 2 ADA accessible units, including a 2-bedroom, 1 bath unit and a 3-bedroom, 1 bath unit on a lot that is currently owned by the City. Each unit will be about 1,250 sf. The units will be on grade with extra wide hallways, metal door jambs, laundry room in each unit, Energy-Star appliances, and front and rear access doors. There will be a covered patio area, a fenced yard, and parking for staff with easy access for paratransit. The 2-bedroom unit will include a number of features to improve safety and durability. Design features include hardened walls, commercial grade plumbing fixtures, metal door jambs, safety glass windows, easily maintained floor coverings and a large room that could be a future bedroom, but is intended for use as a space where individuals can go, where they can be safe and separated from the other roommate. The 3-bedroom unit will also have protective wainscoting to reduce wheelchair damage. The building will have vinyl siding.

Some architectural, engineering, and other professional series costs incurred within 24 months before commitment might be reimbursed.

HOME Rent and Income Limits

SOURCE: HUD
 MSA: Spokane, WA
 EFFECTIVE: June 6, 2016
 2016 ESTIMATED MEDIAN INCOME: \$62,600



City of Spokane
 Community, Housing and
 Human Services Department
 808 W. Spokane Falls Blvd.
 Spokane, WA 99201-3339
 (509) 625-6325

-----2016 INCOME LIMITS-----

	1 PERSON	2 PERSON	3 PERSON	4 PERSON	5 PERSON	6 PERSON	7 PERSON	8 PERSON	9 PERSON	9 PERSON [▲]
MEDIAN FAMILY INCOME (100% AMI)	43,900	50,100	56,400	62,600	67,700	72,700	77,700	82,700	87,600	87,600
LOW-INCOME (80% AMI)	35,100	40,100	45,100	50,100	54,150	58,150	62,150	66,150	70,100	70,100
VERY LOW-INCOME (50% AMI)	21,950	25,050	28,200	31,300	33,850	36,350	38,850	41,350	43,800	43,800
EXTREMELY LOW-INCOME*(30% AMI)	13,200	15,050	16,950	18,800	20,350	21,850	23,350	24,850	26,300	26,300

-----2016 HOME PROGRAM RENTS-----

SRO ^x	EFFICIENCY	1 BEDROOM	2 BEDROOM	3 BEDROOM	4 BEDROOM	5 BEDROOM	6 BEDROOM
FAIR MARKET RENT (FMR)	366	488	589	789	1,143	1,263	1,452
30 OF 50 RENT	♦488	♦488	♦589	726	838	936	1,032
30 OF 30 RENT	330	330	353	423	489	546	602
							657



MFI – Median Family Income

▲ Calculate MFI for >9-person household by adding 8% for each member over 4-person MFI and round to nearest \$50 (i.e., 10-person is 148% of 4-person MFI)

*Spokane CHHS does not adopt less restrictive 2014 Appropriations Act poverty guidelines which allow higher-income poverty households to access limited 30% AMI units.
^xHOME rent for an SRO is 75% of the Efficiency Fair Market Rent.

◆ HOME regulation requires that HOME rent cannot exceed FMR. Therefore, this rent is capped at FMR.

DRAFT

ATTACHMENT 3

TIMETABLE

Category	Milestone/Task	Deadline Month Yr/Status
Site control	Close on property.	July 2016
Financing	Funding documented by all lenders	July 2016
Design/Permits	Approval of zoning, site plan, construction plans.	September 2016
	Building permits issued.	October 2016
Construction	Begin construction.	October 2016
	Complete construction. Certificate of occupancy issued.	June 2017
Occupancy	Units occupied.	60 days from Certificate of Occupancy

DRAFT

ATTACHMENT 4

**CERTIFICATION REGARDING DEBARMENT, SUSPENSION,
INELIGIBILITY AND VOLUNTARY EXCLUSION**

1. The undersigned (i.e., signatory for the Borrower) certifies, to the best of its knowledge and belief, that it and its principals:
 - a. Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any federal department or agency;
 - b. Have not within a three-year period preceding this contract been convicted or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (federal, state, or local) transaction or contract under a public transaction; violation of federal or state antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, tax evasion, receiving stolen property, making false claims, or obstruction of justice;
 - c. Are not presently indicted or otherwise criminally or civilly charged by a government entity (federal, state, or local) with commission of any of the offenses enumerated in paragraph (1)(b) of this certification; and,
 - d. Have not within a three-year period preceding this contract had one or more public transactions (federal, state, or local) terminated for cause or default.

Where the undersigned is unable to certify to any of the statements in this contract, it shall attach an explanation to this contract.

2. The undersigned agrees by signing this contract that it shall not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by the City.
3. The undersigned further agrees by signing this contract that it will include the following clause, without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions:

Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion – Lower Tier Covered Transactions

1. The lower tier contractor certified, by signing this contract 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.
2. Where the lower tier contractor is unable to certify to any of the statements in this contract, such contractor shall attach an explanation to this contract.
4. The terms covered transaction, debarred, suspended, ineligible, lower tier covered transaction, person, primary covered transaction, principal, and voluntarily excluded, as used in this exhibit, have the meanings set out in the Definitions and Coverage sections of the rules implementing Executive Order 12549. The undersigned may contact the City for assistance in obtaining a copy of these regulations.
5. I understand that a false statement of this certification may be grounds for termination of the contract.

<u>INLAND EMPIRE RESIDENTIAL RESOURCES</u> Name of Borrower	<u>SPECIAL SKILLS DUPLEX</u> Program Title
<u>DARRYL K. REBER</u> Name of Certifying Official	_____ Signature
<u>EXECUTIVE DIRECTOR</u> Title of Certifying Official	_____ Date (Type or Print)

DRAFT

**CITY OF SPOKANE
INLAND EMPIRE RESIDENTIAL RESOURCES**

SPECIAL SKILLS DUPLEX

PROMISSORY NOTE

OPR #2016-_____

Borrower: Inland Empire Residential Resources
P.O. Box 3123
Spokane, WA 99220

Lender: City of Spokane
Community, Housing and Human Services Department
808 W. Spokane Falls Blvd., Room 650
Spokane, WA 99201

Principal: \$280,000.00

Date: _____

1. **PROMISE TO REPAY:** FOR VALUE RECEIVED, the undersigned **Inland Empire Residential Resources**, hereinafter referred to as "Borrower", promises to repay to the order of the **City of Spokane**, a Washington state municipal corporation, or its successors and assigns (hereinafter called "Lender") the maximum principal sum of **TWO HUNDRED EIGHTY AND NO/100 DOLLARS (\$280,000.00)** or so much of said sum or sums as may now or hereafter be loaned or disbursed to the Borrower by the Lender, for the purpose of providing a portion of the financing for the Borrower's Special Skills Duplex, located at 2418 East 4th Avenue in Spokane, WA (the "Project"). This Promissory Note (the "Note") is part of a transaction further reflected in a HOME Program Loan Agreement ("Loan Agreement"), a HOME Program Loan Covenant Agreement ("Covenant Agreement") of even date herewith, and a Quit Claim Deed dated _____, recorded concurrently with the Covenant Agreement. Lender's disbursements under the Loan Agreement and the Note are further secured by a Deed of Trust of even date herewith ("Deed of Trust"). The terms of said documents are incorporated herein as if fully set forth herein, and together shall be referenced as the "Related Documents". The capitalized terms in said Related Documents shall have the same meaning in this Note unless the context clearly suggests otherwise. In the event of conflict or ambiguity in the terms of any of these documents, the terms most favorable to Lender shall apply.

2. **INTEREST:** In addition to repayment of principal sums loaned, Borrower agrees to pay interest, compounded monthly, commencing on the date the money is first disbursed under the Loan Agreement, at the rate of three percent (3%) per annum. If rents for any HOME-assisted unit of the Project are raised above the level of the

DRAFT

Affordability Requirement defined in the Loan Agreement, or any other provisions, covenants, terms, conditions or restrictions of the Loan Agreement are not adhered to, then the rate on the outstanding balance shall be increased to the prevailing prime lending rate as published in The Wall Street Journal, plus three percent (3%), compounded monthly, for the period of noncompliance, as determined by the Director of Community, Housing and Human Services Department for the City of Spokane (the "Director").

3. REPAYMENT; MATURITY:

A. Deferral Period: Payment of principal and interest shall be deferred during the HOME Affordability Period, as defined in the Loan Agreement and Covenant Agreement, so long as Borrower and the Project are in compliance with the Affordability Requirements per the terms of the Loan Agreement and Covenant Agreement together with all other provisions of this Note and Related Documents.

B. Payment Period: Principal and interest on this Note shall be payable in approximately equal amortized installments on the first day of each month (or the first business day thereafter if the first day of the month is a weekend or a holiday for the City), commencing immediately after the HOME Affordability Period ends, in the amount required to fully amortize the outstanding principal and accrued interest on this Note (including the interest accrued) during the remaining City Affordability Period, as defined in the Loan Agreement. During the Affordability Period, Borrower shall notify the City in writing if, for any reason, Borrower and/or the Project will not comply with the Affordability Requirements, at which time any remaining balance would become immediately due and payable in full.

D. Prepayment: The Borrower may pay all or any portion of the outstanding principal of the Note at any time, without penalty. Repayment during the HOME Affordability Period, as described in the Loan Agreement, shall not extinguish the Affordability Requirements.

E. Late Charges: A late charge of thirty dollars (\$30.00) will be added to any payment received after the 10th day of the month in which it is due in addition to any other remedy.

F. Application of Payments: Payments received will first be applied to late charges, then to interest, and finally to principal.

G. Place of Payment: Payments of principal, interest, and fees shall be made in lawful money of the United States of America in immediately available funds to the City of Spokane, at the Community, Housing and Human Services Department, 808 W. Spokane Falls Blvd., Room 650, Spokane, WA 99201, or at such other place as Lender may designate in writing according to the schedule noted above.

H. Potential Debt Forgiveness: Repayment shall further be subject to provisions and applicable sections of the Loan Agreement, which allows for debt

DRAFT

forgiveness in exchange compliance with the Affordability Requirements during the Forgiveness Period, as defined in the Loan Agreement, subject to conditions specified in the Loan Agreement.

4. THIS NOTE IS secured by the Deed of Trust of even date herewith, duly filed for record in the County of Spokane, Washington.

5. THIS LOAN IS made for the purpose of financing a portion of the costs of the construction of the Special Skills Duplex on the property described in the Deed of Trust and Loan Agreement. As a condition of receiving this loan, Borrower agrees to abide by all of the terms and conditions of this Note, the Deed of Trust, the Loan Agreement and associated Covenant Agreement, incorporated herein by reference as if fully set forth.

6. IF THE BORROWER SHALL default in the payment of any amount due under this Note, and such default is not cured within ten (10) days after such payment is due, or if any other Event of Default occurs under the Deed of Trust, the Loan Agreement or the Covenant Agreement and such default is not cured within the cure period, if any, applicable thereto, the entire unpaid principal amount of this Note, together with accrued interest, shall immediately become due and payable, at Lender's option, upon notice to the Borrower. Failure of Lender to exercise such option shall not constitute a waiver of default. If Lender exercises its option to declare the entire amount of Borrower's loan immediately due and payable as provided above, Borrower agrees to pay Lender's cost and expenses of collection, including reasonable attorney's fees and court costs. If this Note is reduced to judgment, the judgment shall bear interest at the maximum rate permissible on judgments in the State of Washington.

7. IF THE BORROWER voluntarily sells, transfers, leases or otherwise conveys the Project or any portion thereof, to any person/persons or entity/entities (the "Transferee"), other than by leasing or renting for residential tenant use as contemplated by various provisions of the Loan Agreement, or for any other incidental use (to the extent permissible under all applicable federal and state laws and regulations), an Event of Default shall occur under the terms of this Note and the Related Documents unless the Borrower obtained prior written consent of the Director. The remedies provided for Default may be exercised at the discretion of the Director. An unauthorized transfer also occurs if Borrower grants a junior security interest without obtaining the prior written consent of the Director. Any sale, transfer, leasing or other disposition of the Project in violation of this Section 7 shall not relieve the Borrower of any obligation or obligations under this Note or any Related Document. The Borrower hereby agrees that upon any sale, transfer, lease or other disposition of the Project, the Borrower shall transfer all records, accounts, electronic data or other documents pertaining to the Project, including documents related to Borrower's compliance with this Note and any Related Document, to the Transferee or its designated agent. Failure by the City to exercise any of its rights and remedies under this Note or any Related Documents shall not be construed as a waiver of any kind. The Director's written consent may be conditioned upon the following, at the Director's sole discretion:

DRAFT

(a) reasonable evidence satisfactory to the Director that the Borrower is not then in default under any document related to this transaction beyond any applicable grace period or cure period;

(b) an opinion of counsel for the Transferee, delivered to the City, to the effect that the Transferee (i) has assumed in writing and in full, all duties and obligations of the Borrower under this Note, the Loan Agreement and the Covenant Agreement, and (ii) that this Note and the Related Documents constitute the legal, valid and binding obligations of the Transferee;

(c) a showing that written assumption of the Transferee and/or the written agreement of the Transferee complies with all provisions of local, state and federal laws, ordinances and regulations applicable to the Borrower under this Note and Related Documents;

(d) a showing that the Borrower or the Transferee is not in arrears on any payments due and owing to the City or is in default under this Note or any of the Related Documents, beyond any applicable grace period or cure period;

(e) a showing that the Borrower or the Transferee do not have a history of instances of non-compliance with any non-monetary provision of this Note or any of the Related Documents, which were not cured after notice thereof and within the applicable cure period or grace period; and/or,

(f) a showing that the Borrower or the Transferee do not have a documented history of instances of failure to make payments due and owing to the City which are not paid within a reasonable period after notice thereof.

8. THIS NOTE IS not assignable or assumable without the express written consent of the Lender.

9. EACH MAKER AND endorser of this Note hereby waives demand and presentment for payment, notice of nonpayment, protest, notice of protest, notice of dishonor, bringing of suit, and diligence in taking action to collect any amounts called for hereunder and in the handling of properties, rights or collateral at any time existing in connection herewith. Each maker and endorser expressly agrees that this Note or any payment thereunder may be extended from time to time, and consent to the acceptance of further security for this Note, including other types of security, all without in any way affecting the liability of each maker and endorser hereof. The right to plead any statutes of limitation as a defense to any demand on this Note, or any guaranty thereof or to any agreement to pay the same or to any demand secured by the Deed of Trust or other security, securing the Note, or any and all obligations or liabilities arising out of or in connection with said Note or Deed of Trust by any parties hereto is expressly waived by each and every of the makers, endorsers, guarantors or sureties.

10. SEVERABILITY: If any provision, or a part thereof, of this Note is declared by a court of competent jurisdiction to be invalid, the invalid provision or part thereof shall be stricken, with the remainder of the provision and other provisions of this Note surviving with full force and effect.

DRAFT

11. BORROWER RATIFIES and reaffirms all information previously submitted in Borrower's loan application or financial statement, and by signing this Note, Borrower represents and warrants to Lender that the information provided is true and correct and that there has been no adverse change in Borrower's financial condition as disclosed to Lender in Borrower's most recent application or financial statement.

12. APPLICABLE LAW AND VENUE: This Note has been issued, executed and delivered in the State of Washington and shall be governed by and construed in accordance with the laws of the State of Washington, except to the extent that the laws of the United States of America may prevail. Venue to enforce any provision shall be in the Spokane County Superior Court.

ORAL AGREEMENTS OR ORAL COMMITMENTS TO LOAN MONEY, TO EXTEND CREDIT, TO MODIFY OR AMEND ANY AGREEMENT TERMS, TO RELEASE ANY GUARANTOR, TO FORBEAR FROM ENFORCING REPAYMENT OF A DEBT OR FORBEAR FROM EXERCISING ANY REMEDIES, OR TO MAKE ANY OTHER FINANCIAL ACCOMMODATION RELATED TO THIS NOTE ARE NOT ENFORCEABLE UNDER WASHINGTON LAW.

PRIOR TO SIGNING THIS NOTE, BORROWER HAS READ AND UNDERSTOOD ALL THE PROVISIONS OF THIS NOTE. BORROWER AGREES TO ALL TERMS AND CONDITIONS OF THIS NOTE AND ACKNOWLEDGES RECEIPT OF A COMPLETED COPY OF THIS NOTE.

IN WITNESS WHEREOF, the Borrower executed this Promissory Note on this ____ day of _____, 2016.

INLAND EMPIRE RESIDENTIAL RESOURCES

By: _____
Darryl K. Reber, Executive Director

DRAFT

AFTER RECORDING MAIL TO:

City of Spokane
Department of Community, Housing and Human Services
808 W. Spokane Falls Blvd., Room 650
Spokane, WA 99201

OPR #2016 - _____

**CITY OF SPOKANE
INLAND EMPIRE RESIDENTIAL RESOURCES**

SPECIAL SKILLS DUPLEX

DEED OF TRUST

Grantor: Inland Empire Residential Resources, a Washington nonprofit corporation

Beneficiary: City of Spokane, a Washington state municipal corporation

Assessor's Parcel No.: 35211.3704

Legal Description: LOT 4 IN BLOCK 19 OF UNION PARK ADDITION, AS PER PLAT THEREOF RECORDED IN VOLUME "A" OF PLATS, PAGE 139;

SITUATE IN THE CITY OF SPOKANE, COUNTY OF SPOKANE, STATE OF WASHINGTON.

THIS DEED OF TRUST, made as of the _____ day of _____, 2016, by and between **Inland Empire Residential Resources**, a Washington nonprofit corporation, referred to herein as GRANTOR, whose address is P.O. Box 3123, Spokane, WA 99220, **First American Title Insurance Company**, TRUSTEE, whose address is 40 East Spokane Falls Blvd., Spokane, WA 99202 and the **City of Spokane**, Washington, a Washington state municipal corporation, BENEFICIARY, whose address is City of Spokane, c/o Community, Housing and Human Services Department, 808 W. Spokane Falls Blvd., Room 650, Spokane, WA 99201.

This Deed of Trust is part of a transaction further reflected in a HOME Program Loan Agreement ("Loan Agreement"), HOME Program Loan Covenant Agreement ("Covenant Agreement"), Promissory Note, secured by this Deed of Trust, and Quit Claim Deed dated _____, recorded concurrently with the Covenant Agreement. The terms of said agreements are incorporated into this Deed of Trust, and the capitalized terms in said agreements shall have the same meaning in this Deed of Trust unless the context

DRAFT

clearly suggests otherwise. In the event of conflict in the terms of any of these documents, the terms most favorable to Beneficiary shall apply.

WITNESSETH: Grantor hereby irrevocably grants and conveys to Trustee in trust, with power of sale, the following described real property (the "Property") in Spokane County, Washington:

LOT 4 IN BLOCK 19 OF UNION PARK ADDITION, AS PER PLAT THEREOF RECORDED IN VOLUME "A" OF PLATS, PAGE 139;

SITUATE IN THE CITY OF SPOKANE, COUNTY OF SPOKANE, STATE OF WASHINGTON.

Assessor's Parcel Number: 35211.3704

Property Address: 2418 E 4th Ave, Spokane, WA 99202

which real property is not used principally for agricultural or farming purposes, together with all the tenements, hereditaments, easements, fixtures and appurtenances now or hereafter thereunto belonging or in any way appertaining, and the rents, issues, and profits thereof.

This Deed of Trust is for the purpose of securing performance of each agreement of Grantor herein contained and as further contained in the Loan Agreement, Covenant Agreement, and Promissory Note, secured by this Deed of Trust, and for the purpose of securing payment of the sum of **TWO HUNDRED EIGHTY THOUSAND AND NO/100 DOLLARS (\$280,000.00)** with interest, in accordance with the terms of a Promissory Note of even date herewith, payable to Beneficiary, and made by Grantor, and all renewals, modifications, and extensions thereof, and also such further sums as may be advanced or loaned by Beneficiary to Grantor, or any of his/her/their successors or assigns, together with interest thereon at such rate as shall be agreed upon. This Deed of Trust also secures to Beneficiary: (a) the payment of other sums, with interest, advanced to protect the security of this Deed of Trust; and (b) the performance of Grantor's covenants and agreements under this Deed of Trust and the Promissory Note, Covenant Agreement, and Loan Agreement of even date herewith.

GRANTOR COVENANTS that Grantor is lawfully seized of the estate hereby conveyed and has the right to grant and convey the Property that the Property is unencumbered, except for encumbrances of record. Grantor warrants and will defend the title to the Property against all claims and demands, subject to any prior encumbrances of record.

COVENANTS: Grantor and Beneficiary covenant and agree as follows:

1. PAYMENT OF PRINCIPAL AND INTEREST; PREPAYMENT AND LATE CHARGES. Grantor shall promptly pay when due the principal of and interest on the debt evidenced by the Promissory Note and any late charges due under the Promissory Note.

DRAFT

2. APPLICATION OF PAYMENTS. Unless applicable law provides otherwise, all payments received by Beneficiary under Paragraph 1 shall be applied: first, to any late charges due under the Promissory Note; second, to interest; and third, to principal due under the Promissory Note.

3. CHARGES; LIENS. Grantor shall pay all taxes, assessments, charges, fines, and impositions attributable to the Property, which may attain priority over this Deed of Trust, including utility charges, whether or not reflected in a recorded lien. Grantor shall pay these obligations on time directly to the person or entity owed payment. Grantor shall promptly furnish to Beneficiary upon request copies of all notices of amounts to be paid under this Paragraph. If Grantor makes these payments directly, Grantor shall promptly furnish to Beneficiary upon request receipts evidencing the payments. Grantor shall promptly discharge any lien which has priority over this Deed of Trust unless: (a) Grantor agrees in writing to the payment of the obligation secured by the lien in a manner acceptable to Beneficiary; (b) Grantor contests in good faith the lien in legal proceedings, or defends against enforcement of the lien in legal proceedings, which, in the Beneficiary's opinion, operate to prevent the enforcement of the lien; or (c) Grantor secures from the holder of the lien an agreement satisfactory to Beneficiary subordinating the lien to this Deed of Trust, or (d) Beneficiary has executed an agreement subordinating its interest. If Beneficiary determines that any part of the Property is subject to a lien, which may attain priority over this Deed of Trust, Beneficiary may give Grantor a notice identifying the lien. Grantor shall satisfy the lien or take one or more of the actions set forth above within ten business (10) days of the giving of the notice. Should Grantor fail to pay when due any taxes, assessments, insurance premiums, recorded or unrecorded liens, encumbrances, or other charges against the Property, Beneficiary may pay the same, and the amount so paid, with interest at the rate set forth in the Promissory Note secured hereby, shall be added to and become a part of the debt secured in this Deed of Trust.

4. HAZARD OR PROPERTY INSURANCE. A. Grantor shall keep the improvements now existing or hereafter erected on the Property continuously insured against loss by fire, hazards included within the term "extended coverage", and any other hazards, including floods or flooding, for which the Beneficiary requires insurance. This insurance shall be maintained in the amounts and for the periods that Beneficiary requires in order to maintain adequate protection for the Property, but no act or omission by the Beneficiary shall relieve Grantor of the primary duty to procure adequate insurance. In no event shall such insurance be less than the full replacement cost of the Property (*i.e.*, 100% of replacement cost). The insurance carrier providing the insurance shall be chosen by the Grantor subject to Beneficiary's approval. All policies shall be held by the Beneficiary, and have loss payable first to the Beneficiary, as its interest may appear, and then to the Grantor. If Grantor fails to maintain coverage as described above, Beneficiary may, at Beneficiary's option, obtain coverage to protect Beneficiary's rights in the Property in accordance with Paragraph 7.

B. All insurance policies and renewals shall be acceptable to Beneficiary and shall include a standard mortgage clause. If Beneficiary requires, Grantor shall promptly give to Beneficiary all receipts of paid premiums and renewal notices. In the event of

DRAFT

loss, Grantor shall give prompt notice to the insurance carrier and to Beneficiary. Beneficiary may make proof of loss if not made promptly by Grantor.

C. Unless Beneficiary and Grantor otherwise agree in writing, insurance proceeds shall be applied to restoration or repair of the Property damaged, if the restoration or repair is economically feasible and Beneficiary's security is not lessened thereby. If the restoration or repair is not economically feasible or if Beneficiary's security would be lessened, the insurance proceeds shall be applied to the sums secured by this Deed of Trust, whether or not then due, with any excess paid to Grantor. If Grantor abandons the Property or does not answer within thirty (30) days notice from the Beneficiary that the insurance carrier has offered to settle a claim, then Beneficiary may collect the insurance proceeds. Beneficiary may, in its sole discretion, use the proceeds to restore or repair the Property or to pay sums secured by this Deed of Trust, whether or not then due. The 30-day period will begin when the notice is given. Such application of proceeds 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.

D. Unless Beneficiary and Grantor otherwise agree in writing, any application of insurance proceeds to principal shall not extend or postpone the due date of the monthly payments referred to in Paragraph 1 or change the amount of the payments. If under Paragraph 20, the Property is acquired by Beneficiary, Grantor's right to any insurance policies or proceeds resulting from damage to the Property prior to the acquisition shall pass to Beneficiary to the extent of the sums secured by this Deed of Trust immediately prior to the acquisition.

5. FLOOD INSURANCE. If the Property is located in a one hundred year FEMA Flood Zone, Grantor shall maintain flood insurance throughout the term of the Loan in an amount not less than the total amount of the Loan or the maximum amount of coverage available through the National Flood Insurance Program, furnishing proof of same upon request by Beneficiary.

6. OCCUPANCY, PRESERVATION, MAINTENANCE AND PROTECTION OF THE PROPERTY; LOAN APPLICATION; LEASEHOLDS. Grantor shall cause the Property to be occupied, established, and used as decent, safe, sanitary and affordable housing for low-income families pursuant to the HOME Investment Partnerships Program (24 CFR part 92 et seq.) throughout the term of the loan as described in the Promissory Note and Covenant Agreement. Grantor covenants and agrees to keep the Property in good condition and repair, to permit no waste thereof, to complete any building, structure, or improvement being built now or hereafter thereon, to restore or replace promptly any building, structure, or improvement thereon which may be damaged or destroyed, and to comply with all laws, ordinances, regulations, covenants, conditions, and restrictions affecting the Property. Grantor shall be in default if any forfeiture action or proceeding, whether civil or criminal, is begun that in Beneficiary's good faith judgment could result in forfeiture of the Property or otherwise materially impair the lien created by this Deed of Trust or Beneficiary's security interest. Grantor may cure such a default and reinstate, as provided in Paragraph 17 by causing the action or

DRAFT

proceeding to be dismissed with a ruling that, in Beneficiary's good faith determination, precludes forfeiture of Grantor's interest in the Property or other material impairment of the lien created by this Deed of Trust or Beneficiary's security interest. Grantor shall also be in default if Grantor, during the loan application process, gave materially false or inaccurate information or statements to Beneficiary (or failed to provide Beneficiary with any material information) in connection with the loan evidenced by the Promissory Note. If this Deed of Trust is on a leasehold, Grantor shall comply with all the provisions of the lease. If Grantor acquires fee title to the property, the leasehold and the fee title shall not merge unless Beneficiary agrees to the merger in writing.

7. PROTECTION OF BENEFICIARY'S RIGHTS IN THE PROPERTY. A. If Grantor fails to perform the covenants and agreements contained in this Deed of Trust, the Loan Agreement and/or the Covenant Agreement, or there is a legal proceeding which, in the Beneficiary's good faith judgment, may affect Beneficiary's rights in the Property (including but not limited to proceedings in bankruptcy, probate, for condemnation or forfeiture, or to enforce laws or regulations), then Beneficiary shall have the right to take whatever action it deems reasonably necessary and appropriate to protect the value of the Property and Beneficiary's rights in the Property. Although Beneficiary may take action under this Paragraph 7, Beneficiary is not obligated to do so.

B. Any amounts caused to be disbursed by Beneficiary under this Paragraph 7 shall become additional debt secured by this Deed of Trust. Unless Grantor and Beneficiary agree to other terms of payment, these amounts shall bear interest from the date of disbursement at the Promissory Note rate and shall be payable with interest upon notice from Beneficiary to Grantor requesting payment.

C. Grantor covenants and agrees 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 the cost of title search and any and all attorney's fees actually incurred, in any such action or proceeding, and in any suit brought by Beneficiary to foreclose this Deed of Trust.

D. Grantor further covenants and agrees to pay any and 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 attorney's fees actually incurred, as provided by statute.

8. INSPECTIONS. Beneficiary or its agent may make reasonable entries upon and inspections of the Property, subject to all applicable landlord/tenant laws. Beneficiary shall give Grantor notice at least 24 hours prior to an inspection; provided, however, such right to notice does not apply to Beneficiary when acting in its regulatory capacity or when exercising its police powers.

9. CONDEMNATION. A. The proceeds of any award or claim for damages, direct or consequential, in connection with any condemnation or other taking of the Property or any part thereof, or for conveyance in lieu of condemnation, are hereby assigned and shall be paid to Beneficiary. In the event of a total taking of the Property, the proceeds

DRAFT

shall be applied to the sums secured by this Deed of Trust and other liens as approved by the Beneficiary, whether or not then due, with any excess paid to Grantor. In the event of a partial taking of the Property in which the fair market value of the Property immediately before the taking is equal to or greater than the amount of the sums secured by this Deed of Trust immediately before the taking, unless Grantor and Beneficiary otherwise agree in writing, the sums secured by this Deed of Trust shall be reduced by the amount of the proceeds multiplied by the following fraction: (i) the total amount of the sums secured immediately before the taking, divided by (ii) the fair market value of the Property immediately before the taking. Any balance shall be paid to Grantor. In the event of a partial taking of the Property in which the fair market value of the Property immediately before the taking is less than the amount of the sums secured immediately before the taking, unless Grantor and Beneficiary otherwise agree in writing or unless applicable law otherwise provides, the proceeds shall be applied to the sums secured by this Deed of Trust whether or not the sums are then due.

B. If the Property is abandoned by Grantor, or if, after notice by Beneficiary to Grantor that the condemnor offers to make an award or settle a claim for damages, and Grantor fails to respond to Beneficiary within thirty (30) days after the date the notice is given, Beneficiary is authorized to collect and apply the proceeds, at its option, either to restoration or repair of the Property or to the sums secured by this Deed of Trust, whether or not then due.

C. Unless Beneficiary and Grantor otherwise agree in writing, any application of proceeds to principal shall not extend or postpone the due date of the monthly payments referred to in Paragraph 1 or change the amount of such payments.

10. GRANTOR NOT RELEASED; FORBEARANCE BY BENEFICIARY NOT A WAIVER. Extension of the time for payment or modification of amortization of the sums secured by this Deed of Trust granted by Beneficiary to any successor in interest of Grantor shall not operate to release the liability of the original Grantor or of Grantor's successors in interest. Beneficiary shall not be required to commence proceedings against any successor in interest or refuse to extend time for payment or otherwise modify amortization of the sums secured by this Deed of Trust by reason of any demand made by the original Grantor or Grantor's successors in interest. Any forbearance by Beneficiary in exercising any right or remedy shall not be a waiver of or preclude the exercise of any right or remedy.

11. SUCCESSORS AND ASSIGNS BOUND; JOINT AND SEVERAL LIABILITY; CO-SIGNERS. The covenants and agreements of this Deed of Trust shall bind and benefit the successors and assigns of Beneficiary and Grantor, except as otherwise provided for in this Deed of Trust. Grantor's covenants and agreements shall be joint and several.

12. LOAN CHARGES. If the loan secured by this Deed of Trust is subject to a law which sets maximum loan charges, and that law is finally interpreted so that the interest or other loan charges collected or to be collected in connection with the loan exceed the permitted limits, then: (i) any such loan charge shall be reduced by the

DRAFT

amount necessary to reduce the charge to the permitted limit, and; (ii) any sums already collected from Grantor which exceeded permitted limits will be refunded to Grantor. Beneficiary may choose to make this refund by reducing the principal owed under the Promissory Note or by making a direct payment to Grantor. If a refund reduces principal, the reduction will be treated as a partial prepayment without any prepayment charge under the Promissory Note.

13. NOTICES. Grantor shall promptly give Beneficiary written notice of any and all Project defaults (regardless of whether the default is related to the financing provided by Beneficiary and the various agreements governing the terms of such financing, or whether the default is related to any of the various other parties or entities providing financing to the Project under their various agreements), investigations, claims, demands, lawsuits, licensing issues relating to the operation of the building or care facility, or other actions by any governmental or regulatory agency or private party involving the Property, and any hazardous substance or Environmental Law (as defined in Paragraph 19 of this Deed of Trust) of which Grantor has actual or constructive knowledge. Any notice provided for in this Deed of Trust shall be given pursuant to the procedures outlined in the Loan Agreement.

14. GOVERNING LAW; SEVERABILITY. This Deed of Trust shall be governed by federal law and the laws of the State of Washington. In the event that any provisions of this Deed of Trust or the Promissory Note conflict with applicable law, such conflict shall not affect other non-conflicting provisions of this Deed of Trust or the Promissory Note, which shall continue in full force and effect.

15. GRANTOR'S COPY. Grantor hereby acknowledges receipt of a conformed copy of the Loan Agreement, Covenant Agreement, Promissory Note, and of this Deed of Trust.

16. TRANSFER OF THE PROPERTY OR A BENEFICIAL INTEREST IN GRANTOR.

A. Except as provided in the Loan Agreement, if all or any part of the Property or any interest in it is sold or transferred (or if a beneficial interest of Grantor is sold or transferred and Grantor is not a natural person) without Beneficiary's prior written consent, or if any other default occurs under this Deed of Trust, the Promissory Note, the Loan Agreement or the Covenant Agreement, Beneficiary may, at its option, require immediate payment in full of all sums secured by this Deed of Trust. However, this option shall not be exercised by Beneficiary if exercise is prohibited by federal law as of the execution date of this Deed of Trust. By accepting payment of any sum secured by this Deed of Trust after payment is due, Beneficiary does not waive the right to require prompt payment when due of all other sums so secured or to declare default for failure to so pay.

B. If Beneficiary exercises the above option, Beneficiary shall give Grantor notice of acceleration. The notice shall provide a cure period of not less than thirty (30) days from the date the notice is delivered or mailed within which Grantor must pay all sums secured by this Deed of Trust. If Grantor fails to pay these sums prior to the expiration of this period, Beneficiary may invoke any and all remedies permitted by this Deed of Trust without further notice or demand on Grantor.

DRAFT

17. GRANTOR'S RIGHT TO REINSTATE FOLLOWING ACCELERATION. If Grantor meets the conditions outlined in this paragraph, Grantor shall have the right to have enforcement by acceleration of this Deed of Trust discontinued at any time prior to the earlier of: (i) 10 days (or such other period as applicable law may specify for reinstatement) before sale of the Property pursuant to any power of sale contained in this Deed of Trust; or (ii) entry of a judgment enforcing this Deed of Trust. The conditions which Grantor must meet are that Grantor shall: pay Beneficiary all sums which then would be due under this Deed of Trust and the Promissory Note as if no acceleration had occurred; cure any default of any other covenants or agreements; pay all expenses incurred in enforcing this Deed of Trust, including, but not limited to, reasonable attorneys' fees, and; take such action as Beneficiary may reasonably require to assure that the lien of this Deed of Trust, Beneficiary's rights in the Property, and Grantor's obligation to pay the sums secured by this Deed of Trust continue unchanged. Upon reinstatement by Grantor, this Deed of Trust and the obligations secured hereby shall remain fully effective as if no acceleration had occurred. However, this right to reinstate shall not apply in the case of acceleration caused by Grantor's selling or transferring all or any part of the Property or any interest in it (or if a beneficial interest of Grantor is sold or transferred and Grantor is not a natural person) without Beneficiary's prior written consent.

18. NO FURTHER ENCUMBRANCES. A. For the purposes of protecting Beneficiary's security and keeping the Property free from junior and subordinate financing liens, Grantor agrees and understands that any sale, conveyance, further encumbrance (including the granting of easements and any and all other matters affecting title except for easements required for delivery of services or utilities to the Property) or other transfer of title to the Property, or any interest therein (whether voluntary or by operation of law), without Beneficiary's prior written consent, shall be an Event of Default under this Deed of Trust.

B. Notice is hereby given to all third parties that any mortgage or other Deed of Trust that they may receive against the Property without the prior written approval and acknowledgment of the Beneficiary of this Deed of Trust shall be null and void and without force or effect.

19. HAZARDOUS SUBSTANCES; REPRESENTATIONS AND WARRANTY. A. Grantor shall not cause or permit the presence, use, disposal, storage, or release of any Hazardous Substances (as defined in this Paragraph 19) on or in the Property, except for the presence, use, storage and disposal of reasonable quantities of such Hazardous Substances as are generally used in the ordinary course of operating, maintaining or developing properties such as the Property, all of which Indemnitor represents, warrants and covenants shall be used, stored and disposed of in accordance with commercially reasonable practices and all applicable laws. Grantor shall not perform any act, nor allow, cause or permit the performance of any act, affecting the Property when such act constitutes a violation of any federal, state, or local Environmental Law, ordinance, or rule. As used in this Paragraph 19, "Environmental Law" means federal laws, state laws and local codes, laws, and/or ordinances of the jurisdiction where the Property is located that relate to health, safety, or environmental protection.

DRAFT

B. Grantor shall promptly give Beneficiary written notice of any investigation, claim, demand, lawsuit, or other action by any governmental or regulatory agency or private party involving the Property, and any hazardous substance or Environmental Law of which Grantor has actual knowledge. If Grantor learns, or is notified by any governmental or regulatory authority, that any removal or other remediation of any hazardous substance affecting the Property is necessary, Grantor shall promptly take all necessary remedial actions in accordance with Environmental Law and shall bear all costs and expenses thereof.

C. The Grantor hereby represents and warrants that, to the best of the Grantor's knowledge and belief, and after reasonable investigation and inquiry, the Project has never been and is not being used to make, store, handle, treat, dispose of, generate, or transport Hazardous Substances in violation of any applicable law, which Hazardous Substances have not been or will not be abated according to all applicable law and regulations related thereto prior to tenant occupancy of the project. To the best of Grantor's knowledge and belief, and after reasonable investigation and inquiry, there has not been a release of Hazardous Substances on, from, or near the Property, which release has not been or will not be abated to levels acceptable under all applicable law and regulations related thereto prior to tenant occupancy of the project. The Grantor has never received any notification, citation, complaint, violation, or notice of any kind from any person relating or pertaining to the making, storing, handling, treating, disposing, generating, transporting, or release of Hazardous Substances, for which there has not been or will not be abatement to levels acceptable under all applicable law and regulations related thereto prior to tenant occupancy. Grantor represents and warrants that any asbestos and lead-based paint found within the Project will be abated to levels acceptable under applicable law prior to tenant occupancy of the project. "Hazardous Substances" means (i) any "hazardous waste" as defined by the Resource Conservation and Recovery Act of 1976 (42 U.S.C. § 6901, et seq.), as amended from time to time, and regulations promulgated thereunder; (ii) any "hazardous substance" as defined by the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (42 U.S.C. § 9601, et seq.), as amended from time to time, and regulations promulgated thereunder; (iii) "oil, petroleum products and their by-products" as defined under Washington law as amended from time to time, and regulations promulgated thereunder; (iv) any "hazardous substance" as defined under Washington law, as amended from time to time, and regulations promulgated thereunder; (v) any "asbestos material" as defined under Washington law, as amended from time to time, and regulations promulgated thereunder and/or as defined by 40 C.F.R. Section 61.141, as amended from time to time; (vi) any "radon gas" in excess of levels recommended in U. S. Environmental Protection Agency Guidance Documents, as modified from time to time, or lower levels as provided by any applicable law or regulation now or hereafter in effect; (vii) any "infectious waste" as defined under Washington law, as amended from time to time, and regulations promulgated thereunder; (viii) any substance the presence of which on any property attributable to the operations of the Grantor is prohibited, restricted or regulated by any law or regulation similar to those laws, regulations and/or documents set forth above, including without limitation, polychlorinated biphenyls ("PCBs") and lead-based

DRAFT

paints; and (ix) any other substance which by law or regulation requires special handling in its collection, generation, storage, transportation, treatment or disposal.

20. ACCELERATION: REMEDIES. A. Beneficiary shall give notice to Grantor, prior to acceleration, following Grantor's breach of any covenant or agreement noted in this Deed of Trust, the Loan Agreement, or the Covenant Agreement. The notice shall specify: (a) the nature of the default; (b) the action required to cure the default; (c) a date, not less than thirty (30) days from the date the notice is given to Grantor, by which the default must be cured; and (d) that failure to cure the default on or before the date specified in the notice may result in acceleration of the sums secured by this Deed of Trust and sale of the Property at public auction to the highest bidder, in accordance with the Deed of Trust Act of the State of Washington (RCW 61.24 or as hereafter amended). The notice shall further inform Grantor of applicable rights to reinstate after acceleration, rights to bring a court action to assert the nonexistence of a default or any other defense Grantor wishes to assert prior to acceleration and sale, and of any other matters required by applicable law to be included in the notice. If the default is not cured on or before the date specified in the notice, Beneficiary, at its option, may require immediate payment in full of all sums secured by this Deed of Trust without further demand and may invoke the power of sale and any other remedies permitted under the Loan Agreement, the Covenant Agreement, the Promissory Note, this Deed of Trust or by applicable law. Beneficiary shall be entitled to collect from Grantor all expenses incurred in pursuing the remedies provided in this Paragraph 20, including, but not limited to, attorneys' fees and costs of title evidence.

B. If Beneficiary invokes the power of sale, Beneficiary shall give written notice to Trustee of the occurrence of an event of default. Upon instruction from the Beneficiary to do so, Trustee shall cause the trust Property to be sold, in accordance with the Deed of Trust Act of the State of Washington, at public auction to the highest bidder. Beneficiary or its designee may purchase the Property at any sale. Trustee and Beneficiary shall take such action regarding notice of sale and shall give such notices to Grantor and to other persons as applicable law may require.

C. Trustee shall deliver to the purchaser a Trustee's Deed conveying the Property without warranty, expressed or implied. The recitals in the Trustee's deed shall be prima facie evidence of the truth of the statements made therein. Trustee shall apply the proceeds of the sale in the following order: (a) to all expenses of the sale, including, but not limited to, reasonable Trustee's and attorneys' fees; (b) to all sums secured by this Deed of Trust; and (c) any excess to the person or persons legally entitled to it or to the clerk of the superior court of the county in which the sale took place.

D. 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.

21. RECONVEYANCE. Upon payment of all sums secured by this Deed of Trust, Beneficiary shall request Trustee to reconvey the Property to the person entitled thereto and shall surrender this Deed of Trust and all Promissory Notes evidencing the debt secured by this Deed of Trust to Trustee. Trustee shall reconvey the Property

DRAFT

without warranty and without charge to the person or persons legally entitled to it. Such person or persons shall pay any recordation costs.

22. SUBSTITUTE TRUSTEE. In the event of the death, incapacity, disability, or resignation of Trustee, or at Beneficiary's reasonable discretion, 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 an action or proceeding in which Grantor, Trustee, or Beneficiary shall be a party unless such action or proceeding is brought by the Trustee.

23. USE OF PROPERTY. The Property is not used principally for agricultural or farming purposes.

24. BINDING EFFECT. This Deed of Trust applies to, inures to the benefit of, and is binding not only on the parties hereto, but on his/her/their heirs, devisees, legatees, administrators, executors, and assigns. The term "Beneficiary" shall mean the holder and owner of the Promissory Note secured hereby, whether or not named as Beneficiary herein.

25. ORAL AGREEMENTS OR ORAL COMMITMENTS. ORAL AGREEMENTS OR ORAL COMMITMENTS TO LOAN MONEY, TO EXTEND CREDIT, TO MODIFY OR AMEND ANY AGREEMENT TERMS, TO RELEASE ANY GUARANTOR, TO FORBEAR FROM ENFORCING REPAYMENT OF A DEBT OR FORBEAR FROM EXERCISING ANY REMEDIES, OR TO MAKE ANY OTHER FINANCIAL ACCOMMODATION RELATED TO THIS INSTRUMENT ARE NOT ENFORCEABLE UNDER WASHINGTON LAW.

BY SIGNING BELOW, Grantor accepts and agrees to the terms and covenants contained in this Deed of Trust and in any riders executed by Grantor and recorded with it.

IN WITNESS WHEREOF, the Parties have executed this Deed of Trust as of the day and year first written above.

(THE REMAINDER OF THIS PAGE IS INTENTIONALLY BLANK.)

DRAFT

WHEN RECORDED RETURN TO:
CITY OF SPOKANE
COMMUNITY, HOUSING AND HUMAN SERVICES DEPARTMENT
808 W. SPOKANE FALLS BLVD., ROOM 650
SPOKANE, WASHINGTON 99201-3339

OPR #2016-_____

**CITY OF SPOKANE
INLAND EMPIRE RESIDENTIAL RESOURCES**

SPECIAL SKILLS DUPLEX

HOME PROGRAM LOAN COVENANT AGREEMENT

Grantor: Inland Empire Residential Resources, a Washington nonprofit corporation

Beneficiary: City of Spokane, a Washington state municipal corporation

Assessor's Parcel No.: 35211.3704

Legal Description: LOT 4 IN BLOCK 19 OF UNION PARK ADDITION, AS PER PLAT THEREOF RECORDED IN VOLUME "A" OF PLATS, PAGE 139;

SITUATE IN THE CITY OF SPOKANE, COUNTY OF SPOKANE, STATE OF WASHINGTON.

This HOME Program Loan Covenant Agreement ("Covenant Agreement") is made this ____ day of _____, 2016, by and between the **City of Spokane**, Washington, a Washington municipal corporation (the "City"), whose address is City of Spokane, c/o Community, Housing and Human Services Department, 808 W. Spokane Falls Blvd., Room 650, Spokane, Washington 99201-3339 and **Inland Empire Residential Resources**, a Washington nonprofit corporation (the "Borrower" or "Grantor"), whose address is P.O. Box 3123, Spokane, WA 99220.

I. STIPULATIONS

1. This Covenant Agreement is a condition of and part of the consideration for the financial assistance provided by the City to the Borrower for the Borrower's acquisition and construction of the Special Skills Duplex, a duplex with one two-bedroom unit and one three-bedroom unit, to be constructed at 2418 East 4th Avenue in Spokane, WA (the "Project"). Both of the units will be HOME-assisted.

DRAFT

2. This Covenant Agreement is part of a transaction further reflected in a Promissory Note ("Promissory Note"), a HOME Program Loan Agreement ("Loan Agreement") of even date herewith, and a Quit Claim Deed dated _____, recorded concurrently with this Covenant Agreement. The City's disbursements under the Loan Agreement are further secured by a Deed of Trust ("Deed of Trust"). The terms of said documents are incorporated herein as if fully set forth herein, and together shall be referenced as the "Related Documents." The capitalized terms in said agreements shall have the same meaning in this Covenant Agreement unless the context clearly suggests otherwise. In the event of conflict in the terms of any of these documents, the terms most favorable to the City shall apply.

3. The Project is situated in the City and County of Spokane, State of Washington, and is legally described as:

LOT 4 IN BLOCK 19 OF UNION PARK ADDITION, AS PER PLAT THEREOF RECORDED IN VOLUME "A" OF PLATS, PAGE 139;

SITUATE IN THE CITY OF SPOKANE, COUNTY OF SPOKANE, STATE OF WASHINGTON.

Assessor's Parcel Number: 35211.3704.

Property Address: 2418 E 4th Ave, Spokane, WA 99202

4. This Covenant Agreement shall be filed and recorded in the official public land records of Spokane County, Washington, and shall constitute a restriction upon the use of the property and Project described herein, subject to and in accordance with the terms of this Covenant Agreement during the Affordability Period described in Section IV herein below.

5. 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 Borrower, its successors in interest, assigns, heirs or lessees of the Project, beginning on the date this Covenant Agreement is executed. Each and every contract, deed or other instrument covering or conveying the property or Project, 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.

NOW, THEREFORE, it is hereby covenanted, that during the Affordability Period described in Section IV herein below, the Borrower agrees to the following covenants running with the land which shall bind the Borrower, its heirs, assigns, lessees and successors in interest through the Affordability Period.

II. COVENANTS

Borrower shall:

DRAFT

- A. Comply with the Affordability Requirements described in this Covenant Agreement and Related Documents.
- B. Maintain all required insurance, including without limitation the insurance required by the Deed of Trust.
- C. Maintain Project financial reports, Project financial records and provide all other information and documentation that the City may reasonably request.
- D. Make prompt payment of all taxes and financial liabilities.
- E. Not hypothecate or encumber Project assets in any way, except to the extent provided for under the Loan Agreement or as approved of by the Director of Community, Housing and Human Services of the City of Spokane (the "Director") in writing. The Director may withhold such approval at his/her reasonable discretion.
- F. Promptly provide (i) rent and tenant income information at initial tenant occupancy and (ii) rent, occupancy, and tenant income information annually throughout the term of the Loan Agreement, or as otherwise requested by the City.
- G. Promptly provide, upon request by the City, such documentation as is necessary (including financial statements) to enable the City to determine the financial condition and continued financial viability of the Project.
- H. During the Affordability Period, prohibit occupancy of any HOME-assisted unit by Borrower (or officer, employee, agent, elected or appointed official, or consultant of the Borrower, or immediate family member or immediate family member of an officer, employee, agent, elected or appointed official, or consultant of Borrower) whether private, for-profit or nonprofit, including a community housing development organization (CHDO) when acting as an owner, developer or sponsor.
- I. Comply with all applicable federal, state, and local regulations and requirements, including, but not limited to, Uniform Administrative Requirements, Federal Labor Standards, Davis-Bacon and Related Acts, Uniform Relocation Act requirements applicable as of the date of the execution of this Covenant Agreement, and the provisions of the Lead-Based Paint Poisoning Prevention Act. When applicable, the City's costs to administer Davis-Bacon Federal Labor Standards, and Related Acts shall be borne by the Borrower. When Washington State prevailing wages apply, the Borrower shall comply with all State requirements under RCW 39.12 to the satisfaction of the State of Washington. When applicable, the higher of Washington State prevailing wages or Davis-Bacon wages shall apply.

DRAFT

- J. Comply with all HOME program project requirements pursuant to 24 CFR part 92 et seq.
- K. Maintain housing in compliance with the property standards of 24 CFR §92.251 and local code requirements throughout the term of the Loan Agreement.
- L. Upon Project Completion, the Project shall obtain a final Certificate of Occupancy, meet all licensing requirements needed to operate the facility as proposed by Borrower in its various funding applications, and meet the property standards of 24 CFR §92.251, minimum rehabilitation standards, and all applicable federal, state and local codes and ordinances. New construction projects must also meet HUD, state, and local requirements relating to accessibility and disaster mitigation.
- M. Cause each of the two (2) HOME-assisted units to be occupied by income-eligible households within eighteen (18) months after the Project is completed. If any HOME-assisted units are not occupied by eligible tenants within 6 months following the date of Project Completion, Borrower shall submit to the City current marketing information and, if the City requests it, an enhanced marketing plan for leasing the unoccupied units as quickly as possible, which information the City will provide to HUD as required by 24 CFR §92.252. If any HOME-assisted unit has not been rented to eligible tenants within eighteen (18) months after the date of Project Completion, Borrower shall repay the City \$140,000.00/unit for each such unit within thirty (30) days of the City's written request for repayment. This reflects the proportionate per unit share of HOME funds, i.e., \$280,000.00 HOME dollars/2 HOME units.

The Borrower shall cause this Covenant Agreement to be recorded as a covenant running with the land and the Project.

Borrower shall pay at loan closing all costs associated with the negotiation, documentation and closing of the loan, including without limitation title premiums escrow fees, recording fees, appraisal fees and City's attorneys' fees.

III. INCOME DETERMINATIONS

- A. For purposes of this Covenant Agreement, tenant "annual income" is defined pursuant to 24 CFR §92.203), and includes income from all persons in the household, less income adjustments pursuant to 24 CFR §5.611. An individual does not qualify as a low-income family if the individual is a student who is not eligible to receive Section 8 assistance under 24 CFR §5.612.
- B. Initial tenant annual income determinations shall be made by the Borrower pursuant to 24 CFR §92.203. Subsequent tenant income determinations shall be made by the Borrower pursuant to 24 CFR §92.203 and 24 CFR §92.252(h).
- C. Rent increases and annual income recertifications shall be governed by the terms outlined in the Affordability Requirements below.

DRAFT

IV. AFFORDABILITY REQUIREMENTS

- A. HOME Affordability Period. The HOME Affordability Period, established pursuant to 24 CFR §92.252, is twenty (20) years, beginning after Project Completion, as determined by the Director. “Project Completion” means that all necessary title transfer requirements and construction work have been performed; the Project complies with the requirements of 24 CFR §92, including the property standards under 24 CFR §92.251; the final drawdown of HOME funds has been disbursed for the Project; and the project completion information has been entered in the disbursement and information system established by HUD, except that with respect to rental housing project completion, for the purposes of §92.502(d), Project Completion occurs upon completion of construction and before occupancy. Repayment of the loan during the HOME Affordability Period will not extinguish the requirements of the Related Documents.
- B. City Affordability Period. The City Affordability Period is thirty (30) years, beginning after Project Completion, as determined by the Director. The HOME Affordability Period and City Affordability Period shall run concurrently. Collectively, the two periods are hereinafter referred to as the “Affordability Period.” Upon expiration of the HOME Affordability Period, the City Affordability Period shall continue, but HUD will no longer monitor compliance with affordability requirements, unless the City Affordability Period is coterminous with the HOME Affordability Period. The requirements of the Affordability Period and other conditions of the Related Documents shall apply, as long as there are funds owing under the Note.
- C. Rent Limits.
Group Homes.
During the Affordability Period, the sum of the rents paid by all tenants of each of the two- or three-bedroom units shall not exceed the Spokane area’s Section 8 Fair Market Rent (“FMR”) for a two- or three-bedroom unit, as defined by HUD, and adjusted for tenant-paid utilities and tenant-supplied appliances. Each tenant’s rent shall be a proportionate share of the total unit rent. Rent limits include utilities but do not include food or the cost of any supportive services. Bedrooms occupied by resident supportive services providers are not counted as eligible bedrooms for rent purposes.
- Non-Group Homes.
During the Affordability Period, rents on both of the HOME-assisted units shall not exceed thirty percent (30%) of the adjusted income of a family whose annual income equals thirty percent (30%) of Spokane area median income (“AMI”), as defined by HUD and adjusted for family size, unit size by number of bedrooms, tenant-paid utilities and tenant-supplied appliances. These units shall include one (1) two-bedroom unit and one three-bedroom unit.

DRAFT

Group and Non-Group Homes.

Should the HUD rents or the FMR decline below the initial project rents, the Borrower's rents do not need to be reduced below the initial rents. A table of initial HUD rents for the Project is attached to the Loan Agreement as Attachment 2.

However, any HOME-assisted unit receiving federal or state project-based rental assistance, where the tenant pays not more than thirty percent (30%) of the household's adjusted income as a contribution toward rent, shall be limited to the maximum rent allowed under the federal or state project-based rental assistance program.

The adjustment for tenant-paid utilities and tenant-supplied appliances is subject to 24 CFR §92.252. New HUD requirements include that the adjustment for tenant-paid utilities and tenant-supplied appliances be based on the HUD Utility Schedule Model, twelve (12) months of documented actual utility costs as acceptable to the City's Community, Housing & Human Services Department ("Department"), or other methods as determined by HUD. Currently, the HUD Utility Schedule Model can be found at: <http://huduser.org/portal/resources/utimodel.html>. HUD may clarify the new requirements to allow the use (in some circumstances) of the prior requirement, which used the Section 8 existing housing allowance for tenant-furnished utilities and other services as published annually by HUD and issued by the Spokane Housing Authority or twelve (12) months of documented actual utility costs as acceptable to the Department.

The City will provide Borrower with information on updated HOME rent limits so that rents may be adjusted (not to exceed the maximum HOME rent limits) in accordance with this Loan Agreement. Owners must annually provide the City with information on rents and occupancy of HOME-assisted units to demonstrate compliance with the Affordability Requirements of this Loan Agreement. The City will review rents for compliance and approve or disapprove them every year.

Rents can be increased above the maximum limits described above after expiration of the HOME Affordability Period, but the loan will be subject to repayment at the higher interest rate as provided for in Paragraph 2 of the Promissory Note.

- D. LIHTC Rent Clause. For tenants of low-income tax credit assisted units (if low-income housing tax credits are awarded to the Project or portions of the Project), any increases in rent associated with tenant income shall be governed solely by section 42 of the Internal Revenue Code of 1986, as amended from time to time.
- E. Income limits. At initial occupancy, tenants of the HOME-assisted unit shall have incomes not greater than thirty percent (30%) of the Spokane area median income ("AMI"), as defined by HUD. If one of these tenants' incomes increases

DRAFT

to a level exceeding 50% of AMI, the next available HOME-assisted unit shall be made available to families at or below 30% AMI. The Property owner may choose to increase rent for the now over-50% household, provided that the new rent does not exceed the HOME rent at the 30% of 50% of AMI level. In addition, if the tenant's income increases and exceeds 80% of AMI, the tenant's rent shall increase to the lesser of 30% of the tenants adjust monthly income or Fair Market Rent.

- F. Income Certifications. All tenants' incomes shall be recertified annually by the Borrower. Any applicable rent increases will be effective upon the next lease renewal, and are subject to thirty (30) days' written notice.
- G. Upon completion of the HOME Affordability Period, if the maximum rent and income limits are exceeded, the loan will be subject to repayment at the higher interest rate as provided for in Paragraph 2 of the Promissory Note.
- H. Additional Affordability Requirements. The Project must comply with the affordable housing requirements of 24 CFR §92.252.
- I. Relocation. Tenants in occupancy prior to the Project are subject to the provisions of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 as amended ("URA"), 42 USC 4601 et seq. and the regulations promulgated thereunder. All relocation payments and expenses shall be borne by the Borrower.
- J. Protection of Affordability Requirements – City Purchase Option. The Affordability Requirements may terminate upon foreclosure or transfer in lieu of foreclosure at the sole election of the Director. In the event of a pending or threatened foreclosure, once applicable notice and cure periods have expired, the City is hereby granted an option and a right of first refusal to purchase the Project before foreclosure or deed in lieu of foreclosure to preserve affordability. The City may exercise its right to purchase the Project in any reasonable manner following the City's receipt of written notice of pending or threatened foreclosure proceedings and/or a possible deed in lieu of foreclosure, which notice Borrower hereby agrees to provide to City. The purchase price shall be the assessed value of the Project at the time of the City's exercise of its purchase rights, less any financial obligations assumed by the City at the time of the City's acquisition of the Project. The City further reserves the right to revive any affordability restrictions according to the original terms of the Loan Agreement if, during the HOME Affordability Period (as defined herein), the owner of record before the foreclosure, or deed in lieu of foreclosure, or any entity that includes the former owner or those with whom the former owner has or had family or business ties, obtains an ownership interest in the Project or property.

DRAFT
V. DEFAULT

If a violation of any of the foregoing covenants occurs, the City may, after thirty (30) days written notice, the default meanwhile not having been cured, institute and prosecute any proceeding at law or in equity or as otherwise provided for in this Covenant Agreement, or Related Documents, to abate, prevent, or enjoin any such violation or to compel specific performance by the Borrower of its obligations hereunder, including, without limitation of other remedies, the exercise of the City's purchase rights described herein. 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 violation or any similar breach or violation hereof at any later time.

ORAL AGREEMENTS OR ORAL COMMITMENTS TO LOAN MONEY, TO EXTEND CREDIT, TO MODIFY OR AMEND ANY AGREEMENT TERMS, TO RELEASE ANY GUARANTOR, TO FORBEAR FROM ENFORCING REPAYMENT OF A DEBT OR FORBEAR FROM EXERCISING ANY REMEDIES, OR TO MAKE ANY OTHER FINANCIAL ACCOMMODATION RELATED TO THIS AGREEMENT ARE NOT ENFORCEABLE UNDER WASHINGTON LAW.

IN WITNESS WHEREOF, the Parties have executed this Agreement on this _____ day of _____, 2016.

THE REMAINDER OF THIS PAGE IS INTENTIONALLY BLANK.

DRAFT

INLAND EMPIRE RESIDENTIAL RESOURCES

By: _____
Darryl K. Reber, Executive Director

Date: _____

STATE OF WASHINGTON)
County of Spokane) ss.

On this ____ day of _____, 2016, personally appeared before me **Darryl K. Reber**, to me known to be the Executive Director of Inland Empire Residential Resources, a Washington nonprofit corporation executed the within and foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said person and the Borrower, for the uses and purposes therein mentioned, and on oath stated that he was authorized to execute the said instrument.

GIVEN under my hand and official seal the day and year in this certificate above written.

NOTARY PUBLIC, in and for the State of Washington, residing at _____
My Commission expires _____

DRAFT

CITY OF SPOKANE

By: _____
David A. Condon, Mayor

Date: _____

ATTEST:

APPROVED AS TO FORM:

By: _____
Terri L. Pfister, City Clerk

By: _____
Assistant City Attorney

Date: _____

STATE OF WASHINGTON)
County of Spokane) ss.

On this _____ day of _____, 2016, personally appeared before me **David A. Condon and Terri L. Pfister**, to me known to be the **Mayor and City Clerk**, respectively, of and for the **City of Spokane**, Washington, the municipal corporation that executed the within and 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 stated that they were authorized to execute the said instrument.

GIVEN under my hand and official seal the day and year in this certificate above written.

NOTARY PUBLIC, in and for the State of
Washington, residing at _____
My Commission expires _____

DRAFT

WHEN RECORDED RETURN TO:
City of Spokane
Community, Housing and Human Services Dept.
808 W. Spokane Falls Blvd.
Spokane, WA 99201

OPR 2016-_____

QUIT CLAIM DEED

THE GRANTOR, CITY OF SPOKANE, a Washington municipal corporation, for and in consideration of good and valuable consideration, the receipt of which is hereby acknowledged, conveys and quit claims to Inland Empire Residential Resources, a Washington nonprofit corporation ("Grantee"), the City's interest in the following described real estate, situated in the County of Spokane, State of Washington:

LOT 4 IN BLOCK 19 OF UNION PARK ADDITION, AS PER PLAT THEREOF
RECORDED IN VOLUME "A" OF PLATS, PAGE 139;

SITUATE IN THE CITY OF SPOKANE, COUNTY OF SPOKANE, STATE OF
WASHINGTON.

Assessor's Parcel Number: 35211.3704
Property Address: 2418 E 4th Ave, Spokane, WA 99202

Provided; that if Grantee fails to comply with the Affordability Requirements set forth in that certain HOME PROGRAM LOAN COVENANT AGREEMENT, of even date herewith, wherein Inland Empire Residential Resources is Grantor and the City of Spokane is beneficiary, then the City may re-enter and repossess the Property.

DATED this _____ day of _____, 2016.

By: _____
David A. Condon, Mayor

DRAFT
Attest:

Approved as to form:

Terri L. Pfister, Clerk

Assistant City Attorney

STATE OF WASHINGTON)
) ss.
County of Spokane)

I certify that I know or have satisfactory evidence that **David A. Condon** and **Terri L. Pfister** are the persons who appeared before me and said persons acknowledged that they signed this document, and on oath stated that they were authorized to sign and acknowledged it as the **Mayor** and the **City Clerk**, respectively, of the CITY OF SPOKANE, a municipal corporation, to be the free and voluntary act of such party for the uses and purposes therein mentioned.

DATED: _____

Notary Public in and for Washington State
Residing at _____
My appointment expires: _____

BRIEFING PAPER
City of Spokane
Community, Housing and Human Services Department
Community, Health, and Environment Committee
May 2, 2016

Subject

Update on Spring 2016 Multifamily Housing Program RFP proposals for federal HOME-funds to develop affordable rental housing with long-term affordability covenants.

Background

A recent CHHS RFP offered about \$600,000 of HOME funds to develop affordable rental housing at three CHHS-owned properties. HOME-funded rental units must be affordable to households at or below 50% of Area Median Income and should include units for extremely low-income households, large families, and handicapped tenants. The three CHHS-owned properties (see attachment) had received a Single Family Rehabilitation program home repair loan but were later transferred to CHHS following foreclosure or borrower's death. HUD requires that these properties provide further benefit to low-income Spokane families.

CHHS received 4 proposals for HOME funding (see attachment). In early May, the CHHS Board will select projects to receive HOME funds, which are contingent upon Council approval. In June, CHHS staff plans to request that Council approve HOME funding contracts for the selected projects. This timeline helps CHHS meet a HUD July 31 HOME commitment deadline. Construction is expected to start in September 2016.

Impact

Selected proposals will create new rental housing with long-term affordability covenants for low-income families. Each project will deliver infill housing at underutilized lots. One property is located in the East Sprague TIP and all properties are in the East Central neighborhood.

Action

Discuss affordable housing proposals in preparation of Council consideration of HOME funding contracts (anticipated June/July 2016).

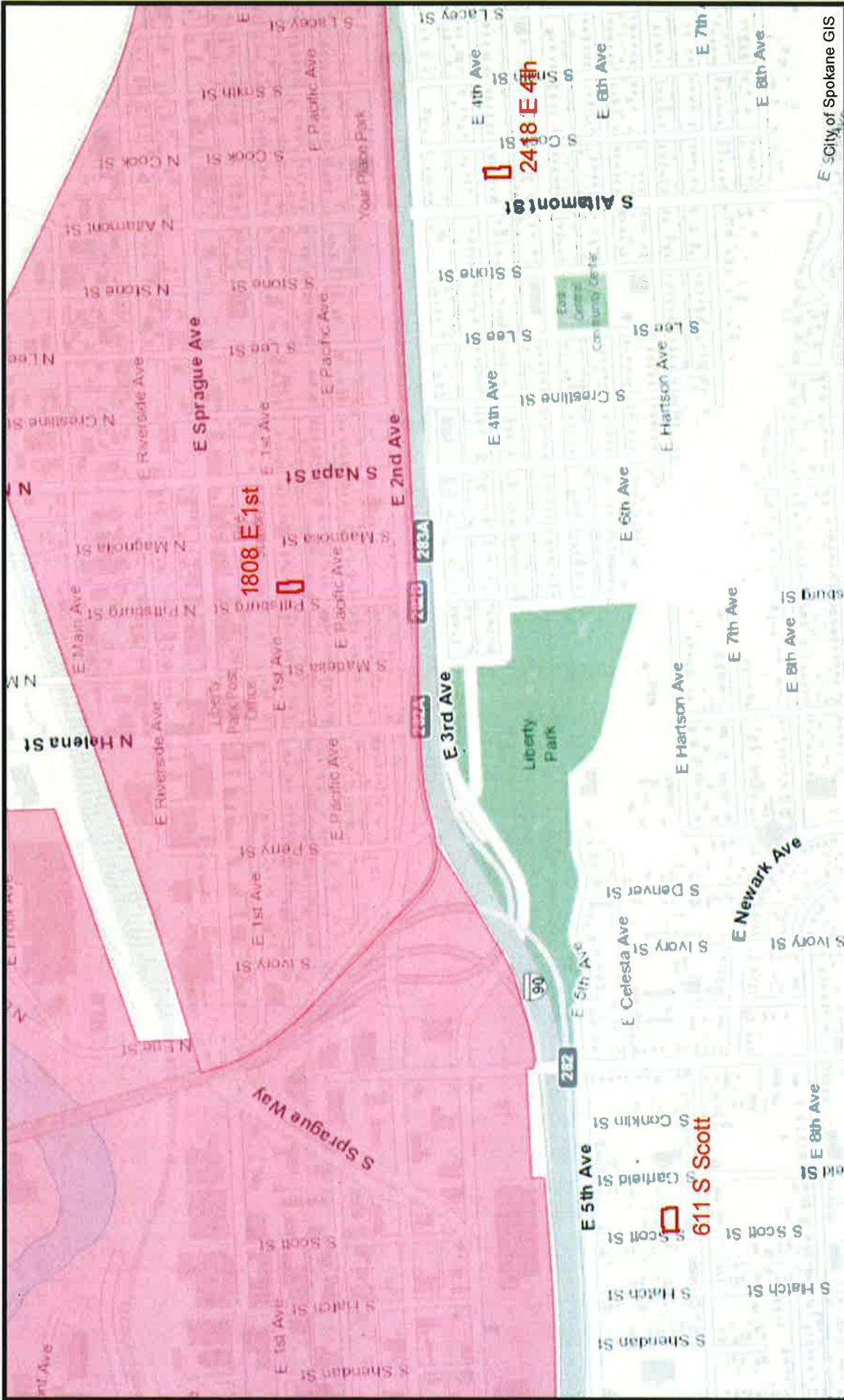
Funding

Approximately \$600,000 of federal HOME funds. Each proposal utilizes some additional funding from owner's funds or bank financing.

2016 SPRING FUNDING APPLICATIONS

SPONSOR	PRODUCT	HOME REQUEST	HOME \$/ HOME UNIT	TOTAL COST	COST/ UNIT
EAST CENTRAL COMMUNITY ORGANIZATION 1st & Scott Rental Properties 1808 E 1st - 1 duplex 611 S Scott - 2 duplexes new construction Other funds: bank loan, FHLB	6 total units 6 HOME units HOME 30% 2 3bd 50% 4 3bd	\$396,426	\$66,071	\$705,407	\$117,568
INLAND EMPIRE RESIDENTIAL RESOURCES Special Skills Duplex 2418 E 4th new construction includes 2 ADA accessible Other funds: Owner	2 total units 2 HOME units HOME 30% 1 2bd, 1.3bd	\$260,000	\$130,000	\$261,500	\$130,750
VASILENKO 1808 E 1st rehab, potential for add'l 3 new construction Other funds: Owner	1 total unit 1 HOME unit HOME 50% 1 3bd	\$75,000	\$75,000	\$110,060	\$110,060
VASILENKO 611 S Scott rehab (1), new construction (5) includes 1 3bd ADA accessible Other funds: Owner	6 total units 6 HOME units HOME 30% 3 3bd 50% 2 2bd, 1 3bd	\$395,000	\$65,833	\$528,358	\$88,060
TOTAL	14 total units 14 HOME units	\$1,126,426	\$80,459	\$1,605,325	\$114,666

Total HOME funds available: \$600,000
 Non-CHDO funds \$600,000 (Includes HOME MF, reprogrammed HOME, HOME PI)
 CHDO setaside \$0 (Minimum required allocation. Actual may be greater.)



Legend
 Target Incentive Areas



Spring 2016 RFP Project Sites

April 26, 2016



THIS IS NOT A LEGAL DOCUMENT!
 The information shown on this map is compiled from various sources and is subject to constant revision. Information shown on this map should not be used to determine the location of facilities in relationship to property lines, section lines, streets, etc.

PROPOSED BUDGET

INLAND EMPIRE RESIDENTIAL RESOURCES
SPECIAL SKILLS DUPLEX

2418 E 4th Avenue

Closing/title/recording	1,500	Sponsor	1,500
Construction	249,600		
Permits/fees/hookups	5,976		
Soft cost contingency	780	City HOME funds	280,000
Architect	2,500		
Insurance	400		
Impact fees	744		
Construction contingency/ Developer fee	20,000		
TOTAL	\$281,500	TOTAL	\$281,500

Construction of a duplex with 2 ADA accessible units, including a 2-bedroom, 1 bath unit and a 3-bedroom, 1 bath unit on a lot that is currently owned by the City. Each unit will be about 1,250 sf. The units will be on grade with extra wide hallways, metal door jambs, laundry room in each unit, Energy-Star appliances, and front and rear access doors. There will be a covered patio area, a fenced yard, and parking for staff with easy access for paratransit. The 2-bedroom unit will include a number of features to improve safety and durability. Design features include hardened walls, commercial grade plumbing fixtures, metal door jambs, safety glass windows, easily maintained floor coverings and a large room that could be a future bedroom, but is intended for use as a space where individuals can go, where they can be safe and separated from the other roommate. The 3-bedroom unit will also have protective wainscoting to reduce wheelchair damage. The building will have vinyl siding.

Some architectural, engineering, and other professional series costs incurred within 24 months before commitment might be reimbursed.



Agenda Sheet for City Council Meeting of:
06/20/2016

Date Rec'd	7/12/2013
Clerk's File #	OPR 2016-0489
Renews #	
Cross Ref #	2016-0476
Project #	
Bid #	
Requisition #	

Submitting Dept	HOUSING & HUMAN SERVICES
Contact Name/Phone	M SHARTS X6325
Contact E-Mail	MSHARTS@SPOKANECITY.ORG
Agenda Item Type	Contract Item
Agenda Item Name	1680 VASILENKO - 611 SOUTH SCOTT

Agenda Wording

Loan Agreement & other documents with Konstantin & Tatyana Vasilenko (Spokane) for rehabilitation of a house and construction of five additional units at 611 South Scott Street - \$395,000 HOME funds (East Central neighborhood)

Summary (Background)

The City receives HOME grants from HUD for rental housing projects affordable to low-income households. The loan agreement requires that 3 3-bdrm units benefit households at or below 30% of the area median income (AMI) & 3 units (2-bdrm & 1 3-bdrm) benefit households at or below 50% AMI for at least 20 years. A \$47.5k loan at 3% interest will be repaid over 20 years and a \$347,500 loan is potentially forgivable. Other financing is from bank & owner funds. Lot was City surplus (RES 2012-0068).

Fiscal Impact

Expense	\$ 395,000
Neutral	\$ 0
Select	\$
Select	\$

Budget Account

# 1710-99999-99999-99999-99999	HOME
#	pending approval of EBO
#	
#	

Approvals

<u>Dept Head</u>	CROW, ROB
<u>Division Director</u>	MALLAHAN, JONATHAN
<u>Finance</u>	KECK, KATHLEEN
<u>Legal</u>	WHALEY, HUNT
<u>For the Mayor</u>	WHITNEY, TYLER

Council Notifications

<u>Study Session</u>	CHE 5/2/16
<u>Other</u>	

Additional Approvals

<u>Purchasing</u>	dkinder, msharts
	2306115@gmail.com

DRAFT

OPR #2016-_____

**CITY OF SPOKANE
VASILENKO**

611 SOUTH SCOTT

HOME PROGRAM LOAN AGREEMENT

This HOME Program Loan Agreement (the "Loan Agreement") is made effective this ___ day of _____ 2016 ("Effective Date"), by and between the City of Spokane, Washington, a Washington municipal corporation (the "City"), whose address is **City of Spokane**, c/o Community, Housing and Human Services Department (the "Department"), 808 W. Spokane Falls Blvd., Room 650, Spokane, WA 99201, and **Konstantin Y. Vasilenko and Tatyana A. Vasilenko**, husband and wife (the "Borrower"), whose address is 19914 North Hazard Road, Spokane, WA 99208. Borrower and City are together referenced as the "Parties". This Loan Agreement is part of a transaction further reflected in two Promissory Notes ("Note 1" and "Note 2", or, collectively, the "Notes"), a HOME Program Loan Covenant Agreement ("Covenant Agreement"), and a Quit Claim Deed dated _____, recorded concurrently with the Covenant Agreement. The City's disbursements under the Loan Agreement are further secured by a Deed of Trust of even date herewith ("Deed of Trust"). The terms of said documents are incorporated herein as if fully set forth herein, and together shall be referenced as the "Related Documents." The capitalized terms in said documents shall have the same meaning in this Loan Agreement unless the context clearly suggests otherwise. In the event of conflict in the terms of any of these documents, the terms most favorable to the City shall apply.

WITNESSETH: The Parties hereby agree to diligently fulfill the following duties and to perform the following services in accordance with all of the conditions, terms, and requirements of this Loan Agreement.

I. PURPOSE

- A. The purpose of this Loan Agreement is to expand the supply of decent, safe, sanitary, and affordable housing for very low-income households pursuant to the HOME Investment Partnerships Program (24 CFR part 92 et seq., CFDA #14.239) ("HOME").
- B. To accomplish the purpose of this Loan Agreement, the City shall provide a portion of the financing for the Borrower's 611 South Scott project, which includes the rehabilitation of a house and construction of 5 units at 611 South Scott Street in Spokane, WA (the "Project"). The legal description of the Project is:

DRAFT

THE SOUTH 80 FEET OF THE WEST HALF OF LOT 8, BLOCK 3, HARTSON'S SUBDIVISION OF BLOCKS 3, 4, 5, 6, 7 AND 8, HARTSON AND TOWNSEND'S HIGHLAND PARK ADDITION, AS PER PLAT RECORDED IN VOLUME "C" OF PLATS, PAGE 26;

SITUATE IN THE CITY OF SPOKANE, COUNTY OF SPOKANE, STATE OF WASHINGTON

APN: 35201.5353

PROPERTY ADDRESS: 611 S SCOTT ST, SPOKANE, WA 99202

The Project includes six (6) HOME-assisted units, including four three-bedroom units and two two-bedroom units. Borrower shall provide the City with the address (e.g., street address and apartment number) of each HOME-assisted unit no later than the time of initial occupancy. If the Project includes floating units, the units originally designated as HOME-assisted may change over time, but the number of HOME-assisted units, for purposes of this Loan Agreement and Related Documents, shall never be less than the number designated in this section, and any replacement units must be comparable in size, features, and number of bedrooms to those units originally identified as HOME-assisted in this section.

Upon completion, at least one (1) unit in the project shall be accessible to individuals with mobility impairments and an additional unit shall be accessible to individuals with sensory impairments pursuant to the requirements of Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794).

- C. The Project is expected to conform to the estimates noted in the Project Budget, attached hereto as "Attachment 1" and incorporated herein. All additional costs over and above the sum noted as compensation for this Loan Agreement shall be borne by the Borrower.

II. DURATION OF THE LOAN AGREEMENT

This Loan Agreement shall commence and be effective on the Effective Date and shall terminate on the later of the end of the HOME Affordability Period or full repayment and/or forgiveness of sums due under the Notes. The City and Borrower, upon mutual agreement, shall have the power to extend the term of this Loan Agreement. Any extension shall not increase the overall dollar amount loaned by the City pursuant to this Loan Agreement.

III. AMOUNT OF LOAN

The City shall loan the Borrower a sum not to exceed **THREE HUNDRED NINETY-FIVE THOUSAND AND NO/100 DOLLARS (\$395,000.00)** from HOME funds, to be disbursed as provided herein, subject to the terms and conditions of this Loan Agreement and Related Documents.

DRAFT

IV. PRICING

This loan is subject to interest on the outstanding principal balance loaned at the rate of three percent (3%) per annum, such interest commencing on the time of disbursement(s) and compounding monthly or during the loan term. Payments shall be made pursuant to the Notes and Section XV herein below. If rents for any HOME-assisted in the Project are increased above the level of the Affordability Requirements defined in this Loan Agreement or any other provisions, covenants, terms, conditions or restrictions of this Loan Agreement are not adhered to, then the rate on the outstanding balance shall be increased to the prevailing prime lending rate as published in The Wall Street Journal, plus three percent (3%) for the remaining term of the loan, compounded monthly, and may be subject to accelerated repayment pursuant to XV.B. herein below.

V. SECURITY/SUPPORT

- A. Borrower shall assure and maintain the City's security position on the underlying real estate as evidenced by the Deed of Trust, which will be subordinate only to a deed of trust from bank financing. The sum of all loans against the Project, including the City's, cannot exceed ninety percent (90%) of the lesser of appraised value, estimated value upon completion, or cost.
- B. The Affordability Requirement outlined in this Loan Agreement shall be recorded as a **covenant running with the Project**, and shall apply without regard to the term of any loan or mortgage or transfer of ownership.
- C. Borrower shall keep in force, continuously, insurance covering the Project and property legally described above, listing the City of Spokane as policy beneficiary, pursuant to Section IX of this Loan Agreement.

VI. FUNDING DISBURSEMENTS

- A. The timing and disbursement of HOME funds shall be determined by the City in its sole discretion, consistent with the provisions of this Loan Agreement. Without limiting the forgoing, funding disbursements are subject to the following conditions:
 - 1. City HOME funds shall be disbursed only after completion of all requirements imposed by the United States Department of Housing and Urban Development ("HUD"), as determined by the City in its sole discretion, and upon completion of an environmental review by the City.
 - 2. All funds lent under this Agreement must be utilized by June 30, 2017.
 - 3. Borrower may not request disbursement of funds until needed for payment of eligible project costs, as defined by 24 CFR §92.206 and as further defined in the Program Description of the City's Multifamily Housing Program, and the amount of each request must be limited to the

DRAFT

amount needed. Architectural, engineering, or related professional services required to prepare plans, drawings, specifications, or work write-ups may be reimbursed if they were incurred not more than 24 months before the date of this Loan Agreement. In case of a dispute between the Parties regarding when the funds shall be disbursed, the determination of the Director of the Department of Community, Housing, and Human Services of the City of Spokane ("Director") shall govern.

- B. Notwithstanding any other provision of this Loan Agreement, except as approved by the City, prior to the drawdown or disbursement of any City HOME funds hereunder, the Borrower shall provide documentation, in a form reasonably acceptable to the City, that the following actions have been taken to the City's satisfaction:
1. Recording of the Covenant Agreement and Deed of Trust.
 2. The Borrower has in place all applicable construction, land use, environmental, zoning permits and/or other federal, state and local governmental approvals as necessary for undertaking the activity for which the specific draw request is to be used.
 3. For projects including acquisition of land and/or buildings, an appropriate assessment of fair market value must be reviewed and approved by the City.
 4. Notwithstanding any provision in this Loan Agreement, the Borrower and the City hereto agree and acknowledge that Borrower shall not be entitled to any drawdown or disbursement of funds until satisfactory completion of environmental review and receipt by the City of a release of funds from the U.S. Department of Housing and Urban Development ("HUD") under 24 CFR Part 58. The Borrower and the City further agree that the provision of any funds to the Project shall be conditioned upon the City's determination to proceed with, modify, or cancel the project based on the results of a subsequent environmental review. The Borrower shall not spend any funds on physical or choice-limiting actions, including property acquisitions, demolition, movement, rehabilitation, conversion, repair, or construction prior to the environmental clearance as described herein. Violation of this provision may result in the denial of any funds under this Loan Agreement. The Borrower shall perform all the required mitigation measures referenced in the environmental review record completed by the City.
 5. As applicable, the Borrower shall demonstrate, to the City's satisfaction, full compliance with the minimum wage requirements set forth in Section XVIII herein below.
- C. Notwithstanding the foregoing, a retainage of ten percent (10%) of the total amount allocated under this Loan Agreement shall be held by the City until all permits have been received, final inspections are complete, a final Certificate of Occupancy is issued, the Borrower accepts the work, federal requirements are fully satisfied, and all other obligations under this Loan Agreement or related agreements are carried out to the satisfaction of the Director.

DRAFT

VII. INCOME DETERMINATIONS

- A. For purposes of this Loan Agreement, tenant “annual income” is defined pursuant to 24 CFR §92.203, and includes income from all persons in the household, less income adjustments pursuant to 24 CFR §5.611. An individual does not qualify as a low-income family if the individual is a student who is not eligible to receive Section 8 assistance under 24 CFR §5.612.
- B. Initial tenant annual income determinations shall be made by the Borrower pursuant to 24 CFR §92.203. Subsequent tenant income determinations shall be made by the Borrower pursuant to 24 CFR §92.203 and 24 CFR §92.252(h).
- C. Rent increases and annual income recertifications shall be governed by the terms outlined in the Affordability Requirements.

VIII. AFFORDABILITY REQUIREMENTS

- A. HOME Affordability Period. The HOME Affordability Period, established pursuant to 24 CFR §92.252, is twenty (20) years, beginning after Project Completion, as determined by the Director. “Project Completion” means that all necessary title transfer requirements and construction work have been performed; the Project complies with the requirements of 24 CFR §92, including the property standards under 24 CFR §92.251; the final drawdown of HOME funds has been disbursed for the Project; and the project completion information has been entered in the disbursement and information system established by HUD, except that with respect to rental housing project completion, for the purposes of §92.502(d), Project Completion occurs upon completion of construction and before occupancy. Repayment of the loan during the HOME Affordability Period will not extinguish the requirements of the Related Documents.
- B. City Affordability Period. The City Affordability Period is thirty (30) years, beginning after Project Completion, as determined by the Director. The HOME Affordability Period and City Affordability Period shall run concurrently. Collectively, the two periods are hereinafter referred to as the “Affordability Period.” Upon expiration of the HOME Affordability Period, the City Affordability Period shall continue, but HUD will no longer monitor compliance with Affordability Requirements, unless the City Affordability Period is coterminous with the HOME Affordability Period. The requirements of the Affordability Period and other conditions of the Related Documents shall apply, as long as there are funds owing under the Notes.
- C. Rent Limit. During the Affordability Period, rents on three (3) of the six (6) HOME-assisted units shall not exceed thirty percent (30%) of the adjusted income of a family whose annual income equals fifty percent (50%) of Spokane area median income (“AMI”), as defined by HUD and adjusted for family size, unit size by number of bedrooms, tenant-paid utilities and tenant-supplied

DRAFT

appliances. These units shall include two (2) two-bedroom units and one (1) three-bedroom unit. In addition, rents on three (3) of the HOME-assisted units shall not exceed thirty percent (30%) of the adjusted income of a family whose annual income equals thirty percent (30%) of AMI, as defined by HUD and adjusted for family size, unit size by number of bedrooms, tenant-paid utilities and tenant-supplied appliances. These units shall include three (3) three-bedroom units.

However, any HOME-assisted unit receiving federal or state project-based rental subsidy, where the tenant pays not more than thirty percent (30%) of the household's adjusted income as a contribution toward rent, shall be limited to the maximum rent allowed under the federal or state project-based rental assistance program.

Should the HUD rents decline below the initial project rents, the Borrower's rents do not need to be reduced below the initial rents. A table of initial HOME rents for the Project as established by HUD is attached to this Loan Agreement as Attachment 2.

The adjustment for tenant-paid utilities and tenant-supplied appliances is subject to 24 CFR §92.252. New HUD requirements include that the adjustment for tenant-paid utilities and tenant-supplied appliances be based on the HUD Utility Schedule Model, twelve (12) months of documented actual utility costs as acceptable to the City's Community, Housing & Human Services Department, or other methods as determined by HUD. Currently, the HUD Utility Schedule Model can be found at: <http://huduser.org/portal/resources/utilmodel.html>. HUD may clarify the new requirements to allow the use (in some circumstances) of the prior requirement, which used the Section 8 existing housing allowance for tenant-furnished utilities and other services as published annually by HUD and issued by the Spokane Housing Authority or twelve (12) months of documented actual utility costs as acceptable to the City's Community, Housing & Human Services Department.

The City will provide Borrower with information on updated HOME rent limits so that rents may be adjusted (not to exceed the maximum HOME rent limits exclusive of rent paid through project-based subsidies) in accordance with this Loan Agreement and §92.252(f)(2). The Borrower must annually provide the City with information on rents and occupancy of HOME-assisted units to demonstrate compliance with the Affordability Requirements of this Loan Agreement. The City will review rents for compliance and approve or disapprove them every year.

The Borrower must provide tenants of HOME-assisted units written notification of rent increases no less than 30 days prior to the beginning of the month in which the increase is intended to be implemented, subject to the provisions of a tenant's lease agreement, pursuant to §92.252(f)(3).

DRAFT

- D. LIHTC Rent Clause. For tenants of low-income tax credit assisted units (if low-income housing tax credits are awarded to the Project or portions of the Project), any increases in rent associated with tenant income shall be governed solely by section 42 of the Internal Revenue Code of 1986, as amended from time to time.
- E. Upon completion of the HOME Affordability Period, if the maximum rent and income limits are exceeded, the loan will be subject to repayment at the higher interest rate as provided for in Paragraph 2 of the Promissory Notes.
- F. Income Limit. At initial occupancy, tenants of three (3) of the six (6) HOME-assisted units shall have incomes not greater than fifty percent (50%) of AMI. In addition, tenants of three (3) of the HOME assisted units shall have incomes not greater than thirty percent (30%) of AMI at initial occupancy. If any of these tenants' incomes increases to a level exceeding fifty percent (50%) of AMI, then the next available HOME-assisted unit shall be made available to families at or below thirty percent (30%) of AMI. If the income of a tenant of a HOME-assisted unit increases and exceeds eighty percent (80%) of AMI, then the tenant's rent shall increase to the lesser of thirty percent (30%) of the tenant's adjusted monthly income or Fair Market Rent, subject to paragraph VIII.D hereof.
- G. Income Certifications. All tenants' incomes shall be recertified annually by the Borrower. Any applicable rent increases will be effective upon the next lease renewal, and are subject to thirty (30) days' written notice.
- H. Additional Affordability Requirements. The Project must comply with the affordable housing requirements of 24 CFR §92.252.
- I. Relocation. Tenants in occupancy prior to the Project are subject to the provisions of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 as amended ("URA"), 42 USC 4601 et seq. and the regulations promulgated thereunder. All relocation payments and expenses shall be borne by the Borrower.
- J. Protection of Affordability Requirements - City Purchase Option. The Affordability Requirements may terminate upon foreclosure or transfer in lieu of foreclosure at the sole election of the Director. In the event of a pending or threatened foreclosure, once applicable notice and cure periods have expired, the City is hereby granted an option and a right of first refusal to purchase the Project before foreclosure or deed in lieu of foreclosure to preserve affordability. The City may exercise its right to purchase the Project in any reasonable manner following the City's receipt of written notice of pending or threatened foreclosure proceedings and/or a possible deed in lieu of foreclosure, which notice Borrower hereby agrees to provide to City. The purchase price shall be the assessed value of the Project at the time of the City's exercise of its purchase rights, less any financial obligations assumed by the City at the time of the City's acquisition of the Project. The City further reserves the right to revive any affordability restrictions according to the original terms of this Loan

DRAFT

Agreement if, during the HOME Affordability Period (as defined herein), the owner of record before the foreclosure, or deed in lieu of foreclosure, or any entity that includes the former owner or those with whom the former owner has or had family or business ties, obtains an ownership interest in the Project or property.

IX. INSURANCE

The Borrower shall keep the Project and all improvements now existing or hereafter erected thereon continuously insured as required in the Deed of Trust, the Notes and the Covenant Agreement and this Loan Agreement, naming the City as mortgagee and/or loss payee. The insurance requirements apply during the Affordability Period, or during any such time as there are outstanding sums due under the Notes, whichever is longer.

X. PROPERTY STANDARDS

- A. All HOME-assisted housing under this Loan Agreement shall meet the requirements of 24 CFR §92.251, which includes all applicable Federal, State and local code requirements and housing quality standards, rehabilitation standards, ordinances and zoning ordinances at the time of Project completion and for the duration of the Affordability Period. Where relevant, the housing must be constructed to mitigate the impact of potential disasters (e.g., earthquakes, hurricanes, flooding, and wildfires), in accordance with applicable State and local codes, ordinances, or other State and local requirements, or such other requirements as HUD may establish. The standards under 24 CFR §92.251 were modified in 2013 and implementation awaits further clarification from HUD, at this time.
- B. Any accessible HOME-assisted housing units under this Loan Agreement shall, for the duration of the Affordability Period, meet the accessibility requirements of 24 CFR part 8, which implements Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794), and Titles II and III of the Americans with Disabilities Act (42 U.S.C. 12131-12189) implemented at 28 CFR parts 35 and 36, as applicable. Covered multifamily dwellings, as defined at 24 CFR 100.201, must also meet the design and construction requirements at 24 CFR 100.205, which implements the Fair Housing Act (42 U.S.C. 3601-3619). The foregoing shall not be interpreted as limiting Borrower's obligation to comply with accessibility requirements applicable to the Project as whole.
- C. The Borrower shall comply with the provisions of 24 CFR §92.251.

XI. ADDITIONAL MISCELLANEOUS COVENANTS

Borrower shall:

- A. Comply with the Affordability Requirements described in this Loan Agreement and Related Documents.

DRAFT

- B. Maintain all required insurance, including without limitation the insurance required by the Deed of Trust.
- C. Maintain Project financial reports, Project financial records, and provide all other information and documentation that the City may reasonably request.
- D. Make prompt payment of all taxes and financial liabilities.
- E. Not hypothecate or encumber Project assets in any way, except to the extent provided for under this Loan Agreement or as approved of by the Director in writing. The Director may withhold such approval at his/her reasonable discretion.
- F. Promptly provide (i) rent and tenant income information at initial tenant occupancy and (ii) rent, occupancy, and tenant income information annually throughout the term of this Loan Agreement, or as otherwise requested by the City. If the Project has floating HOME units, the Borrower must provide the City with information regarding the unit substitution and filling vacancies so that the Project remains in compliance with HOME rental occupancy requirements.
- G. Promptly provide, upon request by the City, such documentation as is necessary (including financial statements) to enable the City to determine the financial condition and continued financial viability of the Project.
- H. During the Affordability Period, prohibit occupancy of any HOME-assisted unit by Borrower (or officer, employee, agent, elected or appointed official, or consultant of the Borrower, or immediate family member or immediate family member of an officer, employee, agent, elected or appointed official, or consultant of Borrower) whether private, for-profit or nonprofit, (including a community housing development organization ("CHDO") when acting as an owner, developer or sponsor).
- I. Comply with all applicable federal, state, and local regulations and requirements, including, but not limited to Uniform Administrative Requirements, Federal Labor Standards, Davis-Bacon and Related Acts, Uniform Relocation Act requirements applicable as of the date of the execution of this Loan Agreement, and the provisions of the Lead-Based Paint Poisoning Prevention Act. The City's costs to administer Davis-Bacon Federal Labor Standards, and Related Acts shall be borne by the Borrower. When Washington State prevailing wages apply, the Borrower shall comply with all State requirements under RCW 39.12 to the satisfaction of the State of Washington. When applicable, the higher of Washington State prevailing wages or Davis-Bacon wages shall apply.
- J. Comply with all HOME program project requirements pursuant to 24 CFR part 92 et seq.

DRAFT

- K. Maintain housing in compliance with the property standards of 24 CFR §92.251 and local code requirements throughout the term of this Loan Agreement.
- L. Upon Project completion, the Project shall obtain a final Certificate of Occupancy for new units and complete the final inspections and obtain final approvals on all construction permits for the rehabilitated unit, meet all licensing requirements needed to operate the facility as proposed by Borrower in its various funding applications, and meet the property standards of 24 CFR §92.251, minimum rehabilitation standards, and all applicable state and local codes and ordinances. New construction projects must also meet HUD, state, and local requirements relating to accessibility and disaster mitigation.
- M. Cause each of the six (6) HOME-assisted units to be occupied by income-eligible households within eighteen (18) months after the Project is completed. If any HOME-assisted units are not occupied by eligible tenants within 6 months following the date of Project Completion, Borrower shall submit to the City current marketing information and, if the City requests it, an enhanced marketing plan for leasing the unoccupied units as quickly as possible, which information the City will provide to HUD as required by 24 CFR §92.252. If any HOME-assisted unit has not been rented to eligible tenants within eighteen (18) months after the date of Project Completion, Borrower shall repay the City \$65,833.33/unit for each such unit within thirty (30) days of the City's written request for repayment. This reflects the proportionate per unit share of HOME funds, i.e., \$395,000.00 HOME dollars/6 HOME units.

The Borrower shall cause the Covenant Agreement (which shall contain the foregoing covenants) to be recorded as a covenant running with the land.

Borrower shall pay at loan closing all costs associated with the negotiation, documentation and closing of the loan, including without limitation title premiums escrow fees, recording fees, appraisal fees and City's attorneys' fees.

XII. PROJECT TIMETABLE

- A. The Borrower agrees to complete work required in accordance with the timetable set forth in Attachment 3. Timely completion of the work is an integral and essential part of performance. The expenditure of HOME funds is subject to Federal deadlines and failure to meet deadlines could result in the loss of the Federal funds. By the acceptance and execution of this Loan Agreement, the Borrower agrees that the Project will be completed as expeditiously as possible and make every effort to ensure the project will proceed and will not be delayed. Failure to meet these deadlines can result in cancellation of this contract and revocation of HOME funds. Since it is mutually agreed that time is of the essence, the Borrower shall cause appropriate provisions to be included in all contracts or subcontracts relative to the work tasks in Attachment 3. It is intended that such provisions included in any subcontracts be, to the fullest extent permitted by law and equity, binding

DRAFT

for the benefit of the City and enforceable by the City against the Borrower and its successors and assigns to the project or any part thereof or any interest therein.

- B. In the event the Borrower is unable to meet the above schedule or complete the above services due to delays resulting from Acts of God, untimely review and approval by the City and other governmental authorities having jurisdiction over the Project, or other delays that are not caused by the Borrower, the City shall grant a reasonable extension of time for completion of the work. It shall be the responsibility of the Borrower to notify the City promptly in writing whenever a delay is anticipated or experienced, and to inform the City of all facts and delays related to the delay.

XIII. DEFAULT

A. The following shall be considered "Events of Default" for purposes of this Loan Agreement:

1. Failure of Borrower to make any principal and interest payment within fifteen (15) days after such payment is due.
2. Failure to perform, observe or comply with the Affordability Requirements, Income Determinations, or any other provisions, related covenants, terms, conditions or restrictions of this Loan Agreement or any agreement relating to the Project (i.e., the occurrence of an event of default under other indebtedness secured by the Project property) or any part thereof, and failure to fully cure the same within the period of time, if any, permitted for cure and, if no period for cure is otherwise provided for, within sixty (60) days of written notice from the City of such failure, requesting the same to be remedied; provided, after a second non-compliance of any provision in a five- (5-) year period, only fourteen (14) days written notice is needed.
3. Failure to perform required maintenance or performance of any act by Borrower which would, in the City's reasonable opinion, adversely affect the value of the Project.
4. Sale, transfer, lease, or other conveyance of the Project or any portion thereof, including assumptions and subordinations, without obtaining the prior written consent of the Director. Except as otherwise permitted under this Loan Agreement, the sale, transfer, lease, or other conveyance of the Project or any portion thereof, including assumptions and subordinations, without obtaining the prior written consent of the Director.
5. Filing a voluntary or involuntary petition not dismissed within ninety (90) days after filing under the United States Bankruptcy Code by or against the Borrower.

DRAFT

6. Any representation, warranty, or disclosure made to the City or any other Project lender which proves to be materially false or misleading as of the date made, whether or not such representation, warranty, or disclosure appears in this Loan Agreement.
7. Failure to maintain and keep in force adequate amounts of insurance as is usual in the business carried on by the Borrower, or as required herein.
8. Without limiting any of the foregoing, Borrower's failure to comply with the minimum wage requirements set forth in Section XVIII of this Loan Agreement.

XIV. REMEDIES

- A. Upon the occurrence of an event of default not timely cured after notice, the City may, in addition to any other remedies which the City may have hereunder or under this Loan Agreement or by law or equity, at its option and upon written notice to the Borrower, take any or all of the following actions:
 1. Immediately terminate any further advance of loan funds.
 2. Declare the debt incurred hereunder and under the Related Documents immediately due and payable and commence collection proceedings against the Borrower.
 3. Seek judicial appointment of a receiver.
 4. Foreclose under the security documents or instruments, judicially or non-judicially.
 5. File suit against the Borrower.
 6. Seek specific performance or injunctive relief to enforce performance of the undertakings, duties, and agreements provided in this Loan Agreement or any related security document or instrument, whether or not a remedy at law exists or is adequate.
- B. All remedies of the City provided for herein are cumulative and shall be in addition to all other rights and remedies provided by law or in equity or by this Loan Agreement. The exercise of any right or remedy by the City shall not in any way constitute a cure or waiver of default under this Loan Agreement or any other related Project agreement, or invalidate any act done pursuant to any notice of default, or prejudice the City in the exercise of any of its rights unless, in the exercise of such rights, the City realizes all amounts owed to it by the Borrower.

DRAFT

- C. A failure to declare or a delay in declaring a default shall not constitute a waiver of any rights or remedies or excuse any failure by the Borrower to strictly comply with its obligations under this Loan Agreement or any other related Project agreement or document.

XV. REPAYMENT

- A. Payments of principal and interest for Note 1 shall be deferred for 12 months and payment of principal and interest for Note 2 shall be deferred during the HOME Affordability Period, so long as Borrower and the Project are in compliance with the Affordability Requirements per the terms of the Loan Agreement and Covenant Agreement together with all other provisions of the Notes and Related Documents.
- B. Following the HOME Affordability Period, and during the remaining City Affordability Period, the amounts due under Note 2 may be eligible for debt forgiveness. In exchange for complying with the Affordability Requirements during that period of the City Affordability that extends beyond the HOME Affordability Period (the "Forgiveness Period"), the principal and interest of Note 2 may be forgiven for each year of the Forgiveness Period, until it is fully forgiven or paid at the end of the Affordability Period. If, at the end of each year during Forgiveness Period, the Borrower has complied, for that year, with the Affordability Requirements of this Loan Agreement and the Covenant Agreement and is in compliance with all other provisions of this Loan Agreement and Related Documents, then the loan payments for Note 2 shall be forgiven for that year; provided, no payments shall be forgiven for affordability periods of less than one (1) year. The amount of the annual loan forgiveness shall be the sum of twelve monthly payments; the monthly payments will be in an amount sufficient to amortize the principal and interest over the remaining term of the Affordability Period. During the Affordability Period, Borrower shall notify the City in writing if, for any reason, the Project will not comply with the Affordability Requirements, at which time any and all outstanding balance would become immediately due and payable in full.
- C. If Borrower elects not to comply with the Affordability Requirements beyond the end of the HOME Affordability Period, repayment of principal and interest under Note 2 shall be made monthly in an amount sufficient to amortize the loan over the remaining term of the Affordability Period.
- D. Repayment of Note 1 or Note 2 during the HOME Affordability Period described in Paragraph VIII.A of this Loan Agreement shall not extinguish the Affordability Requirements.
- E. Payment of principal, interest, and fees relating to the Notes shall be made in lawful money of the United States of America in immediately available funds to the City of Spokane, at the Community, Housing and Human Services Department, 808 W. Spokane Falls Blvd., Room 650, Spokane, WA 99201, or at such other place as the City may designate to Borrower in writing.

DRAFT

XVI. NONDISCRIMINATION/RENT SUBSIDY

Neither the Borrower nor any of its agents shall refuse to lease HOME-assisted units to a certificate or voucher holder under 24 CFR part 982 – Section 8 Tenant-Based Assistance: Unified Rule for Tenant-Based Assistance under the Section 8 Rental Certificate Program and the Section 8 Rental Voucher Program or to the holder of a comparable document evidencing participation in a HOME tenant-based rental assistance program because of the status of the prospective tenant as a holder of such certificate, voucher, or comparable HOME tenant-based assistance document.

XVII. FAITH-BASED ACTIVITIES AND ORGANIZATIONS

- A. Borrower, in providing services supported in whole or in part with HOME program funds, shall not discriminate against current or prospective program beneficiaries (i.e., tenants) on the basis of religion, a religious belief, or a refusal to attend or participate in a religious practice.
- B. If Borrower engages in explicitly religious activities, including activities that involve overt religious content such as worship, religious instruction, or proselytization, Borrower must perform such activities and offer such services outside of and separately in time or location, from the activities or programs financed under this Loan Agreement, and participation in any such explicitly religious activities must be voluntary for the program beneficiaries of the HUD-funded programs or services (i.e., tenants).
- C. Whether or not Borrower is a faith-based organization, it may use the loan proceeds provided under this Loan Agreement as provided under relevant regulations and this Loan Agreement without impairing its independence, autonomy, expression of religious beliefs, or religious character. Borrower will retain its independence from Federal, State, and local government, and may continue to carry out its mission, including the definition, development, practice, and expression of its religious beliefs, provided that it does not use direct HOME funds to support or engage in any explicitly religious activities, including activities that involve overt religious content, such as worship, religious instruction, or proselytization, or any manner prohibited by law. Borrower may use space in their facilities to provide program-funded services, without removing or altering religious art, icons, scriptures, or other religious symbols. In addition, Borrower retains its authority over its internal governance, and it may retain religious terms in its organization's name, select its board members on a religious basis, and include religious references in its organization's mission statements and other governing documents.
- D. The loan proceeds provided to Borrower pursuant to this Loan Agreement may not be used for the acquisition, construction, or rehabilitation of structures to the extent that those structures are or will be used for explicitly religious activities. Subject to other limitations in this Loan Agreement, loan proceeds may be used for the acquisition, construction, or rehabilitation of structures

DRAFT

only to the extent that those structures are used for conducting eligible activities under HOME regulations. When a structure is or will be used for both eligible and explicitly religious activities, HOME funds may not exceed the cost of those portions of the acquisition, construction, or rehabilitation that are attributable to eligible activities in accordance with the cost accounting requirements applicable to the HOME program. Sanctuaries, chapels, or other rooms that Borrower uses as its principal place of worship, however, are ineligible for HOME-funded improvements. Disposition of real property after the term of the loan or grant, or any change in use of the property during the term of the loan or grant, is subject to government-wide regulations governing real property disposition (see 24 CFR parts 84 and 85).

- E. This limitations in this Section XVII shall apply regardless whether the loan proceeds under this Loan Agreement includes local funds that the City has voluntarily contributed to supplement federally funded activities.

XVIII. COMPLIANCE WITH LAWS

- A. The Borrower shall comply with all HOME Program requirements as outlined in 24 CFR part 92 et seq., as may be amended from time to time.
- B. The Borrower shall comply with Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d-2000d-4), the Fair Housing Act (42 U.S.C. 3601 et seq.), E.O. 11063 (3 CFR, 1959-1963 Comp., p. 652), Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) and HUD regulations issued pursuant thereto.
- C. The Borrower shall comply with the nondiscrimination and equal opportunity, disclosure requirements, debarred, suspended or ineligible contractors, and drug-free workplace, per 24 CFR §92.350.
- D. The Borrower shall comply with the affirmative marketing and minority outreach program of 24 CFR §92.351, and shall further comply with the tenant selection requirements set forth in 24 CFR 92.253(d).
- E. The Borrower shall comply with the National Environmental Policy Act of 1969, as outlined in 24 CFR 92.352 and Borrower agrees to implement City-identified conditions on safeguards to protect and enhance environmental quality or minimize adverse environmental impacts.
- F. Minimum Wages.
 - 1. Federal Labor Standards/Davis-Bacon Act [] Applicable [XX] Not Applicable. If the "Applicable" box is checked, the following provisions apply:
 - a. The Borrower shall pay prevailing wages, as predetermined by the Secretary of Labor pursuant to the Davis-Bacon Act (40 U.S.C. 276a-276a-5), to all laborers and mechanics employed in the development of the Project; provided, in the event the Project is subject to state

DRAFT

minimum wage requirements, and if the state minimum wage rate exceeds the Department of Labor rate, the conflict will be resolved by applying the higher rate

- b. All contracts relating to the Project shall contain a provision requiring the payment of such wages, as predetermined by the Secretary of Labor under the Davis-Bacon Act, 40 USC 276(a) under wage decision [DECISION #], modification [MODIFICATION #], dated _____.
 - c. The Borrower shall pay overtime, as applicable, pursuant to the Contract Work Hours and Safety Standards Act (40 U.S.C. 327-332).
 - d. The Borrower shall comply with all regulations issued under the Davis-Bacon Act and the Contract Work Hours and Safety Standards Act, all Federal laws and regulations pertaining to labor standards, Federal Labor Standards, HUD Handbook 1344.1 (Federal Labor Standards Compliance in Housing and Community Development Programs), and 24 CFR §92.354, as applicable.
 - e. The Borrower shall provide contracts with the prime contractor and major subcontractors as soon as these contracts are available and the contracts shall evidence compliance with Federal Labor Standards.
 - f. These prevailing wage requirements do not apply to volunteers or sweat equity pursuant to 24 CFR §92.354(a) and (b).
 - g. Borrower shall reimburse the City for all costs incurred by the City in administering Borrower's compliance with applicable Davis-Bacon, Federal Labor Standards, and Related Acts.
2. Labor Standards. If applicable, the Federal Labor Standards Provisions (HUD 4010) are attached as Attachment n.a.
 3. State Minimum Wage. When Washington State prevailing wages apply, the Borrower shall comply with all State requirements under RCW 39.12 to the satisfaction of the State of Washington. When applicable, the higher of Washington State prevailing wages or Davis-Bacon wages shall apply. When Washington State prevailing wages apply, the contractor and all subcontractors will submit a "Statement of Intent to Pay Prevailing Wages" certified by the industrial statistician of the State Department of Labor and Industries, prior to any payments. The "Statement of Intent to Pay Prevailing Wages" shall include: (1) the contractor's registration number; and (2) the prevailing rate of wage for each classification of workers entitled to prevailing wages under RCW 39.12.020 and the number of workers in each classification. Each voucher claim submitted by the contractor for payment on a project estimate shall state that the prevailing wages have been paid in accordance with the "Statement(s) of Intent to Pay Prevailing Wages" on file with the City. Prior to the payment of funds held under chapter 60.28 RCW, the contractor and subcontractors must submit an "Affidavit of Wages Paid" certified by the industrial statistician.
- G. Conflict of Interest. The Borrower shall comply with the conflict of interest provisions prescribed in 24 CFR §92.356(f). During the Affordability Period,

DRAFT

Borrower shall prohibit occupancy of any HOME-assisted unit by Borrower (or officer, employee, agent, elected or appointed official, or consultant of the Borrower, or immediate family member or immediate family member of an officer, employee, agent, elected or appointed official, or consultant of the Borrower), whether private, for-profit or nonprofit (including a community housing development organization (CHDO) when acting as an owner, developer, or sponsor).

- H. The Borrower shall comply with the equal employment opportunities for low- and very low-income persons pursuant to 24 CFR part 135.
- I. The Borrower shall comply with the Fair Housing Act as implemented by 24 CFR parts 100-115, as applicable.

XIX. TENANT AND PARTICIPANT PROTECTIONS

- A. There must be a written lease between the tenant and the Borrower that complies with 24 CFR 92.253 (Tenant Protections and Selection) and that is for a period of not less than one year, unless by mutual agreement between the tenant and the owner a shorter period is specified.
- B. Leases between the Borrower and a tenant shall not contain any of the following provisions:
 - 1. Agreement by the tenant to be sued, to admit guilt, or to a judgment in favor of the Borrower in a lawsuit brought in connection with the lease.
 - 2. Agreement by the tenant that Borrower may take, hold, or sell personal property of household members without notice to the tenant and a court decision on the rights of the Borrower and tenant. This prohibition does not apply to an agreement by the tenant concerning disposition of personal property remaining in the housing unit after the tenant has moved out of the unit. Borrower may dispose of this personal property in accordance with Washington state law.
 - 3. Agreement by the tenant not to hold the Borrower or the Borrower's agents legally responsible for any action or failure to act, whether intentional or negligent.
 - 4. Agreement by the tenant that the Borrower may institute a lawsuit against a tenant or affecting a tenant's interests without notice to tenant.
 - 5. Agreement by the tenant that the Borrower may evict the tenant or household members without instituting a civil court proceeding in which the tenant has the opportunity to present a defense, or before a court decision on the rights of the Borrower and tenant.
 - 6. Agreement by the tenant to waive any right to a trial by jury.

DRAFT

7. Agreement by the tenant to waive the tenant's right to appeal, or otherwise challenge in court, a court decision in connection with the lease; and,
 8. Agreement by the tenant to pay attorney's fees or other legal costs even if the tenant wins in a court proceeding by the Borrower against the tenant. The tenant, however, may be obligated to pay costs if the tenant loses.
 9. Agreement by the tenant (other than a tenant in transitional housing) to accept supportive services that are offered.
- C. Borrower may not terminate the tenancy or refuse to renew the lease of a tenant occupying a HOME-assisted unit except for serious or repeated violation of the terms and conditions of the lease; for violation of applicable Federal, State, or local law; for completion of the tenancy period for transitional housing or failure to follow any required transitional housing supportive services plan; or for other good cause. Good cause does not include an increase in the tenant's income or refusal of the tenant to purchase the housing. To terminate or refuse to renew tenancy, Borrower must serve written notice upon the tenant specifying the grounds for the action at least thirty (30) days before the termination of tenancy.
- D. Borrower shall adopt and follow written tenant selection policies and criteria that:
1. Limit the HOME-assisted units to very low-income and low-income families;
 2. Are reasonably related to the applicants' ability to perform the obligations of the lease (i.e., to pay the rent, not to damage the housing, not to interfere with the rights and quiet enjoyment of other tenants);
 3. Limit eligibility or give a preference to a particular segment of the population if otherwise permitted in this Loan Agreement (and only if the limitation or preference is described in the City's consolidated plan).
- E. Borrower shall select tenants from a written waiting list in the chronological order of their application, insofar as is practicable, and give prompt written notification to any rejected applicant of the grounds for any rejection.
- F. Borrower shall not charge fees that are not customarily charged in rental housing (e.g., laundry room access fees), except that Borrower may charge: (i) reasonable application fees to prospective tenants; (ii) parking fees to tenants only if such fees are customary for rental projects in the neighborhood; and (iii) fees for services such as bus transportation or meals, as long as such services are voluntary and fees are charged for services provided.

DRAFT

XX. TENANT PARTICIPATION PLAN

If the Borrower is a Community Housing Development Organization ("CHDO") as defined by 24 CFR 92.2, the Borrower shall adhere to a fair lease and grievance procedure approved by the City and shall provide a plan for and follow a program of tenant participation in management decisions pursuant to 24 CFR §92.303.

XXI. UNIFORM ADMINISTRATIVE REQUIREMENTS/PROJECT REQUIREMENTS

- A. The Borrower shall comply with the applicable uniform administrative requirements of 24 CFR §92.505 if the Borrower is organized as a non-profit organization.
- B. The Borrower shall comply with all applicable Project requirements of Subpart F of 24 CFR part 92 et seq.
- C. The Borrower shall maintain all tenant and Project records for the most recent five- (5-) year period until five (5) years after the Affordability Period, terminates. The Borrower shall permit the Department, the HUD, and the Comptroller General of the United States, or their authorized representatives, access to all books, records, and papers of the Borrower pertinent to the Project. The Borrower shall keep and retain records sufficient to document invoices of all expenditures, project beneficiary data, and all other records required to be kept pursuant to 24 CFR §92.508.
- D. The Borrower shall permit the Department, HUD, the Comptroller General of the United States, or their authorized representatives, site visits at all times upon reasonable notice throughout the Affordability Period.

XXII. TRANSFER/ASSIGNMENT

The Borrower shall not assign, transfer, subordinate or sublet any obligation of this Loan Agreement nor shall it sell or otherwise transfer any property subject to this Loan Agreement without prior written consent of the Director, who may withhold consent at his/her discretion. The provisions of this Loan Agreement shall apply to all persons or entities performing obligations set forth by this Loan Agreement, including approved persons or entities to whom or to which the Borrower assigns, transfers, or sublets services as above. Such approved persons or entities shall be subject to the provisions for faith-based activities and organizations as outlined in this Loan Agreement, as applicable.

XXIII. HAZARDOUS SUBSTANCES/REPRESENTATIONS AND WARRANTIES

- A. The Borrower shall not cause or permit the presence, use, disposal, storage, or release of any "Hazardous Substances" (as defined below) on or in the Property. The Borrower shall not perform any act, nor allow, cause or permit the performance of any act, affecting the Property when such act constitutes a violation of any federal, state or local Environmental Law, ordinance or rule. As

DRAFT

used in this provision, "Environmental Law" means federal laws, state laws and local codes, laws, and/or ordinances of the jurisdiction where the Property is located that relate to health, safety, or environmental protection.

- B. The Borrower shall promptly give the City written notice of any investigation, claim, demand, lawsuit, or other action by any governmental or regulatory agency or private party involving the Property, and any hazardous substance or Environmental Law of which the Borrower has actual knowledge. If the Borrower learns, or is notified by any governmental or regulatory authority, that any removal or other remediation of any hazardous substance affecting the Property is necessary, the Borrower shall promptly take all necessary remedial actions in accordance with Environmental Law and shall bear all costs and expenses thereof.
- C. The Borrower hereby represents and warrants that, to the best of the Borrower's knowledge and belief, and after reasonable investigation and inquiry, the Project has never been and is not being used to make, store, handle, treat, dispose of, generate, or transport Hazardous Substances in violation of any applicable law, which Hazardous Substances have not been or will not be abated according to all applicable law and regulations related thereto prior to tenant occupancy of the rehabilitated project. To the best of Borrower's knowledge and belief, and after reasonable investigation and inquiry, there has not been a release of Hazardous Substances on, from, or near the Project, which release has not been or will not be abated to levels acceptable under all applicable law and regulations related thereto prior to tenant occupancy of the rehabilitated project. The Borrower has never received any notification, citation, complaint, violation, or notice of any kind from any person relating or pertaining to the making, storing, handling, treating, disposing, generating, transporting, or release of Hazardous Substances, for which there has not been or will not be abatement to levels acceptable under all applicable law and regulations related thereto prior to tenant occupancy. Borrower represents and warrants that any asbestos and lead-based paint found within the Project will be abated to levels acceptable under applicable law prior to tenant occupancy of the rehabilitated project. "Hazardous Substances" means (i) any "hazardous waste" as defined by the Resource Conservation and Recovery Act of 1976 (42 U.S.C. § 6901, et seq.), as amended from time to time, and regulations promulgated thereunder; (ii) any "hazardous substance" as defined by the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (42 U.S.C. § 9601, et seq.), as amended from time to time, and regulations promulgated thereunder; (iii) "oil, petroleum products and their by-products" as defined under Washington law as amended from time to time, and regulations promulgated thereunder; (iv) any "hazardous substance" as defined under Washington law, as amended from time to time, and regulations promulgated thereunder; (v) any "asbestos material" as defined under Washington law, as amended from time to time, and regulations promulgated thereunder and/or as defined by 40 C.F.R. Section 61.141, as amended from time to time; (vi) any "radon gas" in excess of levels recommended in U. S. Environmental Protection Agency Guidance Documents, as modified from time to time, or lower levels as

DRAFT

provided by any applicable law or regulation now or hereafter in effect; (vii) any “infectious waste” as defined under Washington law, as amended from time to time, and regulations promulgated thereunder; (viii) any substance the presence of which on any property attributable to the operations of the Borrower is prohibited, restricted or regulated by any law or regulation similar to those laws, regulations and/or documents set forth above, including without limitation, polychlorinated biphenyls (“PCBs”) and lead-based paints; and (ix) any other substance which by law or regulation requires special handling in its collection, generation, storage, transportation, treatment or disposal.

XXIV. DEBARMENT AND SUSPENSION

The Borrower shall comply with the provisions of 24 CFR Part 24 that neither it nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this contract by any federal department or agency. Additionally, the Borrower shall not use, directly or indirectly, any of the funds provided by this contract to employ, award contracts to, or otherwise engage the services of, or fund any contractor/subcontractor during any period that the contractor/subcontractor is debarred, suspended or ineligible under the provisions of 24 CFR Part 24. Using the System for Award Management (<https://www.sam.gov>), the City has determined, as of the date of this contract that the Borrower is not excluded from federal procurement and non-procurement programs. The Borrower has provided in Attachment 4 its certification that it is in compliance with and shall not contract with individuals or organizations which are debarred, suspended, or otherwise excluded from or ineligible from participation in Federal Assistance Programs under Executive Order 12549 and “Debarment and Suspension”, codified at 29 CFR part 98.

XXV. ANTI-LOBBYING

Borrower certifies that, to the best of Borrower’s knowledge and belief:

- A. No Federal appropriated funds have been paid or will be paid, by or on behalf of the Borrower, 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 this loan;
- B. That 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 employees of Congress, or an employee of a Member of Congress in connection with this loan, Borrower shall complete and submit Standard Form-LLL “Disclosure Form to Report Lobbying” in accordance with its instruction; and
- C. Borrower shall require that the language of paragraphs A and B of this anti-lobbying certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all such subrecipients shall certify and disclose accordingly.

DRAFT

XXVI. SEVERABILITY

The invalidity of any clause, part or provision of this Loan Agreement shall not affect the validity of the remaining portions thereof.

XXVII. NOTICES

All notices given pursuant to this Loan Agreement shall be in writing and shall be deemed given when mailed by certified or registered mail, return receipt requested, to the Parties hereto at the addresses set forth below, or to such other place as a Party may from time to time designate in writing:

City of Spokane
Community, Housing and Human Services Department
808 W. Spokane Falls Blvd.
Spokane, WA 99201-3339

Konstantin & Tatyana Vasilenko
19914 North Hazard Road
Spokane, WA 99208

XXVIII. INDEMNIFICATION

The Borrower shall protect, defend, indemnify, and hold harmless the City, its officers, employees and agents from any and all costs, claims, judgments, and/or awards of damages, arising out of, or in any way resulting from, the negligent acts or omissions of the Borrower, its officers, employees or agents, in its performance and/or non-performance of its obligations under this Loan Agreement. The Borrower agrees that its obligations under this indemnification shall extend to any claim, demand, and/or cause of action brought by, or on behalf of, any of its employees or agents. ***This agreement to indemnify is a separate agreement, shall survive any foreclosure action, attempted transfer or the like, is a legal obligation of the Borrower and action may be brought thereon independently of any other remedy at law or provided for herein.***

XXIX. TERMINATION

In accordance with 24 CFR §85.43, this Loan Agreement may be suspended or terminated if the Borrower materially fails to comply with any term of this Loan Agreement. This Loan Agreement may be terminated for convenience in accordance with 24 CFR §85.44.

XXX. EXECUTION IN COUNTERPARTS

This Loan Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed

DRAFT

shall be deemed to be an original and all of which taken together shall constitute one and the same agreement.

ORAL AGREEMENTS OR ORAL COMMITMENTS TO LOAN MONEY, TO EXTEND CREDIT, TO MODIFY OR AMEND ANY AGREEMENT TERMS, TO RELEASE ANY GUARANTOR, TO FORBEAR FROM ENFORCING REPAYMENT OF A DEBT OR FORBEAR FROM EXERCISING ANY REMEDIES, OR TO MAKE ANY OTHER FINANCIAL ACCOMMODATION RELATED TO THIS LOAN AGREEMENT ARE NOT ENFORCEABLE UNDER WASHINGTON LAW.

IN WITNESS WHEREOF, the Parties have executed this Loan Agreement as of the Effective Date.

By: _____
Konstantin Y. Vasilenko

Date: _____

By: _____
Tatyana A. Vasilenko

Date: _____

STATE OF WASHINGTON)
County of Spokane) ss.

On this ____ day of _____, 2016, personally appeared before me **Konstantin Y. Vasilenko**, to me known to be the person who executed the within and foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said person and the Grantor, for the uses and purposes therein mentioned, and on oath stated that he was authorized to execute the said instrument.

GIVEN under my hand and official seal the day and year in this certificate above written.

NOTARY PUBLIC, in and for the State of
Washington, residing at _____
My Commission expires _____

DRAFT

STATE OF WASHINGTON)
County of Spokane) ss.

On this ____ day of _____, 2016, personally appeared before me **Tatyana A. Vasilenko**, to me known to be the person who executed the within and foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said person and the Grantor, for the uses and purposes therein mentioned, and on oath stated that she was authorized to execute the said instrument.

GIVEN under my hand and official seal the day and year in this certificate above written.

NOTARY PUBLIC, in and for the State of
Washington, residing at _____
My Commission expires _____

DRAFT

CITY OF SPOKANE

By: _____
David A. Condon, Mayor

Date: _____

ATTEST:

APPROVED AS TO FORM:

By: _____
Terri L. Pfister, City Clerk

By: _____
Assistant City Attorney

Date: _____

STATE OF WASHINGTON)
County of Spokane) ss.

On this ____ day of _____, 2016, personally appeared before me **David A. Condon and Terri L. Pfister**, to me known to be the Mayor and City Clerk, respectively, of and for the City of Spokane, Washington, the municipal corporation that executed the within and 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 stated that they were authorized to execute the said instrument.

GIVEN under my hand and official seal the day and year in this certificate above written.

NOTARY PUBLIC, in and for the State of
Washington, residing at _____
My Commission expires _____

DRAFT

ATTACHMENT 1
PROPOSED BUDGET

VASILENKO
611 SOUTH SCOTT

Closing/title/recording	1,800	Owner	133,358
New Building	329,000		
Rehabilitation	93,530		
Contactar OH/Profit	5,000	City HOME funds	395,000
New Construction Conting	33,400		
Rehabilitation Contingency	9,353		
Sales tax	28,275		
Architect/engineering	25,000		
Legal-real estate	3,000		
TOTAL	528,358	TOTAL	528,358

Rehabilitation and updating of vacant single family residence and construction of 5 additional units, including three 3-bedroom and two 2-bedroom units. One new 3-bedroom unit will be ADA accessible. The property is currently owned by the City. Work on the house is expected to include new windows, hardy siding, a metal roof, new front and back porches, new electrical service and wiring, appliances, doors, plumbing, drywall, floors, and cabinets. The new units will have a similar look with hardy siding, porches, decks, and metal roofs. The new units will have infloor heat, electric heating/cooling pumps, Bosch Greenstar boiler, energy-efficient appliances, and a laundry room.

The completed house is expected to have about 1,900 sf and the new 2-bedroom units will have about 820 sf and the 3-bedroom units will have about 1,100 sf.

HOME funds may be used for architectural and engineering and other professional series costs incurred within 24 months before commitment.

Owner may finance a portion of construction with a line of credit and refinance with a permanent loan, as long as owner equity requirement is met.

HOME Rent and Income Limits

SOURCE: HUD
 MSA: Spokane, WA
 EFFECTIVE: June 6, 2016
 2016 ESTIMATED MEDIAN INCOME: \$62,600



City of Spokane
 Community, Housing and
 Human Services Department
 808 W. Spokane Falls Blvd.
 Spokane, WA 99201-3339
 (509) 625-6325

-----2016 INCOME LIMITS-----

	1 PERSON	2 PERSON	3 PERSON	4 PERSON	5 PERSON	6 PERSON	7 PERSON	8 PERSON	9 PERSON [▲]
MEDIAN FAMILY INCOME (100% AMI)	43,900	50,100	56,400	62,600	67,700	72,700	77,700	82,700	87,600
LOW-INCOME (80% AMI)	35,100	40,100	45,100	50,100	54,150	58,150	62,150	66,150	70,100
VERY LOW-INCOME (50% AMI)	21,950	25,050	28,200	31,300	33,850	36,350	38,850	41,350	43,800
EXTREMELY LOW-INCOME*(30% AMI)	13,200	15,050	16,950	18,800	20,350	21,850	23,350	24,850	26,300

-----2016 HOME PROGRAM RENTS-----

SRO ^x	EFFICIENCY	1 BEDROOM	2 BEDROOM	3 BEDROOM	4 BEDROOM	5 BEDROOM	6 BEDROOM
FAIR MARKET RENT (FMR)	366	488	589	789	1,143	1,263	1,452
30 OF 50 RENT	♦488	♦589	838	726	838	936	1,032
30 OF 30 RENT	330	353	489	423	489	546	602



MFI – Median Family Income

▲ Calculate MFI for >9-person household by adding 8% for each member over 4-person MFI and round to nearest \$50 (i.e., 10-person is 148% of 4-person MFI)

*Spokane CHHS does not adopt less restrictive 2014 Appropriations Act poverty guidelines which allow higher-income poverty households to access limited 30% AMI units.

^xHOME rent for an SRO is 75% of the Efficiency Fair Market Rent.

♦HOME regulation requires that HOME rent cannot exceed FMR. Therefore, this rent is capped at FMR.

DRAFT

ATTACHMENT 3

TIMETABLE

Category	Milestone/Task	Deadline Month Yr/Status
Site control	Close on property.	July 2016
Financing	Funding documented by all lenders	July 2016.
Design/Permits	Approval of zoning, site plan, construction plans.	October 2016.
	Building permits issued.	October 2016.
Construction	Begin construction.	October 2016.
	Complete construction.	July 2017.
	Certificate of occupancy issued.	July 2017.
Occupancy	Units occupied.	60 days from Certificate of Occupancy

DRAFT

ATTACHMENT 4

**CERTIFICATION REGARDING DEBARMENT, SUSPENSION,
INELIGIBILITY AND VOLUNTARY EXCLUSION**

1. The undersigned (i.e., signatory for the Borrower) certifies, to the best of its knowledge and belief, that it and its principals:
 - a. Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any federal department or agency;
 - b. Have not within a three-year period preceding this contract been convicted or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (federal, state, or local) transaction or contract under a public transaction; violation of federal or state antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, tax evasion, receiving stolen property, making false claims, or obstruction of justice;
 - c. Are not presently indicted or otherwise criminally or civilly charged by a government entity (federal, state, or local) with commission of any of the offenses enumerated in paragraph (1)(b) of this certification; and,
 - d. Have not within a three-year period preceding this contract had one or more public transactions (federal, state, or local) terminated for cause or default.

Where the undersigned is unable to certify to any of the statements in this contract, it shall attach an explanation to this contract.

2. The undersigned agrees by signing this contract that it shall not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by the City.
3. The undersigned further agrees by signing this contract that it will include the following clause, without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions:

Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion – Lower Tier Covered Transactions

1. The lower tier contractor certified, by signing this contract 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.
2. Where the lower tier contractor is unable to certify to any of the statements in this contract, such contractor shall attach an explanation to this contract.
4. The terms covered transaction, debarred, suspended, ineligible, lower tier covered transaction, person, primary covered transaction, principal, and voluntarily excluded, as used in this exhibit, have the meanings set out in the Definitions and Coverage sections of the rules implementing Executive Order 12549. The undersigned may contact the City for assistance in obtaining a copy of these regulations.
5. I understand that a false statement of this certification may be grounds for termination of the contract.

<u>Konstatin & Tatyana Vasilenko</u> Name of Borrower (Type or Print)	<u>611 South Scott</u> Program Title (Type or Print)
<hr style="border: none; border-top: 1px solid black;"/> Name of Certifying Official (Type or Print)	<hr style="border: none; border-top: 1px solid black;"/> Signature
<hr style="border: none; border-top: 1px solid black;"/> Title of Certifying Official (Type or Print)	<hr style="border: none; border-top: 1px solid black;"/> Date (Type or Print)

DRAFT

**CITY OF SPOKANE
VASILENKO**

611 SOUTH SCOTT

PROMISSORY NOTE 1

OPR #2016-_____

Borrower: Konstantin Y. and Tatyana A. Vasilenko
19914 North Hazard Road
Spokane, WA 99208

Lender: City of Spokane
Community, Housing and Human Services Department
808 W. Spokane Falls Blvd., Room 650
Spokane, WA 99201

Principal: \$47,500.00

Date: _____

1. **PROMISE TO REPAY: FOR VALUE RECEIVED**, the undersigned Konstantin Y. Vasilenko and Tatyana A. Vasilenko, husband and wife, hereinafter referred to as "Borrower", promises to repay to the order of the City of Spokane, a Washington state municipal corporation, or its successors and assigns (hereinafter called "Lender") the maximum principal sum of **FORTY-SEVEN THOUSAND FIVE HUNDRED DOLLARS (\$47,500.00)** or so much of said sum or sums as may now or hereafter be loaned or disbursed to the Borrower by the Lender, for the purpose of providing a portion of the financing for the Borrower's 611 South Scott project, located at 611 South Scott Street in Spokane, WA (the "Project"). This Promissory Note 1 (the "Note") is part of a transaction further reflected in Promissory Note 2, a HOME Program Loan Agreement ("Loan Agreement"), HOME Program Loan Covenant Agreement ("Covenant Agreement") of even date herewith, and a Quit Claim Deed dated _____, recorded concurrently with the Covenant Agreement. Promissory Note 1 and Promissory Note 2 are collectively referred to as "Notes." Lender's disbursements under the Loan Agreement and the Notes are further secured by a Deed of Trust of even date herewith ("Deed of Trust"). The terms of said documents are incorporated herein as if fully set forth herein, and together shall be referenced as the "Related Documents". The capitalized terms in said Related Documents shall have the same meaning in this Note unless the context clearly suggests otherwise. In the event of conflict or ambiguity in the terms of any of these documents, the terms most favorable to Lender shall apply.

DRAFT

2. **INTEREST:** In addition to repayment of principal sums loaned, Borrower agrees to pay interest, compounded monthly, commencing on the date the money is first disbursed under the Loan Agreement, at the rate of three percent (3%) per annum. If rents for any HOME-assisted unit of the Project are raised above the level of the Affordability Requirement defined in the Loan Agreement, or any other provisions, covenants, terms, conditions or restrictions of the Loan Agreement are not adhered to, then the rate on the outstanding balance shall be increased to the prevailing prime lending rate as published in The Wall Street Journal, plus three percent (3%), compounded monthly, for the period of noncompliance, as determined by the Director of Community, Housing and Human Services for the City of Spokane (the "Director").

3. **REPAYMENT; MATURITY:**

A. **1-Year Deferral Period:** No payments of principal or interest for 12 months from the date of this Note, so long as Borrower and the Project are in compliance with the Affordability Requirements per the terms of the Loan Agreement and Covenant Agreement together with all other provisions of this Note and Related Documents.

B. **Payment Period:** Following the Deferral Period, principal and interest on this Note shall be payable in approximately equal amortized installments on the first day of each month (or the first business day thereafter if the first day of the month is a weekend or a holiday for the City), in the amount required to fully amortize the outstanding principal of and accrued interest on this Note over the remainder of a period of twenty (20) years commencing at Project Completion (as defined paragraph VIII.A. of the Loan Agreement). This loan term should coincide with the HOME Affordability Period, as defined in the Loan Agreement. During the Affordability Period, Borrower shall notify the City in writing if, for any reason, Borrower and/or the Project will not comply with the Affordability Requirements, at which time any remaining balance would become immediately due and payable in full.

C. **Prepayment:** The Borrower may pay all or any portion of the outstanding principal of the Note at any time, without penalty. Repayment during the HOME Affordability Period, as described in the Loan Agreement, shall not extinguish the Affordability Requirements.

D. **Late Charges:** A late charge of thirty dollars (\$30.00) will be added to any payment received after the 10th day of the month in which it is due in addition to any other remedy.

E. **Application of Payments:** Payments received will first be applied to late charges, then to interest, and finally to principal.

F. **Place of Payment:** Payments of principal, interest, and fees shall be made in lawful money of the United States of America in immediately available funds to the City of Spokane, at the Community, Housing and Human Services Department,

DRAFT

808 W. Spokane Falls Blvd., Room 650, Spokane, WA 99201, or at such other place as Lender may designate in writing according to the schedule noted above.

4. THIS NOTE IS secured by the Deed of Trust of even date herewith, duly filed for record in the County of Spokane, Washington.

5. THIS LOAN IS made for the purpose of financing a portion of the costs of the rehabilitation of a house and construction 5 units on the property at 611 South Scott and legally described in the Deed of Trust and Loan Agreement. As a condition of receiving this loan, Borrower agrees to abide by all of the terms and conditions of this Note, Note 2, the Deed of Trust, the Loan Agreement and associated Covenant Agreement, incorporated herein by reference as if fully set forth.

6. IF THE BORROWER SHALL default in the payment of any amount due under this Note, and such default is not cured within ten (10) days after such payment is due, or if any other Event of Default occurs under Note 2, the Deed of Trust, the Loan Agreement or the Covenant Agreement and such default is not cured within the cure period, if any, applicable thereto, the entire unpaid principal amount of this Note, together with accrued interest, shall immediately become due and payable, at Lender's option, upon notice to the Borrower. Failure of Lender to exercise such option shall not constitute a waiver of default. If Lender exercises its option to declare the entire amount of Borrower's loan immediately due and payable as provided above, Borrower agrees to pay Lender's cost and expenses of collection, including reasonable attorney's fees and court costs. If this Note is reduced to judgment, the judgment shall bear interest at the maximum rate permissible on judgments in the State of Washington.

7. IF THE BORROWER voluntarily sells, transfers, leases or otherwise conveys the Project or any portion thereof, to any person/persons or entity/entities (the "Transferee"), other than by leasing or renting for residential tenant use as contemplated by various provisions of the Loan Agreement, or for any other incidental use (to the extent permissible under all applicable federal and state laws and regulations), or a transfer to a limited liability company with Konstantin and Tatyana Vasilenko as its sole members, an Event of Default shall occur under the terms of this Note and the Related Documents unless the Borrower obtained prior written consent of the Director. The remedies provided for Default may be exercised at the discretion of the Director. An unauthorized transfer also occurs if Borrower grants a junior security interest without obtaining the prior written consent of the Director. Any sale, transfer, leasing or other disposition of the Project in violation of this Section 7 shall not relieve the Borrower of any obligation or obligations under this Note or any Related Document. The Borrower hereby agrees that upon any sale, transfer, lease or other disposition of the Project, the Borrower shall transfer all records, accounts, electronic data or other documents pertaining to the Project, including documents related to Borrower's compliance with this Note and any Related Document, to the Transferee or its designated agent. Failure by the City to exercise any of its rights and remedies under this Note or any Related Documents shall not be construed as a waiver of any

DRAFT

kind. The Director's written consent may be conditioned upon the following, at the Director's sole discretion:

(a) reasonable evidence satisfactory to the Director that the Borrower is not then in default under any document related to this transaction beyond any applicable grace period or cure period;

(b) an opinion of counsel for the Transferee, delivered to the City, to the effect that the Transferee (i) has assumed in writing and in full, all duties and obligations of the Borrower under this Note, the Loan Agreement and the Covenant Agreement, and (ii) that this Note and the Related Documents constitute the legal, valid and binding obligations of the Transferee;

(c) a showing that written assumption of the Transferee and/or the written agreement of the Transferee complies with all provisions of local, state and federal laws, ordinances and regulations applicable to the Borrower under this Note and Related Documents;

(d) a showing that the Borrower or the Transferee is not in arrears on any payments due and owing to the City or is in default under this Note or any of the Related Documents, beyond any applicable grace period or cure period;

(e) a showing that the Borrower or the Transferee do not have a history of instances of non-compliance with any non-monetary provision of this Note or any of the Related Documents, which were not cured after notice thereof and within the applicable cure period or grace period; and/or,

(f) a showing that the Borrower or the Transferee do not have a documented history of instances of failure to make payments due and owing to the City which are not paid within a reasonable period after notice thereof.

8. THIS NOTE IS not assignable or assumable without the express written consent of the Lender, except for a transfer to a limited liability company with Konstantin and Tatyana Vasilenko as its sole members.

9. EACH MAKER AND endorser of this Note hereby waives demand and presentment for payment, notice of nonpayment, protest, notice of protest, notice of dishonor, bringing of suit, and diligence in taking action to collect any amounts called for hereunder and in the handling of properties, rights or collateral at any time existing in connection herewith. Each maker and endorser expressly agrees that this Note or any payment thereunder may be extended from time to time, and consent to the acceptance of further security for this Note, including other types of security, all without in any way affecting the liability of each maker and endorser hereof. The right to plead any statutes of limitation as a defense to any demand on this Note, or any guaranty thereof or to any agreement to pay the same or to any demand secured by the Deed of Trust or other security, securing the Note, or any and all obligations or liabilities arising out of or in connection with said Note or Deed of Trust by any parties hereto is expressly waived by each and every of the makers, endorsers, guarantors or sureties.

10. SEVERABILITY: If any provision, or a part thereof, of this Note is declared by a court of competent jurisdiction to be invalid, the invalid provision or part thereof shall

DRAFT

be stricken, with the remainder of the provision and other provisions of this Note surviving with full force and effect.

11. BORROWER RATIFIES and reaffirms all information previously submitted in Borrower's loan application or financial statement, and by signing this Note, Borrower represents and warrants to Lender that the information provided is true and correct and that there has been no adverse change in Borrower's financial condition as disclosed to Lender in Borrower's most recent application or financial statement.

12. APPLICABLE LAW AND VENUE: This Note has been issued, executed and delivered in the State of Washington and shall be governed by and construed in accordance with the laws of the State of Washington, except to the extent that the laws of the United States of America may prevail. Venue to enforce any provision shall be in the Spokane County Superior Court.

ORAL AGREEMENTS OR ORAL COMMITMENTS TO LOAN MONEY, TO EXTEND CREDIT, TO MODIFY OR AMEND ANY AGREEMENT TERMS, TO RELEASE ANY GUARANTOR, TO FORBEAR FROM ENFORCING REPAYMENT OF A DEBT OR FORBEAR FROM EXERCISING ANY REMEDIES, OR TO MAKE ANY OTHER FINANCIAL ACCOMMODATION RELATED TO THIS NOTE ARE NOT ENFORCEABLE UNDER WASHINGTON LAW.

PRIOR TO SIGNING THIS NOTE, BORROWER HAS READ AND UNDERSTOOD ALL THE PROVISIONS OF THIS NOTE. BORROWER AGREES TO ALL TERMS AND CONDITIONS OF THIS NOTE AND ACKNOWLEDGES RECEIPT OF A COMPLETED COPY OF THIS NOTE.

IN WITNESS WHEREOF, the Borrower executed this Promissory Note on this ____ day of _____, 2016.

By: _____
Konstantin Y. Vasilenko

Date: _____

By: _____
Tatyana A. Vasilenko

Date: _____

DRAFT

**CITY OF SPOKANE
VASILENKO**

611 SOUTH SCOTT

PROMISSORY NOTE 2

OPR #2016-_____

Borrower: Konstantin Y. and Tatyana A. Vasilenko
19914 North Hazard Road
Spokane, WA 99208

Lender: City of Spokane
Community, Housing and Human Services Department
808 W. Spokane Falls Blvd., Room 650
Spokane, WA 99201

Principal: \$347,500.00

Date: _____

1. **PROMISE TO REPAY: FOR VALUE RECEIVED**, the undersigned Konstantin Y. Vasilenko and Tatyana A. Vasilenko, husband and, hereinafter referred to as "Borrower", promises to repay to the order of the City of Spokane, a Washington state municipal corporation, or its successors and assigns (hereinafter called "Lender") the maximum principal sum of **THREE HUNDRED FORTY-SEVEN THOUSAND FIVE HUNDRED DOLLARS (\$347,500.00)** or so much of said sum or sums as may now or hereafter be loaned or disbursed to the Borrower by the Lender, for the purpose of providing a portion of the financing for the Borrower's 611 South Scott project, located at 611 South Scott Street in Spokane, WA (the "Project"). This Promissory Note 2 (the "Note") is part of a transaction further reflected in Promissory Note 1, a HOME Program Loan Agreement ("Loan Agreement"), HOME Program Loan Covenant Agreement ("Covenant Agreement") of even date herewith, and a Quit Claim Deed dated _____, recorded concurrently with the Covenant Agreement. Promissory Note 1 and Promissory Note 2 are collectively referred to as "Notes." Lender's disbursements under the Loan Agreement and the Notes are further secured by a Deed of Trust of even date herewith ("Deed of Trust"). The terms of said documents are incorporated herein as if fully set forth herein, and together shall be referenced as the "Related Documents". The capitalized terms in said Related Documents shall have the same meaning in this Note unless the context clearly suggests otherwise. In the event of conflict or ambiguity in the terms of any of these documents, the terms most favorable to Lender shall apply.

DRAFT

2. **INTEREST:** In addition to repayment of principal sums loaned, Borrower agrees to pay interest, compounded monthly, commencing on the date the money is first disbursed under the Loan Agreement, at the rate of three percent (3%) per annum. If rents for any HOME-assisted unit of the Project are raised above the level of the Affordability Requirement defined in the Loan Agreement, or any other provisions, covenants, terms, conditions or restrictions of the Loan Agreement are not adhered to, then the rate on the outstanding balance shall be increased to the prevailing prime lending rate as published in The Wall Street Journal, plus three percent (3%), compounded monthly, for the period of noncompliance, as determined by the Director of Community, Housing and Human Services for the City of Spokane (the "Director").

3. **REPAYMENT; MATURITY:**

A. **Deferral Period:** Payment of principal and interest shall be deferred during the HOME Affordability Period, as defined in the Loan Agreement and Covenant Agreement, so long as Borrower and the Project are in compliance with the Affordability Requirements per the terms of the Loan Agreement and Covenant Agreement together with all other provisions of this Note and Related Documents.

B. **Payment Period:** Principal and interest on this Note shall be payable in approximately equal amortized installments on the first day of each month (or the first business day thereafter if the first day of the month is a weekend or a holiday for the City), commencing immediately after the HOME Affordability Period ends, in the amount required to fully amortize the outstanding principal and accrued interest on this Note (including the interest accrued) during the remaining City Affordability Period, as defined in the Loan Agreement. During the Affordability Period, Borrower shall notify the City in writing if, for any reason, Borrower and/or the Project will not comply with the Affordability Requirements, at which time any remaining balance would become immediately due and payable in full.

C. **Prepayment:** The Borrower may pay all or any portion of the outstanding principal of the Note at any time, without penalty. Repayment during the HOME Affordability Period, as described in the Loan Agreement, shall not extinguish the Affordability Requirements.

D. **Late Charges:** A late charge of thirty dollars (\$30.00) will be added to any payment received after the 10th day of the month in which it is due in addition to any other remedy.

E. **Application of Payments:** Payments received will first be applied to late charges, then to interest, and finally to principal.

F. **Place of Payment:** Payments of principal, interest, and fees shall be made in lawful money of the United States of America in immediately available funds to the City of Spokane, at the Community, Housing and Human Services Department, 808 W. Spokane Falls Blvd., Room 650, Spokane, WA 99201, or at such other place as Lender may designate in writing according to the schedule noted above.

DRAFT

G. Potential Debt Forgiveness: Repayment shall further be subject to provisions and applicable sections of the Loan Agreement, which allows for debt forgiveness in exchange compliance with the Affordability Requirements during the Forgiveness Period, as defined in the Loan Agreement, subject to conditions specified in the Loan Agreement.

4. THIS NOTE IS secured by the Deed of Trust of even date herewith, duly filed for record in the County of Spokane, Washington.

5. THIS LOAN IS made for the purpose of financing a portion of the costs of the rehabilitation of a house and construction 5 units on the property at 611 South Scott and legally described in the Deed of Trust and Loan Agreement. As a condition of receiving this loan, Borrower agrees to abide by all of the terms and conditions of this Note, Note 1, the Deed of Trust, the Loan Agreement and associated Covenant Agreement, incorporated herein by reference as if fully set forth.

6. IF THE BORROWER SHALL default in the payment of any amount due under this Note, and such default is not cured within ten (10) days after such payment is due, or if any other Event of Default occurs under Note 1, the Deed of Trust, the Loan Agreement or the Covenant Agreement and such default is not cured within the cure period, if any, applicable thereto, the entire unpaid principal amount of this Note, together with accrued interest, shall immediately become due and payable, at Lender's option, upon notice to the Borrower. Failure of Lender to exercise such option shall not constitute a waiver of default. If Lender exercises its option to declare the entire amount of Borrower's loan immediately due and payable as provided above, Borrower agrees to pay Lender's cost and expenses of collection, including reasonable attorney's fees and court costs. If this Note is reduced to judgment, the judgment shall bear interest at the maximum rate permissible on judgments in the State of Washington.

7. IF THE BORROWER voluntarily sells, transfers, leases or otherwise conveys the Project or any portion thereof, to any person/persons or entity/entities (the "Transferee"), other than by leasing or renting for residential tenant use as contemplated by various provisions of the Loan Agreement, or for any other incidental use (to the extent permissible under all applicable federal and state laws and regulations), or a transfer to a limited liability company with Konstantin and Tatyana Vasilenko as its sole members, an Event of Default shall occur under the terms of this Note and the Related Documents unless the Borrower obtained prior written consent of the Director. The remedies provided for Default may be exercised at the discretion of the Director. An unauthorized transfer also occurs if Borrower grants a junior security interest without obtaining the prior written consent of the Director. Any sale, transfer, leasing or other disposition of the Project in violation of this Section 7 shall not relieve the Borrower of any obligation or obligations under this Note or any Related Document. The Borrower hereby agrees that upon any sale, transfer, lease or other disposition of the Project, the Borrower shall transfer all records, accounts, electronic data or other documents pertaining to the Project, including documents related to

DRAFT

Borrower's compliance with this Note and any Related Document, to the Transferee or its designated agent. Failure by the City to exercise any of its rights and remedies under this Note or any Related Documents shall not be construed as a waiver of any kind. The Director's written consent may be conditioned upon the following, at the Director's sole discretion:

(a) reasonable evidence satisfactory to the Director that the Borrower is not then in default under any document related to this transaction beyond any applicable grace period or cure period;

(b) an opinion of counsel for the Transferee, delivered to the City, to the effect that the Transferee (i) has assumed in writing and in full, all duties and obligations of the Borrower under this Note, the Loan Agreement and the Covenant Agreement, and (ii) that this Note and the Related Documents constitute the legal, valid and binding obligations of the Transferee;

(c) a showing that written assumption of the Transferee and/or the written agreement of the Transferee complies with all provisions of local, state and federal laws, ordinances and regulations applicable to the Borrower under this Note and Related Documents;

(d) a showing that the Borrower or the Transferee is not in arrears on any payments due and owing to the City or is in default under this Note or any of the Related Documents, beyond any applicable grace period or cure period;

(e) a showing that the Borrower or the Transferee do not have a history of instances of non-compliance with any non-monetary provision of this Note or any of the Related Documents, which were not cured after notice thereof and within the applicable cure period or grace period; and/or,

(f) a showing that the Borrower or the Transferee do not have a documented history of instances of failure to make payments due and owing to the City which are not paid within a reasonable period after notice thereof.

8. THIS NOTE IS not assignable or assumable without the express written consent of the Lender, except for a transfer to a limited liability company with Konstantin and Tatyana Vasilenko as its sole members.

9. EACH MAKER AND endorser of this Note hereby waives demand and presentment for payment, notice of nonpayment, protest, notice of protest, notice of dishonor, bringing of suit, and diligence in taking action to collect any amounts called for hereunder and in the handling of properties, rights or collateral at any time existing in connection herewith. Each maker and endorser expressly agrees that this Note or any payment thereunder may be extended from time to time, and consent to the acceptance of further security for this Note, including other types of security, all without in any way affecting the liability of each maker and endorser hereof. The right to plead any statutes of limitation as a defense to any demand on this Note, or any guaranty thereof or to any agreement to pay the same or to any demand secured by the Deed of Trust or other security, securing the Note, or any and all obligations or liabilities arising out of or in connection with said Note or Deed of Trust by any parties hereto is expressly waived by each and every of the makers, endorsers, guarantors or sureties.

DRAFT

10. SEVERABILITY: If any provision, or a part thereof, of this Note is declared by a court of competent jurisdiction to be invalid, the invalid provision or part thereof shall be stricken, with the remainder of the provision and other provisions of this Note surviving with full force and effect.

11. BORROWER RATIFIES and reaffirms all information previously submitted in Borrower's loan application or financial statement, and by signing this Note, Borrower represents and warrants to Lender that the information provided is true and correct and that there has been no adverse change in Borrower's financial condition as disclosed to Lender in Borrower's most recent application or financial statement.

12. APPLICABLE LAW AND VENUE: This Note has been issued, executed and delivered in the State of Washington and shall be governed by and construed in accordance with the laws of the State of Washington, except to the extent that the laws of the United States of America may prevail. Venue to enforce any provision shall be in the Spokane County Superior Court.

ORAL AGREEMENTS OR ORAL COMMITMENTS TO LOAN MONEY, TO EXTEND CREDIT, TO MODIFY OR AMEND ANY AGREEMENT TERMS, TO RELEASE ANY GUARANTOR, TO FORBEAR FROM ENFORCING REPAYMENT OF A DEBT OR FORBEAR FROM EXERCISING ANY REMEDIES, OR TO MAKE ANY OTHER FINANCIAL ACCOMMODATION RELATED TO THIS NOTE ARE NOT ENFORCEABLE UNDER WASHINGTON LAW.

PRIOR TO SIGNING THIS NOTE, BORROWER HAS READ AND UNDERSTOOD ALL THE PROVISIONS OF THIS NOTE. BORROWER AGREES TO ALL TERMS AND CONDITIONS OF THIS NOTE AND ACKNOWLEDGES RECEIPT OF A COMPLETED COPY OF THIS NOTE.

IN WITNESS WHEREOF, the Borrower executed this Promissory Note on this ____ day of _____, 2016.

By: _____ Date: _____
Konstantin Y. Vasilenko

By: _____ Date: _____
Tatyana A. Vasilenko

DRAFT

draft

AFTER RECORDING MAIL TO:

City of Spokane
Department of Community, Housing and Human Services
808 W. Spokane Falls Blvd., Room 650
Spokane, WA 99201

OPR #2016-_____

**CITY OF SPOKANE
VASILENKO**

611 SOUTH SCOTT

DEED OF TRUST

Grantor: Konstantin Y. Vasilenko and Tatyana A. Vasilenko, husband and wife

Beneficiary: City of Spokane, a Washington state municipal corporation

Assessor's Parcel No.: 35201.5353

Legal Description (abbreviated): PTN LOT 8, BLOCK 3, HARTSON'S SUBDIV. OF
BLOCKS 3, 4, 5, 6, 7 AND 8, HARTSON AND TOWNSEND'S
HIGHLAND PARK ADD., VOL. "C", P. 26, SPOKANE COUNTY

See Page 2 for full legal description.

THIS DEED OF TRUST, made this _____ day of _____, 2016, by and between Konstantin Y. Vasilenko and Tatyana A. Vasilenko, husband and wife, referred to herein as GRANTOR, whose address is 19914 North Hazard Road, Spokane, WA 99208, **First American Title Insurance Company**, TRUSTEE, whose address is 40 East Spokane Falls Blvd., Spokane, WA 99202 and the **City of Spokane**, Washington, a Washington state municipal corporation, BENEFICIARY, whose address is City of Spokane, c/o Community, Housing and Human Services Department, 808 W. Spokane Falls Blvd., Room 650, Spokane, WA 99201.

This Deed of Trust is part of a transaction further reflected in a HOME Program Loan Agreement ("Loan Agreement"), HOME Program Loan Covenant Agreement ("Covenant Agreement"), and Promissory Note 1, and Promissory Note 2, secured by this Deed of Trust, and a Quit Claim Deed dated _____, recorded concurrently with the Covenant Agreement. Collectively, Promissory Note 1 and Promissory Note 2 may be referred to as "Promissory Notes." The terms of said agreements are incorporated into

draft

this Deed of Trust, and the capitalized terms in said agreements shall have the same meaning in this Deed of Trust unless the context clearly suggests otherwise. In the event of conflict in the terms of any of these documents, the terms most favorable to Beneficiary shall apply.

WITNESSETH: Grantor hereby irrevocably grants and conveys to Trustee in trust, with power of sale, the following described real property (the "Property") in Spokane County, Washington:

THE SOUTH 80 FEET OF THE WEST HALF OF LOT 8, BLOCK 3, HARTSON'S SUBDIVISION OF BLOCKS 3, 4, 5, 6, 7 AND 8, HARTSON AND TOWNSEND'S HIGHLAND PARK ADDITION, AS PER PLAT RECORDED IN VOLUME "C" OF PLATS, PAGE 26;

SITUATE IN THE CITY OF SPOKANE, COUNTY OF SPOKANE, STATE OF WASHINGTON

APN: 35201.5353

PROPERTY ADDRESS: 611 S SCOTT ST, SPOKANE, WA 99202

which real property is not used principally for agricultural or farming purposes, together with all the tenements, hereditaments, easements, fixtures and appurtenances now or hereafter thereunto belonging or in any way appertaining, and the rents, issues, and profits thereof.

This Deed of Trust is for the purpose of securing performance of each agreement of Grantor herein contained and as further contained in the Loan Agreement, Covenant Agreement, and Promissory Notes, secured by this Deed of Trust, and for the purpose of securing payment of the sum of **THREE HUNDRED NINETY-FIVE THOUSAND AND NO/100 DOLLARS (\$395,000.00)** with interest, in accordance with the terms of two Promissory Notes of even date herewith, payable to Beneficiary, and made by Grantor, and all renewals, modifications, and extensions thereof, and also such further sums as may be advanced or loaned by Beneficiary to Grantor, or any of his/her/their successors or assigns, together with interest thereon at such rate as shall be agreed upon. This Deed of Trust also secures to Beneficiary: (a) the payment of other sums, with interest, advanced to protect the security of this Deed of Trust; and (b) the performance of Grantor's covenants and agreements under this Deed of Trust and the Promissory Notes, Covenant Agreement and Loan Agreement of even date herewith.

GRANTOR COVENANTS that Grantor is lawfully seized of the estate hereby conveyed and has the right to grant and convey the Property that the Property is unencumbered, except for encumbrances of record. Grantor warrants and will defend the title to the Property against all claims and demands, subject to any prior encumbrances of record.

COVENANTS: Grantor and Beneficiary covenant and agree as follows:

draft

1. PAYMENT OF PRINCIPAL AND INTEREST; PREPAYMENT AND LATE CHARGES. Grantor shall promptly pay when due the principal of and interest on the debt evidenced by the Promissory Notes and any late charges due under the Promissory Notes.

2. APPLICATION OF PAYMENTS. Unless applicable law provides otherwise, all payments received by Beneficiary under Paragraph 1 shall be applied: first, to any late charges due under the Promissory Notes; second, to interest ; and third, to principal due under the Promissory Notes.

3. CHARGES; LIENS. Grantor shall pay all taxes, assessments, charges, fines, and impositions attributable to the Property, which may attain priority over this Deed of Trust, including utility charges, whether or not reflected in a recorded lien. Grantor shall pay these obligations on time directly to the person or entity owed payment. Grantor shall promptly furnish to Beneficiary upon request copies of all notices of amounts to be paid under this Paragraph. If Grantor makes these payments directly, Grantor shall promptly furnish to Beneficiary upon request receipts evidencing the payments. Grantor shall promptly discharge any lien which has priority over this Deed of Trust unless: (a) Grantor agrees in writing to the payment of the obligation secured by the lien in a manner acceptable to Beneficiary; (b) Grantor contests in good faith the lien in legal proceedings, or defends against enforcement of the lien in legal proceedings, which, in the Beneficiary's opinion, operate to prevent the enforcement of the lien; or (c) Grantor secures from the holder of the lien an agreement satisfactory to Beneficiary subordinating the lien to this Deed of Trust, or (d) Beneficiary has executed an agreement subordinating its interest. If Beneficiary determines that any part of the Property is subject to a lien, which may attain priority over this Deed of Trust, Beneficiary may give Grantor a notice identifying the lien. Grantor shall satisfy the lien or take one or more of the actions set forth above within ten business (10) days of the giving of the notice. Should Grantor fail to pay when due any taxes, assessments, insurance premiums, recorded or unrecorded liens, encumbrances, or other charges against the Property, Beneficiary may pay the same, and the amount so paid, with interest at the rate set forth in the Promissory Notes secured hereby, shall be added to and become a part of the debt secured in this Deed of Trust.

4. HAZARD OR PROPERTY INSURANCE. A. Grantor shall keep the improvements now existing or hereafter erected on the Property continuously insured against loss by fire, hazards included within the term "extended coverage", and any other hazards, including floods or flooding, for which the Beneficiary requires insurance. This insurance shall be maintained in the amounts and for the periods that Beneficiary requires in order to maintain adequate protection for the Property, but no act or omission by the Beneficiary shall relieve Grantor of the primary duty to procure adequate insurance. In no event shall such insurance be less than the full replacement cost of the Property (*i.e.*, 100% of replacement cost). The insurance carrier providing the insurance shall be chosen by the Grantor subject to Beneficiary's approval. All policies shall be held by the Beneficiary, and have loss payable first to

draft

the Beneficiary, as its interest may appear, and then to the Grantor. If Grantor fails to maintain coverage as described above, Beneficiary may, at Beneficiary's option, obtain coverage to protect Beneficiary's rights in the Property in accordance with Paragraph 7.

B. All insurance policies and renewals shall be acceptable to Beneficiary and shall include a standard mortgage clause. If Beneficiary requires, Grantor shall promptly give to Beneficiary all receipts of paid premiums and renewal notices. In the event of loss, Grantor shall give prompt notice to the insurance carrier and to Beneficiary. Beneficiary may make proof of loss if not made promptly by Grantor.

C. Unless Beneficiary and Grantor otherwise agree in writing, insurance proceeds shall be applied to restoration or repair of the Property damaged, if the restoration or repair is economically feasible and Beneficiary's security is not lessened thereby. If the restoration or repair is not economically feasible or if Beneficiary's security would be lessened, the insurance proceeds shall be applied to the sums secured by this Deed of Trust, whether or not then due, with any excess paid to Grantor. If Grantor abandons the Property or does not answer within thirty (30) days notice from the Beneficiary that the insurance carrier has offered to settle a claim, then Beneficiary may collect the insurance proceeds. Beneficiary may, in its sole discretion, use the proceeds to restore or repair the Property or to pay sums secured by this Deed of Trust, whether or not then due. The 30-day period will begin when the notice is given. Such application of proceeds 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.

D. Unless Beneficiary and Grantor otherwise agree in writing, any application of insurance proceeds to principal shall not extend or postpone the due date of the monthly payments referred to in Paragraph 1 or change the amount of the payments. If under Paragraph 20, the Property is acquired by Beneficiary, Grantor's right to any insurance policies or proceeds resulting from damage to the Property prior to the acquisition shall pass to Beneficiary to the extent of the sums secured by this Deed of Trust immediately prior to the acquisition.

5. FLOOD INSURANCE. If the Property is located in a one hundred year FEMA Flood Zone, Grantor shall maintain flood insurance throughout the term of the Loan in an amount not less than the total amount of the Loan or the maximum amount of coverage available through the National Flood Insurance Program, furnishing proof of same upon request by Beneficiary.

6. OCCUPANCY, PRESERVATION, MAINTENANCE AND PROTECTION OF THE PROPERTY; LOAN APPLICATION; LEASEHOLDS. Grantor shall cause the Property to be occupied, established, and used as decent, safe, sanitary and affordable housing for low-income families pursuant to the HOME Investment Partnerships Program (24 CFR part 92 et seq.) throughout the term of the loan as described in the Promissory

draft

Notes and Covenant Agreement. Grantor covenants and agrees to keep the Property in good condition and repair, to permit no waste thereof, to complete any building, structure, or improvement being built now or hereafter thereon, to restore or replace promptly any building, structure, or improvement thereon which may be damaged or destroyed, and to comply with all laws, ordinances, regulations, covenants, conditions, and restrictions affecting the Property. Grantor shall be in default if any forfeiture action or proceeding, whether civil or criminal, is begun that in Beneficiary's good faith judgment could result in forfeiture of the Property or otherwise materially impair the lien created by this Deed of Trust or Beneficiary's security interest. Grantor may cure such a default and reinstate, as provided in Paragraph 17 by causing the action or proceeding to be dismissed with a ruling that, in Beneficiary's good faith determination, precludes forfeiture of Grantor's interest in the Property or other material impairment of the lien created by this Deed of Trust or Beneficiary's security interest. Grantor shall also be in default if Grantor, during the loan application process, gave materially false or inaccurate information or statements to Beneficiary (or failed to provide Beneficiary with any material information) in connection with the loan evidenced by the Promissory Notes. If this Deed of Trust is on a leasehold, Grantor shall comply with all the provisions of the lease. If Grantor acquires fee title to the property, the leasehold and the fee title shall not merge unless Beneficiary agrees to the merger in writing.

7. PROTECTION OF BENEFICIARY'S RIGHTS IN THE PROPERTY. A. If Grantor fails to perform the covenants and agreements contained in this Deed of Trust, the Loan Agreement and/or the Covenant Agreement, or there is a legal proceeding which, in the Beneficiary's good faith judgment, may affect Beneficiary's rights in the Property (including but not limited to proceedings in bankruptcy, probate, for condemnation or forfeiture, or to enforce laws or regulations), then Beneficiary shall have the right to take whatever action it deems reasonably necessary and appropriate to protect the value of the Property and Beneficiary's rights in the Property. Although Beneficiary may take action under this Paragraph 7, Beneficiary is not obligated to do so.

B. Any amounts caused to be disbursed by Beneficiary under this Paragraph 7 shall become additional debt secured by this Deed of Trust. Unless Grantor and Beneficiary agree to other terms of payment, these amounts shall bear interest from the date of disbursement at the Promissory Notes rates and shall be payable with interest upon notice from Beneficiary to Grantor requesting payment.

C. Grantor covenants and agrees 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 the cost of title search and any and all attorney's fees actually incurred, in any such action or proceeding, and in any suit brought by Beneficiary to foreclose this Deed of Trust.

D. Grantor further covenants and agrees to pay any and all costs, fees, and expenses in connection with this Deed of Trust, including the expenses of the Trustee

draft

incurred in enforcing the obligations secured hereby and Trustee's and attorney's fees actually incurred, as provided by statute.

8. INSPECTIONS. Beneficiary or its agent may make reasonable entries upon and inspections of the Property, subject to all applicable landlord/tenant laws. Beneficiary shall give Grantor notice at least 24 hours prior to an inspection; provided, however, such right to notice does not apply to Beneficiary when acting in its regulatory capacity or when exercising its police powers.

9. CONDEMNATION. A. The proceeds of any award or claim for damages, direct or consequential, in connection with any condemnation or other taking of the Property or any part thereof, or for conveyance in lieu of condemnation, are hereby assigned and shall be paid to Beneficiary. In the event of a total taking of the Property, the proceeds shall be applied to the sums secured by this Deed of Trust and other liens as approved by the Beneficiary, whether or not then due, with any excess paid to Grantor. In the event of a partial taking of the Property in which the fair market value of the Property immediately before the taking is equal to or greater than the amount of the sums secured by this Deed of Trust immediately before the taking, unless Grantor and Beneficiary otherwise agree in writing, the sums secured by this Deed of Trust shall be reduced by the amount of the proceeds multiplied by the following fraction: (i) the total amount of the sums secured immediately before the taking, divided by (ii) the fair market value of the Property immediately before the taking. Any balance shall be paid to Grantor. In the event of a partial taking of the Property in which the fair market value of the Property immediately before the taking is less than the amount of the sums secured immediately before the taking, unless Grantor and Beneficiary otherwise agree in writing or unless applicable law otherwise provides, the proceeds shall be applied to the sums secured by this Deed of Trust whether or not the sums are then due.

B. If the Property is abandoned by Grantor, or if, after notice by Beneficiary to Grantor that the condemnor offers to make an award or settle a claim for damages, and Grantor fails to respond to Beneficiary within thirty (30) days after the date the notice is given, Beneficiary is authorized to collect and apply the proceeds, at its option, either to restoration or repair of the Property or to the sums secured by this Deed of Trust, whether or not then due.

C. Unless Beneficiary and Grantor otherwise agree in writing, any application of proceeds to principal shall not extend or postpone the due date of the monthly payments referred to in Paragraph 1 or change the amount of such payments.

10. GRANTOR NOT RELEASED; FORBEARANCE BY BENEFICIARY NOT A WAIVER. Extension of the time for payment or modification of amortization of the sums secured by this Deed of Trust granted by Beneficiary to any successor in interest of Grantor shall not operate to release the liability of the original Grantor or of Grantor's successors in interest. Beneficiary shall not be required to commence proceedings against any successor in interest or refuse to extend time for payment or

draft

otherwise modify amortization of the sums secured by this Deed of Trust by reason of any demand made by the original Grantor or Grantor's successors in interest. Any forbearance by Beneficiary in exercising any right or remedy shall not be a waiver of or preclude the exercise of any right or remedy.

11. SUCCESSORS AND ASSIGNS BOUND; JOINT AND SEVERAL LIABILITY; CO-SIGNERS. The covenants and agreements of this Deed of Trust shall bind and benefit the successors and assigns of Beneficiary and Grantor, except as otherwise provided for in this Deed of Trust. Grantor's covenants and agreements shall be joint and several.

12. LOAN CHARGES. If the loan secured by this Deed of Trust is subject to a law which sets maximum loan charges, and that law is finally interpreted so that the interest or other loan charges collected or to be collected in connection with the loan exceed the permitted limits, then: (i) any such loan charge shall be reduced by the amount necessary to reduce the charge to the permitted limit, and; (ii) any sums already collected from Grantor which exceeded permitted limits will be refunded to Grantor. Beneficiary may choose to make this refund by reducing the principal owed under the Promissory Notes or by making a direct payment to Grantor. If a refund reduces principal, the reduction will be treated as a partial prepayment without any prepayment charge under the Promissory Notes.

13. NOTICES. Grantor shall promptly give Beneficiary written notice of any and all Project defaults (regardless of whether the default is related to the financing provided by Beneficiary and the various agreements governing the terms of such financing, or whether the default is related to any of the various other parties or entities providing financing to the Project under their various agreements), investigations, claims, demands, lawsuits, licensing issues relating to the operation of the building or care facility, or other actions by any governmental or regulatory agency or private party involving the Property, and any hazardous substance or Environmental Law (as defined in Paragraph 19 of this Deed of Trust) of which Grantor has actual or constructive knowledge. Any notice provided for in this Deed of Trust shall be given pursuant to the procedures outlined in the Loan Agreement.

14. GOVERNING LAW; SEVERABILITY. This Deed of Trust shall be governed by federal law and the laws of the State of Washington. In the event that any provisions of this Deed of Trust or the Promissory Notes conflict with applicable law, such conflict shall not affect other non-conflicting provisions of this Deed of Trust or the Promissory Notes, which shall continue in full force and effect.

15. GRANTOR'S COPY. Grantor hereby acknowledges receipt of a conformed copy of the Loan Agreement, Covenant Agreement, Promissory Notes, and of this Deed of Trust.

16. TRANSFER OF THE PROPERTY OR A BENEFICIAL INTEREST IN GRANTOR.

A. Except as provided in the Promissory Notes, if all or any part of the Property or any

draft

interest in it is sold or transferred (or if a beneficial interest of Grantor is sold or transferred and Grantor is not a natural person) without Beneficiary's prior written consent, or if any other default occurs under this Deed of Trust, the Promissory Notes, the Loan Agreement or the Covenant Agreement, Beneficiary may, at its option, require immediate payment in full of all sums secured by this Deed of Trust. However, this option shall not be exercised by Beneficiary if exercise is prohibited by federal law as of the execution date of this Deed of Trust. By accepting payment of any sum secured by this Deed of Trust after payment is due, Beneficiary does not waive the right to require prompt payment when due of all other sums so secured or to declare default for failure to so pay.

B. If Beneficiary exercises the above option, Beneficiary shall give Grantor notice of acceleration. The notice shall provide a cure period of not less than thirty (30) days from the date the notice is delivered or mailed within which Grantor must pay all sums secured by this Deed of Trust. If Grantor fails to pay these sums prior to the expiration of this period, Beneficiary may invoke any and all remedies permitted by this Deed of Trust without further notice or demand on Grantor.

17. GRANTOR'S RIGHT TO REINSTATE FOLLOWING ACCELERATION. If Grantor meets the conditions outlined in this paragraph, Grantor shall have the right to have enforcement by acceleration of this Deed of Trust discontinued at any time prior to the earlier of: (i) 10 days (or such other period as applicable law may specify for reinstatement) before sale of the Property pursuant to any power of sale contained in this Deed of Trust; or (ii) entry of a judgment enforcing this Deed of Trust. The conditions which Grantor must meet are that Grantor shall: pay Beneficiary all sums which then would be due under this Deed of Trust and the Promissory Notes as if no acceleration had occurred; cure any default of any other covenants or agreements; pay all expenses incurred in enforcing this Deed of Trust, including, but not limited to, reasonable attorneys' fees, and; take such action as Beneficiary may reasonably require to assure that the lien of this Deed of Trust, Beneficiary's rights in the Property, and Grantor's obligation to pay the sums secured by this Deed of Trust continue unchanged. Upon reinstatement by Grantor, this Deed of Trust and the obligations secured hereby shall remain fully effective as if no acceleration had occurred. However, this right to reinstate shall not apply in the case of acceleration caused by Grantor's selling or transferring all or any part of the Property or any interest in it (or if a beneficial interest of Grantor is sold or transferred and Grantor is not a natural person) without Beneficiary's prior written consent.

18. NO FURTHER ENCUMBRANCES. A. For the purposes of protecting Beneficiary's security and keeping the Property free from junior and subordinate financing liens, Grantor agrees and understands that any sale, conveyance, further encumbrance (including the granting of easements and any and all other matters affecting title or other transfer of title to the Property, or any interest therein (whether voluntary or by operation of law), without Beneficiary's prior written consent, shall be an Event of Default under this Deed of Trust.

draft

B. Notice is hereby given to all third parties that any mortgage or other Deed of Trust that they may receive against the Property without the prior written approval and acknowledgment of the Beneficiary of this Deed of Trust shall be null and void and without force or effect.

19. HAZARDOUS SUBSTANCES; REPRESENTATIONS AND WARRANTY. A. Grantor shall not cause or permit the presence, use, disposal, storage, or release of any Hazardous Substances (as defined in this Paragraph 19) on or in the Property, except for the presence, use, storage and disposal of reasonable quantities of such Hazardous Substances as are generally used in the ordinary course of operating, maintaining or developing properties such as the Property, all of which Indemnitor represents, warrants and covenants shall be used, stored and disposed of in accordance with commercially reasonable practices and all applicable laws. Grantor shall not perform any act, nor allow, cause or permit the performance of any act, affecting the Property when such act constitutes a violation of any federal, state, or local Environmental Law, ordinance, or rule. As used in this Paragraph 19, "Environmental Law" means federal laws, state laws and local codes, laws, and/or ordinances of the jurisdiction where the Property is located that relate to health, safety, or environmental protection.

B. Grantor shall promptly give Beneficiary written notice of any investigation, claim, demand, lawsuit, or other action by any governmental or regulatory agency or private party involving the Property, and any hazardous substance or Environmental Law of which Grantor has actual knowledge. If Grantor learns, or is notified by any governmental or regulatory authority, that any removal or other remediation of any hazardous substance affecting the Property is necessary, Grantor shall promptly take all necessary remedial actions in accordance with Environmental Law and shall bear all costs and expenses thereof.

C. The Grantor hereby represents and warrants that, to the best of the Grantor's knowledge and belief, and after reasonable investigation and inquiry, the Project has never been and is not being used to make, store, handle, treat, dispose of, generate, or transport Hazardous Substances in violation of any applicable law, which Hazardous Substances have not been or will not be abated according to all applicable law and regulations related thereto prior to tenant occupancy of the rehabilitated project. To the best of Grantor's knowledge and belief, and after reasonable investigation and inquiry, there has not been a release of Hazardous Substances on, from, or near the Property, which release has not been or will not be abated to levels acceptable under all applicable law and regulations related thereto prior to tenant occupancy of the rehabilitated project. The Grantor has never received any notification, citation, complaint, violation, or notice of any kind from any person relating or pertaining to the making, storing, handling, treating, disposing, generating, transporting, or release of Hazardous Substances, for which there has not been or will not be abatement to levels acceptable under all applicable law and regulations related thereto prior to tenant occupancy. Grantor represents and warrants that any asbestos and lead-based paint

draft

found within the Project will be abated to levels acceptable under applicable law prior to tenant occupancy of the rehabilitated project. "Hazardous Substances" means (i) any "hazardous waste" as defined by the Resource Conservation and Recovery Act of 1976 (42 U.S.C. § 6901, et seq.), as amended from time to time, and regulations promulgated thereunder; (ii) any "hazardous substance" as defined by the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (42 U.S.C. § 9601, et seq.), as amended from time to time, and regulations promulgated thereunder; (iii) "oil, petroleum products and their by-products" as defined under Washington law as amended from time to time, and regulations promulgated thereunder; (iv) any "hazardous substance" as defined under Washington law, as amended from time to time, and regulations promulgated thereunder; (v) any "asbestos material" as defined under Washington law, as amended from time to time, and regulations promulgated thereunder and/or as defined by 40 C.F.R. Section 61.141, as amended from time to time; (vi) any "radon gas" in excess of levels recommended in U. S. Environmental Protection Agency Guidance Documents, as modified from time to time, or lower levels as provided by any applicable law or regulation now or hereafter in effect; (vii) any "infectious waste" as defined under Washington law, as amended from time to time, and regulations promulgated thereunder; (viii) any substance the presence of which on any property attributable to the operations of the Grantor is prohibited, restricted or regulated by any law or regulation similar to those laws, regulations and/or documents set forth above, including without limitation, polychlorinated biphenyls ("PCBs") and lead-based paints; and (ix) any other substance which by law or regulation requires special handling in its collection, generation, storage, transportation, treatment or disposal.

20. ACCELERATION: REMEDIES. A. Beneficiary shall give notice to Grantor prior to acceleration, following Grantor's breach of any covenant or agreement noted in this Deed of Trust, the Loan Agreement, or the Covenant Agreement. The notice shall specify: (a) the nature of the default; (b) the action required to cure the default; (c) a date, not less than thirty (30) days from the date the notice is given to Grantor, by which the default must be cured; and (d) that failure to cure the default on or before the date specified in the notice may result in acceleration of the sums secured by this Deed of Trust and sale of the Property at public auction to the highest bidder, in accordance with the Deed of Trust Act of the State of Washington (RCW 61.24 or as hereafter amended). The notice shall further inform Grantor of applicable rights to reinstate after acceleration, rights to bring a court action to assert the nonexistence of a default or any other defense Grantor wishes to assert prior to acceleration and sale, and of any other matters required by applicable law to be included in the notice. If the default is not cured on or before the date specified in the notice, Beneficiary, at its option, may require immediate payment in full of all sums secured by this Deed of Trust without further demand and may invoke the power of sale and any other remedies permitted under the Loan Agreement, the Covenant Agreement, the Promissory Notes, this Deed of Trust or by applicable law. Beneficiary shall be entitled to collect from Grantor all expenses incurred in pursuing the remedies provided in this Paragraph 20, including, but not limited to, attorneys' fees and costs of title evidence.

draft

B. If Beneficiary invokes the power of sale, Beneficiary shall give written notice to Trustee of the occurrence of an event of default. Upon instruction from the Beneficiary to do so, Trustee shall cause the trust Property to be sold, in accordance with the Deed of Trust Act of the State of Washington, at public auction to the highest bidder. Beneficiary or its designee may purchase the Property at any sale. Trustee and Beneficiary shall take such action regarding notice of sale and shall give such notices to Grantor and to other persons as applicable law may require.

C. Trustee shall deliver to the purchaser a Trustee's Deed conveying the Property without warranty, expressed or implied. The recitals in the Trustee's deed shall be prima facie evidence of the truth of the statements made therein. Trustee shall apply the proceeds of the sale in the following order: (a) to all expenses of the sale, including, but not limited to, reasonable Trustee's and attorneys' fees; (b) to all sums secured by this Deed of Trust; and (c) any excess to the person or persons legally entitled to it or to the clerk of the superior court of the county in which the sale took place.

D. 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.

21. RECONVEYANCE. Upon payment of all sums secured by this Deed of Trust, Beneficiary shall request Trustee to reconvey the Property to the person entitled thereto and shall surrender this Deed of Trust and all Promissory Notes evidencing the debt secured by this Deed of Trust to Trustee. Trustee shall reconvey the Property without warranty and without charge to the person or persons legally entitled to it. Such person or persons shall pay any recordation costs.

22. SUBSTITUTE TRUSTEE. In the event of the death, incapacity, disability, or resignation of Trustee, or at Beneficiary's reasonable discretion, 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 an action or proceeding in which Grantor, Trustee, or Beneficiary shall be a party unless such action or proceeding is brought by the Trustee.

23. USE OF PROPERTY. The Property is not used principally for agricultural or farming purposes.

24. BINDING EFFECT. This Deed of Trust applies to, inures to the benefit of, and is binding not only on the parties hereto, but on his/her/their heirs, devisees, legatees, administrators, executors, and assigns. The term "Beneficiary" shall mean the holder and owner of the Promissory Notes secured hereby, whether or not named as Beneficiary herein.

draft

25. ORAL AGREEMENTS OR ORAL COMMITMENTS. ORAL AGREEMENTS OR ORAL COMMITMENTS TO LOAN MONEY, TO EXTEND CREDIT, TO MODIFY OR AMEND ANY AGREEMENT TERMS, TO RELEASE ANY GUARANTOR, TO FORBEAR FROM ENFORCING REPAYMENT OF A DEBT OR FORBEAR FROM EXERCISING ANY REMEDIES, OR TO MAKE ANY OTHER FINANCIAL ACCOMMODATION RELATED TO THIS INSTRUMENT ARE NOT ENFORCEABLE UNDER WASHINGTON LAW.

BY SIGNING BELOW, Grantor accepts and agrees to the terms and covenants contained in this Deed of Trust and in any riders executed by Grantor and recorded with it.

IN WITNESS WHEREOF, the Parties have executed this Deed of Trust as of the day and year first written above.

By: _____ Date: _____
Konstantin Y. Vasilenko

By: _____ Date: _____
Tatyana A. Vasilenko

draft

STATE OF WASHINGTON)
) ss.
County of Spokane)

On this ____ day of _____, 2016, personally appeared before me **Konstantin Y. Vasilenko**, to me known to be the person who executed the within and foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said person and the Grantor, for the uses and purposes therein mentioned, and on oath stated that he was authorized to execute the said instrument.

GIVEN under my hand and official seal the day and year in this certificate above written.

NOTARY PUBLIC, in and for the State of
Washington, residing at _____
My Commission expires _____

STATE OF WASHINGTON)
) ss.
County of Spokane)

On this ____ day of _____, 2016, personally appeared before me **Tatyana A. Vasilenko**, to me known to be the person who executed the within and foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said person and the Grantor, for the uses and purposes therein mentioned, and on oath stated that she was authorized to execute the said instrument.

GIVEN under my hand and official seal the day and year in this certificate above written.

NOTARY PUBLIC, in and for the State of
Washington, residing at _____
My Commission expires _____

draft

BENEFICIARY - CITY OF SPOKANE

By: _____
David A. Condon, Mayor

Date: _____

ATTEST:

APPROVED AS TO FORM:

By: _____
Terri L. Pfister, City Clerk

By: _____
Assistant City Attorney

Date: _____

STATE OF WASHINGTON)
) ss.
County of Spokane)

On this ____ day of _____, 2016, personally appeared before me **David A. Condon and Terri L. Pfister**, to me known to be the **Mayor and City Clerk**, respectively, of and for the City of Spokane, Washington, the municipal corporation that executed the within and 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 stated that they were authorized to execute the said instrument.

GIVEN under my hand and official seal the day and year in this certificate above written.

NOTARY PUBLIC, in and for the State of
Washington, residing at _____
My Commission expires _____

DRAFT

WHEN RECORDED RETURN TO:
CITY OF SPOKANE
COMMUNITY, HOUSING AND HUMAN SERVICES DEPARTMENT
808 W. SPOKANE FALLS BLVD., ROOM 650
SPOKANE, WASHINGTON 99201-3339

OPR #2016-_____

**CITY OF SPOKANE
VASILENKO**

611 SOUTH SCOTT

HOME PROGRAM LOAN COVENANT AGREEMENT

Grantor: Konstantin Y. Vasilenko and Tatyana A. Vasilenko, husband and wife

Beneficiary: City of Spokane, a Washington state municipal corporation

Assessor's Parcel No.: 35201.5353

Legal Description (abbreviated): PTN LOT 8, BLOCK 3, HARTSON'S SUBDIV.
OF BLOCKS 3, 4, 5, 6, 7 AND 8, HARTSON AND TOWNSEND'S
HIGHLAND PARK ADD., VOL. "C", P. 26, SPOKANE COUNTY

See Paragraph I.3 (below) for full legal description.

This HOME Program Loan Covenant Agreement ("Covenant Agreement") is made this ____ day of _____, 2016, by and between the City of Spokane, Washington, a Washington municipal corporation (the "City"), whose address is City of Spokane, c/o Community, Housing and Human Services Department, 808 W. Spokane Falls Blvd., Room 650, Spokane, Washington 99201-3339 and Konstantin Y. Vasilenko and Tatyana A. Vasilenko, husband and wife (the "Borrower" or "Grantor"), whose address is 19914 North Hazard Road , Spokane, WA 99208

I. STIPULATIONS

1. This Covenant Agreement is a condition of and part of the consideration for the financial assistance provided by the City to the Borrower for the Borrower's 611 South Scott project, which includes the rehabilitation of a house and construction of 5 units at 611 South Scott Street in Spokane, WA (the "Project"). All six (6) units will be HOME-assisted.

DRAFT

2. This Covenant Agreement is part of a transaction further reflected in two Promissory Notes (“Note 1” and “Note 2”, or, collectively, the “Notes”) a HOME Program Loan Agreement (“Loan Agreement”) of even date herewith, and a Quit Claim Deed dated _____, recorded concurrently with this Covenant Agreement. The City’s disbursements under the Loan Agreement are further secured by a Deed of Trust (“Deed of Trust”). The terms of said documents are incorporated herein as if fully set forth herein, and together shall be referenced as the “Related Documents.” The capitalized terms in said agreements shall have the same meaning in this Covenant Agreement unless the context clearly suggests otherwise. In the event of conflict in the terms of any of these documents, the terms most favorable to the City shall apply.

3. The Project is situated in the City and County of Spokane, State of Washington, and is legally described below:

THE SOUTH 80 FEET OF THE WEST HALF OF LOT 8, BLOCK 3,
HARTSON’S SUBDIVISION OF BLOCKS 3, 4, 5, 6, 7 AND 8,
HARTSON AND TOWNSEND’S HIGHLAND PARK ADDITION, AS
PER PLAT RECORDED IN VOLUME “C” OF PLATS, PAGE 26;

SITUATE IN THE CITY OF SPOKANE, COUNTY OF SPOKANE,
STATE OF WASHINGTON

APN: 35201.5353

PROPERTY ADDRESS: 611 S SCOTT ST, SPOKANE, WA 99202

4. This Covenant Agreement shall be filed and recorded in the official public land records of Spokane County, Washington, and shall constitute a restriction upon the use of the property and Project described herein, subject to and in accordance with the terms of this Covenant Agreement during the Affordability Period described in Section IV herein below.

5. 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 Borrower, its successors in interest, assigns, heirs or lessees of the Project, beginning on the date this Covenant Agreement is executed. Each and every contract, deed or other instrument covering or conveying the property or Project, 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.

NOW, THEREFORE, it is hereby covenanted, that during the Affordability Period described in Section IV herein below, the Borrower agrees to the following covenants running with the land which shall bind the Borrower, its heirs, assigns, lessees and successors in interest through the Affordability Period.

DRAFT

II. COVENANTS

Borrower shall:

- A. Comply with the Affordability Requirements described in this Covenant Agreement and Related Documents.
- B. Maintain all required insurance, including without limitation the insurance required by the Deed of Trust.
- C. Maintain Project financial reports, Project financial records and provide all other information and documentation that the City may reasonably request.
- D. Make prompt payment of all taxes and financial liabilities.
- E. Not hypothecate or encumber Project assets in any way, except to the extent provided for under the Loan Agreement or as approved of by the Director of Community, Housing and Human Services of the City of Spokane (the "Director") in writing. The Director may withhold such approval at his/her reasonable discretion.
- F. Promptly provide (i) rent and tenant income information at initial tenant occupancy and (ii) rent, occupancy, and tenant income information annually throughout the term of the Loan Agreement or the extended term of the Loan Agreement, in accordance with this Loan Agreement, or as otherwise requested by the City. If the Project has floating HOME units, the Borrower must provide the City with information regarding the unit substitution and filling vacancies so that the Project remains in compliance with HOME rental occupancy requirements.
- G. Promptly provide, upon request by the City, such documentation as is necessary (including financial statements) to enable the City to determine the financial condition and continued financial viability of the Project.
- H. During the Affordability Period, prohibit occupancy of any HOME-assisted unit by Borrower (or officer, employee, agent, elected or appointed official, or consultant of the Borrower, or immediate family member or immediate family member of an officer, employee, agent, elected or appointed official, or consultant of Borrower) whether private, for-profit or nonprofit, including a community housing development organization ("CHDO") when acting as an owner, developer or sponsor.
- I. Comply with all applicable federal, state, and local regulations and requirements, including, but not limited to, Uniform Administrative Requirements, Federal Labor Standards, Davis-Bacon and Related Acts, Uniform Relocation Act requirements applicable as of the date of the execution of this Covenant Agreement, and the provisions of the Lead-Based Paint Poisoning Prevention Act. City's cost to administer Davis Bacon Federal Labor

DRAFT

Standard, and Related Acts shall be borne by the Borrower. When Washington State prevailing wages apply, the Borrower shall comply with all State requirements under RCW 39.12 to the satisfaction of the State of Washington. When applicable, the higher of Washington State prevailing wages or Davis-Bacon wages shall apply.

- J. Comply with all HOME program project requirements pursuant to 24 CFR part 92 et seq.
- K. Maintain housing in compliance with the property standards of 24 CFR §92.251 and local code requirements throughout the term of the Loan Agreement.
- L. Upon Project completion, the Project shall obtain a final Certificate of Occupancy for new units and complete the final inspections and obtain final approvals on all construction permits for the rehabilitated unit, meet all licensing requirements needed to operate the facility as proposed by Borrower in its various funding applications, and meet the property standards of 24 CFR §92.251, minimum rehabilitation standards, and all applicable federal, state and local codes and ordinances. New construction projects must also meet HUD, state, and local requirements relating to accessibility and disaster mitigation.
- M. Cause each of the six (6) HOME-assisted units to be occupied by income-eligible households within eighteen (18) months after the Project is completed. If any HOME-assisted units are not occupied by eligible tenants within 6 months following the date of Project Completion, Borrower shall submit to the City current marketing information and, if the City requests it, an enhanced marketing plan for leasing the unoccupied units as quickly as possible, which information the City will provide to HUD as required by 24 CFR §92.252. If any HOME-assisted unit has not been rented to eligible tenants within eighteen (18) months after the date of Project Completion, Borrower shall repay the City \$65,833.33/unit for each such unit within thirty (30) days of the City's written request for repayment. This reflects the proportionate per unit share of HOME funds, i.e., \$395,000.00 HOME dollars/6 HOME units.

The Borrower shall cause this Covenant Agreement to be recorded as a covenant running with the land and the Project.

Borrower shall pay at loan closing all costs associated with the negotiation, documentation and closing of the loan, including without limitation title premiums escrow fees, recording fees, appraisal fees and City's attorneys' fees.

III. INCOME DETERMINATIONS

- A. For purposes of this Covenant Agreement, tenant "annual income" is defined pursuant to 24 CFR §92.203), and includes income from all persons in the household, less income adjustments pursuant to 24 CFR §5.611. An individual

DRAFT

does not qualify as a low-income family if the individual is a student who is not eligible to receive Section 8 assistance under 24 CFR §5.612.

- B. Initial tenant annual income determinations shall be made by the Borrower pursuant to 24 CFR §92.203. Subsequent tenant income determinations shall be made by the Borrower pursuant to 24 CFR §92.203 and 24 CFR §92.252(h).
- C. Rent increases and annual income recertifications shall be governed by the terms outlined in the Affordability Requirements below.

IV. AFFORDABILITY REQUIREMENTS

- A. HOME Affordability Period. The HOME Affordability Period, established pursuant to 24 CFR §92.252, is twenty (20) years, beginning after Project Completion, as determined by the Director. “Project Completion” means that all necessary title transfer requirements and construction work have been performed; the Project complies with the requirements of 24 CFR §92, including the property standards under 24 CFR §92.251; the final drawdown of HOME funds has been disbursed for the Project; and the project completion information has been entered in the disbursement and information system established by HUD, except that with respect to rental housing project completion, for the purposes of §92.502(d), project completion occurs upon completion of construction and before occupancy. Repayment of the loan during the HOME Affordability Period will not extinguish the requirements of the Related Documents.
- B. City Affordability Period. The City Affordability Period is thirty (30) years, beginning after Project Completion, as determined by the Director. The HOME Affordability Period and City Affordability Period shall run concurrently. Collectively, the two periods are hereinafter referred to as the “Affordability Period.” Upon expiration of the HOME Affordability Period, the City Affordability Period shall continue, but HUD will no longer monitor compliance with affordability requirements, unless the City Affordability Period is coterminous with the HOME Affordability Period. The requirements of the Affordability Period and other conditions of the Related Documents shall apply, as long as there are funds owing under the Notes.
- C. Rent Limit. During the Affordability Period, rents on three (3) of the six (6) HOME-assisted units shall not exceed thirty percent (30%) of the adjusted income of a family whose annual income equals fifty percent (50%) of Spokane area median income (“AMI”), as defined by HUD and adjusted for family size, unit size by number of bedrooms, tenant-paid utilities and tenant-supplied appliances. These units shall include two (2) two-bedroom units and one (1) three-bedroom unit. In addition, rents on three (3) of the HOME-assisted units shall not exceed thirty percent (30%) of the adjusted income of a family whose annual income equals thirty percent (30%) of AMI, as defined by HUD and adjusted for family size, unit size by number of bedrooms, tenant-paid utilities

DRAFT

and tenant-supplied appliances. These units shall include three (3) three-bedroom units.

However, any HOME-assisted unit receiving federal or state project-based rental assistance, where the tenant pays not more than thirty percent (30%) of the household's adjusted income as a contribution toward rent, shall be limited to the maximum rent allowed under the federal or state project-based rental assistance program.

Should the HUD rents decline below the initial project rents, the Borrower's rents do not need to be reduced below the initial rents. A table of initial HUD rents for the Project is attached to the Loan Agreement as Attachment 2.

The adjustment for tenant-paid utilities and tenant-supplied appliances is subject to §92.252. New HUD requirements include that the adjustment for tenant-paid utilities and tenant-supplied appliances be based on the HUD Utility Schedule Model, twelve (12) months of documented actual utility costs as acceptable to the City's Community, Housing & Human Services Department, or other methods as determined by HUD. Currently, the HUD Utility Schedule Model can be found at: <http://huduser.org/portal/resources/utimodel.html>. HUD may clarify the new requirements to allow the use (in some circumstances) of the prior requirement, which used the Section 8 existing housing allowance for tenant-furnished utilities and other services as published annually by and issued by the Spokane Housing Authority or twelve (12) months of documented actual utility costs as acceptable to the City's Community, Housing & Human Services Department.

The City will provide Borrower with information on updated HOME rent limits so that rents may be adjusted (not to exceed the maximum HOME rent limits exclusive of rent paid through project-based subsidies) in accordance with this Loan Agreement and §92.252(f)(2). The Borrower must annually provide the City with information on rents and occupancy of HOME-assisted units to demonstrate compliance with the Affordability Requirements of this Loan Agreement. The City will review rents for compliance and approve or disapprove them every year.

The Borrower must provide tenants of HOME-assisted units written notification of rent increases no less than 30 days prior to the beginning of the month in which the increase is intended to be implemented, subject to the provisions of a tenant's lease agreement, pursuant to §92.252(f)(3).

- D. LIHTC Rent Clause. For tenants of low-income tax credit assisted units (if low-income housing tax credits are awarded to the Project or portions of the Project), any increases in rent associated with tenant income shall be governed solely by section 42 of the Internal Revenue Code of 1986, as amended from time to time.

DRAFT

- E. Upon completion of the HOME Affordability Period, if the maximum rent and income limits are exceeded, the loan will be subject to repayment at the higher interest rate as provided for in Paragraph 2 of the Promissory Notes.
- F. Income Limit. At initial occupancy, tenants of three (3) of the six (6) HOME-assisted units shall have incomes not greater than fifty percent (50%) of AMI. In addition, tenants of three (3) of the HOME assisted units shall have incomes not greater than thirty percent (30%) of AMI at initial occupancy. If any of these tenants' incomes increases to a level exceeding fifty percent (50%) of AMI, then the next available HOME-assisted unit shall be made available to families at or below thirty percent (30%) of AMI. If the income of a tenant of a HOME-assisted unit increases and exceeds eighty percent (80%) of AMI, then the tenant's rent shall increase to the lesser of thirty percent (30%) of the tenant's adjusted monthly income or Fair Market Rent, subject to paragraph IV.D hereof.
- G. Income Certifications. All tenants' incomes shall be recertified annually by the Borrower. Any applicable rent increases will be effective upon the next lease renewal, and are subject to thirty (30) days' written notice.
- H. Additional Affordability Requirements. The Project must comply with the affordable housing requirements of 24 CFR §92.252.
- I. Relocation. Tenants in occupancy prior to the Project are subject to the provisions of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 as amended ("URA"), 42 USC 4601 et seq. and the regulations promulgated thereunder. All relocation payments and expenses shall be borne by the Borrower.
- J. Protection of Affordability Requirements – City Purchase Option. The Affordability Requirements may terminate upon foreclosure or transfer in lieu of foreclosure at the sole election of the Director. In the event of a pending or threatened foreclosure, once applicable notice and cure periods have expired, the City is hereby granted an option and a right of first refusal to purchase the Project before foreclosure or deed in lieu of foreclosure to preserve affordability. The City may exercise its right to purchase the Project in any reasonable manner following the City's receipt of written notice of pending or threatened foreclosure proceedings and/or a possible deed in lieu of foreclosure, which notice Borrower hereby agrees to provide to City. The purchase price shall be the assessed value of the Project at the time of the City's exercise of its purchase rights, less any financial obligations assumed by the City at the time of the City's acquisition of the Project. The City further reserves the right to revive any affordability restrictions according to the original terms of the Loan Agreement if, during the HOME Affordability Period (as defined herein), the owner of record before the foreclosure, or deed in lieu of foreclosure, or any entity that includes the former owner or those with whom the former owner has or had family or business ties, obtains an ownership interest in the Project or property.

DRAFT
V. DEFAULT

If a violation of any of the foregoing covenants occurs, the City may, after thirty (30) days written notice, the default meanwhile not having been cured, institute and prosecute any proceeding at law or in equity or as otherwise provided for in this Covenant Agreement, or Related Documents, to abate, prevent, or enjoin any such violation or to compel specific performance by the Borrower of its obligations hereunder, including, without limitation of other remedies, the exercise of the City's purchase rights described herein. 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 violation or any similar breach or violation hereof at any later time.

ORAL AGREEMENTS OR ORAL COMMITMENTS TO LOAN MONEY, TO EXTEND CREDIT, TO MODIFY OR AMEND ANY AGREEMENT TERMS, TO RELEASE ANY GUARANTOR, TO FORBEAR FROM ENFORCING REPAYMENT OF A DEBT OR FORBEAR FROM EXERCISING ANY REMEDIES, OR TO MAKE ANY OTHER FINANCIAL ACCOMMODATION RELATED TO THIS AGREEMENT ARE NOT ENFORCEABLE UNDER WASHINGTON LAW.

IN WITNESS WHEREOF, the Parties have executed this Agreement on this _____ day of _____, 2016.

By: _____ Date: _____
Konstantin Y. Vasilenko

By: _____ Date: _____
Tatyana A. Vasilenko

DRAFT

STATE OF WASHINGTON)
) ss.
County of Spokane)

On this ____ day of _____, 2016, personally appeared before me **Konstantin Y. Vasilenko**, to me known to be the person who executed the within and foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said person and the Grantor, for the uses and purposes therein mentioned, and on oath stated that he was authorized to execute the said instrument.

GIVEN under my hand and official seal the day and year in this certificate above written.

NOTARY PUBLIC, in and for the State of
Washington, residing at _____
My Commission expires _____

STATE OF WASHINGTON)
) ss.
County of Spokane)

On this ____ day of _____, 2016, personally appeared before me **Tatyana A. Vasilenko**, to me known to be the person who executed the within and foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said person and the Grantor, for the uses and purposes therein mentioned, and on oath stated that she was authorized to execute the said instrument.

GIVEN under my hand and official seal the day and year in this certificate above written.

NOTARY PUBLIC, in and for the State of
Washington, residing at _____
My Commission expires _____

DRAFT

CITY OF SPOKANE

By: _____
David A. Condon, Mayor

Date: _____

ATTEST:

By: _____
Terri L. Pfister, City Clerk

Date: _____

APPROVED AS TO FORM:

By: _____
Assistant City Attorney

STATE OF WASHINGTON)
) ss.
County of Spokane)

On this ____ day of _____, 2016, personally appeared before me **David A. Condon and Terri L. Pfister**, to me known to be the **Mayor** and **City Clerk**, respectively, of and for the **City of Spokane**, Washington, the municipal corporation that executed the within and 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 stated that they were authorized to execute the said instrument.

GIVEN under my hand and official seal the day and year in this certificate above written.

NOTARY PUBLIC, in and for the State of
Washington, residing at _____
My Commission expires _____

DRAFT

ATTACHMENT 1

LEGAL DESCRIPTION

THE SOUTH 80 FEET OF THE WEST HALF OF LOT 8, BLOCK 3, HARTSON'S SUBDIVISION OF BLOCKS 3, 4, 5, 6, 7 AND 8, HARTSON AND TOWNSEND'S HIGHLAND PARK ADDITION, AS PER PLAT RECORDED IN VOLUME "C" OF PLATS, PAGE 26;

SITUATE IN THE CITY OF SPOKANE, COUNTY OF SPOKANE, STATE OF WASHINGTON

APN: 35201.5353

PROPERTY ADDRESS: 611 S SCOTT ST, SPOKANE, WA 99202

DRAFT

DRAFT

WHEN RECORDED RETURN TO:
City of Spokane
Community, Housing and Human Services Dept.
808 W. Spokane Falls Blvd.
Spokane, WA 99201

OPR 2016-_____

QUIT CLAIM DEED

THE GRANTOR, CITY OF SPOKANE, a Washington municipal corporation, for and in consideration of good and valuable consideration, the receipt of which is hereby acknowledged, conveys and quit claims to Konstantin Y. Vasilenko and Tatyana A. Vasilenko, husband and wife ("Grantee"), the City's interest in the following described real estate, situated in the County of Spokane, State of Washington:

THE SOUTH 80 FEET OF THE WEST HALF OF LOT 8, BLOCK 3, HARTSON'S SUBDIVISION OF BLOCKS 3, 4, 5, 6, 7 AND 8, HARTSON AND TOWNSEND'S HIGHLAND PARK ADDITION, AS PER PLAT RECORDED IN VOLUME "C" OF PLATS, PAGE 26;

SITUATE IN THE CITY OF SPOKANE, COUNTY OF SPOKANE, STATE OF WASHINGTON

APN: 35201.5353

PROPERTY ADDRESS: 611 S SCOTT ST, SPOKANE, WA 99202

Provided; that if Grantee fails to comply with the Affordability Requirements set forth in that certain HOME PROGRAM LOAN COVENANT AGREEMENT, of even date herewith, wherein Konstantin Y. Vasilenko and Tatyana A. Vasilenko are Grantors and the City of Spokane is beneficiary, then the City may re-enter and repossess the Property.

DATED this ____ day of _____, 2016.

By: _____
David A. Condon, Mayor

DRAFT

Attest:

Approved as to form:

Terri L. Pfister, Clerk

Assistant City Attorney

STATE OF WASHINGTON)
) ss.
County of Spokane)

I certify that I know or have satisfactory evidence that David A. Condon and Terri L. Pfister are the persons who appeared before me and said persons acknowledged that they signed this document, and on oath stated that they were authorized to sign and acknowledged it as the Mayor and the City Clerk, respectively, of the CITY OF SPOKANE, a municipal corporation, to be the free and voluntary act of such party for the uses and purposes therein mentioned.

DATED: _____

Notary Public in and for Washington State
Residing at _____
My appointment expires: _____

BRIEFING PAPER
City of Spokane
Community, Housing and Human Services Department
Community, Health, and Environment Committee
May 2, 2016

Subject

Update on Spring 2016 Multifamily Housing Program RFP proposals for federal HOME-funds to develop affordable rental housing with long-term affordability covenants.

Background

A recent CHHS RFP offered about \$600,000 of HOME funds to develop affordable rental housing at three CHHS-owned properties. HOME-funded rental units must be affordable to households at or below 50% of Area Median Income and should include units for extremely low-income households, large families, and handicapped tenants. The three CHHS-owned properties (see attachment) had received a Single Family Rehabilitation program home repair loan but were later transferred to CHHS following foreclosure or borrower's death. HUD requires that these properties provide further benefit to low-income Spokane families.

CHHS received 4 proposals for HOME funding (see attachment). In early May, the CHHS Board will select projects to receive HOME funds, which are contingent upon Council approval. In June, CHHS staff plans to request that Council approve HOME funding contracts for the selected projects. This timeline helps CHHS meet a HUD July 31 HOME commitment deadline. Construction is expected to start in September 2016.

Impact

Selected proposals will create new rental housing with long-term affordability covenants for low-income families. Each project will deliver infill housing at underutilized lots. One property is located in the East Sprague TIP and all properties are in the East Central neighborhood.

Action

Discuss affordable housing proposals in preparation of Council consideration of HOME funding contracts (anticipated June/July 2016).

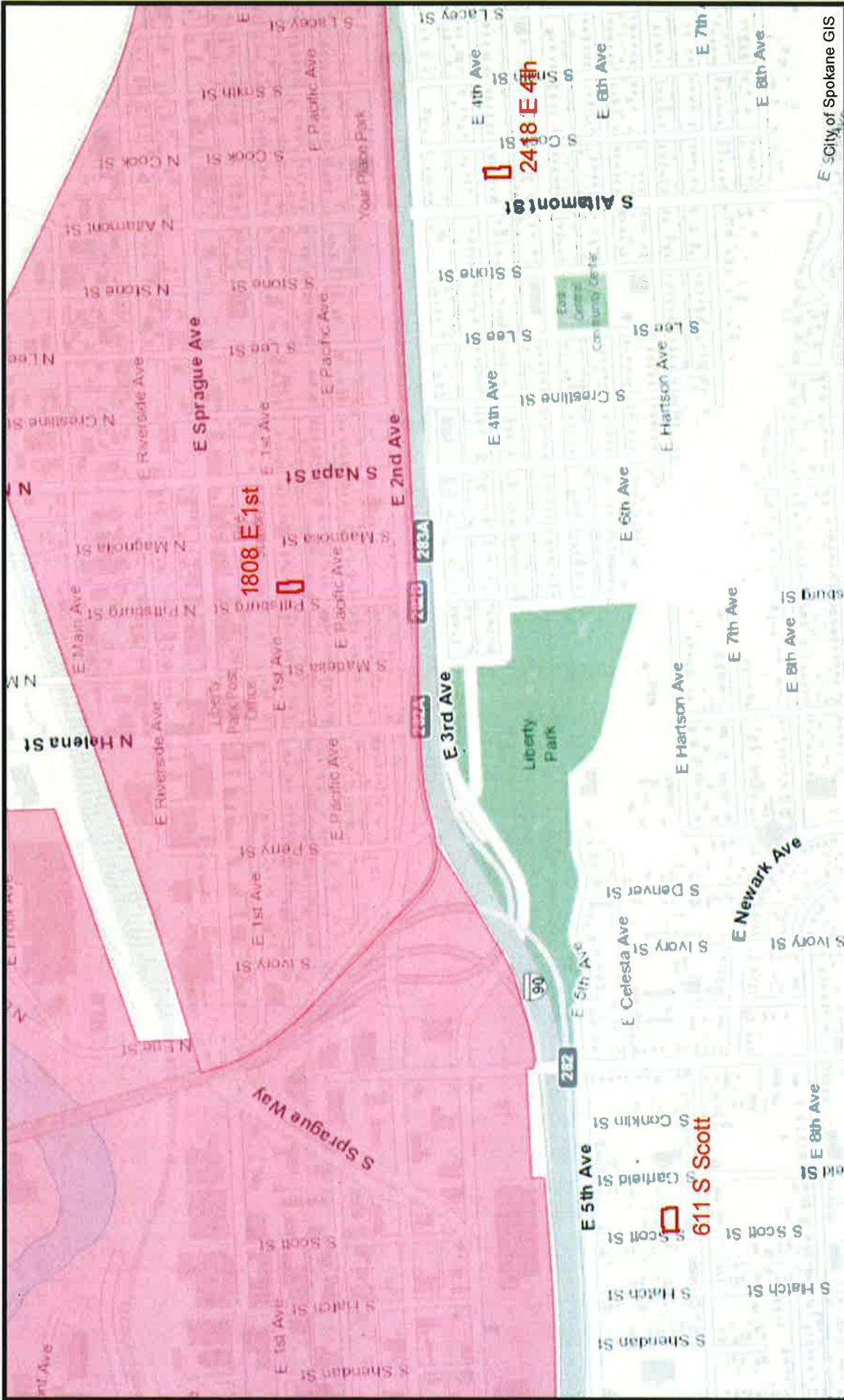
Funding

Approximately \$600,000 of federal HOME funds. Each proposal utilizes some additional funding from owner's funds or bank financing.

2016 SPRING FUNDING APPLICATIONS

SPONSOR	PRODUCT	HOME REQUEST	HOME \$/ HOME UNIT	TOTAL COST	COST/ UNIT
EAST CENTRAL COMMUNITY ORGANIZATION 1st & Scott Rental Properties 1808 E 1st - 1 duplex 611 S Scott - 2 duplexes new construction Other funds: bank loan, FHLB	6 total units 6 HOME units HOME 30% 2 3bd 50% 4 3bd	\$396,426	\$66,071	\$705,407	\$117,568
INLAND EMPIRE RESIDENTIAL RESOURCES Special Skills Duplex 2418 E 4th new construction includes 2 ADA accessible Other funds: Owner	2 total units 2 HOME units HOME 30% 1 2bd, 1.3bd	\$260,000	\$130,000	\$261,500	\$130,750
VASILENKO 1808 E 1st rehab, potential for add'l 3 new construction Other funds: Owner	1 total unit 1 HOME unit HOME 50% 1 3bd	\$75,000	\$75,000	\$110,060	\$110,060
VASILENKO 611 S Scott rehab (1), new construction (5) includes 1 3bd ADA accessible Other funds: Owner	6 total units 6 HOME units HOME 30% 3 3bd 50% 2 2bd, 1 3bd	\$395,000	\$65,833	\$528,358	\$88,060
TOTAL	14 total units 14 HOME units	\$1,126,426	\$80,459	\$1,605,325	\$114,666

Total HOME funds available: \$600,000
 Non-CHDO funds \$600,000 (Includes HOME MF, reprogrammed HOME, HOME PI)
 CHDO setaside \$0 (Minimum required allocation. Actual may be greater.)



Legend
 Target Incentive Areas



Spring 2016 RFP Project Sites

April 26, 2016

THIS IS NOT A LEGAL DOCUMENT!
 The information shown on this map is compiled from various sources and is subject to constant revision. Information shown on this map should not be used to determine the location of facilities in relationship to property lines, section lines, streets, etc.



PROPOSED BUDGET

VASILENKO
611 SOUTH SCOTT

Closing/title/recording	1,800	Owner	133,358
New Building	329,000		
Rehabilitation	93,530		
Contactor OH/Profit	5,000	City HOME funds	395,000
New Construction Conting	33,400		
Rehabilitation Contingency	9,353		
Sales tax	28,275		
Architect/engineering	25,000		
Legal-real estate	3,000		
TOTAL	528,358	TOTAL	528,358

Rehabilitation and updating of vacant single family residence and construction of 5 additional units, including three 3-bedroom and two 2-bedroom units. One new 3-bedroom unit will be ADA accessible. The property is currently owned by the City. Work on the house is expected to include new windows, hardy siding, a metal roof, new front and back porches, new electrical service and wiring, appliances, doors, plumbing, drywall, floors, and cabinets. The new units will have a similar look with hardy siding, porches, decks, and metal roofs. The new units will have infloor heat, electric heating/cooling pumps, Bosch Greenstar boiler, energy-efficient appliances, and a laundry room.

The completed house is expected to have about 1,900 sf and the new 2-bedroom units will have about 820 sf and the 3-bedroom units will have about 1,100 sf.

HOME funds may be used for architectural and engineering and other professional series costs incurred within 24 months before commitment.

Owner may finance a portion of construction with a line of credit and refinance with a permanent loan, as long as owner equity requirement is met.



Agenda Sheet for City Council Meeting of:
06/20/2016

Date Rec'd	5/10/2016
Clerk's File #	OPR 2015-0266
Renews #	
Cross Ref #	OPR 2014-0855
Project #	
Bid #	RFP 4076-14
Requisition #	

Submitting Dept	HOUSING & HUMAN SERVICES
Contact Name/Phone	ROB CROW 625-6814
Contact E-Mail	RCROW@SPOKANECITY.ORG
Agenda Item Type	Contract Item
Agenda Item Name	1680 AMEND SINGLE FAMILY REHABILITATION PROGRAM CONTRACT

Agenda Wording

Authorization to enter into a contract amendment with SNAP to add CDBG funding to accomplish 49 loans to low-income homeowners for life, health and safety home repairs. Total amended contract amount: \$1,752,946 (Citywide)

Summary (Background)

Spokane Neighborhood Action Partners (SNAP) is under a City CDBG-funded subrecipient contract to deliver the Single Family Rehabilitation program. This program provides loans to low-income homeowners for repairs that improve life, health, and safety and reduce home operating costs. Adding \$597,946 CDBG funds for construction loans enables SNAP to complete a total of 49 rehabilitation loans.

Fiscal Impact

Expense	\$ 442,047
Expense	\$ 1,310,899
Select	\$
Select	\$

Budget Account

#	169595806510105420173602
#	169595806510105420120228
#	
#	

Approvals

<u>Dept Head</u>	CHILDS, BRANDON
<u>Division Director</u>	MALLAHAN, JONATHAN
<u>Finance</u>	KECK, KATHLEEN
<u>Legal</u>	WHALEY, HUNT
<u>For the Mayor</u>	WHITNEY, TYLER

Council Notifications

<u>Study Session</u>	CHE 5/2/2016
<u>Other</u>	

Additional Approvals

<u>Purchasing</u>	PRINCE, THEA

Distribution List

BRIEFING PAPER
City of Spokane
Community, Housing and Human Services Department
Community, Health, and Environment Committee
May 2, 2016

Subject

Update on contract modifications for two CDBG-funded home repair programs.

Background

CHHS has contracts with the nonprofit Spokane Neighborhood Action Partners (SNAP) to deliver the Essential Repair and Single Family Rehabilitation programs that benefit Spokane low-income homeowners. Both programs are fully funded by federal CDBG funds. The Essential Repair program provides grants for minor home repairs costing \$50 – \$3,000 that protect homeowners from imminent health/safety hazards or improves handicapped accessibility. The Single Family Rehabilitation program provides loans for home repairs costing \$10,000 - \$30,000 that improve homeowner life, health, and safety and reduce home operating costs.

SNAP and CHHS wish to execute the following contract modifications:

- Essential Repair program – add \$102,000 CDBG funds for replacing Orangeburg sewer pipe for homeowners participating in the Single Family Rehabilitation program. These funds will benefit about 12 homeowners and increase collaboration between CDBG home repair programs.
- Single Family Rehabilitation program – add \$598,000 CDBG funds and extend the contract term from May 31 to December 31, 2016 (matches the Essential Repair program contract term). These modifications will result in uninterrupted program services and additional rehabilitation projects for low-income homeowners.

Impact

Additional low-income homeowners will receive CDBG-funds to address failing Orangeburg sewer pipe, in-home health/safety hazards, and excess home operating costs.

Action

Review contract modification proposals in preparation for CHHS staff request in May for Council approval.

Funding

A total of \$700,000 of federal CDBG funds allocated from the Single Family Rehabilitation revolving loan fund.



Agenda Sheet for City Council Meeting of:
06/20/2016

Date Rec'd	6/15/2016
Clerk's File #	CPR 2016-0002
Renews #	
Cross Ref #	
Project #	
Bid #	
Requisition #	

Submitting Dept	ACCOUNTING
Contact Name/Phone	LEONARD DAVIS 625-6320
Contact E-Mail	LDAVIS@SPOKANECITY.ORG
Agenda Item Type	Claim Item
Agenda Item Name	5600-CLAIMS-2016

Agenda Wording

Report of the Mayor of pending claims & payments of previously approved obligations through: 6/10/16.
Total:\$ 6,392,411.41 with Parks & Library claims being approved by their respective boards. Claims excluding Parks & Library Total:\$ 5,984,134.29

Summary (Background)

Pages 1-32 Check numbers: 525805 - 525994 ACH payment numbers: 26823 - 27044 On file for review in City Clerks Office: 32 Page listing of Claims NOTE:

Fiscal Impact	Budget Account
Expense \$ 5,984,134.29	# Various
Select \$	#
Select \$	#
Select \$	#

Approvals		Council Notifications	
Dept Head	DUNIVANT, TIMOTHY	Study Session	
Division Director	DUNIVANT, TIMOTHY	Other	
Finance	KECK, KATHLEEN	Distribution List	
Legal	DALTON, PAT		
For the Mayor	WHITNEY, TYLER		
Additional Approvals			
Purchasing			

APPROVAL FUND SUMMARY

FUND	FUND NAME	AMOUNT
0100	GENERAL FUND	862,274.32
1100	STREET FUND	151,891.23
1200	CODE ENFORCEMENT FUND	6,356.25
1300	LIBRARY FUND	16,027.07
1400	PARKS AND RECREATION FUND	26,027.68
1450	UNDER FREEWAY PARKING FUND	1,920.79
1460	PARKING METER REVENUE FUND	2,843.27
1510	SPOKANE RGL EMERG COM SYS	1,707.09
1541	CONTINUUM OF CARE	0.00
1590	HOTEL/MOTEL TAX FUND	357,405.86
1620	PUBLIC SAFETY & JUDICIAL GRANT	1,065.93
1630	COMBINED COMMUNICATIONS CENTER	9,029.55
1640	COMMUNICATIONS BLDG M&O FUND	4,105.09
1680	CD/HS OPERATIONS	3,240.40
1690	COMM DEVELOPMENT BLOCK GRANTS	0.00
1730	HOPE ACQUISITION FUND	50.08
1910	CRIMINAL JUSTICE ASSISTANCE FD	488,163.68
1940	CHANNEL FIVE EQUIPMENT RESERVE	3,093.06
1970	FIRE/EMS FUND	127,646.03
3200	ARTERIAL STREET FUND	54,307.51
4100	WATER DIVISION	260,301.58
4250	INTEGRATED CAPITAL MANAGEMENT	73,130.39
4300	SEWER FUND	171,572.38
4340	WATER/WW REVENUE BOND FUND	11,847.06
4480	SOLID WASTE FUND	27,691.43
4490	SOLID WASTE DISPOSAL	208,643.23
4600	GOLF FUND	4,263.43
4700	DEVELOPMENT SVCS CENTER	16,118.86
5100	FLEET SERVICES FUND	114,546.25
5110	FLEET SVCS EQUIP REPL FUND	56,488.39
5200	PUBLIC WORKS AND UTILITIES	4,869.23
5300	IT FUND	22,029.78
5400	REPROGRAPHICS FUND	743.48
5600	ACCOUNTING SERVICES	9,736.16
5800	RISK MANAGEMENT FUND	82,277.05
5810	WORKERS' COMPENSATION FUND	1,452.75
5820	UNEMPLOYMENT COMPENSATION FUND	29.80
5830	EMPLOYEES BENEFITS FUND	581,610.36
5900	ASSET MANAGEMENT FUND OPS	30,848.63
5901	ASSET MANAGEMENT FUND CAPITAL	563,621.67
6060	EMPLOYEES' RETIREMENT FUND	948.70
6070	FIREFIGHTERS' PENSION FUND	14,332.07
6080	POLICE PENSION FUND	23,103.46
6730	PARKING & BUSINESS IMPROV DIST	12,351.93
6750	SPOKANE REGIONAL TRANS COUNCIL	10.56
6960	SALARY CLEARING FUND NEW	1,574,410.77
TOTAL:		5,984,134.29

REPORT: PG3630
SYSTEM: FMSAP
USER: MANAGER
RUN NO: 24

DATE: 06/13/16
TIME:
PAGE: 1

PROCESSING OF VOUCHERS RESULTS IN CLAIMS AS FOLLOWS:

0020 - NONDEPARTMENTAL

EASTERN WASHINGTON UNIVERSITY STUDENT FINANCIAL SERVICES	CONTRACTUAL SERVICES ACH PMT NO. - 80026868	4,093.54
SEABOLD INTERNATIONAL SERVICES LLC DBA SEABOLD GROUP	PROFESSIONAL SERVICES ACH PMT NO. - 80026890	24,382.50
SPOKANE COUNTY FIRE DIST 10	EXTERNAL TAXES/OPER ASSESSMT ACH PMT NO. - 80026895	46,804.17
SPOKANE COUNTY TREASURER	CONTRACTUAL SERVICES ACH PMT NO. - 80026897	48,435.95
SPOKANE COUNTY TREASURER	SPOKANE COUNTY MISC SERVICES ACH PMT NO. - 80026897	49,547.44
SPOKANE PUBLIC SCHOOLS	CONTRACTUAL SERVICES ACH PMT NO. - 80026899	4,787.88
TOTAL FOR 0020 - NONDEPARTMENTAL		178,051.48

0030 - POLICE OMBUDSMAN

US BANK OR CITY TREASURER EMP BENEFITS (CITY)	SOCIAL SECURITY CHECK NO. - 00525982	388.93
TOTAL FOR 0030 - POLICE OMBUDSMAN		388.93

0100 - GENERAL FUND

ALLIED SAFE & VAULT CO INC DBA ALLIED FIRE AND SECURITY	GRANT CASH PASS THRU ACCOUNT ACH PMT NO. - 80026933	4,102.02
BANK OF AMERICA BANKCARD CENTER	PCARD ADVANCE PYMT REC CHECK NO. - 00525942	58,132.53
BELSBY ENGINEERING	GRANT CASH PASS THRU ACCOUNT ACH PMT NO. - 80026943	1,254.66
NORTHEAST WASHINGTON ESD 101	GRANT CASH PASS THRU ACCOUNT ACH PMT NO. - 80026983	888.62
PAUL HEINDL 3828 EAST 19TH AVENUE	PERMIT REFUNDS PAYABLE CHECK NO. - 00525962	156.00
SPOKANE COUNTY PROSECUTING ATTORNEY	COUNTY CRIME VICTIM & WITNESS CHECK NO. - 00525979	1,603.00
SPOKANE HOUSING VENTURES	GRANT CASH PASS THRU ACCOUNT CHECK NO. - 00525833	1,884.60
US BANK	PCARD ADVANCE PYMT REC ACH PMT NO. - 80027021	254,199.08

PROCESSING OF VOUCHERS RESULTS IN CLAIMS AS FOLLOWS:

WA STATE TREASURER	DEPOSIT-STATE BLDG CODE FEE CHECK NO. - 00525987	3,250.00
TOTAL FOR 0100 - GENERAL FUND		325,470.51
0230 - CIVIL SERVICE		
ICMA RETIREMENT TRUST 457 % FIRST NATIONAL BANK OF MD	DEFERRED COMPENSATION-MATCHING CHECK NO. - 00525953	475.00
US BANK OR CITY TREASURER EMP BENEFITS (CITY)	SOCIAL SECURITY CHECK NO. - 00525982	1,798.00
TOTAL FOR 0230 - CIVIL SERVICE		2,273.00
0260 - CITY CLERK		
ICMA RETIREMENT TRUST 457 % FIRST NATIONAL BANK OF MD	DEFERRED COMPENSATION-MATCHING CHECK NO. - 00525953	215.00
US BANK OR CITY TREASURER EMP BENEFITS (CITY)	SOCIAL SECURITY CHECK NO. - 00525982	1,037.74
US POSTAL SERVICE C/O APS INC	POSTAGE CHECK NO. - 00525816	125.00
TOTAL FOR 0260 - CITY CLERK		1,377.74
0320 - COUNCIL		
ICMA RETIREMENT TRUST 457 % FIRST NATIONAL BANK OF MD	DEFERRED COMPENSATION-MATCHING CHECK NO. - 00525953	525.00
US BANK OR CITY TREASURER EMP BENEFITS (CITY)	SOCIAL SECURITY CHECK NO. - 00525982	2,455.91
TOTAL FOR 0320 - COUNCIL		2,980.91
0330 - PUBLIC AFFAIRS/COMMUNICATIONS		
ICMA RETIREMENT TRUST 457 % FIRST NATIONAL BANK OF MD	DEFERRED COMPENSATION-MATCHING CHECK NO. - 00525953	330.00
US BANK OR CITY TREASURER EMP BENEFITS (CITY)	SOCIAL SECURITY CHECK NO. - 00525982	1,602.92
VERIZON WIRELESS BELLEVUE	CELL PHONE ACH PMT NO. - 80026909	97.69
VERIZON WIRELESS BELLEVUE	IT/DATA SERVICES ACH PMT NO. - 80026845	40.01

PROCESSING OF VOUCHERS RESULTS IN CLAIMS AS FOLLOWS:

TOTAL FOR 0330 - PUBLIC AFFAIRS/COMMUNICATIONS		2,070.62

0370 - ENGINEERING SERVICES		

ICMA RETIREMENT TRUST 457 % FIRST NATIONAL BANK OF MD	DEFERRED COMPENSATION-MATCHING CHECK NO. - 00525953	3,040.00
NORTHWEST TECHNICAL SERVICES INC	EQUIPMENT REPAIRS/MAINTENANCE ACH PMT NO. - 80026986	999.62
PACIFIC NW INLANDER/DIV OF INLAND PUBLICATIONS INC	ADVERTISING ACH PMT NO. - 80026989	1,176.00
SAMPSON & SAMPSON dba PRIORITY 1 MAINTENANCE &	LAUNDRY/JANITORIAL SERVICES ACH PMT NO. - 80026994	1,025.18
US BANK OR CITY TREASURER EMP BENEFITS (CITY)	SOCIAL SECURITY CHECK NO. - 00525982	11,629.87
VERIZON WIRELESS BELLEVUE	CELL PHONE ACH PMT NO. - 80027023	57.68
VERIZON WIRELESS BELLEVUE	IT/DATA SERVICES ACH PMT NO. - 80027023	720.20
TOTAL FOR 0370 - ENGINEERING SERVICES		18,648.55

0410 - FINANCE		

ICMA RETIREMENT TRUST 457 % FIRST NATIONAL BANK OF MD	DEFERRED COMPENSATION-MATCHING CHECK NO. - 00525953	615.00
US BANK OR CITY TREASURER EMP BENEFITS (CITY)	SOCIAL SECURITY CHECK NO. - 00525982	2,241.22
VERIZON WIRELESS BELLEVUE	CELL PHONE ACH PMT NO. - 80026909	71.15
TOTAL FOR 0410 - FINANCE		2,927.37

0430 - GRANTS MANAGEMENT		

ICMA RETIREMENT TRUST 457 % FIRST NATIONAL BANK OF MD	DEFERRED COMPENSATION-MATCHING CHECK NO. - 00525953	150.00
KELLY FONTEIJN DBA IMPACT GRANT SERVICES	CONTRACTUAL SERVICES ACH PMT NO. - 80026871	7,000.00
US BANK OR CITY TREASURER EMP BENEFITS (CITY)	SOCIAL SECURITY CHECK NO. - 00525982	461.16
TOTAL FOR 0430 - GRANTS MANAGEMENT		7,611.16

PROCESSING OF VOUCHERS RESULTS IN CLAIMS AS FOLLOWS:

0450 - COMM & NEIGHBHD SVCS DIVISION

CENTER FOR ORGANIZATIONAL REFORM	OTH DUES/SUBSCRIPTNS/MEMBERSHP ACH PMT NO. - 80026830	100.00
ICMA RETIREMENT TRUST 457 % FIRST NATIONAL BANK OF MD	DEFERRED COMPENSATION-MATCHING CHECK NO. - 00525953	150.00
US BANK OR CITY TREASURER EMP BENEFITS (CITY)	SOCIAL SECURITY CHECK NO. - 00525982	520.51
TOTAL FOR 0450 - COMM & NEIGHBHD SVCS DIVISION		770.51

0460 - MY SPOKANE

ICMA RETIREMENT TRUST 457 % FIRST NATIONAL BANK OF MD	DEFERRED COMPENSATION-MATCHING CHECK NO. - 00525953	315.00
US BANK OR CITY TREASURER EMP BENEFITS (CITY)	SOCIAL SECURITY CHECK NO. - 00525982	933.86
TOTAL FOR 0460 - MY SPOKANE		1,248.86

0470 - HISTORIC PRESERVATION

ICMA RETIREMENT TRUST 457 % FIRST NATIONAL BANK OF MD	DEFERRED COMPENSATION-MATCHING CHECK NO. - 00525953	75.00
US BANK OR CITY TREASURER EMP BENEFITS (CITY)	SOCIAL SECURITY CHECK NO. - 00525982	317.79
TOTAL FOR 0470 - HISTORIC PRESERVATION		392.79

0500 - LEGAL

ICMA RETIREMENT TRUST 457 % FIRST NATIONAL BANK OF MD	DEFERRED COMPENSATION-MATCHING CHECK NO. - 00525953	1,625.00
NANCY ISSERLIS	OTHER TRANSPORTATION EXPENSES ACH PMT NO. - 80026847	16.25
NANCY ISSERLIS	PER DIEM ACH PMT NO. - 80026847	92.00
US BANK OR CITY TREASURER EMP BENEFITS (CITY)	SOCIAL SECURITY CHECK NO. - 00525982	8,272.01
TOTAL FOR 0500 - LEGAL		10,005.26

0520 - MAYOR

PROCESSING OF VOUCHERS RESULTS IN CLAIMS AS FOLLOWS:

ICMA RETIREMENT TRUST 457 % FIRST NATIONAL BANK OF MD	DEFERRED COMPENSATION-MATCHING CHECK NO. - 00525953	90.00
TYLER WHITNEY	OTHER TRANSPORTATION EXPENSES CHECK NO. - 00525817	62.32
TYLER WHITNEY	PER DIEM CHECK NO. - 00525817	159.00
US BANK OR CITY TREASURER EMP BENEFITS (CITY)	SOCIAL SECURITY CHECK NO. - 00525982	1,932.53
VERIZON WIRELESS BELLEVUE	CELL PHONE ACH PMT NO. - 80026909	290.65
TOTAL FOR 0520 - MAYOR		2,534.50

0550 - NEIGHBORHOOD SERVICES

COLLEEN GARDNER 2411 E MISSION AVE	OTHER MISC CHARGES CHECK NO. - 00525811	113.59
ICMA RETIREMENT TRUST 457 % FIRST NATIONAL BANK OF MD	DEFERRED COMPENSATION-MATCHING CHECK NO. - 00525953	210.00
US BANK OR CITY TREASURER EMP BENEFITS (CITY)	SOCIAL SECURITY CHECK NO. - 00525982	647.65
TOTAL FOR 0550 - NEIGHBORHOOD SERVICES		971.24

0560 - MUNICIPAL COURT

COMCAST	IT/DATA SERVICES CHECK NO. - 00525829	115.65
ICMA RETIREMENT TRUST 457 % FIRST NATIONAL BANK OF MD	DEFERRED COMPENSATION-MATCHING CHECK NO. - 00525953	1,585.00
UNIVERSAL PROTECTION SERVICE	ALARM/SECURITY SERVICES ACH PMT NO. - 80026908	133.56
US BANK OR CITY TREASURER EMP BENEFITS (CITY)	SOCIAL SECURITY CHECK NO. - 00525982	6,515.16
VERIZON WIRELESS BELLEVUE	CELL PHONE ACH PMT NO. - 80026909	440.32
VERIZON WIRELESS BELLEVUE	IT/DATA SERVICES ACH PMT NO. - 80026909	40.01
WA STATE TREASURER	AUTO THEFT PREVENTION CHECK NO. - 00525987	5,701.14
WA STATE TREASURER	BLOOD/BREATH TEST FEE CHECK NO. - 00525987	372.59

PROCESSING OF VOUCHERS RESULTS IN CLAIMS AS FOLLOWS:

WA STATE TREASURER	DEATH INVESTIGATIONS CHECK NO. - 00525987	275.25
WA STATE TREASURER	HIGHWAY SAFETY CHECK NO. - 00525987	436.46
WA STATE TREASURER	JIS ACCOUNT CHECK NO. - 00525987	15,265.14
WA STATE TREASURER	JUDICIAL STABILIZATION ACCT 56 CHECK NO. - 00525987	67.48
WA STATE TREASURER	PSEA (SHB 1869) CHECK NO. - 00525987	26,344.39
WA STATE TREASURER	PSEA3 CHECK NO. - 00525987	845.24
WA STATE TREASURER	SCHOOL ZONE SAFETY CHECK NO. - 00525987	2,118.85
WA STATE TREASURER	SPECIAL ASSESSMENT CHECK NO. - 00525987	48,767.84
WA STATE TREASURER	TRAUMATIC BRAIN INJ/TRAUMA CHECK NO. - 00525987	4,442.26
WA STATE TREASURER	VEHICLE LICENSE FRAUD CHECK NO. - 00525987	14.41
WA STATE TREASURER	WSP HIGHWAY CHECK NO. - 00525987	1,557.50
TOTAL FOR 0560 - MUNICIPAL COURT		115,038.25

0570 - OFFICE OF HEARING EXAMINER		

BRIAN MCGINN	PER DIEM ACH PMT NO. - 80027035	132.00
ICMA RETIREMENT TRUST 457 % FIRST NATIONAL BANK OF MD	DEFERRED COMPENSATION-MATCHING CHECK NO. - 00525953	135.00
US BANK OR CITY TREASURER EMP BENEFITS (CITY)	SOCIAL SECURITY CHECK NO. - 00525982	452.50
TOTAL FOR 0570 - OFFICE OF HEARING EXAMINER		719.50

0580 - OFFICE OF YOUTH		

CHASE YOUTH FOUNDATION	CONTRACTUAL SERVICES ACH PMT NO. - 80026861	11,250.00
TOTAL FOR 0580 - OFFICE OF YOUTH		11,250.00

PROCESSING OF VOUCHERS RESULTS IN CLAIMS AS FOLLOWS:

0620 - HUMAN RESOURCES

ICMA RETIREMENT TRUST 457 % FIRST NATIONAL BANK OF MD	DEFERRED COMPENSATION-MATCHING CHECK NO. - 00525953	433.79
US BANK OR CITY TREASURER EMP BENEFITS (CITY)	SOCIAL SECURITY CHECK NO. - 00525982	1,708.32
TOTAL FOR 0620 - HUMAN RESOURCES		----- 2,142.11

0650 - PLANNING SERVICES

CONTRACT DESIGN ASSOCIATES INC	OFFICE FURNITURE (NON CAPITAL) ACH PMT NO. - 80026829	4,131.60
ICMA RETIREMENT TRUST 457 % FIRST NATIONAL BANK OF MD	DEFERRED COMPENSATION-MATCHING CHECK NO. - 00525953	741.00
TERESA L C STRIPES	OTHER TRANSPORTATION EXPENSES ACH PMT NO. - 80027041	41.04
US BANK OR CITY TREASURER EMP BENEFITS (CITY)	SOCIAL SECURITY CHECK NO. - 00525982	3,243.95
WA STATE DEPT OF LICENSING NOTARY PUBLIC PROGRAM	OTH DUES/SUBSCRIPTNS/MEMBERSHP CHECK NO. - 00525985	30.00
TOTAL FOR 0650 - PLANNING SERVICES		----- 8,187.59

0680 - POLICE

ALL SERVICE WEST TOWING	TOWING EXPENSE ACH PMT NO. - 80026852	123.65
CENTURYLINK	ALARM/SECURITY SERVICES CHECK NO. - 00525807	52.07
COPIERS NORTHWEST INC	EQUIPMENT REPAIRS/MAINTENANCE ACH PMT NO. - 80026865	48.92
COPIERS NORTHWEST INC	OPERATING RENTALS/LEASES ACH PMT NO. - 80026951	5,930.17
CW NIELSEN MFG CORP	OPERATING SUPPLIES ACH PMT NO. - 80026831	78.26
DR LOUIS C SOWERS	MEDICAL SERVICES ACH PMT NO. - 80026893	4,050.00
FOUR SEASONS LANDSCAPING INC	LANDSCAPE/GROUNDS MAINT ACH PMT NO. - 80026872	266.32
GALLS LLC	MINOR EQUIPMENT ACH PMT NO. - 80026832	1,540.39

PROCESSING OF VOUCHERS RESULTS IN CLAIMS AS FOLLOWS:

GRAINGER INC	OPERATING SUPPLIES ACH PMT NO. - 80026873	70.83
GUNARAMA WHOLESALE INC	MINOR EQUIPMENT ACH PMT NO. - 80026874	1,209.14
ICMA RETIREMENT TRUST 457 % FIRST NATIONAL BANK OF MD	DEFERRED COMPENSATION-MATCHING CHECK NO. - 00525953	67,716.03
MARK D GRIFFITHS	TUITION REIMBURSEMENT ACH PMT NO. - 80026846	1,683.00
NEXTEL COMMUNICATIONS	MOBILE BROADBAND CHECK NO. - 00525812	455.64
SENSKE PEST CONTROL SENSKE LAWN & TREE CARE	LANDSCAPE/GROUNDS MAINT ACH PMT NO. - 80026891	718.51
SPOKANE POLICE CHAPLAINCY BOARD	PROFESSIONAL SERVICES ACH PMT NO. - 80026898	9,375.00
T-MOBILE	MOBILE BROADBAND CHECK NO. - 00525815	26.98
UNITED PARCEL SERVICE	POSTAGE CHECK NO. - 00525835	94.00
US BANK OR CITY TREASURER EMP BENEFITS (CITY)	SOCIAL SECURITY CHECK NO. - 00525982	37,099.37
VERIZON WIRELESS BELLEVUE	CELL PHONE ACH PMT NO. - 80026845	13,123.86
VERIZON WIRELESS BELLEVUE	MOBILE BROADBAND ACH PMT NO. - 80026845	9,900.73
VERIZON WIRELESS BELLEVUE	SMART PHONES, IPAD, TABLETS ACH PMT NO. - 80026845	341.31-
WEST CENTRAL COMMUNITY DEVELOPMENT ASSOCIATION INC	OPERATING RENTALS/LEASES ACH PMT NO. - 80026910	421.41
WESTERN STATES POLICE MEDICAL TRUST	VEBA MEDICAL SAVINGS-POLICE CHECK NO. - 00525990	525.00

	TOTAL FOR 0680 - POLICE	154,167.97

0690 - PROBATION SERVICES

COPIERS NORTHWEST INC	OPERATING RENTALS/LEASES ACH PMT NO. - 80026865	169.99
ICMA RETIREMENT TRUST 457 % FIRST NATIONAL BANK OF MD	DEFERRED COMPENSATION-MATCHING CHECK NO. - 00525953	660.00
US BANK OR CITY TREASURER EMP BENEFITS (CITY)	SOCIAL SECURITY CHECK NO. - 00525982	2,200.40

PROCESSING OF VOUCHERS RESULTS IN CLAIMS AS FOLLOWS:

TOTAL FOR 0690 - PROBATION SERVICES		3,030.39

0700 - PUBLIC DEFENDER		

COPIERS NORTHWEST INC	OPERATING RENTALS/LEASES ACH PMT NO. - 80026865	247.89
ICMA RETIREMENT TRUST 457 % FIRST NATIONAL BANK OF MD	DEFERRED COMPENSATION-MATCHING CHECK NO. - 00525953	1,415.00
LARRY TANGEN	LEGAL SERVICES CHECK NO. - 00525834	1,579.50
US BANK OR CITY TREASURER EMP BENEFITS (CITY)	SOCIAL SECURITY CHECK NO. - 00525982	5,787.22
TOTAL FOR 0700 - PUBLIC DEFENDER		9,029.61

0750 - ECONOMIC DEVELOPMENT		

ICMA RETIREMENT TRUST 457 % FIRST NATIONAL BANK OF MD	DEFERRED COMPENSATION-MATCHING CHECK NO. - 00525953	150.00
US BANK OR CITY TREASURER EMP BENEFITS (CITY)	SOCIAL SECURITY CHECK NO. - 00525982	835.47
TOTAL FOR 0750 - ECONOMIC DEVELOPMENT		985.47

1100 - STREET FUND		

ALPINE PRODUCTS INC	OTHER REPAIRS/MAINT SUPPLIES ACH PMT NO. - 80026934	28,696.80
ICMA RETIREMENT TRUST 457 % FIRST NATIONAL BANK OF MD	DEFERRED COMPENSATION-MATCHING CHECK NO. - 00525953	4,730.95
INGA M NOTE	LOCAL MILEAGE ACH PMT NO. - 80027038	55.62
ROBERT B TURNER	LOCAL MILEAGE ACH PMT NO. - 80027018	259.74
SHAMROCK MANUFACTURING INC	OTHER REPAIRS/MAINT SUPPLIES ACH PMT NO. - 80026842	92,436.27
SPOKANE COUNTY WATER DIST NO 3	PUBLIC UTILITY SERVICE CHECK NO. - 00525814	43.47
TRAFFIC SAFETY SUPPLY INC	OPERATING SUPPLIES ACH PMT NO. - 80027017	7,801.67
US BANK OR CITY TREASURER EMP BENEFITS (CITY)	SOCIAL SECURITY CHECK NO. - 00525982	17,866.71

PROCESSING OF VOUCHERS RESULTS IN CLAIMS AS FOLLOWS:

TOTAL FOR 1100 - STREET FUND		151,891.23

1200 - CODE ENFORCEMENT FUND		

CHARLES KLINE	NONTAXABLE MOVING EXPENSES ACH PMT NO. - 80026848	3,000.00
ICMA RETIREMENT TRUST 457 % FIRST NATIONAL BANK OF MD	DEFERRED COMPENSATION-MATCHING CHECK NO. - 00525953	720.00
US BANK OR CITY TREASURER EMP BENEFITS (CITY)	SOCIAL SECURITY CHECK NO. - 00525982	2,539.30
VERIZON WIRELESS BELLEVUE	CELL PHONE ACH PMT NO. - 80027023	96.95
TOTAL FOR 1200 - CODE ENFORCEMENT FUND		6,356.25

1300 - LIBRARY FUND		

ICMA RETIREMENT TRUST 457 % FIRST NATIONAL BANK OF MD	DEFERRED COMPENSATION-MATCHING CHECK NO. - 00525953	2,805.00
US BANK OR CITY TREASURER EMP BENEFITS (CITY)	SOCIAL SECURITY CHECK NO. - 00525982	13,222.07
TOTAL FOR 1300 - LIBRARY FUND		16,027.07

1400 - PARKS AND RECREATION FUND		

ICMA RETIREMENT TRUST 457 % FIRST NATIONAL BANK OF MD	DEFERRED COMPENSATION-MATCHING CHECK NO. - 00525953	2,939.20
US BANK OR CITY TREASURER EMP BENEFITS (CITY)	SOCIAL SECURITY CHECK NO. - 00525982	23,088.48
TOTAL FOR 1400 - PARKS AND RECREATION FUND		26,027.68

1450 - UNDER FREEWAY PARKING FUND		

AVISTA CORPORATION	UTILITY LIGHT/POWER SERVICE ACH PMT NO. - 80026939	1,920.79
TOTAL FOR 1450 - UNDER FREEWAY PARKING FUND		1,920.79

1460 - PARKING METER REVENUE FUND		

COWLES COMPANY-SPOKANE ATTN:STEVE WARRINGTON	METER BAG PERMITS CHECK NO. - 00525960	90.00

PROCESSING OF VOUCHERS RESULTS IN CLAIMS AS FOLLOWS:

ICMA RETIREMENT TRUST 457 % FIRST NATIONAL BANK OF MD	DEFERRED COMPENSATION-MATCHING CHECK NO. - 00525953	599.10
LEONE & KEEBLE PO BOX 2747	DEPOSIT-MISCELLANEOUS DEPOSITS CHECK NO. - 00525961	25.00
US BANK OR CITY TREASURER EMP BENEFITS (CITY)	SOCIAL SECURITY CHECK NO. - 00525982	2,129.17
TOTAL FOR 1460 - PARKING METER REVENUE FUND		2,843.27

1510 - SPOKANE RGL EMERG COM SYS

CENTURYLINK	TELEPHONE CHECK NO. - 00525944	50.66
COPIERS NORTHWEST INC	CONTRACTUAL SERVICES ACH PMT NO. - 80026865	62.37
ICMA RETIREMENT TRUST 457 % FIRST NATIONAL BANK OF MD	DEFERRED COMPENSATION-MATCHING CHECK NO. - 00525953	300.00
US BANK OR CITY TREASURER EMP BENEFITS (CITY)	SOCIAL SECURITY CHECK NO. - 00525982	1,294.06
TOTAL FOR 1510 - SPOKANE RGL EMERG COM SYS		1,707.09

1541 - CONTINUUM OF CARE

SPOKANE HOUSING VENTURES	CONTRACTUAL SERVICES CHECK NO. - 00525833	1,884.60
SPOKANE HOUSING VENTURES	GRANT CASH PASS THRU ACCOUNT CHECK NO. - 00525833	1,884.60-
TOTAL FOR 1541 - CONTINUUM OF CARE		0.00

1590 - HOTEL/MOTEL TAX FUND

SPOKANE PUBLIC FACILITIES DISTRICT	IG PAYMENT FROM FED/STATE/LOCL ACH PMT NO. - 80026900	357,405.86
TOTAL FOR 1590 - HOTEL/MOTEL TAX FUND		357,405.86

1620 - PUBLIC SAFETY & JUDICIAL GRANT

ICMA RETIREMENT TRUST 457 % FIRST NATIONAL BANK OF MD	DEFERRED COMPENSATION-MATCHING CHECK NO. - 00525953	856.61
US BANK OR CITY TREASURER EMP BENEFITS (CITY)	SOCIAL SECURITY CHECK NO. - 00525982	209.32

PROCESSING OF VOUCHERS RESULTS IN CLAIMS AS FOLLOWS:

TOTAL FOR 1620 - PUBLIC SAFETY & JUDICIAL GRANT		1,065.93

1630 - COMBINED COMMUNICATIONS CENTER		

CENTURYLINK	TELEPHONE CHECK NO. - 00525828	249.47
COPIERS NORTHWEST INC	OPERATING RENTALS/LEASES ACH PMT NO. - 80026865	219.36
ICMA RETIREMENT TRUST 457 % FIRST NATIONAL BANK OF MD	DEFERRED COMPENSATION-MATCHING CHECK NO. - 00525953	1,316.40
ING LIFE INSURANCE & ANNUITY OR CITY OF SPOKANE TREASURER	DEFERRED COMPENSATION-MATCHING CHECK NO. - 00525956	1,069.04
SPOKANE COUNTY TREASURER	TELEPHONE ACH PMT NO. - 80026897	1,183.83
US BANK OR CITY TREASURER EMP BENEFITS (CITY)	SOCIAL SECURITY CHECK NO. - 00525982	4,701.33
VERIZON WIRELESS BELLEVUE	CELL PHONE ACH PMT NO. - 80027023	290.12
TOTAL FOR 1630 - COMBINED COMMUNICATIONS CENTER		9,029.55

1640 - COMMUNICATIONS BLDG M&O FUND		

ENVIRONMENT CONTROL OF SPOKANE	LAUNDRY/JANITORIAL SERVICES ACH PMT NO. - 80026956	1,805.00
PAINTCRAFTERS PLUS INC	BUILDING REPAIRS/MAINTENANCE ACH PMT NO. - 80026990	2,300.09
TOTAL FOR 1640 - COMMUNICATIONS BLDG M&O FUND		4,105.09

1680 - CD/HS OPERATIONS		

ICMA RETIREMENT TRUST 457 % FIRST NATIONAL BANK OF MD	DEFERRED COMPENSATION-MATCHING CHECK NO. - 00525953	600.00
US BANK OR CITY TREASURER EMP BENEFITS (CITY)	SOCIAL SECURITY CHECK NO. - 00525982	2,640.40
TOTAL FOR 1680 - CD/HS OPERATIONS		3,240.40

1690 - COMM DEVELOPMENT BLOCK GRANTS		

ALLIED SAFE & VAULT CO INC DBA ALLIED FIRE AND SECURITY	CONTRACTUAL SERVICES ACH PMT NO. - 80026933	4,102.02

PROCESSING OF VOUCHERS RESULTS IN CLAIMS AS FOLLOWS:

ALLIED SAFE & VAULT CO INC DBA	GRANT CASH PASS THRU ACCOUNT	
ALLIED FIRE AND SECURITY	ACH PMT NO. - 80026933	4,102.02-
BELSBY ENGINEERING	CONTRACTUAL SERVICES	
	ACH PMT NO. - 80026943	1,254.66
BELSBY ENGINEERING	GRANT CASH PASS THRU ACCOUNT	
	ACH PMT NO. - 80026943	1,254.66-
NORTHEAST WASHINGTON ESD 101	CONTRACTUAL SERVICES	
	ACH PMT NO. - 80026983	888.62
NORTHEAST WASHINGTON ESD 101	GRANT CASH PASS THRU ACCOUNT	
	ACH PMT NO. - 80026983	888.62-
TOTAL FOR 1690 - COMM DEVELOPMENT BLOCK GRANTS		0.00

1730 - HOPE ACQUISITION FUND

AVISTA UTILITIES	UTILITY LIGHT/POWER SERVICE	
	ACH PMT NO. - 80026940	30.94
AVISTA UTILITIES	UTILITY NATURAL GAS	
	ACH PMT NO. - 80026940	19.14
TOTAL FOR 1730 - HOPE ACQUISITION FUND		50.08

1910 - CRIMINAL JUSTICE ASSISTANCE FD

SPOKANE COUNTY JAIL	COUNTY JAIL COSTS	
SPOKANE COUNTY TREASURER	ACH PMT NO. - 80026896	488,163.68
TOTAL FOR 1910 - CRIMINAL JUSTICE ASSISTANCE FD		488,163.68

1940 - CHANNEL FIVE EQUIPMENT RESERVE

FRIENDS OF KSPS	CONTRACTUAL SERVICES	
	ACH PMT NO. - 80026878	3,093.06
TOTAL FOR 1940 - CHANNEL FIVE EQUIPMENT RESERVE		3,093.06

1970 - FIRE/EMS FUND

ACTION APPAREL	CLOTHING	
	CHECK NO. - 00525826	524.30
ALSCO DIVISION OF ALSCO INC	LAUNDRY/JANITORIAL SERVICES	
	ACH PMT NO. - 80026824	125.28
AUTO-RAIN SUPPLY INC	REPAIR & MAINTENANCE SUPPLIES	
	ACH PMT NO. - 80026938	51.66

PROCESSING OF VOUCHERS RESULTS IN CLAIMS AS FOLLOWS:

BATTERY SYSTEMS INC	VEHICLE REPAIR & MAINT SUPPLY ACH PMT NO. - 80026942	320.61
BRIDGESTONE AMERICAS INC dba GCR TIRES & SERVICE	VEHICLE REPAIR & MAINT SUPPLY ACH PMT NO. - 80026827	1,039.34
BRIDGESTONE AMERICAS INC dba GCR TIRES & SERVICE	VEHICLE REPAIRS/MAINT SUPPLIES ACH PMT NO. - 80026946	76.86
CAMTEK INC	ALARM/SECURITY SERVICES ACH PMT NO. - 80026859	225.56
CENTURYLINK	TELEPHONE CHECK NO. - 00525828	306.20
CITY GLASS	VEHICLE REPAIRS/MAINT SUPPLIES ACH PMT NO. - 80026828	119.57
COPIERS NORTHWEST INC	OPERATING RENTALS/LEASES ACH PMT NO. - 80026865	830.51
DEVRIES INFORMATION MANAGEMENT	MISC SERVICES/CHARGES ACH PMT NO. - 80026866	4.21
ENVIRONMENT CONTROL OF SPOKANE	LAUNDRY/JANITORIAL SERVICES ACH PMT NO. - 80026956	2,080.00
GENERAL FIRE APPARATUS CO INC	PERSONAL PROTECTIVE EQUIPMENT CHECK NO. - 00525951	3,043.50
GENERAL FIRE EXTINGUISHER SERVICE INC	EQUIPMENT REPAIRS/MAINTENANCE CHECK NO. - 00525809	16.36
GENERAL FIRE EXTINGUISHER SERVICE INC	PERSONAL PROTECTIVE EQUIPMENT CHECK NO. - 00525809	239.14
HARRY G LOCHRIDGE	REGISTRATION/SCHOOLING ACH PMT NO. - 80026849	73.00
HUGHES FIRE EQUIPMENT INC	VEHICLE REPAIR & MAINT SUPPLY ACH PMT NO. - 80026967	145.13
ICMA RETIREMENT TRUST 457 % FIRST NATIONAL BANK OF MD	DEFERRED COMPENSATION-MATCHING CHECK NO. - 00525953	13,679.03
ING LIFE INSURANCE & ANNUITY OR CITY OF SPOKANE TREASURER	DEFERRED COMPENSATION-MATCHING CHECK NO. - 00525956	30,657.40
JEREMY MORASCH	MINOR EQUIPMENT ACH PMT NO. - 80026850	43.47
JEREMY MORASCH	REPAIR & MAINTENANCE SUPPLIES ACH PMT NO. - 80026850	25.97
JOHN MENETTO DBA BACKFLOW JOHNNY	BUILDING REPAIRS/MAINTENANCE ACH PMT NO. - 80026826	1,641.50
KENWORTH SALES COMPANY	VEHICLE REPAIR & MAINT SUPPLY ACH PMT NO. - 80026835	426.18

PROCESSING OF VOUCHERS RESULTS IN CLAIMS AS FOLLOWS:

L N CURTIS & SONS	PERSONAL PROTECTIVE EQUIPMENT ACH PMT NO. - 80026975	4,049.14
MATTHEW THOMPSON	REGISTRATION/SCHOOLING ACH PMT NO. - 80027043	200.00
MUNICIPAL EMERGENCY SERVICES DEPOSITORY ACCOUNT	REPAIR & MAINTENANCE SUPPLIES ACH PMT NO. - 80026838	2,413.29
NORCO INC	SAFETY SUPPLIES ACH PMT NO. - 80026984	1,622.05
PATRICK K MOORE	REPAIR & MAINTENANCE SUPPLIES ACH PMT NO. - 80027036	65.22
PATRIOT FIRE PROTECTION 10005 E MONTGOMERY	PROTECTIVE INSPECTION FEES CHECK NO. - 00525966	19.00
ROBERT S WILLIAMS	RECRUITMENT TRAVEL EXPENSE ACH PMT NO. - 80027044	44.00
TABLEAU SOFTWARE INC	SOFTWARE MAINTENANCE ACH PMT NO. - 80026843	434.80
TABLEAU SOFTWARE INC	SOFTWARE (NONCAPITALIZED) ACH PMT NO. - 80026843	1,087.00
TARGETSOLUTIONS INC	CONTRACTUAL SERVICES ACH PMT NO. - 80026901	34,395.00
THE MEN'S WEARHOUSE INC	CLOTHING ALTERATIONS & REPAIRS CHECK NO. - 00525831	21.74
UNIFIRE POWER BLOWERS INC	REPAIR & MAINTENANCE SUPPLIES ACH PMT NO. - 80026844	260.88
US BANK OR CITY TREASURER EMP BENEFITS (CITY)	SOCIAL SECURITY CHECK NO. - 00525982	20,192.50
VERIZON WIRELESS BELLEVUE	CELL PHONE ACH PMT NO. - 80027023	3,947.56
VERIZON WIRELESS BELLEVUE	IT/DATA SERVICES ACH PMT NO. - 80027023	2,639.14
VPI QUALITY WINDOW INC 3420 E FERRY AVE	PUBLIC SAFETY LICENSE/PERM CHECK NO. - 00525810	88.00
WILDROSE LTD dba WILDROSE GRAPHICS	CLOTHING ACH PMT NO. - 80027031	435.34
XO COMMUNICATIONS INC	TELEPHONE ACH PMT NO. - 80027032	36.59
TOTAL FOR 1970 - FIRE/EMS FUND		127,646.03

PROCESSING OF VOUCHERS RESULTS IN CLAIMS AS FOLLOWS:

ABADAN REPROGRAPHICS BUSINESS EQUIPMENT CENTER	CONSTRUCTION OF FIXED ASSETS CHECK NO. - 00525941	103.79
EPIC LAND SOLUTIONS INC	RIGHT OF WAY ACH PMT NO. - 80026957	16,035.20
PARAMETRIX INC DBA TAYLOR ENGINEERING INC	CONSTRUCTION OF FIXED ASSETS ACH PMT NO. - 80026902	25,509.62
SPOKANE COUNTY TITLE CO	RIGHT OF WAY ACH PMT NO. - 80026894	12,658.90
TOTAL FOR 3200 - ARTERIAL STREET FUND		54,307.51

4100 - WATER DIVISION

ANATEK LABS INC	CONTRACTUAL SERVICES ACH PMT NO. - 80026854	40.00
AUTO-RAIN SUPPLY INC	REPAIR & MAINTENANCE SUPPLIES ACH PMT NO. - 80026938	323.92
AVISTA UTILITIES	UTILITY LIGHT/POWER SERVICE ACH PMT NO. - 80026940	127,228.86
AVISTA UTILITIES	UTILITY NATURAL GAS ACH PMT NO. - 80026940	436.07
CASCADE CABLE CONSTRUCTORS INC CLIFF TVEDTEN	REPAIRS/MAINTENANCE CHECK NO. - 00525827	129.26
COPIERS NORTHWEST INC	REPAIRS/MAINTENANCE ACH PMT NO. - 80026951	251.78
DEVRIES INFORMATION MANAGEMENT	CONTRACTUAL SERVICES ACH PMT NO. - 80026866	4.21
EJ USA INC	INVENTORY PURCHASES FOR WATER ACH PMT NO. - 80026869	9,266.68
ELORA SMITH 17608 N COLTON	REFUNDS CHECK NO. - 00525965	236.30
FERGUSON ENTERPRISES INC dba FAMILIAN NW INC	INVENTORY PURCHASES FOR WATER ACH PMT NO. - 80026958	2,396.84
H D SUPPLY WATERWORKS LTD	INVENTORY PURCHASES FOR WATER ACH PMT NO. - 80026964	10,236.83
H D SUPPLY WATERWORKS LTD	MINOR EQUIPMENT ACH PMT NO. - 80026964	3,016.43
ICMA RETIREMENT TRUST 457 % FIRST NATIONAL BANK OF MD	DEFERRED COMPENSATION-MATCHING CHECK NO. - 00525953	7,291.00
ITRON INC	INVENTORY PURCHASES FOR WATER ACH PMT NO. - 80026973	14,617.43

PROCESSING OF VOUCHERS RESULTS IN CLAIMS AS FOLLOWS:

KENNETH SCOTT 1728 S ADAMS ST	REFUNDS CHECK NO. - 00525870	9,169.38
M & L SUPPLY CO INC	INVENTORY PURCHASES FOR WATER CHECK NO. - 00525969	5,014.33
MURRAY, SMITH & ASSOCIATES INC	CONSTRUCTION OF FIXED ASSETS ACH PMT NO. - 80026883	12,425.21
NEPTUNE TECHNOLOGY GROUP INC	INVENTORY PURCHASES FOR WATER ACH PMT NO. - 80026884	18,676.83
RAILROAD MANAGEMENT CO III LLC	PERMITS/OTHER FEES CHECK NO. - 00525977	176.86
TRUE SEALS LLC	REPAIR & MAINTENANCE SUPPLIES ACH PMT NO. - 80026905	2,369.66
US BANK OR CITY TREASURER EMP BENEFITS (CITY)	SOCIAL SECURITY CHECK NO. - 00525982	28,140.09
VERIZON WIRELESS BELLEVUE	CELL PHONE ACH PMT NO. - 80027023	2,484.28
WHITE BLOCK COMPANY INC	INVENTORY PURCHASES FOR WATER CHECK NO. - 00525991	2,084.38
WHITE BLOCK COMPANY INC	MINOR EQUIPMENT CHECK NO. - 00525991	4,284.95
TOTAL FOR 4100 - WATER DIVISION		260,301.58

4250 - INTEGRATED CAPITAL MANAGEMENT

BUDINGER & ASSOCIATES INC	CONSTRUCTION OF FIXED ASSETS ACH PMT NO. - 80026858	2,626.32
ELORA SMITH 17608 N COLTON	REFUNDS CHECK NO. - 00525965	17.17
EPIC LAND SOLUTIONS INC	CONSTRUCTION OF FIXED ASSETS ACH PMT NO. - 80026957	3,762.50
ICMA RETIREMENT TRUST 457 % FIRST NATIONAL BANK OF MD	DEFERRED COMPENSATION-MATCHING CHECK NO. - 00525953	625.00
INSTROTEK INC	LAB EQUIPMENT ACH PMT NO. - 80026969	12,069.83
N & N EXCAVATION LLC	CONSTRUCTION OF FIXED ASSETS CHECK NO. - 00525832	50,181.77
US BANK OR CITY TREASURER EMP BENEFITS (CITY)	SOCIAL SECURITY CHECK NO. - 00525982	2,740.04
VERIZON WIRELESS BELLEVUE	CELL PHONE ACH PMT NO. - 80027023	57.68

PROCESSING OF VOUCHERS RESULTS IN CLAIMS AS FOLLOWS:

WA STATE DEPT OF REVENUE	LAB EQUIPMENT	
	-	1,050.08
TOTAL FOR 4250 - INTEGRATED CAPITAL MANAGEMENT		73,130.39

4300 - SEWER FUND		

ELORA SMITH	REFUNDS	
17608 N COLTON	CHECK NO. - 00525965	20.86
TOTAL FOR 4300 - SEWER FUND		20.86

4310 - SEWER MAINTENANCE DIVISION		

CENTURYLINK	TELEPHONE	
	CHECK NO. - 00525944	329.96
COOPERATIVE SUPPLY INC	MOTOR FUEL-OUTSIDE VENDOR	
	ACH PMT NO. - 80026950	2,225.36
ICMA RETIREMENT TRUST 457	DEFERRED COMPENSATION-MATCHING	
% FIRST NATIONAL BANK OF MD	CHECK NO. - 00525953	3,580.00
SEWER EQUIPMENT CO OF AMERICA	OTHER REPAIRS/MAINT SUPPLIES	
	ACH PMT NO. - 80026998	2,250.90
SPOKANE TIN & SHEET IRON WORKS	OTHER REPAIRS/MAINT SUPPLIES	
INC	ACH PMT NO. - 80027008	26,685.85
US BANK OR CITY TREASURER	SOCIAL SECURITY	
EMP BENEFITS (CITY)	CHECK NO. - 00525982	11,201.22
VERIZON WIRELESS BELLEVUE	CELL PHONE	
	ACH PMT NO. - 80027023	1,300.57
WSF LLC	OTHER REPAIRS/MAINT SUPPLIES	
dba WESTERN SYSTEMS &	ACH PMT NO. - 80027029	1,040.52
TOTAL FOR 4310 - SEWER MAINTENANCE DIVISION		48,614.38

4320 - RIVERSIDE PARK RECLAMATION FAC		

ALS LABORATORY GROUP	TESTING SERVICES	
	ACH PMT NO. - 80026935	140.00
COLUMBIA ELECTRIC SUPPLY/DIV	OTHER REPAIRS/MAINT SUPPLIES	
CONSOLIDATED ELECTRICAL	ACH PMT NO. - 80026949	33,750.26
COOPERATIVE SUPPLY INC	MOTOR FUEL-OUTSIDE VENDOR	
	ACH PMT NO. - 80026950	4,988.84
HACH COMPANY	CHEMICAL/LAB SUPPLIES	
AMERICAN SIGMA	ACH PMT NO. - 80026965	1,467.58

PROCESSING OF VOUCHERS RESULTS IN CLAIMS AS FOLLOWS:

ICMA RETIREMENT TRUST 457 % FIRST NATIONAL BANK OF MD	DEFERRED COMPENSATION-MATCHING CHECK NO. - 00525953	6,015.00
INLAND ENVIRONMENTAL RESOURCES INC	CHEMICAL/LAB SUPPLIES ACH PMT NO. - 80026968	13,404.67
INVENSYS SYSTEMS INC	EQUIPMENT REPAIRS/MAINTENANCE ACH PMT NO. - 80026972	716.38
NALCO CO	CHEMICAL/LAB SUPPLIES ACH PMT NO. - 80026982	10,086.07
OLIN CORPORATION CHLOR ALKALI	CHEMICAL/LAB SUPPLIES ACH PMT NO. - 80026988	4,632.22
SAFWAY SERVICES INC	OTHER REPAIRS/MAINT SUPPLIES CHECK NO. - 00525978	978.30
SMK SERVICE INC	EQUIPMENT REPAIRS/MAINTENANCE ACH PMT NO. - 80027000	1,746.83
SVL ANALYTICAL INC	TESTING SERVICES ACH PMT NO. - 80027012	22.50
TESTAMERICA LABORATORIES INC	TESTING SERVICES ACH PMT NO. - 80027015	802.50
TWO RIVERS TERMINAL LLC	CHEMICAL/LAB SUPPLIES ACH PMT NO. - 80027019	4,312.78
URS ELECTRONICS	EQUIPMENT REPAIRS/MAINTENANCE CHECK NO. - 00525981	2,246.06
US BANK OR CITY TREASURER EMP BENEFITS (CITY)	SOCIAL SECURITY CHECK NO. - 00525982	21,934.56
WASTE MANAGEMENT OF WA DBA GRAHAM ROAD LANDFILL	OTHER MISC CHARGES ACH PMT NO. - 80027026	1,479.34
WASTE MANAGEMENT OF WA INC	PROFESSIONAL SERVICES ACH PMT NO. - 80027027	1,110.05
TOTAL FOR 4320 - RIVERSIDE PARK RECLAMATION FAC		109,833.94

4340 - WATER/WW REVENUE BOND FUND

BUDINGER & ASSOCIATES INC	CONSTRUCTION OF FIXED ASSETS ACH PMT NO. - 80026858	6,709.66
EPIC LAND SOLUTIONS INC	CONSTRUCTION OF FIXED ASSETS ACH PMT NO. - 80026957	850.00
GARRAS N MONROE LLC	CONSTRUCTION OF FIXED ASSETS CHECK NO. - 00525830	3,750.00
PARAMETRIX INC DBA TAYLOR ENGINEERING INC	CONSTRUCTION OF FIXED ASSETS ACH PMT NO. - 80026902	240.00

PROCESSING OF VOUCHERS RESULTS IN CLAIMS AS FOLLOWS:

TRINDERA ENGINEERING	CONSTRUCTION OF FIXED ASSETS ACH PMT NO. - 80026904	297.40
TOTAL FOR 4340 - WATER/WW REVENUE BOND FUND		11,847.06

4360 - ENVIRONMENTAL PROGRAMS		

ICMA RETIREMENT TRUST 457 % FIRST NATIONAL BANK OF MD	DEFERRED COMPENSATION-MATCHING CHECK NO. - 00525953	150.00
US BANK OR CITY TREASURER EMP BENEFITS (CITY)	SOCIAL SECURITY CHECK NO. - 00525982	476.07
TOTAL FOR 4360 - ENVIRONMENTAL PROGRAMS		626.07

4370 - SEWER CONSTRUCTION FUND		

WHITNEY EQUIPMENT COMPANY INC	CONSTRUCTION OF FIXED ASSETS ACH PMT NO. - 80027030	12,477.13
TOTAL FOR 4370 - SEWER CONSTRUCTION FUND		12,477.13

4480 - SOLID WASTE FUND		

ELORA SMITH 17608 N COLTON	REFUNDS CHECK NO. - 00525965	25.67
TOTAL FOR 4480 - SOLID WASTE FUND		25.67

4490 - SOLID WASTE DISPOSAL		

BANNER FURNACE & FUEL	OPERATING SUPPLIES ACH PMT NO. - 80026941	278.27
BHS MARKETING LLC DBA BHS SPECIALTY CHEMICAL PRO	CHEMICAL/LAB SUPPLIES ACH PMT NO. - 80026945	2,500.17
BIG SKY INDUSTRIAL/DIV OF WSS ASSOCIATES INC	EQUIPMENT REPAIRS/MAINTENANCE ACH PMT NO. - 80026857	19,652.96
BRENNTAG PACIFIC INC	CHEMICAL/LAB SUPPLIES CHECK NO. - 00525943	63,356.18
CPM DEVELOPMENT CORP DBA CENTRAL PRE-MIX CONCRETE CO	LANDSCAPE/GROUNDS MAINT ACH PMT NO. - 80026947	2,178.37
ELJAY OIL CO INC	LUBRICANTS-OUTSIDE VENDOR ACH PMT NO. - 80026955	428.00
ELJAY OIL CO INC	MOTOR FUEL-OUTSIDE VENDOR ACH PMT NO. - 80026955	2,073.45

PROCESSING OF VOUCHERS RESULTS IN CLAIMS AS FOLLOWS:

FIELD INSTRUMENTS & CONTROLS INC	OTHER REPAIRS/MAINT SUPPLIES ACH PMT NO. - 80026959	5,535.17
GRAINGER INC	OPERATING SUPPLIES ACH PMT NO. - 80026960	819.85
GRAINGER INC	OTHER REPAIRS/MAINT SUPPLIES ACH PMT NO. - 80026960	1,528.04
GRAINGER INC	PERSONAL PROTECTIVE EQUIPMENT ACH PMT NO. - 80026960	2,229.21
GRAINGER INC	SAFETY SUPPLIES ACH PMT NO. - 80026960	68.52
GRAYMONT CAPITAL INC.	CHEMICAL/LAB SUPPLIES ACH PMT NO. - 80026961	71,062.83
ICMA RETIREMENT TRUST 457 % FIRST NATIONAL BANK OF MD	DEFERRED COMPENSATION-MATCHING CHECK NO. - 00525953	3,205.00
MEGTEC SYSTEMS INC	OTHER REPAIRS/MAINT SUPPLIES ACH PMT NO. - 80026980	4,022.14
NORCO INC	CHEMICAL/LAB SUPPLIES ACH PMT NO. - 80026984	3,276.49
NORTHSTAR CHEMICAL INC	CHEMICAL/LAB SUPPLIES ACH PMT NO. - 80026985	2,102.69
OCCUPATIONAL MEDICINE ASSOCIATES PS	MEDICAL SERVICES ACH PMT NO. - 80026987	2,239.50
RONALD W LONG	LOCAL MILEAGE CHECK NO. - 00525968	50.11
SUNBELT RENTALS INC	EQUIPMENT REPAIRS/MAINTENANCE ACH PMT NO. - 80027011	917.16
UNITEC DORSH LLC C/O UNITEC CORPORATION	EQUIPMENT REPAIRS/MAINTENANCE ACH PMT NO. - 80026906	1,462.02
US BANK OR CITY TREASURER EMP BENEFITS (CITY)	SOCIAL SECURITY CHECK NO. - 00525982	17,612.76
VALLEY EQUIPMENT COMPANY INC	OTHER REPAIRS/MAINT SUPPLIES ACH PMT NO. - 80027022	853.82
VERIZON WIRELESS BELLEVUE	CELL PHONE ACH PMT NO. - 80027023	555.22
WEST COAST SEED MILL SUPPLY CO	OTHER REPAIRS/MAINT SUPPLIES CHECK NO. - 00525989	613.24
WHITWORTH WATER DISTRICT NO 2	PUBLIC UTILITY SERVICE CHECK NO. - 00525992	22.06
TOTAL FOR 4490 - SOLID WASTE DISPOSAL		208,643.23

PROCESSING OF VOUCHERS RESULTS IN CLAIMS AS FOLLOWS:

4500 - SOLID WASTE COLLECTION

AVISTA UTILITIES	UTILITY LIGHT/POWER SERVICE ACH PMT NO. - 80026940	1,278.56
AVISTA UTILITIES	UTILITY NATURAL GAS ACH PMT NO. - 80026940	1,038.32
ICMA RETIREMENT TRUST 457 % FIRST NATIONAL BANK OF MD	DEFERRED COMPENSATION-MATCHING CHECK NO. - 00525953	5,017.50
RODNEY C SPADIE	PERMITS/OTHER FEES ACH PMT NO. - 80027040	102.00
US BANK OR CITY TREASURER EMP BENEFITS (CITY)	SOCIAL SECURITY CHECK NO. - 00525982	20,229.38
TOTAL FOR 4500 - SOLID WASTE COLLECTION		27,665.76

4600 - GOLF FUND

ICMA RETIREMENT TRUST 457 % FIRST NATIONAL BANK OF MD	DEFERRED COMPENSATION-MATCHING CHECK NO. - 00525953	321.30
US BANK OR CITY TREASURER EMP BENEFITS (CITY)	SOCIAL SECURITY CHECK NO. - 00525982	3,942.13
TOTAL FOR 4600 - GOLF FUND		4,263.43

4700 - DEVELOPMENT SVCS CENTER

CONTRACT DESIGN ASSOCIATES INC	OFFICE FURNITURE (NON CAPITAL) ACH PMT NO. - 80026829	2,065.77
EDWARD JAMES NEAL	ADVISORY TECHNICAL SERVICE ACH PMT NO. - 80027037	60.00
ERIC COOMBS AIRE SERV OF SPOKANE	PERMIT REFUNDS PAYABLE CHECK NO. - 00525963	15.00
ICMA RETIREMENT TRUST 457 % FIRST NATIONAL BANK OF MD	DEFERRED COMPENSATION-MATCHING CHECK NO. - 00525953	2,222.50
JOEL TAYLOR	LOCAL MILEAGE ACH PMT NO. - 80027042	38.34
KENNETH W LANDRUS	ADVISORY TECHNICAL SERVICE ACH PMT NO. - 80027034	180.00
LOWELL PETERSEN	ADVISORY TECHNICAL SERVICE CHECK NO. - 00525973	60.00
PATRICK ALLEN JOHNSTON	ADVISORY TECHNICAL SERVICE CHECK NO. - 00525957	120.00

PROCESSING OF VOUCHERS RESULTS IN CLAIMS AS FOLLOWS:

ROBERT W KAUL	ADVISORY TECHNICAL SERVICE ACH PMT NO. - 80027033	180.00
SPOKANE ROOFING COMPANY LLC 130 E SPRAGUE AVENUE	PERMIT REFUNDS PAYABLE CHECK NO. - 00525964	337.50
TENA RISLEY	ADVISORY TECHNICAL SERVICE ACH PMT NO. - 80027039	240.00
US BANK OR CITY TREASURER EMP BENEFITS (CITY)	SOCIAL SECURITY CHECK NO. - 00525982	9,149.25
VERIZON WIRELESS BELLEVUE	CELL PHONE ACH PMT NO. - 80026845	1,170.43
VERIZON WIRELESS BELLEVUE	IT/DATA SERVICES ACH PMT NO. - 80027023	280.07
TOTAL FOR 4700 - DEVELOPMENT SVCS CENTER		16,118.86

5100 - FLEET SERVICES FUND

ALSCO DIVISION OF ALSCO INC	LAUNDRY/JANITORIAL SERVICES ACH PMT NO. - 80026853	739.49
AMERIGAS PROPANE LP DBA NORTHERN ENERGY	MOTOR FUEL-OUTSIDE VENDOR ACH PMT NO. - 80026936	92.95
AVISTA UTILITIES	COMPRESSED NATURAL GAS FUEL ACH PMT NO. - 80026940	11,428.41
AVISTA UTILITIES	UTILITY LIGHT/POWER SERVICE ACH PMT NO. - 80026940	2,466.64
AVISTA UTILITIES	UTILITY NATURAL GAS ACH PMT NO. - 80026940	159.99
BATTERY SYSTEMS INC	OTHER REPAIRS/MAINT SUPPLIES ACH PMT NO. - 80026942	2,879.47
BRIDGESTONE AMERICAS INC dba GCR TIRES & SERVICE	OTHER REPAIRS/MAINT SUPPLIES ACH PMT NO. - 80026946	627.86
CLEAN ENERGY INC	CONTRACTUAL SERVICES ACH PMT NO. - 80026862	6,880.72
COOPERATIVE SUPPLY INC	MOTOR FUEL-OUTSIDE VENDOR ACH PMT NO. - 80026950	36,768.94
COPIERS NORTHWEST INC	OPERATING RENTALS/LEASES ACH PMT NO. - 80026865	128.84
ICMA RETIREMENT TRUST 457 % FIRST NATIONAL BANK OF MD	DEFERRED COMPENSATION-MATCHING CHECK NO. - 00525953	1,680.00
KENWORTH SALES COMPANY	EQUIPMENT REPAIRS/MAINTENANCE ACH PMT NO. - 80026974	18,627.57

PROCESSING OF VOUCHERS RESULTS IN CLAIMS AS FOLLOWS:

KENWORTH SALES COMPANY	OTHER REPAIRS/MAINT SUPPLIES ACH PMT NO. - 80026974	3,624.60
MODERN MACHINERY CO INC	EQUIPMENT REPAIRS/MAINTENANCE ACH PMT NO. - 80026981	1,902.25
MODERN MACHINERY CO INC	OTHER REPAIRS/MAINT SUPPLIES ACH PMT NO. - 80026981	14,128.97
NORCO INC	OTHER REPAIRS/MAINT SUPPLIES ACH PMT NO. - 80026839	14.11
O'REILLY AUTOMOTIVE STORES INC dba FIRST CALL	OTHER REPAIRS/MAINT SUPPLIES CHECK NO. - 00525808	10.86
PETROCARD SYSTEMS INC PACIFIC PRIDE	MOTOR FUEL-OUTSIDE VENDOR CHECK NO. - 00525974	411.37
SAFETY KLEEN CORPORATION	HAZARDOUS WASTE DISPOSAL ACH PMT NO. - 80026888	1,177.06
TOBY'S BODY & FENDER INC	EQUIPMENT REPAIRS/MAINTENANCE ACH PMT NO. - 80027016	2,215.96
US BANK OR CITY TREASURER EMP BENEFITS (CITY)	SOCIAL SECURITY CHECK NO. - 00525982	8,527.33
VERIZON WIRELESS BELLEVUE	CELL PHONE ACH PMT NO. - 80026845	52.86
TOTAL FOR 5100 - FLEET SERVICES FUND		114,546.25
5110 - FLEET SVCS EQUIP REPL FUND		

WESTERN STATES EQUIPMENT CO	RENTAL EQUIPMENT ACH PMT NO. - 80027028	56,488.39
TOTAL FOR 5110 - FLEET SVCS EQUIP REPL FUND		56,488.39
5200 - PUBLIC WORKS AND UTILITIES		

DEVRIES INFORMATION MANAGEMENT	POSTAGE ACH PMT NO. - 80026866	210.00
ICMA RETIREMENT TRUST 457 % FIRST NATIONAL BANK OF MD	DEFERRED COMPENSATION-MATCHING CHECK NO. - 00525953	1,215.00
US BANK OR CITY TREASURER EMP BENEFITS (CITY)	SOCIAL SECURITY CHECK NO. - 00525982	3,444.23
TOTAL FOR 5200 - PUBLIC WORKS AND UTILITIES		4,869.23
5300 - IT FUND		

PROCESSING OF VOUCHERS RESULTS IN CLAIMS AS FOLLOWS:

CENTURYLINK	TELEPHONE CHECK NO. - 00525807	99.34
DEVRIES INFORMATION MANAGEMENT	CONTRACTUAL SERVICES ACH PMT NO. - 80026866	8.21
FEDERAL EXPRESS CORP/DBA FEDEX	POSTAGE CHECK NO. - 00525950	8.90
ICMA RETIREMENT TRUST 457 % FIRST NATIONAL BANK OF MD	DEFERRED COMPENSATION-MATCHING CHECK NO. - 00525953	2,566.00
SOFTWAREONE INC	SOFTWARE (NONCAPITALIZED) ACH PMT NO. - 80027001	3,695.59
US BANK OR CITY TREASURER EMP BENEFITS (CITY)	SOCIAL SECURITY CHECK NO. - 00525982	10,776.29
VERIZON WIRELESS BELLEVUE	CELL PHONE ACH PMT NO. - 80026845	883.07
XEROX CORPORATION	OPERATING RENTALS/LEASES ACH PMT NO. - 80026911	3,992.38
TOTAL FOR 5300 - IT FUND		22,029.78

5400 - REPROGRAPHICS FUND		

DEVRIES INFORMATION MANAGEMENT	CONTRACTUAL SERVICES ACH PMT NO. - 80026866	4.21
ICMA RETIREMENT TRUST 457 % FIRST NATIONAL BANK OF MD	DEFERRED COMPENSATION-MATCHING CHECK NO. - 00525953	160.00
US BANK OR CITY TREASURER EMP BENEFITS (CITY)	SOCIAL SECURITY CHECK NO. - 00525982	579.27
TOTAL FOR 5400 - REPROGRAPHICS FUND		743.48

5600 - ACCOUNTING SERVICES		

ICMA RETIREMENT TRUST 457 % FIRST NATIONAL BANK OF MD	DEFERRED COMPENSATION-MATCHING CHECK NO. - 00525953	2,225.00
US BANK OR CITY TREASURER EMP BENEFITS (CITY)	SOCIAL SECURITY CHECK NO. - 00525982	7,471.15
VERIZON WIRELESS BELLEVUE	IT/DATA SERVICES ACH PMT NO. - 80027023	40.01
TOTAL FOR 5600 - ACCOUNTING SERVICES		9,736.16

5800 - RISK MANAGEMENT FUND		

5800 - RISK MANAGEMENT FUND

PROCESSING OF VOUCHERS RESULTS IN CLAIMS AS FOLLOWS:

ICMA RETIREMENT TRUST 457 % FIRST NATIONAL BANK OF MD	DEFERRED COMPENSATION-MATCHING CHECK NO. - 00525953	30.00
US BANK OR CITY TREASURER LIABILITY CLAIMS	INSURANCE CLAIMS ACH PMT NO. - 80026928	82,073.84
US BANK OR CITY TREASURER EMP BENEFITS (CITY)	SOCIAL SECURITY CHECK NO. - 00525982	173.21
TOTAL FOR 5800 - RISK MANAGEMENT FUND		82,277.05

5810 - WORKERS' COMPENSATION FUND

FEDERAL EXPRESS CORP/DBA FEDEX	POSTAGE CHECK NO. - 00525950	10.17
ICMA RETIREMENT TRUST 457 % FIRST NATIONAL BANK OF MD	DEFERRED COMPENSATION-MATCHING CHECK NO. - 00525953	273.75
US BANK OR CITY TREASURER EMP BENEFITS (CITY)	SOCIAL SECURITY CHECK NO. - 00525982	1,168.83
TOTAL FOR 5810 - WORKERS' COMPENSATION FUND		1,452.75

5820 - UNEMPLOYMENT COMPENSATION FUND

ICMA RETIREMENT TRUST 457 % FIRST NATIONAL BANK OF MD	DEFERRED COMPENSATION-MATCHING CHECK NO. - 00525953	7.46
US BANK OR CITY TREASURER EMP BENEFITS (CITY)	SOCIAL SECURITY CHECK NO. - 00525982	22.34
TOTAL FOR 5820 - UNEMPLOYMENT COMPENSATION FUND		29.80

5830 - EMPLOYEES BENEFITS FUND

GROUP HEALTH COOPERATIVE	INSURANCE CLAIMS ACH PMT NO. - 80026962	291,564.74
ICMA RETIREMENT TRUST 457 % FIRST NATIONAL BANK OF MD	DEFERRED COMPENSATION-MATCHING CHECK NO. - 00525953	255.00
LIFEWISE ASSURANCE CO	INSURANCE PREMIUMS ACH PMT NO. - 80026837	30,972.48
PREMERA BLUE CROSS OR SPOKANE CITY TREASURER	INSURANCE CLAIMS ACH PMT NO. - 80026925	218,059.82
US BANK OR CITY TREASURER EMP BENEFITS (CITY)	SOCIAL SECURITY CHECK NO. - 00525982	755.64
WASHINGTON DENTAL SERVICE OR CITY OF SPOKANE	INSURANCE ADMINISTRATION ACH PMT NO. - 80027025	3,471.13

PROCESSING OF VOUCHERS RESULTS IN CLAIMS AS FOLLOWS:

WASHINGTON DENTAL SERVICE OR CITY OF SPOKANE	INSURANCE CLAIMS ACH PMT NO. - 80027025	36,531.55
TOTAL FOR 5830 - EMPLOYEES BENEFITS FUND		581,610.36
5900 - ASSET MANAGEMENT FUND OPS		
AVISTA CORPORATION	UTILITY LIGHT/POWER SERVICE ACH PMT NO. - 80026825	21,404.33
AVISTA CORPORATION	UTILITY NATURAL GAS ACH PMT NO. - 80026825	160.94
CHRISTAPHER BOLT dba KB CONSTRUCTION	OTHER REPAIRS/MAINT SUPPLIES ACH PMT NO. - 80026834	3,761.02
COEUR D'ALENE SERVICE STATION EQUIPMENT	OTHER REPAIRS/MAINT SUPPLIES ACH PMT NO. - 80026948	215.77
CRAMBLIT INC dba HOTSY OF SPOKANE	OTHER REPAIRS/MAINT SUPPLIES ACH PMT NO. - 80026966	150.01
ICMA RETIREMENT TRUST 457 % FIRST NATIONAL BANK OF MD	DEFERRED COMPENSATION-MATCHING CHECK NO. - 00525953	420.00
JAMES M BILLINGSLEY DBA AVI-GONE	OTHER REPAIRS/MAINT SUPPLIES CHECK NO. - 00525806	730.00
SIMPLEXGRINNELL LP	BUILDING REPAIRS/MAINTENANCE CHECK NO. - 00525813	1,943.55
US BANK OR CITY TREASURER EMP BENEFITS (CITY)	SOCIAL SECURITY CHECK NO. - 00525982	2,063.01
TOTAL FOR 5900 - ASSET MANAGEMENT FUND OPS		30,848.63
5901 - ASSET MANAGEMENT FUND CAPITAL		
PIERCE MANUFACTURING INC	VEHICLES ACH PMT NO. - 80026992	540,162.30
THE MALLORY CO	MACHINERY/EQUIPMENT ACH PMT NO. - 80026979	23,459.37
TOTAL FOR 5901 - ASSET MANAGEMENT FUND CAPITAL		563,621.67
6100 - RETIREMENT		
ICMA RETIREMENT TRUST 457 % FIRST NATIONAL BANK OF MD	DEFERRED COMPENSATION-MATCHING CHECK NO. - 00525953	210.00
US BANK OR CITY TREASURER EMP BENEFITS (CITY)	SOCIAL SECURITY CHECK NO. - 00525982	738.70

PROCESSING OF VOUCHERS RESULTS IN CLAIMS AS FOLLOWS:

TOTAL FOR 6100 - RETIREMENT		948.70

6200 - FIREFIGHTERS' PENSION FUND		

LIFEWISE ASSURANCE CO	INSURANCE ADMINISTRATION ACH PMT NO. - 80026837	5,470.08
PREMERA BLUE CROSS OR SPOKANE CITY TREASURER	SERVICE REIMBURSEMENT ACH PMT NO. - 80026925	8,861.99
TOTAL FOR 6200 - FIREFIGHTERS' PENSION FUND		14,332.07

6300 - POLICE PENSION		

LIFEWISE ASSURANCE CO	INSURANCE ADMINISTRATION ACH PMT NO. - 80026837	4,287.36
PREMERA BLUE CROSS OR SPOKANE CITY TREASURER	SERVICE REIMBURSEMENT ACH PMT NO. - 80026925	18,816.10
TOTAL FOR 6300 - POLICE PENSION		23,103.46

6730 - PARKING & BUSINESS IMPROV DIST		

AMC THEATRES RIVERPARK SQUARE ATTN:LICENSES AND PERMITS	DEPOSIT-EXTERNAL AGENCIES CHECK NO. - 00525967	4,880.00
DOWNTOWN SPOKANE PARTNERSHIP	DEPOSIT-EXTERNAL AGENCIES ACH PMT NO. - 80026867	7,371.93
ELDRIDGE BUILDING LLC C/O WS PROPERTY MANAGEMENT	DEPOSIT-EXTERNAL AGENCIES CHECK NO. - 00525959	100.00
TOTAL FOR 6730 - PARKING & BUSINESS IMPROV DIST		12,351.93

6760 - SPOKANE REGIONAL COUNCIL		

WA STATE DEPT OF REVENUE	REPAIR & MAINTENANCE SUPPLIES -	10.56
TOTAL FOR 6760 - SPOKANE REGIONAL COUNCIL		10.56

6960 - SALARY CLEARING FUND NEW		

A W REHN & ASSOCIATES INC OR SPOKANE CITY TREASURER	AW REHN-SEC 125 DEPENDENT CARE ACH PMT NO. - 80026931	4,036.84
A W REHN & ASSOCIATES INC OR SPOKANE CITY TREASURER	AW REHN-SEC 125 HEALTH ACH PMT NO. - 80026931	9,046.36

PROCESSING OF VOUCHERS RESULTS IN CLAIMS AS FOLLOWS:

CHILD SUPPORT SERVICES IDAHO CHILD SUPPORT RECEIPTING	IDAHO CHILD SUPPORT SERVICE CHECK NO. - 00525945	126.00
DANIEL H BRUNNER, TRUSTEE CHAPTER 13 TRUSTEE	DANIEL H BRUNNER,TRUSTEE CHECK NO. - 00525946	1,652.50
DIGNITARY PROTECTION TEAM FUND % SPOKANE LAW ENFORCEMENT C U	DIGNITARY PROTECTION TEAM FUND ACH PMT NO. - 80026952	95.00
EDU MEMBERSHIP FUND % SPOKANE LAW ENFORCEMENT C U	EDU MEMBERSHIP FUND ACH PMT NO. - 80026954	22.50
EMPLOYMENT SECURITY DEPT BENEFIT PAYMENT CONTROL	EMPLOYMENT SECURITY DEPT CHECK NO. - 00525948	10.27
FAMILY SUPPORT REGISTRY	FAMILY SUPPORT REGISTRY (CO) CHECK NO. - 00525949	507.68
HUMAN RESOURCES RE: PARKING FEES	HUMAN RESOURCES CHECK NO. - 00525952	1,001.50
ICMA RETIREMENT TRUST 457 % FIRST NATIONAL BANK OF MD	ICMA RETIREMENT TRUST 457D CHECK NO. - 00525953	235,896.85
ICMA RETIREMENT TRUST 457 % FIRST NATIONAL BANK OF MD	ICMA ROTH IRA CHECK NO. - 00525953	7,020.02
ICMA RETIREMENT TRUST 457 LOAN PAYMENT	ICMA RETR 457D LOAN PAYMENT CHECK NO. - 00525954	56,576.14
IDAHO STATE TAX COMMISSION	IDAHO STATE TAX COMMISSION CHECK NO. - 00525955	37.50
ING LIFE INSURANCE & ANNUITY OR CITY OF SPOKANE TREASURER	ING LIFE INSURANCE&ANNUITY CO CHECK NO. - 00525956	43,655.68
INT'L ASSN OF FIREFIGHTERS/ UNION LOCAL 29	INTL ASSOC FF LOCAL 29 ACH PMT NO. - 80026970	49,432.03
JUNE WALLACE	JUNE WALLACE CHECK NO. - 00525988	916.84
LT & CAPT ASSOCIATION % SPOKANE LAW ENFORCEMENT CU	LIEUTENANTS & CAPTAINS ASSOC ACH PMT NO. - 80026976	1,320.00
LTS & CPTS LEGAL DEFENSE FUND	LEGAL DEFENSE LTS&CAPTS ACH PMT NO. - 80026977	42.00
M & P ASSOCIATION	M&P ASSOCIATION ACH PMT NO. - 80026978	2,169.30
NEW JERSEY SUPPORT PAYMENT CENTER	NJ SUPPORT PAYMENT CENTER CHECK NO. - 00525970	197.16
NY STATE CHILD SUPPORT PROCESSING CENTER SDU	NEW YORK CHILD PROT CTR CHECK NO. - 00525971	343.06
PEOPLE QUALIFIED COMMITTEE AFL-CIO	PEOPLE QUALIFIED COMMITTEE CHECK NO. - 00525972	15.35

PROCESSING OF VOUCHERS RESULTS IN CLAIMS AS FOLLOWS:

PIONEER CREDIT RECOVERY INC	PIONEER CREDIT RECOVERY 045121 CHECK NO. - 00525975	659.83
POLICE GUILD LEGAL DEFENSE FUND	POLICE GUILD LEGAL DEFENSE ACH PMT NO. - 80026963	566.00
PRE-PAID LEGAL SERVICES INC	PRE-PAID LEGAL SERVICE INC CHECK NO. - 00525976	452.66
SPOKANE FIRE FIGHTERS BENEFIT TRUST	FIRE LONG TERM DISABILITY ACH PMT NO. - 80026944	12,633.36
SPOKANE POLICE BENEFIT ASSOC % SPOKANE LAW ENFORCEMENT C U	SPOKANE POLICE BENEFIT ASSOC ACH PMT NO. - 80027004	990.00
SPOKANE POLICE CHAPLAIN ASSOCIATION	POLICE CHAPLIN ASSOC ACH PMT NO. - 80027005	2,875.30
SPOKANE POLICE GUILD C/O SPOKANE LAW ENFORCEMENT CU	POLICE GUILD ACH PMT NO. - 80026993	19,877.60
SPOKANE POLICE GUILD FRATERNAL ORDER OF POLICE	POLICE GUILD FRAT ORDER OF POL ACH PMT NO. - 80027007	383.29
SPOKANE POLICE K-9 MEMBERSHIP FUND	POLICE K9 MEMBERSHIP FUND ACH PMT NO. - 80027006	60.00
SPOKANE POLICE SWAT TEAM %SPOKANE LAW ENFORCEMENT C U	SPOKANE POLICE SWAT TEAM ACH PMT NO. - 80027013	220.00
SPOKANE POLICE TACTICAL TEAM % SPOKANE LAW ENFORCEMENT C U	SPOKANE POLICE TACTICAL TEAM ACH PMT NO. - 80027014	296.00
SUPERIOR COURT	SUPERIOR COURT CHECK NO. - 00525871	456.78
SUPPORT PAYMENT CLEARINGHOUSE	DEPT OF ECONOMIC SECURITY CHECK NO. - 00525947	257.50
UNITED STATES TREASURY INTERNAL REVENUE SERVICE/ ACS	UNITED STATES TREASURY CHECK NO. - 00525980	12.50
UNITED WAY	UNITED WAY ACH PMT NO. - 80027020	1,606.49
US BANK OR CITY TREASURER EMP BENEFITS (CITY)	FICA WITHHOLDING-CITY CHECK NO. - 00525982	240,196.48
US BANK OR CITY TREASURER EMP BENEFITS (CITY)	FIT WITHHOLDING-CITY CHECK NO. - 00525982	742,014.22
US BANK OR CITY TREASURER EMP BENEFITS (CITY)	MEDI WITHHOLDING-CITY CHECK NO. - 00525982	90,914.52
US DEPT OF EDUCATION	US DEPT OF EDUCATION CHECK NO. - 00525983	92.52
WA GET PROGRAM	WA GET PROGRAM CHECK NO. - 00525984	1,433.50

PROCESSING OF VOUCHERS RESULTS IN CLAIMS AS FOLLOWS:

WA ST COUNCIL OF CITY & COUNTY EMPLOYEES	WA ST COUNCIL OF CITY&CO EMPL ACH PMT NO. - 80027024	27,151.61
WA STATE SUPPORT REGISTRY OR CITY OF SPOKANE TREASURER	WA STATE CHILD SUPPORT CHECK NO. - 00525986	16,172.50
WESTERN STATES POLICE MEDICAL TRUST	NW PUBLIC EMP MEDICAL TRUST CHECK NO. - 00525990	702.03
WSCCCE, AFSCME, AFL-CIO	WSCCCE AFSCME AFL CIO CHECK NO. - 00525993	265.50
TOTAL FOR 6960 - SALARY CLEARING FUND NEW		----- 1,574,410.77
TOTAL CLAIMS		----- 5,984,134.29

REPORT: PG3640
 SYSTEM: FMSAP
 USER: MANAGER
 RUN NO: 24

CITY OF SPOKANE
 COUNCIL CHECK RANGE/TOTAL

DATE: 06/13/16
 TIME: 10:16
 PAGE: 1

CHECK #	VENDOR	CITY	LIBRARY	PARKS
	USE TAX AMOUNTS	1,060.64	53.24	
00525805	ABADAN REPROGRAPHICS	54.67		
00525806	JAMES M BILLINGSLEY	730.00		
00525807	CENTURYLINK	151.41		
00525808	O'REILLY AUTOMOTIVE STORES I	10.86		
00525809	GENERAL FIRE EXTINGUISHER	255.50		
00525810	VPI QUALITY WINDOW INC	88.00		
00525811	COLLEEN GARDNER	113.59		
00525812	NEXTEL COMMUNICATIONS	455.64		
00525813	SIMPLEXGRINNELL LP	1,943.55		
00525814	SPOKANE COUNTY WATER DIST NO	43.47		
00525815	T-MOBILE	26.98		
00525816	US POSTAL SERVICE	125.00		
00525817	TYLER WHITNEY	221.32		
00525818	Karen Unruh			44.00
00525819	Jake Maedke			200.00
00525820	Michelle Kyncl			96.31
00525821	Robert Heberer			661.31
00525826	ACTION APPAREL	524.30		
00525827	CASCADE CABLE CONSTRUCTORS I	129.26		
00525828	CENTURYLINK	555.67		
00525829	COMCAST	115.65		
00525830	GARRAS N MONROE LLC	3,750.00		
00525831	THE MEN'S WEARHOUSE INC	21.74		
00525832	N & N EXCAVATION LLC	50,181.77		
00525833	SPOKANE HOUSING VENTURES	1,884.60		
00525834	LARRY TANGEN	1,579.50		
00525835	UNITED PARCEL SERVICE	94.00		
00525836	AUNTIES INC		129.94	
00525837	CENTURYLINK		44.40	
00525838	JOHN F CHRASTKA		791.72	
00525839	DEX MEDIA WEST LLC		29.50	
00525840	SPOKANE ENTERTAINER'S GUILD		50.00	
00525841	NADA USED CAR GUIDE		612.00	
00525842	SIRSIDYNIX		869.60	
00525843	SPOKANE CITY TREASURER		3,568.13	
00525870	KENNETH SCOTT	9,169.38		
00525871	SUPERIOR COURT	456.78		
00525872	ACTION MATERIALS			4,760.52
00525873	JAMES M BILLINGSLEY			745.00
00525874	GENERAL FIRE EXTINGUISHER			99.00
00525875	INSTANT SIGN FACTORY			252.18
00525876	NORTHLAND NURSERY			1,278.10
00525877	NW PLAYGROUND EQUIPMENT INC			6,067.63
00525878	THE PEPSI BOTTLING GROUP			1,435.10
00525879	SPOKANE REGIONAL HEALTH DIST			8,200.00
00525880	SYSKO FOOD SERVICES INC			10,370.84
00525881	WILBUR ELLIS COMPANY			6,176.77
00525941	ABADAN REPROGRAPHICS	49.12		
00525942	BANK OF AMERICA	58,132.53		
00525943	BRENNTAG PACIFIC INC	63,356.18		
00525944	CENTURYLINK	380.62		
00525945	CHILD SUPPORT SERVICES	126.00		

REPORT: PG3640
SYSTEM: FMSAP
USER: MANAGER
RUN NO: 24

CITY OF SPOKANE
COUNCIL CHECK RANGE/TOTAL

DATE: 06/13/16
TIME: 10:16
PAGE: 2

CHECK #	VENDOR	CITY	LIBRARY	PARKS
00525946	DANIEL H BRUNNER, TRUSTEE	1,652.50		
00525947	SUPPORT PAYMENT CLEARINGHOUS	257.50		
00525948	EMPLOYMENT SECURITY DEPT	10.27		
00525949	FAMILY SUPPORT REGISTRY	507.68		
00525950	FEDERAL EXPRESS CORP/DBA FED	19.07		
00525951	GENERAL FIRE APPARATUS CO IN	3,043.50		
00525952	HUMAN RESOURCES	1,001.50		
00525953	ICMA RETIREMENT TRUST 457	389,583.49		
00525954	ICMA RETIREMENT TRUST 457 LO	56,576.14		
00525955	IDAHO STATE TAX COMMISSION	37.50		
00525956	ING LIFE INSURANCE & ANNUITY	75,382.12		
00525957	PATRICK ALLEN JOHNSTON	120.00		
00525959	ELDRIDGE BUILDING LLC	100.00		
00525960	COWLES COMPANY-SPOKANE	90.00		
00525961	LEONE & KEEBLE	25.00		
00525962	PAUL HEINDL	156.00		
00525963	ERIC COOMBS	15.00		
00525964	SPOKANE ROOFING COMPANY LLC	337.50		
00525965	ELORA SMITH	300.00		
00525966	PATRIOT FIRE PROTECTION	19.00		
00525967	AMC THEATRES RIVERPARK SQUAR	4,880.00		
00525968	RONALD W LONG	50.11		
00525969	M & L SUPPLY CO INC	5,014.33		
00525970	NEW JERSEY SUPPORT PAYMENT	197.16		
00525971	NY STATE CHILD SUPPORT	343.06		
00525972	PEOPLE QUALIFIED COMMITTEE	15.35		
00525973	LOWELL PETERSEN	60.00		
00525974	PETROCARD SYSTEMS INC	411.37		
00525975	PIONEER CREDIT RECOVERY INC	659.83		
00525976	PRE-PAID LEGAL SERVICES INC	452.66		
00525977	RAILROAD MANAGEMENT CO III L	176.86		
00525978	SAFWAY SERVICES INC	978.30		
00525979	SPOKANE COUNTY PROSECUTING	1,603.00		
00525980	UNITED STATES TREASURY	12.50		
00525981	URS ELECTRONICS	2,246.06		
00525982	US BANK OR CITY TREASURER	1,404,236.55		
00525983	US DEPT OF EDUCATION	92.52		
00525984	WA GET PROGRAM	1,433.50		
00525985	WA STATE DEPT OF LICENSING	30.00		
00525986	WA STATE SUPPORT REGISTRY OR	16,172.50		
00525987	WA STATE TREASURER	109,458.55		
00525988	JUNE WALLACE	916.84		
00525989	WEST COAST SEED MILL SUPPLY	613.24		
00525990	WESTERN STATES POLICE MEDICA	1,227.03		
00525991	WHITE BLOCK COMPANY INC	6,369.33		
00525992	WHITWORTH WATER DISTRICT NO	22.06		
00525993	WSCCCE, AFSCME, AFL-CIO	265.50		
00525994	CH2M HILL ENGINEERS INC			228,835.91
80026823	GROUP HEALTH COOPERATIVE	203,593.99		
80026824	ALSCO DIVISION OF ALSCO INC	125.28		
80026825	AVISTA CORPORATION	21,565.27		
80026826	JOHN MENETTO	1,641.50		
80026827	BRIDGESTONE AMERICAS INC	1,039.34		

REPORT: PG3640
SYSTEM: FMSAP
USER: MANAGER
RUN NO: 24

CITY OF SPOKANE
COUNCIL CHECK RANGE/TOTAL

DATE: 06/13/16
TIME: 10:16
PAGE: 3

CHECK #	VENDOR	CITY	LIBRARY	PARKS
80026828	CITY GLASS	119.57		
80026829	CONTRACT DESIGN ASSOCIATES I	6,197.37		
80026830	CENTER FOR ORGANIZATIONAL	100.00		
80026831	CW NIELSEN MFG CORP	78.26		
80026832	GALLS LLC	1,540.39		
80026833	GUNARAMA WHOLESALE INC	668.23		
80026834	CHRISTAPHER BOLT	3,761.02		
80026835	KENWORTH SALES COMPANY	4,898.74		
80026836	L N CURTIS & SONS	380.33		
80026837	LIFEWISE ASSURANCE CO	40,729.92		
80026838	MUNICIPAL EMERGENCY SERVICES	2,413.29		
80026839	NORCO INC	139.20		
80026840	NORTHWEST TECHNICAL SERVICES	754.60		
80026841	PACIFIC NW INLANDER/DIV OF	1,113.00		
80026842	SHAMROCK MANUFACTURING INC	92,436.27		
80026843	TABLEAU SOFTWARE INC	1,521.80		
80026844	UNIFIRE POWER BLOWERS INC	260.88		
80026845	VERIZON WIRELESS BELLEVUE	25,093.66		
80026846	MARK D GRIFFITHS	1,683.00		
80026847	NANCY ISSERLIS	108.25		
80026848	CHARLES KLINE	3,000.00		
80026849	HARRY G LOCHRIDGE	73.00		
80026850	JEREMY MORASCH	69.44		
80026851	ABC OFFICE EQUIPMENT COMPANY		96.24	
80026852	ALL SERVICE WEST TOWING	123.65		
80026853	ALSCO DIVISION OF ALSCO INC	739.49		
80026854	ANATEK LABS INC	40.00		
80026855	AVISTA UTILITIES		76.53	
80026856	BAKER & TAYLOR BOOKS		6,252.88	
80026857	BIG SKY INDUSTRIAL/DIV OF	19,652.96		
80026858	BUDINGER & ASSOCIATES INC	9,335.98		
80026859	CAMTEK INC	225.56		
80026860	CENGAGE LEARNING INC		66.06	
80026861	CHASE YOUTH FOUNDATION	11,250.00		
80026862	CLEAN ENERGY INC	6,880.72		
80026863	COMPLETE OFFICE LLC		35.40	
80026864	CONTROL SOLUTIONS NW INC		1,663.96	
80026865	COPIERS NORTHWEST INC	7,462.63		
80026866	DEVRIES INFORMATION MANAGEME	230.84		
80026867	DOWNTOWN SPOKANE PARTNERSHIP	7,371.93		
80026868	EASTERN WASHINGTON UNIVERSIT	4,093.54		
80026869	EJ USA INC	9,266.68		
80026870	SHELLEY FAIRWEATHER-VEGA		54.35	
80026871	KELLY FONTEIJN DBA IMPACT	7,000.00		
80026872	FOUR SEASONS LANDSCAPING INC	266.32		
80026873	GRAINGER INC	70.83		
80026874	GUNARAMA WHOLESALE INC	540.91		
80026875	INDUSTRIAL BOLT & SUPPLY INC		235.82	
80026876	INGRAM LIBRARY SERVICES INC		206.31	
80026877	INTERLINE BRANDS INC dba		25.45	
80026878	FRIENDS OF KSPS	3,093.06		
80026879	MAINTENANCE SOLUTIONS INC		1,392.78	
80026880	MIDWEST TAPE		2,209.47	

REPORT: PG3640
 SYSTEM: FMSAP
 USER: MANAGER
 RUN NO: 24

CITY OF SPOKANE
 COUNCIL CHECK RANGE/TOTAL

DATE: 06/13/16
 TIME: 10:16
 PAGE: 4

CHECK #	VENDOR	CITY	LIBRARY	PARKS
80026881	MOSS-ADAMS LLP			
80026882	MR B'S CLEAN SWEEP INC		394.04	
80026883	MURRAY, SMITH & ASSOCIATES I	12,425.21		
80026884	NEPTUNE TECHNOLOGY GROUP INC	18,676.83		
80026885	OVERDRIVE INC		1,075.09	
80026886	RECORDED BOOKS INC		1,020.36	
80026887	JOSEPH J ROISE		74.52	
80026888	SAFETY KLEEN CORPORATION	1,177.06		
80026889	SAVEMORE BUILDING SUPPLY/DIV		102.40	
80026890	SEABOLD INTERNATIONAL SERVIC	24,382.50		
80026891	SENSKE PEST CONTROL	718.51		
80026892	SITECRAFTING INC			
80026893	DR LOUIS C SOWERS	4,050.00		
80026894	SPOKANE COUNTY TITLE CO	12,658.90		
80026895	SPOKANE COUNTY FIRE DIST 10	46,804.17		
80026896	SPOKANE COUNTY JAIL	488,163.68		
80026897	SPOKANE COUNTY TREASURER	99,167.22		
80026898	SPOKANE POLICE CHAPLAINCY	9,375.00		
80026899	SPOKANE PUBLIC SCHOOLS	4,787.88		
80026900	SPOKANE PUBLIC FACILITIES	357,405.86		
80026901	TARGETSOLUTIONS INC	34,395.00		
80026902	PARAMETRIX INC DBA	25,749.62		
80026903	THYSSENKRUPP ELEVATOR CORP		985.07	
80026904	TRINDERA ENGINEERING	297.40		
80026905	TRUE SEALS LLC	2,369.66		
80026906	UNITEC DORSH LLC	1,462.02		
80026907	UNITED LABORATORIES INC		1,239.78	
80026908	UNIVERSAL PROTECTION SERVICE	133.56		
80026909	VERIZON WIRELESS BELLEVUE	939.82		
80026910	WEST CENTRAL COMMUNITY	421.41		
80026911	XEROX CORPORATION	3,992.38		
80026912	CATHERINE G BAKKEN		4.86	
80026913	FITCH, COREY R		96.87	
80026914	JANET HACKER-BRUMLEY		8.59	
80026915	LARRY B HUGHES		20.79	
80026916	ANA L KRUGER		71.28	
80026917	CONCESSION SUPPLY/DIV OF			1,711.54
80026918	COOPERATIVE SUPPLY INC			4,854.97
80026920	HELENA CHEMICAL CO			3,472.64
80026921	LUADOWICI ROOF TILE			2,337.05
80026922	NORCO INC			2,143.96
80026923	JEFF LATTIN			1,157.92
80026924	PLANTS OF THE WILD			4,209.42
80026925	PREMERA BLUE CROSS OR	245,737.91		
80026926	SIMPLOT PARTNERS			4,533.20
80026927	TCF NATIONAL BANK dba			23,238.08
80026928	US BANK OR CITY TREASURER	82,073.84		
80026930	WILDROSE LTD dba			443.93
80026931	A W REHN & ASSOCIATES INC OR	13,083.20		
80026932	AHBL INC			3,114.00
80026933	ALLIED SAFE & VAULT CO INC D	4,102.02		
80026934	ALPINE PRODUCTS INC	28,696.80		
80026935	ALS LABORATORY GROUP	140.00		

REPORT: PG3640
 SYSTEM: FMSAP
 USER: MANAGER
 RUN NO: 24

CITY OF SPOKANE
 COUNCIL CHECK RANGE/TOTAL

DATE: 06/13/16
 TIME: 10:16
 PAGE: 5

CHECK #	VENDOR	CITY	LIBRARY	PARKS
80026936	AMERIGAS PROPANE LP	92.95		
80026937	ANDERSON ENVIRONMENTAL CONSU			10,510.17
80026938	AUTO-RAIN SUPPLY INC	375.58		
80026939	AVISTA CORPORATION	1,920.79		
80026940	AVISTA UTILITIES	144,086.93		
80026941	BANNER FURNACE & FUEL	278.27		
80026942	BATTERY SYSTEMS INC	3,200.08		
80026943	BELSBY ENGINEERING	1,254.66		
80026944	SPOKANE FIRE FIGHTERS BENEFIT	12,633.36		
80026945	BHS MARKETING LLC	2,500.17		
80026946	BRIDGESTONE AMERICAS INC	704.72		
80026947	CPM DEVELOPMENT CORP DBA	2,178.37		
80026948	COEUR D'ALENE SERVICE STATIO	215.77		
80026949	COLUMBIA ELECTRIC SUPPLY/DIV	33,750.26		
80026950	COOPERATIVE SUPPLY INC	43,983.14		
80026951	COPIERS NORTHWEST INC	427.20		104.77
80026952	DIGNITARY PROTECTION TEAM FU	95.00		
80026953	EAST CENTRAL COMMUNITY			3,483.33
80026954	EDU MEMBERSHIP FUND	22.50		
80026955	ELJAY OIL CO INC	2,501.45		
80026956	ENVIRONMENT CONTROL OF SPOKA	3,885.00		
80026957	EPIC LAND SOLUTIONS INC	20,647.70		
80026958	FERGUSON ENTERPRISES INC	2,396.84		
80026959	FIELD INSTRUMENTS & CONTROLS	5,535.17		
80026960	GRAINGER INC	4,645.62		
80026961	GRAYMONT CAPITAL INC.	71,062.83		
80026962	GROUP HEALTH COOPERATIVE	87,970.75		
80026963	POLICE GUILD LEGAL DEFENSE	566.00		
80026964	H D SUPPLY WATERWORKS LTD	13,253.26		
80026965	HACH COMPANY	1,467.58		
80026966	CRAMBLIT INC	150.01		
80026967	HUGHES FIRE EQUIPMENT INC	145.13		
80026968	INLAND ENVIRONMENTAL RESOURC	13,404.67		
80026969	INSTROTEK INC	12,069.83		
80026970	INT'L ASSN OF FIREFIGHTERS/	49,432.03		
80026971	INT'L LEISURE CONSULTANTS IN			2,659.00
80026972	INVENSYS SYSTEMS INC	716.38		
80026973	ITRON INC	14,617.43		
80026974	KENWORTH SALES COMPANY	17,779.61		
80026975	L N CURTIS & SONS	3,668.81		
80026976	LT & CAPT ASSOCIATION	1,320.00		
80026977	LTS & CPTS LEGAL DEFENSE FUN	42.00		
80026978	M & P ASSOCIATION	2,169.30		
80026979	THE MALLORY CO	23,459.37		
80026980	MEGTEC SYSTEMS INC	4,022.14		
80026981	MODERN MACHINERY CO INC	16,031.22		
80026982	NALCO CO	10,086.07		
80026983	NORTHEAST WASHINGTON ESD 101	888.62		
80026984	NORCO INC	4,773.45		
80026985	NORTHSTAR CHEMICAL INC	2,102.69		
80026986	NORTHWEST TECHNICAL SERVICES	245.02		
80026987	OCCUPATIONAL MEDICINE	2,239.50		
80026988	OLIN CORPORATION	4,632.22		

REPORT: PG3640
 SYSTEM: FMSAP
 USER: MANAGER
 RUN NO: 24

CITY OF SPOKANE
 COUNCIL CHECK RANGE/TOTAL

DATE: 06/13/16
 TIME: 10:16
 PAGE: 6

CHECK #	VENDOR	CITY	LIBRARY	PARKS
80026989	PACIFIC NW INLANDER/DIV OF	63.00		
80026990	PAINTCRAFTERS PLUS INC	2,300.09		
80026991	PERRENOUD ROOFING INC			14,426.58
80026992	PIERCE MANUFACTURING INC	540,162.30		
80026993	SPOKANE POLICE GUILD	19,877.60		
80026994	SAMPSON & SAMPSON dba	1,025.18		
80026995	RIVER ODYSSEY WEST DIV ROW I			394.20
80026996	SAFETY KLEEN CORPORATION			155.17
80026997	SECURITAS SECURITY SERVICES			484.92
80026998	SEWER EQUIPMENT CO OF AMERIC	2,250.90		
80026999	SINTO SENIOR CENTER			6,434.17
80027000	SMK SERVICE INC	1,746.83		
80027001	SOFTWAREONE INC	3,695.59		
80027002	SOUTHSIDE SENIOR ACTIVITY CT			7,973.10
80027003	SOUTHWEST SPOKANE COMMUNITY			3,328.92
80027004	SPOKANE POLICE BENEFIT ASSOC	990.00		
80027005	SPOKANE POLICE CHAPLAIN	2,875.30		
80027006	SPOKANE POLICE K-9 MEMBERSHI	60.00		
80027007	SPOKANE POLICE GUILD FRATERN	383.29		
80027008	SPOKANE TIN & SHEET IRON WOR	26,685.85		
80027009	SPRAGUE PEST CONTROL/DIV OF			130.98
80027010	TC SHERRY & ASSOCIATES PS db			4,140.00
80027011	SUNBELT RENTALS INC	917.16		
80027012	SVL ANALYTICAL INC	22.50		
80027013	SPOKANE POLICE SWAT TEAM	220.00		
80027014	SPOKANE POLICE TACTICAL TEAM	296.00		
80027015	TESTAMERICA LABORATORIES INC	802.50		
80027016	TOBY'S BODY & FENDER INC	2,215.96		
80027017	TRAFFIC SAFETY SUPPLY INC	7,801.67		
80027018	ROBERT B TURNER	259.74		
80027019	TWO RIVERS TERMINAL LLC	4,312.78		
80027020	UNITED WAY	1,606.49		
80027021	US BANK	254,199.08		
80027022	VALLEY EQUIPMENT COMPANY INC	853.82		
80027023	VERIZON WIRELESS BELLEVUE	12,205.47		
80027024	WA ST COUNCIL OF CITY & COUN	27,151.61		
80027025	WASHINGTON DENTAL SERVICE OR	40,002.68		
80027026	WASTE MANAGEMENT OF WA DBA	1,479.34		
80027027	WASTE MANAGEMENT OF WA INC	1,110.05		
80027028	WESTERN STATES EQUIPMENT CO	56,488.39		
80027029	WSF LLC	1,040.52		
80027030	WHITNEY EQUIPMENT COMPANY IN	12,477.13		
80027031	WILDROSE LTD dba	435.34		
80027032	XO COMMUNICATIONS INC	36.59		
80027033	ROBERT W KAUL	180.00		
80027034	KENNETH W LANDRUS	180.00		
80027035	BRIAN MCGINN	132.00		
80027036	PATRICK K MOORE	65.22		
80027037	EDWARD JAMES NEAL	60.00		
80027038	INGA M NOTE	55.62		
80027039	TENA RISLEY	240.00		
80027040	RODNEY C SPADIE	102.00		
80027041	TERESA L C STRIPES	41.04		

REPORT: PG3640
SYSTEM: FMSAP
USER: MANAGER
RUN NO: 24

CITY OF SPOKANE
COUNCIL CHECK RANGE/TOTAL

DATE: 06/13/16
TIME: 10:16
PAGE: 7

CHECK #	VENDOR	CITY	LIBRARY	PARKS
80027042	JOEL TAYLOR	38.34		
80027043	MATTHEW THOMPSON	200.00		
80027044	ROBERT S WILLIAMS	44.00		
		5,984,134.29	23,557.43	374,664.69
				=====
		CITYWIDE TOTAL:		6,392,411.41

STUDY SESSION MEETING MINUTES
SPOKANE CITY COUNCIL
Thursday, June 9, 2016

A Special Meeting of the Spokane City Council was held on the above date at 3:00 p.m. in the SNAP Conference Room, 3102 W. Fort George Wright Drive, Spokane, Washington. Council President Stuckart and Council Members Beggs, Fagan, Kinnear, Stratton and Waldref were present. Council President Mumm was absent.

The following topics were discussed:

- Joint Council/CHHS Board Retreat
- Economic Development RFP
- 2017 Action Plan Priorities
- TIP, Centers and Corridors and Housing Investments

The meeting was open to the public but was conducted in a study session format. No public testimony was taken and discussion was limited to appropriate officials and staff.

The meeting adjourned at 4:30 p.m.

Minutes prepared and submitted for publication in the June 22, 2016, issue of the Official Gazette:

Terri L. Pfister, MMC
Spokane City Clerk

Approved by City Council on _____, 2016.

Ben Stuckart
City Council President



Agenda Sheet for City Council Meeting of:
06/20/2016

Date Rec'd	6/13/2016
Clerk's File #	OPR 2016-0025
Renews #	
Cross Ref #	
Project #	
Bid #	
Requisition #	

Submitting Dept	CITY COUNCIL
Contact Name/Phone	BEN STUCKART 6258
Contact E-Mail	BSTUCKART@SPOKANECITY.ORG
Agenda Item Type	Contract Item
Agenda Item Name	CONTRACT EXTENSION WITH SEABOLD GROUP - INVESTIGATIVE SERVICES

Agenda Wording

Second extension of the contract with the Seabold Group, for independent investigative services concerning the end of former Police Chief Frank Straub's tenure.

Summary (Background)

Contract extension will expire on July 15, 2016, and will increase the contract amount by \$50,000. This is the final contract extension.

Fiscal Impact		Budget Account	
Expense	\$ 50,000	#	various
Select	\$	#	
Select	\$	#	
Select	\$	#	

Approvals		Council Notifications	
Dept Head	MCCLATCHEY, BRIAN	Study Session	
Division Director		Other	
Finance	KECK, KATHLEEN	Distribution List	
Legal	DALTON, PAT		
For the Mayor	WHITNEY, TYLER		
Additional Approvals			
Purchasing			

CONSULTANT AGREEMENT AMENDMENT/EXTENSION

THIS CONSULTANT AGREEMENT AMENDMENT/EXTENSION is between the CITY OF SPOKANE, a Washington State municipal corporation, as "City", and SEABOLD INTERNATIONAL SERVICES LLC., dba SEABOLD GROUP INC., whose address is 4039 21st Avenue, Suite 100, Seattle, Washington 98199, as "Consultant".

WHEREAS, the parties entered into an Agreement wherein the Consultant agreed to provide INVESTIGATION SERVICES TO THE CITY OF SPOKANE, in accordance with the Consultant's Memorandum of Proposed Scope dated December 30, 2015 (see copy attached); and

WHEREAS, Agreement needs to be amended and extended, investigation services are not completed and the original agreement has expired; -- Now, Therefore,

The parties agree as follows:

1. DOCUMENTS. The Agreement dated January 12, 2016, any previous amendments and/or extensions/renewals thereto are incorporated by reference into this document as though written in full and shall remain in full force and effect except as provided herein.
2. EFFECTIVE DATE. This Agreement Amendment shall become effective June 6, 2016.
3. EXTENSION. The agreement documents are hereby extended and shall run through July 15, 2016.
4. AMENDMENT. Section 2 of the contract documents is amended to read as follows:

The Agreement shall begin upon mutual acceptance and shall run through ~~ninety (90) days from the date of final execution~~ July 15, 2016, unless terminated earlier.

5. COMPENSATION. The City shall pay up to FIFTY THOUSAND AND NO/100 DOLLARS (\$50,000.00) for everything furnished and done under this Contract Amendment.

Dated: 6/13/16

CITY OF SPOKANE

By: Ben Grant
Title: Council President

Attest:

Approved as to form:

City Clerk

Pat Dalton
Assistant City Attorney

Dated: 6/13/2016

SEABOLD INTERNATIONAL SERVICES,
LLC. dba SEABOLD GROUP INC.

E-Mail address, if available:

kcappel@seaboldgroup.com

By: Kristin M. Cappel
Title: Principal
Kristin M. Cappel



Agenda Sheet for City Council Meeting of:
06/20/2016

Date Rec'd	6/6/2016
Clerk's File #	ORD C35405
Renews #	
Cross Ref #	ORD C35322
Project #	
Bid #	
Requisition #	

Submitting Dept	HOUSING & HUMAN SERVICES
Contact Name/Phone	SUZI SCHEIDEGGER 625-6803
Contact E-Mail	SSHEIDEGGER@SPOKANECITY.ORG
Agenda Item Type	Emergency Budget Ordinance
Agenda Item Name	1690 EMERGENCY BUDGET ORDINANCE RELATING TO HUD FUNDS

Agenda Wording

Amending Ordinance No. C-35322 and appropriating funds HUD funded grant programs. This action budgets grant revenue from HUD and expenses to contract the funding.

Summary (Background)

The approved budget for 2016 did not include unencumbered appropriations from program years prior to 2016. The programs included in this action are CDBG, CDBG Revolving Loan, HOME, & HESG. This action adds \$6,599,054 revenues appropriated and the related expenses of \$6,599,046 (the \$8 difference corrects existing budget variances between revenues and expenses).

Fiscal Impact	Budget Account
Select \$	#
Select \$	#
Select \$	#
Select \$	#

Approvals		Council Notifications	
Dept Head	KINDER, DAWN	Study Session	CHE 06/06
Division Director	MALLAHAN, JONATHAN	Other	
Finance	KECK, KATHLEEN	Distribution List	
Legal	WHALEY, HUNT	sscheidegger	
For the Mayor	WHITNEY, TYLER	rcrow	
Additional Approvals		dkinder	
Purchasing			

BRIEFING PAPER
City of Spokane – City Council CHE Committee
Community, Housing and Human Services Department
CHHS EBO for HUD Revenues and Expenditures
June 6, 2016

Subject

The Community, Housing and Human Services (CHHS) department has performed an evaluation of budgeted grant expenditure amounts compared to amounts allocated by the US Department of Housing and Urban Development. During the evaluation, it was determined that insufficient revenues and expenditures were budgeted for 2016. CHHS is requesting the approval of an Emergency Budget Ordinance to increase revenues and expenditures.

Background

Because of the timing differences between the creation and adoption of the 2016 budget, and the encumbrance of US Department of Housing and Urban Development (HUD) revenues and expenditures, the amounts budgeted for the Homeless Emergency Solutions Grant (HESG), Community Development Block Grant (CDBG), and the Home Investment Partnership Program (HOME) programs were not sufficient to meet the needs of the approved obligations. The City has HUD entitlement and administrative funds to be received as revenues sufficient to meet these obligations.

Amounts needed were calculated as follows:

HESG	2016 Budget	HUD Allocation	Change	Notes
HESG Program Year 13				
HUD REVENUES	(87.00)	(530.00)	(443.00)	Increase to Revenues
EXPENDITURES	88.00	531.00	443.00	Increase to Expenditures
Total	1.00	(1.00)	0.00	
HESG Program Year 14				
HUD REVENUES	(23,604.00)	(47,962.00)	(24,358.00)	Increase to Revenues
EXPENDITURES	23,605.00	47,963.00	24,358.00	Increase to Expenditures
Total	1.00	(1.00)	0.00	
HESG Program Year 15				
HUD REVENUES		(268,994.00)	(268,994.00)	Increase to Revenues
EXPENDITURES	267,255.00	268,994.00	1,739.00	Increase to Expenditures
Total	267,255.00	0.00	(267,255.00)	
HESG Program Year 16				
HUD REVENUES	(268,994.00)	(269,876.00)	(882.00)	Increase to Revenues
EXPENDITURES	1,739.00	269,876.00	268,137.00	Increase to Expenditures
Total	(267,255.00)	0.00	267,255.00	

Total Revenue Increase (294,677.00)
Total Expenditure Increase 294,677.00

CDBG	2016 Budget	HUD Allocation	Change	Notes
CDBG Program Year 14				
HUD REVENUES	(148,127.00)	(1,274,829.00)	(1,126,702.00)	Increase to Revenues
EXPENDITURES	482,085.00	1,274,829.00	792,744.00	Increase to Expenditures
Total	333,958.00	0.00	(333,958.00)	
CDBG Program Year 15				
HUD REVENUES	(666,556.00)	(3,087,227.00)	(2,420,671.00)	Increase to Revenues
PROGRAM INCOME	0.00	(92,650.00)	(92,650.00)	Increase to Revenues
EXPENDITURES	2,402,004.00	3,179,877.00	777,873.00	Increase to Expenditures
Total	1,735,448.00	0.00	(1,735,448.00)	
CDBG Program Year 16				
HUD REVENUES	(2,997,960.00)	(2,987,856.00)	10,104.00	Decrease to Revenues
EXPENDITURES	928,561.00	2,987,856.00	2,059,295.00	Increase to Expenditures
Total	(2,069,399.00)	0.00	2,069,399.00	

Total Revenue Increase (3,629,919.00)

Total Expenditure Increase 3,629,912.00

CDBG Revolving Loan	2016 Budget	HUD Allocation	Change	Notes
CDBG Program Year 14				
PROGRAM INCOME	0.00	0.00	0.00	No change
EXPENDITURES	95,049.00	0.00	(95,049.00)	Increase to Expenditures
Total	95,049.00	0.00	(95,049.00)	
CDBG Program Year 15				
PROGRAM INCOME	(232,182.00)	(1,340,000.00)	(1,107,818.00)	Increase to Revenues
EXPENDITURES	833,854.00	1,340,000.00	506,146.00	Increase to Expenditures
Total	601,672.00	0.00	(601,672.00)	
CDBG Program Year 16				
PROGRAM INCOME	(1,000,000.00)	(600,000.00)	400,000.00	Decrease to Revenues
EXPENDITURES	303,280.00	600,000.00	296,720.00	Increase to Expenditures
Total	(696,720.00)	0.00	696,720.00	

Total Revenue Increase (707,818.00)

Total Expenditure Increase 707,817.00

HOME	2016 Budget	HUD Allocation	Change	Notes
HOME PY13				
HUD REVENUES	(177,494.00)	(304,492.00)	(126,998.00)	Increase to Revenues
PROGRAM INCOME	(56,000.00)	0.00	56,000.00	Decrease to Revenues
EXPENDITURES	162,495.00	162,495.00	0.00	Decrease to Expenditures
Total	(70,999.00)	(141,996.00)	(70,998.00)	
HOME PY14				
HUD REVENUES	(350,502.00)	(1,265,235.00)	(914,733.00)	Increase to Revenues
PROGRAM INCOME	(56,000.00)	0.00	56,000.00	Decrease to Revenues
EXPENDITURES	95,503.00	1,265,235.00	869,732.00	Decrease to Expenditures
Total	(10,999.00)	0.00	10,999.00	
HOME PY 15				
HUD REVENUES	(59,431.00)	(896,428.00)	(836,997.00)	Increase to Revenues
PROGRAM INCOME	0.00	(99,912.00)	(99,912.00)	Increase to Revenues
EXPENDITURES	229,413.00	996,340.00	766,927.00	Increase to Expenditures
Total	169,982.00	0.00	(169,982.00)	
HOME PY16				
HUD REVENUES	(888,961.00)	(888,961.00)	0.00	No change
PROGRAM INCOME	0.00	(100,000.00)	(100,000.00)	Increase to Revenues
EXPENDITURES	658,980.00	988,961.00	329,981.00	Increase to Expenditures
Total	(229,981.00)	0.00	229,981.00	

Total Revenue Increase (1,966,640.00)
Total Expenditure Increase 1,966,640.00

Impact

Approval of this EBO will allow the department to provide obligated services based on allocated revenues.

Action

Approval of EBO.

Funding

All revenues will be received from HUD based on a reimbursement of expenditures.

ORDINANCE NO C35405

An ordinance amending Ordinance No. C-35322, passed the City Council November 23, 2015, and entitled, "An ordinance adopting the Annual Budget of the City of Spokane for 2016, making appropriations to the various funds, departments, and programs of the City of Spokane government for the fiscal year ending December 31, 2016, and providing it shall take effect immediately upon passage", and declaring an emergency.

WHEREAS, subsequent to the adoption of the 2016 budget Ordinance No. C-35322, as above entitled, and which passed the City Council November 23, 2015, it is necessary to make changes in the appropriations of the Human Services Grants, CD Block Grant, CDBG Revolving Loan, and Home Program Grant Funds, which changes could not have been anticipated or known at the time of making such budget ordinance; and

WHEREAS, this ordinance has been on file in the City Clerk's Office for five days; - Now, Therefore,

The City of Spokane does ordain:

Section 1. That in the budget of the Human Services Grants Fund, and the budget annexed thereto with reference to the Human Services Grants Fund, the following changes be made:

FROM:	1540-xxxxx 99999-33114	Human Services Grants Fund Dept of Housing & Urban Development	<u>\$ 294,677</u>
TO:	1540-xxxxx xxxxx-54201	Human Services Grants Fund Contractual Services	<u>\$ 294,677</u>

Section 2. That in the budget of the CD Block Grant Fund, and the budget annexed thereto with reference to the CD Block Grant Fund, the following changes be made:

FROM:	1690-xxxxx 99999-33114 99999-39510	CD Block Grant Fund Dept of Housing & Urban Development Proceeds of Fixed Assets	3,537,269 92,650 <u>\$ 3,629,919</u>
TO:	1690-xxxxx xxxxx-54201	CD Block Grant Fund Contractual Services	<u>\$ 3,629,919</u>

Section 3. That in the budget of the CDBG Revolving Loan Fund, and the budget annexed thereto with reference to the CDBG Revolving Loan Fund, the following changes be made:

FROM:	1695-xxxxx 99999-38510	CDBG Revolving Loan Fund Collection of Revolving Loans	<u>\$ 707,818</u>
TO:	1695-xxxxx xxxxx-54201	CDBG Revolving Loan Fund Contractual Services	<u>\$ 707,818</u>

Section 4. That in the budget of the HOME Program Grant Fund, and the budget annexed thereto with reference to the HOME Program Grant Fund, the following changes be made:

FROM:	1710-xxxxx 99999-33114 99999-38510	HOME Program Grant Fund Dept of Housing & Urban Development Collection of Revolving Loans	1,878,728 87,912 <u>\$ 1,966,640</u>
TO:	1710-xxxxx xxxxx-54201	HOME Program Grant Fund Contractual Services	<u>\$ 1,966,640</u>

Section 5. It is, therefore, by the City Council declared that an urgency and emergency exists for making the changes set forth herein, such urgency and emergency arising from the need to reconcile the 2016 Budget with the City's current HUD entitlements and administrative funding, and because of such need, an urgency and emergency exists for the passage of this ordinance, and also, because the same makes an appropriation, it shall take effect and be in force immediately upon its passage..

Passed the City Council _____

Council President

Attest: _____
City Clerk

Approved as to form: _____
Assistant City Attorney

Mayor

Date

Effective Date



Agenda Sheet for City Council Meeting of:
06/20/2016

Date Rec'd	6/8/2016
Clerk's File #	ORD C35410
Renews #	
Cross Ref #	
Project #	
Bid #	
Requisition #	

Submitting Dept	HOUSING & HUMAN SERVICES
Contact Name/Phone	SUZI SCHEIDEGGER X6803
Contact E-Mail	SSCHEIDEGGER@GMAIL.COM
Agenda Item Type	Emergency Budget Ordinance
Agenda Item Name	1680 - PERSONNEL EMERGENCY BUDGET ORDINANCE

Agenda Wording

This EBO is a request to add two Program Specialist positions to support the Homeless Management Information System (HMIS).

Summary (Background)

The CHHS department currently has two project employees assisting in the management of the City's HMIS system. In order to maintain the City's current service level, it is necessary to make these positions permanent. These positions are direct charged to grant programs and paid through the CHHS Administration fund. Sufficient funds will be received from these grant programs to cover the additional expenses of making these employees permanent.

Fiscal Impact

Revenue	\$ 106900
Expense	\$ 106900
Select	\$
Select	\$

Budget Account

#	1680-30210-65410-various-99999
#	1680-30210-65410-various-99999
#	
#	

Approvals

Dept Head	KINDER, DAWN
Division Director	MALLAHAN, JONATHAN
Finance	KECK, KATHLEEN
Legal	WHALEY, HUNT
For the Mayor	WHITNEY, TYLER

Council Notifications

Study Session	
Other	
Distribution List	

Additional Approvals

Purchasing	

ORDINANCE NO C35410

An ordinance amending Ordinance No. C-35322, passed the City Council November 23, 2015, and entitled, "An ordinance adopting the Annual Budget of the City of Spokane for 2016, making appropriations to the various funds, departments, and programs of the City of Spokane government for the fiscal year ending December 31, 2016, and providing it shall take effect immediately upon passage", and declaring an emergency.

WHEREAS, subsequent to the adoption of the 2016 budget Ordinance No. C-35322, as above entitled, and which passed the City Council November 23, 2015, it is necessary to make changes in the appropriations of the Community, Housing and Human Services (CHHS) Fund, which changes could not have been anticipated or known at the time of making such budget ordinance; and

WHEREAS, this ordinance has been on file in the City Clerk's Office for five days; - Now, Therefore,

The City of Spokane does ordain:

Section 1. That in the budget of the CHHS Fund, and the budget annexed thereto with reference to the CHHS Fund, the following changes be made:

FROM:	1680-30210	CHHS	
	65410-51991	Contra Salaries	74,000
	65410-52991	Contra Benefits	32,900
			<u>\$ 106,900</u>
TO:	1680-30210	CHHS	
	65410-00700	Program Specialist (from 0 to 2 positions)	74,000
	65410-52110	FICA	5,700
	65410-52210	Retirement	6,100
	65410-52310	Medical	18,000
	65410-52320	Dental	1,300
	65410-52330	Life Insurance	500
	65410-52340	LTD	300
	65410-52400	Industrial Insurance	100
	65410-51640	Deferred Comp	2,100
			<u>\$ 106,900</u>

Section 2. It is, therefore, by the City Council declared that an urgency and emergency exists for making the changes set forth herein, such urgency and emergency arising from the need create two Program Specialist positions for the Homeless Management Information Systems program, and because of such need, an urgency and emergency exists for the passage of this ordinance, and also, because the same makes an appropriation, it shall take effect and be in force immediately upon its passage..

Passed the City Council _____

Council President

Attest: _____
City Clerk

Approved as to form: _____
Assistant City Attorney

Mayor

Date

Effective Date



Agenda Sheet for City Council Meeting of:

06/06/2016

Date Rec'd	5/25/2016
Clerk's File #	RES 2016-0052
Renews #	
Cross Ref #	
Project #	
Bid #	
Requisition #	

Submitting Dept	ASSET MANAGEMENT
Contact Name/Phone	ED LUKAS 625-6286
Contact E-Mail	RLUKAS@SPOKANECITY.ORG
Agenda Item Type	Resolutions
Agenda Item Name	5900 - SALE OF SURPLUS PROPERTY - NORMANDIE COMPLEX

Agenda Wording

A resolution providing for the sale of surplus City property. (Emerson/Garfield Neighborhood Council)

Summary (Background)

The completion of the Spokane Central Services Center in 2015 enabled several City departments to move out of the aging, functionally obsolete Normandie Complex into superior and newer facilities. All City departments have vacated or are in the process of vacating the site. The Normandie Complex is bounded by Mission Avenue, Sinto Avenue, Calispel Street and Atlantic Street. The property is improved with approximately 12 buildings of various construction types dating from 1910 to 1950's.

Fiscal Impact		Budget Account
Neutral	\$	#
Select	\$	#
Select	\$	#
Select	\$	#
Approvals		Council Notifications
<u>Dept Head</u>	LUKAS, ED	<u>Study Session</u>
<u>Division Director</u>	DUNIVANT, TIMOTHY	<u>Other</u> Finance Committee
<u>Finance</u>	KECK, KATHLEEN	<u>Distribution List</u>
<u>Legal</u>	WHALEY, HUNT	eraea@spokanecity.org
<u>For the Mayor</u>	WHITNEY, TYLER	rlukas@spokanecity.org
<u>Additional Approvals</u>		kkeck@spokanecity.org
<u>Purchasing</u>		jahensley@spokanecity.org
		jlargent@spokanecity.org
		htrautman@spokanecity.org



Continuation of Wording, Summary, Budget, and Distribution

Agenda Wording

Summary (Background)

The site consists of two contiguous city blocks bisected by Normandie Street, is approximately 5.37 acres and zoned OR-150.

Fiscal Impact

Select **\$**

Select **\$**

Budget Account

#

#

Distribution List

<u>Distribution List</u>	

BRIEFING PAPER
Finance Committee
May 2, 2016

Subject:

Declare the Normandie Complex as surplus property of the City of Spokane.

Background:

The City of Spokane originally acquired the Normandie Complex site, bounded by Mission Avenue, Sinto Avenue, Calispel Street, and Atlantic Street in 1899 from JJ Browne and his wife, Anna, for \$1.00. Normandie Street divides the parcel in the center, hence the name “Normandie Complex.”

In August 2015, the completion of the Spokane Central Services Center initiated the move of City departments out of Normandie into superior and newer facilities. Fleet completed their move first, followed by Street Operations and Field Engineering. Today, the property is fully vacated with the exception of two field engineering employees who operate a lab onsite. Field engineering also stores equipment in one of the building basements. A new lab is under construction at the Foothills water location. The two engineering employees are scheduled to vacate the property by August.

To mitigate vandalism and vagrancy at the site, asset management installed a security fence across Normandie Street which completes the perimeter security. In addition, we have actively worked with SPD to conduct K-9 exercises on the property, SWAT exercises, and storage of police assets. The above activities and the open fuel island help to maintain a good police presence at an otherwise empty site. Other interim uses are being explored.

///
///
///

Summary of Property Data

Address: Multiple. 1410 N. Normandie Street is the largest building on site.

Size: 5.37 acres (size subject verification by survey and status of Normandie Street as ROW or vacation). The dimensions of the property (including Normandie St) is approximately 350' x 667' = 233,450 square feet.

Tax Parcel: 35181.0201

Neighborhood: Emerson/Garfield. Council District #3

Zoning: OR-150. Office / Retail with 150' height restriction.

Topography of Site: Using Normandie Street as a divider... Western half is flat; eastern half has a steep grade.

Tax Assessors' Value (2016): Total = \$2,826,300. Land = \$1,870,400.
Government exemption in place.

Asset Management's Estimated Market Value: Land comparables directly across Sinto Ave are listed at \$10/sf. If same applies to Normandie, then market value is \$2,334,500.

However, significant factors may impact value...

Positive:

- Two entire city blocks and a potential street vacation between them is a large consolidation of urban land (assemblage premium)
- Frontage along Mission Avenue, an arterial connecting to Division St just one block east.

Negative:

- Demolition of functionally obsolete buildings
- Environmental conditions

///

///

///

Impact:

Once the Normandie Complex has been declared surplus property, asset management can begin disposition efforts pursuant to RCW 35.22.280 (3) which allows the City to dispose of surplus property.

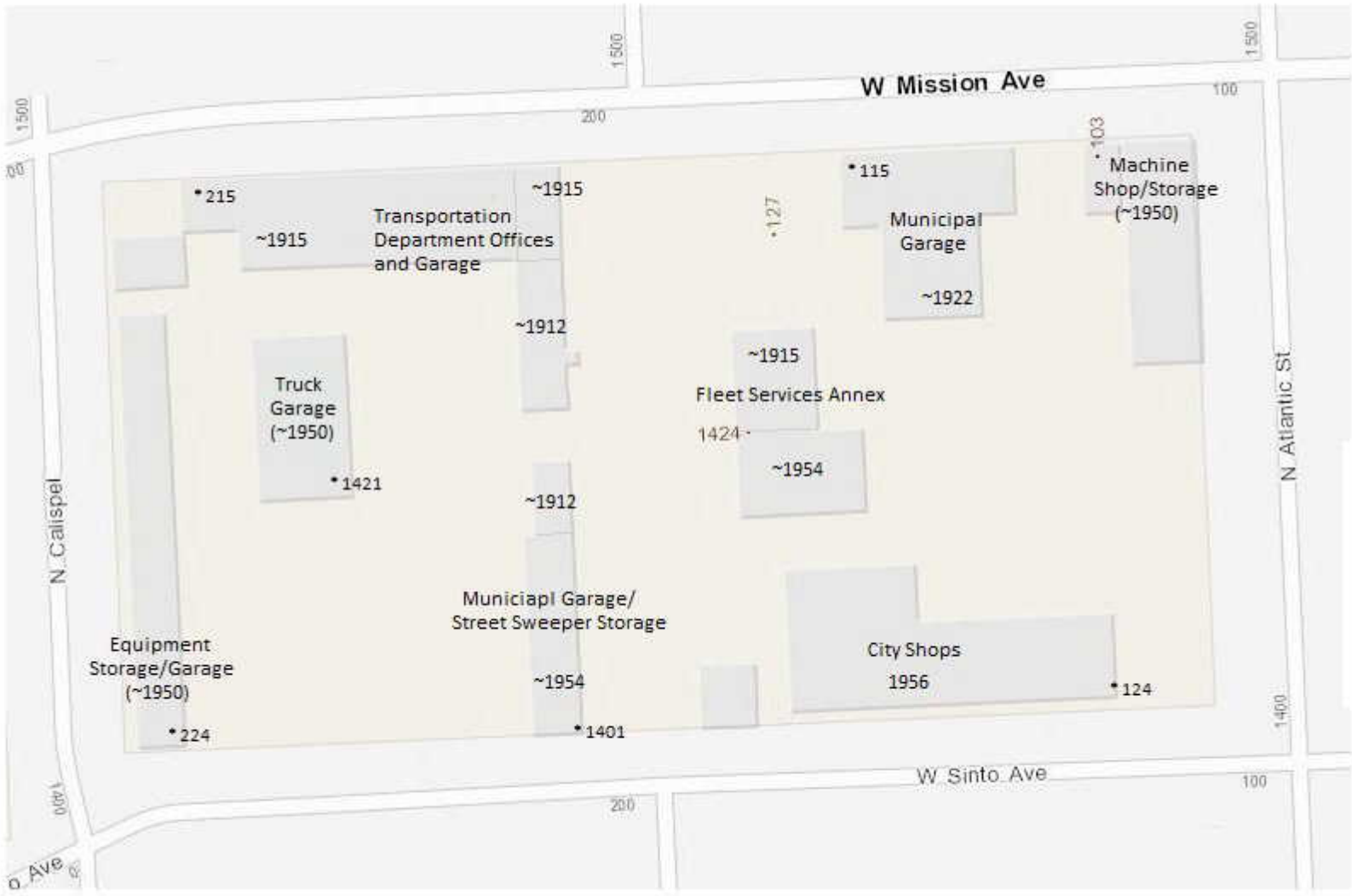
The disposition process anticipates an RFP or commercial broker listing. The process will adhere to guidelines established by City Council and the Administration Staff. Council Member Amber Waldref, Dr. Debra Robole, Dave Steele, and Ed Lukas are completing a disposition process that provides transparency on all disposition actions, large and small. The process will involve a scoring mechanism to objectively evaluate key areas beyond simply the purchase price.

Objectives of disposition include finding a suitable owner who can...

1. Create jobs
2. Build the tax base
3. Offer the highest purchase price
4. Demonstrate experience and credibility
5. Add to neighborhood vibrancy
6. Offer an aggressive timeline for completion of all of the above

Action:

Declare Normandie Complex as surplus property by City Council resolution.



W Mission Ave

W Sinto Ave

N Calispel

N Atlantic St

* 215

* 115

* 103

~1915

~1915

* 127

Transportation
Department Offices
and Garage

Municipal
Garage

Machine
Shop/Storage
(~1950)

~1922

Truck
Garage
(~1950)

~1912

~1915

Fleet Services Annex

* 1421

1424

~1954

~1912

Municipal Garage/
Street Sweeper Storage

Equipment
Storage/Garage
(~1950)

City Shops
1956

* 224

~1954

* 1401

* 124

O Ave

200

100

1500

1500

1400

Aerial Photo of Normandie Complex



RESOLUTION 2015-0052

A RESOLUTION PROVIDING FOR THE SALE OF SURPLUS CITY PROPERTY.

WHEREAS, the City of Spokane is the owner of certain properties located in the City of Spokane, County of Spokane, State of Washington, and more particularly described in Exhibit A hereto ("Property"); and

WHEREAS, the City of Spokane finds that the Property is no longer needed for a public use of the City of Spokane and is hereby declared to be surplus; and

WHEREAS, RCW 35.22.280(3) authorizes the City to dispose of surplus property upon commercially reasonable means; and

WHEREAS, the City of Spokane is required to seek fair market value for the Property.

NOW, THEREFORE - - it is hereby resolved by the Spokane City Council;

1. The Property is hereby declared to be surplus City property no longer needed for the present and foreseeable public uses of the City.

2. The City of Spokane, through its Asset Management Department shall determine the fair market value of the Property using commercially reasonable means.

3. The Asset Management Department is authorized to seek a qualified buyer or buyers for the Property and to negotiate the terms of a purchase and sale agreement with said buyer(s), subject to final approval by City Council and the Mayor.

ADOPTED by the Spokane City Council this _____ day of _____, 2016.

City Clerk

Approved as to form:

Assistant City Attorney

EXHIBIT "A"

ASSESSORS TAX PARCEL: 35181.0201

LEGALLY DESCRIBED AS: CENTRAL ADD L1 TO 14 B57 L1TO14 B58 INC VAC
100FT ST BET

SITE ADDRESS: 127 W MISSION AVE



Agenda Sheet for City Council Meeting of:
06/20/2016

Date Rec'd	6/3/2016
Clerk's File #	RES 2016-0057
Renews #	

Submitting Dept	DEVELOPER SERVICES CENTER	Cross Ref #	
Contact Name/Phone	ELDON BROWN 625-6305	Project #	
Contact E-Mail	EBROWN@SPOKANECITY.ORG	Bid #	
Agenda Item Type	Resolutions	Requisition #	
Agenda Item Name	4700 - RESOLUTION FOR SETTING HEARING FOR STREET VACATION		

Agenda Wording

Resolution setting hearing before the City Council for July 25, 2016 for the vacation of portions of North Center Street, North Crescent Drive, Ross Court, Hamlin Street, and a portion of a nearby alley, as requested by Avista. (Logan Neighborhood)

Summary (Background)

A petition was submitted representing 100% of the abutting property. Staff requests that City Council set a public hearing on the vacation petition.

Fiscal Impact	Budget Account
Neutral \$	#
Select \$	#
Select \$	#
Select \$	#

Approvals		Council Notifications	
Dept Head	BECKER, KRIS	Study Session	
Division Director	MALLAHAN, JONATHAN	Other	
Finance	KECK, KATHLEEN	Distribution List	
Legal	DALTON, PAT	eraea@spokanecity.org	
For the Mayor	WHITNEY, TYLER	ebrown@spokanecity.org	
Additional Approvals		edjohnson@spokanecity.org	
Purchasing		sbishop@spokanecity.org	
		kkeck@spokanecity.org	
		mhughes@spokanecity.org	
		htrautman@spokanecity.org	



Continuation of Wording, Summary, Budget, and Distribution

Agenda Wording

Council)

Summary (Background)

Fiscal Impact		Budget Account
Select	\$	#
Select	\$	#

Distribution List

RESOLUTION 2016-0057

WHEREAS, on September 4, 2015 the Spokane City Council received a petition for the vacation of portions of North Center Street, North Crescent Drive, Ross Court, Hamlin Street and a portion of a nearby alley, in the City of Spokane from owners having an interest in real estate abutting the above right-of-way; and

WHEREAS, it was determined that the petition was signed by the owners of more than two-thirds of the property abutting portions of North Center Street, North Crescent Drive, Ross Court, Hamlin Street, and a portion of a nearby alley, in the City of Spokane; and

WHEREAS, the City Council desires to set a time and date through this resolution to hold a public hearing on the petition to vacate the above property in the City of Spokane;

NOW, THEREFORE,

The City Council does hereby resolve the following:

That hearing on the petition to vacate portions of North Center Street, North Crescent Drive, Ross Court, Hamlin Street and a portion of a nearby alley, in the City of Spokane will be held in front of the City Council at 6:00 P.M. or as soon thereafter as possible on July 25, 2016, and the City Clerk of the City of Spokane is instructed to proceed with all proper notice according to State law.

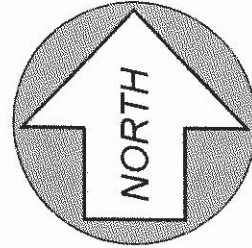
ADOPTED by the Spokane City Council, this _____ day of _____, 2016.

City Clerk

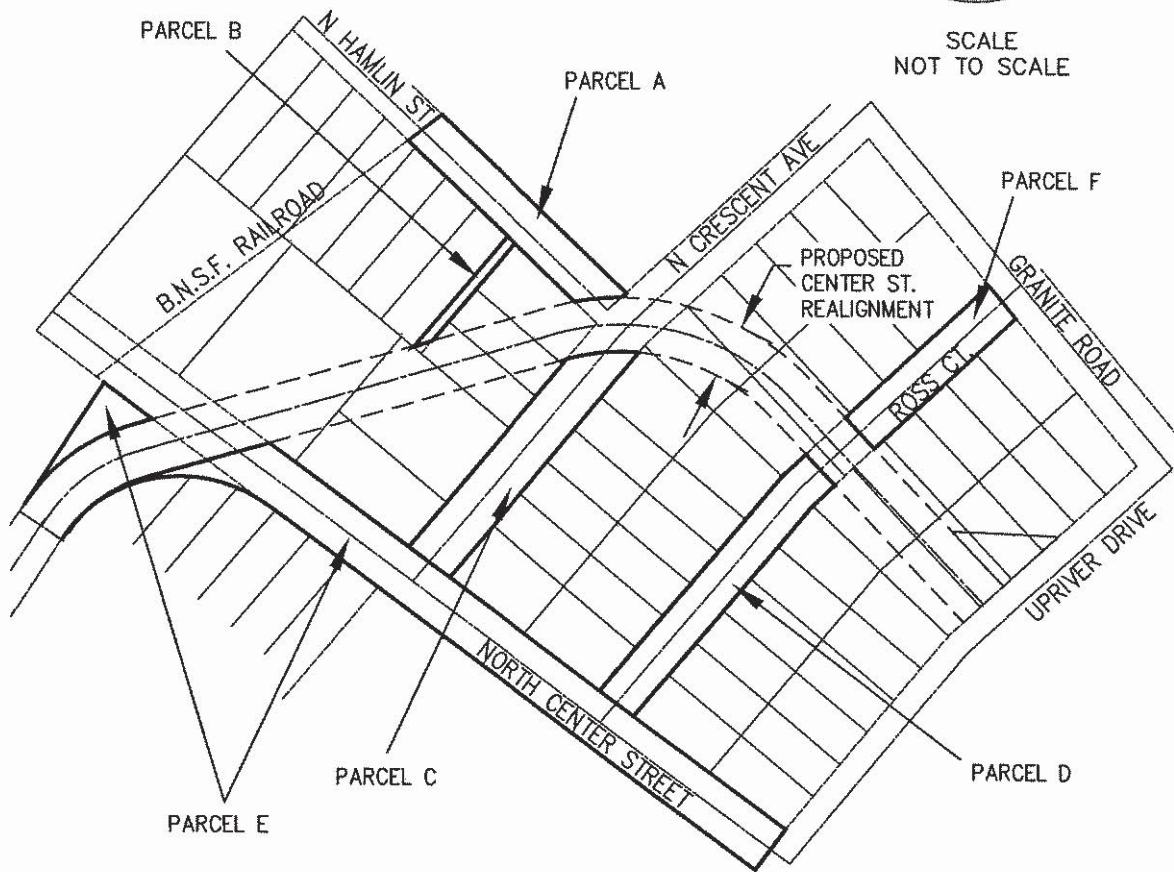
Approved as to form:

Assistant City Attorney

EXHIBIT FOR
STREET VACATIONS



SCALE
NOT TO SCALE



THIS MAP IS FOR EXHIBIT PURPOSES ONLY AND
DOES NOT CONSTITUTE A PROPERTY BOUNDARY
SURVEY

DISTRIBUTION LIST

VACATION OF North Center Street, North Crescent Drive, Ross Court,
Hamlin Street and a portion of a nearby alley

POLICE DEPARTMENT

ATTN: SGT CHUCK REISENAUER

FIRE DEPARTMENT

ATTN: MEGAN PHILLIPS
MIKE MILLER

CURRENT PLANNING

ATTN: TAMI PALMQUIST
DAVE COMPTON

WATER DEPARTMENT

ATTN: DAN KEGLEY
JAMES SAKAMOTO
ROGER BURCHELL
CHRIS PETERSCHMIDT
HARRY MCLEAN

STREETS

ATTN: MARK SERBOUSEK
DAUN DOUGLASS

TRANSPORTATION OPERATIONS

ATTN: BOB TURNER

PLANNING & DEVELOPMENT

ATTN: ERIK JOHNSON
ELDON BROWN
JOHN SAYWERS

CONSTRUCTION MANAGEMENT

ATTN: KEN BROWN

INTEGRATED CAPITAL MANAGEMENT

ATTN: KATHERINE MILLER

WASTEWATER MANAGEMENT

ATTN: BILL PEACOCK

PARKS & RECREATION DEPARTMENT

ATTN: LEROY EADIE

NEIGHBORHOOD SERVICES

ATTN: JACKIE CARO
JONATHAN MALLAHAN
ROD MINARIK
HEATHER TRAUTMAN

BICYCLE ADVISORY BOARD

ATTN: LOUIS MEULER

SOLID WASTE MANAGEMENT

ATTN: SCOTT WINDSOR

CITY CLERK'S OFFICE

ATTN: JACQUELINE FAUGHT

PUBLIC WORKS

ATTN: SCOTT SIMMONS
MARCIA DAVIS

AVISTA UTILITIES

ATTN: DAVE CHAMBERS
RANDY MYHRE

COMCAST DESIGN & CONSTRUCTION

ATTN: BRYAN RICHARDSON

CENTURY LINK

ATTN: KAREN STODDARD

VINCE HENTGES
1406 E ILLINOIS AVE
SPOKANE WA 99207

MARGARET K WILLIAM A TOMBARI
1414 E ILLINOIS AVE
SPOKANE WA 99207

DISTRIBUTION LIST

VACATION OF North Center Street, North Crescent Drive, Ross Court,
Hamlin Street and a portion of a nearby alley

W.A. TOMBARI
1418 E ILLINOIS AVE
SPOKANE WA 99207

W.A. TOMBARI
1428 E ILLINOIS AVE
SPOKANE WA 99207

W.A. TOMBARI
1504 E ILLINOIS AVE
SPOKANE WA 99207

CHRIS J SCHWARTZENBERGER
1514 E ILLINOIS AVE
SPOKANE WA 99207

TSV LLC
1520 E ILLINOIS AVE
SPOKANE WA 99207

TSV LLC
1524 E ILLINOIS AVE
SPOKANE WA 99207

TODD S VICK
1530 E ILLINOIS AVE
SPOKANE WA 99207

RICHARD TANNEHILL
1540 E ILLINOIS AVE
SPOKANE WA 99207

RIVERVIEW VILLAGE
1703 E NORTH CRESCENT AVE
SPOKANE WA 99207

RIVERVIEW LUTHERAN HOME OF SPOKANE
1717 E ROSS CT
SPOKANE WA 99207

HARLAN L FULMER
1721 E ROSS CT
SPOKANE WA 99207



Agenda Sheet for City Council Meeting of:
06/20/2016

Date Rec'd	6/8/2016
Clerk's File #	RES 2016-0058
Renews #	

Submitting Dept	WATER & HYDROELECTRIC SERVICES	Cross Ref #	OPR 2016-0490
Contact Name/Phone	DAN KEGLEY 625-7821	Project #	
Contact E-Mail	DKEGLEY@SPOKANECITY.ORG	Bid #	SOLE SOURCE
Agenda Item Type	Resolutions	Requisition #	BT
Agenda Item Name	4100 - SOLE SOURCE RESOLUTION - PURCHASE OF MOTOR CONTROL CENTER		

Agenda Wording

A resolution declaring Columbia Electric Supply (Spokane, WA) sole source for the an Allen Bradley Motor Control Center for the Central Well #1 Pump Station and authorizing the purchase of the same without public bidding at a cost of \$114,475 w/o tax

Summary (Background)

The Water Department solicited a quote from Columbia Electric Supply for a Motor Control Center (MCC) to conform to the specifications for the Central Well #1 Pump Station Rehabilitation Project. The MCC controls the starting and stopping of pumps by providing remote or automated operation and electrical protection of the equipment. The Allen-Bradley MCC's are the automation equipment that is compatible with existing City of Spokane Water System SCADA and pumping equipment and meets all City Specifications. Using any other brand is problematic, time consuming and unreliable. Columbia Electric Supply is the only authorized dealer of Allen-Bradley equipment in the region.

Fiscal Impact		Budget Account
Expense	\$ 114,475.00	# various
Select	\$	#
Select	\$	#
Select	\$	#

Approvals		Council Notifications	
Dept Head	KEGLEY, DANIEL	Study Session	
Division Director	KEGLEY, DANIEL	Other	PWC - 5/23/16
Finance	KECK, KATHLEEN	Distribution List	
Legal	WHALEY, HUNT	TPRINCE	
For the Mayor	WHITNEY, TYLER	ACLIN	
Additional Approvals		SJOHNSON	
Purchasing	PRINCE, THEA	TAXES & LICENSES	

SOLE SOURCE RESOLUTION NO. 2016-0058

A Resolution declaring Allen Bradley/Rockwell Automation Motor Control Centers (MCC) and associated software for use in the Central Well Station Motor Control Centers (MCC) upgrade project as sole source and thus authorizing its purchase from Columbia Electric Supply of Spokane Washington, at an estimated cost of \$114,475, excluding taxes.

WHEREAS, the Water Department has standardized on Allen Bradley/Rockwell Automation controls for the City of Spokane Water System and associated Water Pumping Stations; and

WHEREAS, this equipment incorporates a comprehensive information and monitoring system for the City of Spokane Water System Supervisory Control and Data Acquisition (SCADA) system that is used to ensure compliance with Department of Health, which is the basis of the City's Water Purveyor permit; and

WHEREAS, the Department has investigated other manufacturers brand electrical, PLC, and variable speed drive systems over the last five (5) years and Allen Bradley/Rockwell Automation is the sole provider of these patented systems that are compatible with existing equipment, inventory, and process communication systems; and

WHEREAS, the Department can maximize operation and maintenance benefit to cost ratios by dedicating resources to one unique platform, eliminating the need to acquire parallel resources proprietary to other unique platforms; and

WHEREAS, routine maintenance, firmware, and software revision improvements have been made to the existing system components to keep them current with equipment life cycle changes; and

WHEREAS, the choice of Allen Bradley/Rockwell Automation will provide quality standardized equipment that are compatible with the Department's process and information requirements; and

WHEREAS, the Department can minimize spare equipment inventory and reduce inventory costs by utilizing one manufacturer and local distributor inventory; and

WHEREAS, any problems with the equipment and the software have been resolved with exceptional assistance of the vendor's local customer support

group and the local distributors excellent local training opportunities in their training center; and

WHEREAS, the Allen Bradley/Rockwell Automation equipment meets the department's current and projected future needs for the associated Water Pumping Stations; and

WHEREAS, the Allen Bradley/Rockwell Automation systems are a patented good only available from authorized dealers; and

WHEREAS, the Department has numerous ongoing and future pump station project contracts, and staff has determined future projects where Allen Bradley/Rockwell Automation equipment may be required; and

WHEREAS, the 2016 public bid limit for the purchase of goods is \$48,700.00.

-- Now, Therefore,

BE IT RESOLVED by the city council for the City of Spokane that it hereby declares the Allen Bradley/Rockwell Automation equipment consisting of Motor Control Centers (MCC) and associated software sole source and authorizes its purchase from local Columbia Electric Supply/Rockwell Automation or authorized Allen Bradley/Rockwell Automation Company at an estimated cost of \$114,475 excluding taxes.

ADOPTED BY THE CITY COUNCIL ON _____

City Clerk

Approved as to form:

Assistant City Attorney

BRIEFING PAPER
Public Works Committee
Water Department
May 23, 2016

Subject

The Purchase of one Allen-Bradley Motor Control Center from Columbia Electric Supply, Spokane, Washington by sole source agreement for the Central Well #1 Pump Station Rehabilitation, Project # 2014044, for \$114,475.00 (excluding tax).

Background

The Water Department solicited a quote from Columbia Electric Supply for a Motor Control Center (MCC) to conform to the specifications for the Central Well #1 Pump Station Rehabilitation Project. The MCC controls the starting and stopping of pumps by providing remote or automated operation and electrical protection of the equipment. The Allen-Bradley MCC's are the automation equipment that is compatible with existing City of Spokane Water System SCADA and pumping equipment and meets all City Specifications. Using any other brand is problematic, time consuming and unreliable. Columbia Electric Supply is the only authorized dealer of Allen-Bradley equipment in the region.

Impact

This purchase will provide for increased operating efficiency, in the Central Well #1 Pump Station Rehabilitation.

Action

Recommend approval

Funding

All funding for this purchase will be from the Water Department Capital Funds.



Agenda Sheet for City Council Meeting of:
06/20/2016

Date Rec'd	5/18/2016
Clerk's File #	ORD C35402
Renews #	
Cross Ref #	
Project #	
Bid #	
Requisition #	

Submitting Dept	CITY COUNCIL
Contact Name/Phone	BEN STUCKART 6258
Contact E-Mail	BSTUCKART@SPOKANECITY.ORG
Agenda Item Type	Final Reading Ordinance
Agenda Item Name	AN ORDINANCE CONCERNING POLICE DEPARTMENT ORGANIZATION

Agenda Wording

An ordinance relating to the organization of the Spokane Police Department; amending section 03.01A.370 and 03.01A.375 of the Spokane Municipal Code; repealing sections 03.01A.380, 03.01A.385, and 03.01A.390 of the Spokane Municipal Code.

Summary (Background)

This proposed ordinance would reduce the number of departments within the Police Division to three. This is intended to ensure compliance with state law concerning the maximum number of police employees who may be exempt from civil service. At present, the Police Division is structured to allow thirteen possible job positions which are exempt from civil service - five more than allowed by state law. This ordinance would correct that issue.

Fiscal Impact

Neutral	\$
Select	\$
Select	\$
Select	\$

Budget Account

#
#
#
#

Approvals

<u>Dept Head</u>	STUCKART, BEN
<u>Division Director</u>	
<u>Finance</u>	KECK, KATHLEEN
<u>Legal</u>	DALTON, PAT
<u>For the Mayor</u>	WHITNEY, TYLER

Council Notifications

<u>Study Session</u>	
<u>Other</u>	PSC 5/16/2016

Distribution List

Additional Approvals

<u>Purchasing</u>	

ORDINANCE NO. C35402

An ordinance relating to the organization of the Spokane Police Department; amending sections 03.01A.370, 03.01A.375, and 03.01A.400 of the Spokane Municipal Code; repealing sections 03.01A.380, 03.01A.385, and 03.01A.390 of the Spokane Municipal Code.

WHEREAS, Washington state law, RCW 41.12.050(2)(b), provides that, in addition to the Police Chief, a city police department having 251-500 personnel may have up to eight employees who are unclassified and exempt from civil service; and

WHEREAS, at present, the Spokane Police Department has six departments, each potentially containing two job positions exempt from civil service, for a total of 13 possible exempt positions in the Police Department, in contradiction of state law; and

WHEREAS, the City Council wishes to streamline the Spokane Police Department and ensure that the number of exempt police job positions is in accordance with state law.

NOW THEREFORE, the City of Spokane does ordain:

Section 1. That section 03.01A.370 of the Spokane Municipal Code is amended to read as follows:

Section 03.01A.370 Police

The police division through various departments is the primary law enforcement agency of the City with investigative, arrest and incidental powers over violations of federal, state and municipal laws, both criminal and traffic. In addition to patrol, surveillance, investigation and crime prevention education, division personnel perform administrative, communications, community relations, planning, records maintenance and training functions. The day-to-day field operations of the police division, including patrol, police service areas (precincts), investigations, and administration, are under the supervision of the assistant chief.

Section 2. That section 03.01A.375 of the Spokane Municipal Code is amended to read as follows:

Section 03.01A.375 Police Business Services

The police business services department is responsible for the administrative budget/finance/accounting, payroll/personnel, and grants/purchasing functions of the police division.

Section 3. That section 03.01A.380 of the Spokane Municipal Code is repealed in its entirety.

Section 4. That section 03.01A.385 of the Spokane Municipal Code is repealed in its entirety.

Section 5. That section 03.01A.390 of the Spokane Municipal Code is repealed in its entirety.

Section 6. That section 03.01A.400 of the Spokane Municipal Code is amended to read as follows:

Section 03.01A.400 Police Strategic Initiatives

The police strategic initiatives department is responsible for ~~((developing, implementing and assessing the operations, business practices, training, strategic plan and initiatives))~~ strategic planning, training, oversight, and policy maintenance of the department.

PASSED by the City Council on _____.

Council President

Attest:

Approved as to form:

City Clerk

Assistant City Attorney

Mayor

Date

Effective Date

BRIEFING PAPER
Spokane City Council – Public Safety Committee
Police Division Reconciliation
May 16, 2016

Subject

Under Washington state law, the police departments of first-class cities having populations less than 300,000 may have no more than 8 job positions which are unclassified and exempt from civil service, in addition to the police chief himself/herself. See RCW 41.12.050(2)(b).

Currently, the Spokane Police Department has six departments, each potentially having two exempt positions, for a department-wide total of 13 job positions which are exempt from civil service. See SMC 03.01A.370, 03.01A.375, 03.01A.380, 03.01A.385, 03.01A.390, 03.01A.395, and 03.01A.400.

Action

This ordinance would streamline the Spokane Police Department, by repealing some sections of the Spokane Municipal Code to reduce the number of subsidiary departments to three: Police Business Services, Police Public Information, and Police Strategic Initiatives.



Agenda Sheet for City Council Meeting of:

06/13/2016

Date Rec'd	5/31/2016
Clerk's File #	ORD C35404
Renews #	

Submitting Dept	ENGINEERING SERVICES	Cross Ref #	
Contact Name/Phone	DAN BULLER 625-6391	Project #	2005264
Contact E-Mail	DBULLER@SPOKANECITY.ORG	Bid #	
Agenda Item Type	First Reading Ordinance	Requisition #	
Agenda Item Name	0370 - EMINENT DOMAIN ORDINANCE		

Agenda Wording

An Ordinance providing for the acquisition by Eminent Domain of certain lands necessary to be acquired for public purposes in connection with the Martin Luther King Jr. Way (Riverside Extension) Project, located in the City and County of Spokane,

Summary (Background)

This ordinance pertains to acquisition by eminent domain of the last piece of property required to complete the Riverside/Martin Luther King Jr. project.

Fiscal Impact		Budget Account
Neutral	\$	#
Select	\$	#
Select	\$	#
Select	\$	#

Approvals		Council Notifications	
Dept Head	TWOHIG, KYLE	Study Session	
Division Director	GIMPEL, KEN	Other	Executive Session
Finance	KECK, KATHLEEN	Distribution List	
Legal	RICHMAN, JAMES	Engineering Admin	
For the Mayor	WHITNEY, TYLER	kkeck@spokanecity.org	
Additional Approvals		mhughes@spokanecity.org	
Purchasing		htrautman@spokanecity.org	
		dbuller@spokanecity.org	



Continuation of Wording, Summary, Budget, and Distribution

Agenda Wording

State of Washington.

Summary (Background)

Fiscal Impact	Budget Account
Select \$	#
Select \$	#

Distribution List

ORDINANCE NO. C35404

AN ORDINANCE PROVIDING FOR THE ACQUISITION BY EMINENT DOMAIN OF CERTAIN LANDS NECESSARY TO BE ACQUIRED FOR PUBLIC PURPOSES IN CONNECTION WITH THE MARTIN LUTHER KING JR. WAY (RIVERSIDE EXTENSION) PROJECT, LOCATED IN THE CITY AND COUNTY OF SPOKANE, STATE OF WASHINGTON.

RECITALS

1. The City of Spokane, Washington (the "City") is a first class charter city duly organized and existing under and by virtue of the constitution and laws of the State of Washington, and Charter of the City.

2. The laws of the State of Washington, RCW 35.22.280(7) provide that the City may establish, open, alter, widen, extend, and otherwise improve streets, alley, avenues, sidewalks, and other public property in order to promote the best interest of the City.

3. The Constitution of the State of Washington, Article I Section 16 and the laws of the State of Washington RCW 35.22.280(6) allow the City to purchase or appropriate private property for public use upon making just compensation to the owners pursuant to RCW Chapter 8.12.

4. The City Department of Department of Engineering Services has determined that it is in the City's best interest to construct the Martin Luther King Jr. Way (Riverside Extension) Project, as set forth in Public Works file number 2005264 & 2015078 (the "Project").

5. The Project appears in the City of Spokane 2016-2021 Six Year Comprehensive Street Program (first listed in 2005-2010 program), and this phase is summarized as the design and construction of an extension of future Riverside Drive, including 5-foot bike lanes and separated sidewalks, beginning at Sherman Street and running easterly to Trent Avenue at Perry Street.

6. The Project is consistent with the University District Master Plan, which calls for a more pedestrian friendly environment, by providing for a new alignment of Riverside Drive which will divert most vehicular traffic around the campus instead of through it. This roadway alignment was shown in the City's Comprehensive Plan in 2000 which indicated the City's intent to construct this new arterial roadway.

7. The Project is being constructed in phases, with approximately one third of the Project having been completed in 2012, and another third scheduled for construction starting in the summer of 2016. The final phase is scheduled for construction in 2017 and will be the last phase of the project. Once completed in 2017 the total estimated cost for

the entire project is approximately \$15.5 million of which \$13.6 million will be spent by the end of 2016.

8. The property interests identified in Exhibits A and B are necessary to complete the final phase of the Project.

9. Failure to timely acquire the property interests identified in Exhibits A and B will jeopardize funding for the final phase of the Project.

10. City staff and/or representatives have negotiated in good faith for the acquisition of the property interests identified in Exhibits A and B, but the parties have been unable to agree upon the purchase price, and the owner of the property interests has expressed a desire for the City to acquire the property interests via the City's eminent domain authority.

11. Pursuant to RCW 8.25.290, the City has caused notice to be mailed to each and every property owner of record, as indicated on the tax rolls of Spokane County and according to such addresses shown on such rolls, at least fifteen (15) days prior to the City Council taking final action on this ordinance, and has also arranged for publication of notice of this ordinance in the Spokesman Review for two (2) consecutive weeks prior to final action by the City Council.

NOW, THEREFORE, The City of Spokane does ordain:

Section 1. Determination of Public Use and Necessity. Public use and necessity requires the City of Spokane to acquire the land and property, and interests therein, as described in Exhibits "A" and "B", together with such other temporary construction easements as may be deemed necessary by City staff, for public purposes in order to complete the Martin Luther King Jr. Way (Riverside Extension) Project, including utilities and related improvements, all as set forth in Public Works file number 2005264 & 2015078. If the properties are not acquired and the Riverside Extension Project is not completed, traffic flow from central Spokane through the University District will be seriously impaired and the City will not be in compliance with its adopted transportation plans.

Section 2. Authorization to Commence Condemnation Action. The City Attorney is hereby authorized and directed to commence an action or actions in the Superior Court of Spokane County, State of Washington, in the name of the City of Spokane, to acquire and take by eminent domain the lands and property interests necessary to be acquired for the purposes set forth herein, upon payment of just compensation having been made to the owner or paid into court for the benefit of the owner in the manner prescribed by law. The lands and property interests to be acquired are located in the City of Spokane, County of Spokane, all in the State of Washington, and more specifically described in Exhibits "A" and "B", attached hereto and by this reference made a part hereof. The City Attorney and/or her designees are further authorized to determine and make or pay just compensation and to take such other steps deemed necessary to complete acquisition of the properties and to adjust the extent of the properties taken or acquired to facilitate implementation of this ordinance as are deemed necessary by City staff to complete the

project, including such additional temporary construction easements as are deemed necessary, provided such amendments shall be consistent with the Riverside Extension Project.

Section 3. Authorization for Payment of Just Compensation and Expenses. Pursuant to RCW 8.12.040, just compensation for the land and property interests described in Exhibits "A" and "B", and litigation costs related thereto, is hereby authorized and shall be payable from the City of Spokane fund account number 3200-94997-95200-56102, and funds which are allocated toward the Martin Luther King Jr. Way (Riverside Extension) Project by the Department of Engineering Services, pursuant to file number 2005264 & 2015078.

Section 4. Severability. Should any section, paragraph, sentence, clause or phrase of this ordinance, or its application to any person or circumstance, be declared unconstitutional or otherwise invalid for any reason, or should any portion of this ordinance be pre-empted by state or federal law or regulation, such decision or pre-emption shall not affect the validity of the remaining portions or sections of this ordinance or its application to persons or circumstances.

Section 5. Effective Date. This ordinance shall be published in the official newspaper of the City, and shall take effect and be in full force thirty (30) days after the date of enactment.

PASSED BY THE CITY COUNCIL ON _____, 2016.

Council President

Attest:

Approved as to form:

City Clerk

Assistant City Attorney

Mayor

Date

Effective Date

Attachments: Exhibits "A" and "B"

Exhibit A

LEGAL DESCRIPTION OF TAKE AREA

LEGAL DESCRIPTION OF THE RIGHT-OF-WAY TAKE AREA
FROM ASSESSOR'S PARCEL #35174.0599

(Prepared by Adams & Clark, Inc.)

THOSE PORTIONS OF TRACT "C" AND VACATED BRADLEY AVENUE, DENNIS & BRADLEY'S ADDITION, AS PER PLAT RECORDED IN VOLUME "A" OF PLATS, PAGES 160 AND 161, CITY OF SPOKANE, SPOKANE COUNTY, WASHINGTON, DESCRIBED AS FOLLOWS;

BEGINNING AT THE SOUTHWEST CORNER OF LOT 6, BLOCK 24, OF SAID PLAT; THENCE ALONG THE SOUTH LINE OF SAID LOT 6, NORTH 87°47'33" EAST 50.71 FEET TO A POINT ON A 515.50 FOOT RADIUS NONTANGENT CURVE, THE CENTER OF CIRCLE OF WHICH BEARS NORTH 74°07'44" WEST; THENCE SOUTHWESTERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 13°28'33", 121.24 FEET TO A POINT ON THE WEST LINE OF SAID TRACT "C"; THENCE ALONG SAID WEST LINE, NORTH 02°10'35" WEST 109.79 FEET TO THE POINT OF BEGINNING;

CONTAINING 3,071 SQUARE FEET, MORE OR LESS.

Exhibit B

LEGAL DESCRIPTION OF TEMPORARY CONSTRUCTION EASEMENT

LEGAL DESCRIPTION OF THE PERMIT AREA
OF ASSESSOR'S PARCEL #35174.0599

(Prepared by Adams & Clark, Inc.)

A STRIP OF LAND, TEN FEET (10') WIDE ACROSS THOSE PORTIONS OF TRACT "C" AND VACATED BRADLEY AVENUE, DENNIS & BRADLEY'S ADDITION, AS PER PLAT RECORDED IN VOLUME "A" OF PLATS, PAGES 160 AND 161, CITY OF SPOKANE, SPOKANE COUNTY, WASHINGTON, DESCRIBED AS FOLLOWS;

BEGINNING AT THE SOUTHWEST CORNER OF LOT 6, BLOCK 24, OF SAID PLAT; THENCE ALONG THE SOUTH LINE OF SAID LOT 6, NORTH 87°47'33" EAST 50.71 FEET TO THE **TRUE POINT OF BEGINNING**, A POINT ON A 515.50 FOOT RADIUS CURVE, THE CENTER OF CIRCLE OF WHICH BEARS NORTH 74°07'44" WEST; THENCE SOUTHWESTERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 13°28'33", 121.24 FEET TO A POINT ON THE WEST LINE OF SAID TRACT "C"; THENCE ALONG SAID WEST LINE, SOUTH 02°10'35"EAST 18.67 FEET TO A POINT ON A 525.50 FOOT RADIUS NONTANGENT CURVE, THE CENTER OF CIRCLE BEARS NORTH 58°55'05"WEST; THENCE NORTHWESTERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 15°33'59", 142.77 FEET TO A POINT ON SAID SOUTH LINE OF LOT 6; THENCE ALONG SAID SOUTH LINE, SOUTH 87°47'33" WEST 10.51 FEET TO THE **TRUE POINT OF BEGINNING**;

CONTAINING 1,321 SQUARE FEET, MORE OR LESS.



Agenda Sheet for City Council Meeting of:
06/20/2016

Date Rec'd	6/1/2016
Clerk's File #	ORD C35387
Renews #	
Cross Ref #	
Project #	
Bid #	
Requisition #	

Submitting Dept	RETIREMENT
Contact Name/Phone	PHILLIP TENCICK 6336
Contact E-Mail	PTENCICK@SPOKANECITY.ORG
Agenda Item Type	First Reading Ordinance
Agenda Item Name	6100 SMC 03.05 AMENDMENTS

Agenda Wording

An ordinance relating to the City of Spokane Retirement and Pension Board; amending SMC sections 03.05.020, 03.05.050, 03.05.035, 03.05.040, 03.05.120

Summary (Background)

Updating SERS participant interest on contributions to a market based rate and clarifying interest definitions

Fiscal Impact

Select	\$
Select	\$
Select	\$
Select	\$

Budget Account

#
#
#
#

Approvals

Dept Head	TENCICK, PHILLIP
Division Director	
Finance	KECK, KATHLEEN
Legal	DALTON, PAT
For the Mayor	WHITNEY, TYLER

Council Notifications

Study Session	6/9/2016
Other	

Finance

Legal	DALTON, PAT
For the Mayor	WHITNEY, TYLER

Distribution List

ptencick@spokanecity.org
cshisler@spokanecity.org
tszambelan@spokanecity.org
lorne.dauenhauer@ogletreedeakins.com

Additional Approvals

Purchasing	

ORDINANCE NO. C35387

An ordinance relating to the Spokane Employees Retirement System amending Spokane Municipal Code sections 03.05.020, 03.05.030, 03.05.035, 03.05.040, 03.05.120 to read as follows :

-- Now, Therefore,

The City of Spokane does ordain:

Section 1. That SMC 03.05.020 is amended.

Section 03.05.020 Definitions

- A. "Accumulated contributions" means the sum of all normal contributions deducted from the compensation of a member, and in-lieu payments of employees' contributions by the City, standing to the credit of the member's individual account, together with contribution interest ~~at the actuarial assumption rate~~ as established pursuant to [SMC 4.14.070\(D\)\(1\)](#) compounded quarterly.
- B. "Annuity" means payments derived from contributions made by a member as provided in [SMC 3.05.190](#).
- C. "Beneficiary" means any person in receipt of a pension, annuity, retirement allowance, disability allowance, or any other benefit provided in this chapter and [chapter 4.14 SMC](#).
- D. "Board" means "board of administration" as provided in [chapter 4.14 SMC](#).
- E. "City" means the City of Spokane.
- F. "City service" means service by an employee rendered to the City for compensation and, for the purpose of this chapter and [chapter 4.14 SMC](#), a member shall be considered as being in City service only while the member is receiving compensation for such service.
- G. "Compensation" means the compensation including base pay, shift differential, overtime, holiday pay, hazardous duty pay and out-of-classification pay, payable in cash, plus the monetary value, as determined by the board, of any allowance in lieu thereof. It shall not be reduced by salary reduction contributions to the City's cafeteria plan or Section 457 plan, or effective January 1, 2001, any qualified transportation fringe benefit plan under Internal Revenue Code section 132(f)(4). Compensation in excess of the limitations set forth in Internal Revenue Code

section 401(a)(17) shall not be included in determining benefits, but this restriction does not apply to any individual who was a member prior to January 1, 1996.

- H. “Contribution interest,” unless changed by the board as provided in SMC 4.14.070, means the interest rate on member contributions, which shall be set equal to the average daily interest rate for the 5-year US Treasury Note from July 1 of the previous year to June 30 of the current year, rounded to the nearest 0.25%. The new interest rate will be effective as of July 1 of the current year, beginning in 2016.
- I. (H) “Creditable service” means such City service as is evidenced by the record of normal contributions received from the employee plus prior City service if credit for same is still intact or not lost through withdrawal of accumulated contributions as provided in [SMC 3.05.120](#). The maximum creditable service from all sources including military service is thirty (30) years under the formula in [SMC 3.05.160](#) and thirty-five (35) years under the formulas in [SMC 3.05.165](#) and [SMC 3.05.166](#).
- J. (H) “Employee” means any regularly appointed employee or elected official of the City or of the Spokane public library.
- K. (J) “Final compensation” means the annual average of the member’s compensation during the highest consecutive two-year period of service for which service credit is allowed for purposes of determining retirement benefits for members described in [SMC 3.05.025\(A\)](#) or [\(B\)](#). For members described in [SMC 3.05.025\(C\)](#) “final compensation” means the annual average of the member’s compensation during the highest consecutive three-year period of service for which service credit is allowed. Final compensation shall not be reduced to reflect salary reduction contributions to the City’s cafeteria plan or Section 457 plan, or effective January 1, 2001, any qualified transportation fringe benefit plan under Internal Revenue Code section 132(f)(4). Compensation in excess of the limitations set forth in Internal Revenue Code section 401(a)(17) shall not be included as final compensation when determining benefits, but this restriction does not apply to any individual who was a member prior to January 1, 1996.
- L. (K) “Fiscal year” means any year commencing with January 1st and ending with December 31st next following.
- M. (L) “Member” means any person included in the membership of the retirement system as provided in [SMC 3.05.030](#).
- N. (M) “Normal contributions” means the contributions at the rate provided for in [SMC 3.05.040\(A\)](#) and [\(B\)](#).
- O. (N) “Pension” means payments derived from contributions made by the City as provided for in [SMC 3.05.190](#).

P(Θ) “Regular interest,” unless changed by the board as provided in [SMC 4.14.070](#), means ~~the actuarial assumption rate~~ ~~such- rate~~ of interest which compounded annually shall place the retirement fund on a sound actuarial basis.

Q(P) “Retirement allowance” means any payments made to a member or successor upon retirement for service or disability.

R(Q) “Retirement fund” means “employees’ retirement fund” as created and established in [SMC 3.05.070](#) and [SMC 7.08.601](#).

T(S) “Retirement system” means “Spokane Employees’ Retirement System” (SERS), provided for in this chapter.

Section 2. That SMC 03.05.030 is amended.

[Section 03.05.030](#) Membership

- A. Any new employee must become a member of the retirement system and make contributions required by [SMC 3.05.040](#) on the date of hire, except:
1. temporary, seasonal, or new hire provisionals, as defined by the [City Charter](#) and the City civil service commission;
 2. members of the police and fire departments who are entitled to benefits under state-enacted retirement programs;
 3. participating employees hired under the Comprehensive Employment and Training Act (CETA) and United States Department of Labor (DOL). This proscription does not apply to permanent nonparticipant staff members of the City and Spokane City-County employment and training consortium or its successor. Furthermore, CETA participants whose membership was previously terminated and who received a refund of contributions may at such time as they become regular City employees redeposit refunded contributions in accordance with [SMC 3.05.120](#);
 4. other non-City-funded employees in temporary employment programs as determined by the board.
- B. Any other employee who is an elected official may, at any time prior to the completion of five (5) years of continuous service, elect to deposit with the retirement system an amount equal to what would be or would have been the elected official’s normal contributions if a member of the retirement system during this period of service, with ~~appropriate~~ ~~regular~~ interest as determined by the board. The City matches said funds and deposits the same in the retirement fund in a manner similar to that provided for the matching of the normal contributions under the provisions of this chapter, provided that no such elected official shall obtain any benefits of the provisions of the retirement system except ~~contribution~~ interest accruing at the rate provided for interest on employees’ normal contributions. The return of any such funds so deposited shall be governed by the provisions as to the return of normal

contributions. If and when any such elected official becomes a member the sums so deposited by this member shall be transferred to the credit of such member. Any elected official entering the retirement system under this provision shall become a member as of the date of such election and shall not be considered a member until the date of such election.

Section 3. That SMC 03.05.035 is amended.

Section 03.05.035 One-time Buy-back/Re-entry Provision

- A. Any current member of the system who had previously terminated City employment, withdrew their retirement accumulations and was subsequently rehired but did not opt to buy back previous service time when they were first rehired, will have a one-time window from October 1, 2009, through March 31, 2010, to repurchase all or part of that time. Such redeposit will use the current ~~actuarial- assumed~~ regular interest rate as determined by the board.
- B. Any current permanent employee who was once a member of the system, withdrew their retirement accumulations, but never rejoined the system, will have a one-time window from October 1, 2009, through March 31, 2010, to make an irrevocable election to re-enter SERS. They will also be allowed to repurchase all or part of their previous service time in SERS during this window. This group will have their pension calculated according to [SMC 3.05.160](#). Such redeposit will use the current ~~actuarial- assumed~~ regular interest rate as determined by the board.
- C. Any current permanent employee, who meets the SERS eligibility requirements, who was never a member of the system will have a one-time window from October 1, 2009, through March 31, 2010, to make an irrevocable election to join SERS. This group will have their pension calculated according to [SMC 3.05.160](#).

Section 4. That SMC 03.05.040 is amended.

Section 03.05.040 Contributions

- A. The normal rates of contributions of members are those adopted by the board, subject to the approval of the city council. The rates so adopted remain in full force and effect until revised or changed by the board in the manner provided in [chapter 4.14 SMC](#).
 - 1. Contributions by Members.
Prior to January 1, 2009, each member shall contribute six and seventy-two one-hundredths percent (6.72%) of the member's compensation. Effective January 1, 2009, the rate of contribution was prospectively increased to seven and seventy-five hundredths percent (7.75%). Effective September 1, 2014, the rate of contribution is

prospectively increased to eight and twenty-five hundredths percent (8.25%). It is contemplated that said contribution by members will, when added to the City's contribution, be enough to properly fund the retirement benefits. Although designated as employee contributions that reduce the member's salary, the City government, as the employer, shall pay such contributions to the retirement fund pursuant to Internal Revenue Code section 414(h). The member will not have an option of choosing to receive the contributed amounts directly instead of having them paid by the City government to the retirement fund. The picked-up contributions will be included as Social Security wages up to the Social Security wage base, and will also be included in calculating the member's final compensation .

2. Contribution by the City Government.

The City government will match the in-lieu payment of the employees' contribution.

- B. Subject to the provisions of this chapter and [chapter 4.14 SMC](#), the board certifies to the head of each office or department the normal rate of contribution for each member provided for in subsection (A) of this section. The head of the department applies such rate of contribution to the compensation of each and every payroll; and each of said in-lieu amounts are paid by the director of accounting into the retirement fund, hereinafter provided for, and are credited by the board, together with ~~regular contribution~~ interest, to an individual account of the member for whom the contribution was made. ~~Regular contribution~~ interest is credited to each individual account at such periods as the board may determine. The City government's in-lieu payment vests for the benefit of the employee immediately upon payment into the retirement fund.
- C. The director of accounting transfers to the retirement fund an amount equal to the aggregate normal contributions as soon as administratively practicable following each payroll period.

Section 5. That SMC 03.05.120 is amended.

[Section 03.05.120](#) Refund of Contributions

A. Accumulated Contributions in Excess of One Thousand Dollars.

Should the service of a member be discontinued, except by death or retirement, and the member has accumulated contributions in excess of one thousand dollars (\$1,000), the member may elect to withdraw the member's accumulated contributions. Such payment shall be made as soon as administratively practical after the board approves the member's election, which election shall be made not later than six (6) months after the day of discontinuance. The City shall receive credit for the full amount deposited by the City in the retirement fund for such member's benefit plus ~~contribution~~

interest. If a member's service is discontinued and the member leaves accumulated contributions in the retirement system, the board may, in its discretion, charge each such member reasonable administrative expenses for maintenance of the accumulated contributions.

B. Accumulated Contributions of One Thousand Dollars or Less.

Should the service of a member be discontinued, except by reason of death, and the member has accumulated contributions of one thousand dollars (\$1,000) or less, the member shall be paid, not later than six (6) months after the day of discontinuance, the member's entire accumulated contributions.

C. Redeposit.

Any member may redeposit in the retirement fund, within one (1) year of being rehired, an amount equal to that which the member previously withdrew therefrom, or a portion thereof, at the last termination of membership, such redeposit using the current ~~actuarial- assumed~~ regular interest rate as determined by the board to be paid into the retirement fund in accordance with rules established by the board. In the event such redeposit is made by a member, an amount equal to the accumulated contributions so redeposited shall again be held for the benefit of said member, and shall no longer be included in the amounts available to meet the obligations of the City on account of benefits that have been granted or liabilities that have been assumed on account of prior service of members, and the retirement system shall reinstate the prior service credit, or the portion thereof, for such member, who will rejoin the retirement system pursuant to [SMC 3.05.025\(B\)](#). Effective January 1, 2009, redeposit may also be made by a direct trustee-to-trustee transfer to the retirement fund from a plan qualified under Internal Revenue Code sections 457(b) or 403(b) or by a direct rollover to the retirement fund from an individual retirement account or annuity qualified under Internal Revenue Code section 408. The board may establish rules and procedures for acceptance of such deposits, transfers, or rollovers, including procedures to account for pre-tax transfers and rollovers and after-tax payments.

Section 03.05.170 Payment Upon Death of Member

A. Eligible to Retire.

If a member who had not retired but had named the member's spouse as the sole primary beneficiary and who was eligible to retire pursuant to [SMC 3.05.160](#), [SMC 3.05.165](#) or [SMC 3.05.166](#) whichever applies, or who had at least thirty (30) years of creditable service dies, then the member's surviving spouse may elect to receive:

1. death benefits provided for in this section, or
2. a retirement allowance payable only for the remainder of the surviving spouse's life and equal to that which would have been received had the

deceased member retired on the date of death under the provisions of Option E as provided in [SMC 3.05.210](#), or

3. in lieu of either of the above, a lump sum cash payment not to exceed one-half of the deceased member's accumulated contributions and a retirement allowance in accordance with Option E as provided in [SMC 3.05.210](#), but reduced proportionately by the amount of cash withdrawn from this selection.

B. Not Eligible to Retire.

1. Repayment of Contributions.

Upon the death of any member not eligible to retire, there shall be paid to the member's estate, or to such persons as the member shall have nominated by written designation duly executed and filed with the retirement system, the member's accumulated contribution with [contribution](#) interest, less payments made therefrom to the member, if any. Effective January 1, 2009, a non-spouse designated beneficiary shall be permitted to elect a direct trustee to trustee transfer of such distribution to an individual retirement account established for the purposes of receiving the distribution on behalf of an individual who is a designated beneficiary and who is not the surviving spouse of the participant, which shall be treated as an inherited individual retirement account within the meaning of Internal Revenue Code section 408(d)(3)(C).

2. Death of Active Married Member.

Alternatively, upon the death of any active member who is eligible to vest in the retirement system, who is married at the time of death, and whose surviving spouse has been properly nominated as sole primary beneficiary, the surviving spouse may elect to leave the accumulated contributions in the retirement system and, on such date as the member would have been eligible, apply for and receive such retirement allowance as is allowed under retirement Option E as provided in [SMC 3.05.210](#) as established in this chapter. Such retirement will be calculated as if the member had been eligible to retire at the time of death, and will be based upon the age of the surviving spouse at the time when the member would have been eligible to retire. Any retirement allowance calculated under this section will be based on the accumulations and earnings of the member as of the date of retirement.

- A. The board is authorized to contract with the board of administration of the Tacoma employees' retirement system and/or board of administration of the Seattle employees' retirement system (each called a "participating system") for the portability of retirement benefits of employees who are also members of the retirement systems of the cities of Tacoma and Seattle, respectively. The following terms and conditions shall apply in addition to such other requirements as may be established by rule of the board or the agreement with participating systems:
1. The member must be in the active service of a participating system on or after the effective date of the board's agreement for portability; a member retired from any of the three systems on the effective date of the ordinance codified in this chapter is not eligible.
 2. Creditable service may accrue in only one participating system at a time. A member who leaves City employment to enter military service may only receive creditable service for his military service in one of the participating systems according to its rules.
 3. A member may combine service credit in two or more participating systems for the sole purpose of determining the member's eligibility to receive a service retirement allowance, but the member may not aggregate service credit in two or more retirement systems for the purpose of determining the percentage factor to be used in calculating a service retirement allowance.
 4. A member of two or more participating systems who is eligible to retire under any system may elect to retire from all the member's systems and to receive a service retirement allowance. Each participating system shall calculate the allowance using its own criteria except that the member shall be allowed to use the member's base salary from any participating system as the compensation used in calculating the allowance. "Base salary" means the salary or wages used by the participating system during a payroll period for making contributions to the system by its members generally. It includes salary or wages paid for personal services and wages and salary deferred under the provisions of the Internal Revenue Code. It excludes overtime payments (except as to service for the City of Spokane), non-money maintenance compensation and lump-sum payments for deferred annual leave, unused accumulated vacation, unused accumulated annual leave, any form of severance pay, any bonus for voluntary retirement, any other form of leave, or any similar lump-sum payment.
 5. The retirement allowances shall be paid separately by each participating system. Post-retirement adjustments, if any, shall be based upon the payments made by each participating system to the member.
 6. The total retirement allowances provided through portability of benefits shall not be less than the benefits payable by each participating system were there no portability.

7. A participating system may pay a member of two or more systems a lump sum in lieu of a monthly benefit if the initial monthly benefit would be less than fifty dollars.
8. If a member of two or more participating systems dies in service in any system, the surviving spouse shall receive the same benefit from each system that would have been received if the member were active in the system at the time of his death based upon service actually established in that system.
9. The terms and conditions of the board's agreement with the board of a participating system both establishes and limits the portability of benefits provided. The board's agreements may be amended from time to time or supplemented by an agreement with the State of Washington for portability with state retirement systems. If the board amends its agreement with the board of a participating system or makes modifications to provide portability with state systems, the rights, terms and conditions for portability are subject to amendment or abolition at any time before a member retires.
 - a. A member who:
 - i. earned retirement credit for service in a participating system,
 - ii. withdrew his contributions from that system,
 - iii. lost service credit by making the withdrawal, and
 - iv. is now an active member of another participating system may restore his or her prior service credit in the participating system of his or her former municipal employer by redepositing an amount determined by the system board within one year after January 1, 1991. Any individual hired after January 1, 1992, shall be provided with a one-year period under portability to repay contributions. This does not extend the time period for those individuals in the system who have not taken advantage of the one-year "windowed" period from January 1, 1991, to December 31, 1991. The amount shall be measured by the accumulated contributions withdrawn, plus compound regular interest which would have accumulated on the withdrawn contributions from the date of withdrawal until the date of his redeposit.

Passed by the City Council on _____ 2016.

Council President

Attest:

Approved as to form:

City Clerk

City Attorney

Mayor

Date

Effective Date



Agenda Sheet for City Council Meeting of:
06/20/2016

Date Rec'd	5/31/2016
Clerk's File #	ORD C35407
Renews #	
Cross Ref #	OPR 2016-0458
Project #	
Bid #	
Requisition #	

Submitting Dept	PARKS & RECREATION
Contact Name/Phone	LEROY EADIE 509-625-6204
Contact E-Mail	LEADIE@SPOKANECITY.ORG
Agenda Item Type	First Reading Ordinance
Agenda Item Name	1400-UTILITY EASEMENT AVISTA CORPORATION

Agenda Wording

In exchange of \$1.00, the City of Spokane grants, conveys and warrants to Avista Corporation a perpetual non-exclusive easement on property identified as Assessor's Parcel #'s 35185.0041,35185.007,35184.0069 and 35185.0076 in Spokane County.

Summary (Background)

The non-exclusive utility easement between the City of Spokane and Avista allows for relocation and construction of the utility corporation's new facilities at Riverfront Park. Grantee shall have the right to construct, reconstruct, operate, maintain, upgrade, repair, remove, relocate and replace electric transmission, electric distribution, natural gas and communication lines together with all related appurtenances across the easement area.

Fiscal Impact

Revenue	\$ 1.00
Select	\$
Select	\$
Select	\$

Budget Account

1400-30210-76100-36999-99999
#
#
#

Approvals

<u>Dept Head</u>	CONLEY, JASON K.
<u>Division Director</u>	EADIE, LEROY
<u>Finance</u>	KECK, KATHLEEN
<u>Legal</u>	DALTON, PAT
<u>For the Mayor</u>	WHITNEY, TYLER

Council Notifications

<u>Study Session</u>	
<u>Other</u>	Park Brd approved-

Distribution List

Additional Approvals

Purchasing

Return Address:

Avista Corporation
Real Estate Department MSC-25
P.O. Box 3727
Spokane, Washington 99220-3727

UTILITY EASEMENT

In exchange for One Dollar (\$1.00), the receipt of which is hereby acknowledged, **City of Spokane**, a Washington municipal corporation, ("Grantor") hereby grants, conveys and warrants to **AVISTA CORPORATION**, a Washington corporation ("Grantee"), a perpetual non-exclusive easement on, over, under, along and across real property identified as Assessor's Parcel #'s 35185.0041, 35185.0077, 35184.0069, and 35185.0076 located in the Northeast Quarter (NE1/4), Northwest Quarter (NW1/4), Southwest Quarter (SW1/4), and Southeast Quarter (SE1/4) of Section 18, Township 25 North, Range 43 East Willamette Meridian., in Spokane County, State of Washington, legally described in **EXHIBIT "A"** (the "Property"), and by this reference is incorporated into this easement, subject to the terms and conditions set forth below.

1. **PURPOSE.** Subject to the terms and conditions set forth herein, Grantee shall have the right to construct, reconstruct, operate, maintain, upgrade, repair, remove, relocate and replace electric transmission, electric distribution, natural gas and communication lines together with all related appurtenances ("Facilities") on, over, under, along and across the property, **which is shown on the attached map marked EXHIBIT "B" (the "Easement Area"), and by this reference is incorporated into this easement;** provided, the rights and easement granted hereunder shall not interfere with Grantor's use of the property. The easement may not be used for any other purpose without Grantor's express written consent which Grantor may withhold for any reason.

2. **ACCESS AND DAMAGE.** Grantee shall have the right of access over and across the Property/Easement Area and the adjoining property of the Grantor, provided the Grantee repairs any damage, makes reasonable attempt to restore the affected area to its original or natural state, as close as reasonably possible, to Grantor's reasonable satisfaction, or compensates the Grantor for any damage to said properties as a result of such access. Grantee shall not commence any construction, reconstruction, installation, upgrade, relocation, replacement, repair, or maintenance of Facilities under this Easement without first obtaining approval of the Director of the Spokane Parks and Recreation Department (the "Director") except in the event of emergency which necessitates Grantee's immediate occupancy of the Easement Area to affect repairs or maintenance, in which event Grantee will make a reasonable effort to notify the Director of any repair and maintenance as soon as feasibly possible. Grantee, its assigns and successors in interest shall at all times exercise its rights herein in accordance with all applicable standards, laws, statutes, ordinances, orders, rules, regulations, and requirements of governmental agencies, offices, and boards having jurisdiction. If the enactment or enforcement of any law, ordinance, regulation or code requires any change to the Facilities, Grantee shall promptly make all such changes at no cost to Grantor.

3. **CLEARING AND MAINTENANCE.** Subject to the conditions set forth herein, and further subject to compliance with the requirements of the City of Spokane's Urban Forestry Program (SMC 12.02.900 through .958),

Grantee may cut, trim and remove brush, branches, landscaping and trees, including danger trees, within the Easement Area, the Property and on Grantor's adjoining property that in the reasonable opinion of the Grantee, could interfere with the safe and reliable operation of Grantee's Facilities or that could unreasonably interfere with the exercise of Grantee's rights as granted herein. Provided, Grantee shall reimburse the City for the value of any trees that are removed pursuant to this easement. The value of said trees shall be determined in accordance with the latest revision of the Guide for Plant Appraisals as published by the International Society of Arboriculture. Grantee shall make a reasonable effort to notify the Director prior to cutting, trimming and/or removing any brush, branches and/or trees from the Easement Area or Grantor's adjoining property. Grantee may not cut, trim, and/or remove any trees without the Director's advance written approval, except in the event of an emergency which necessitates Grantee's immediate cutting, trimming, and/or removal of a tree, in which event Grantee will make reasonable efforts to notify the Director as soon as feasibly possible.

4. **GRANTOR'S USE OF THE PROPERTY.** Grantor reserves the right to use and enjoy the Property, to the extent that such use does not unreasonably conflict or interfere with the Grantee's rights herein. Grantor agrees that it will not construct, place or maintain any building, structure, fence or landscaping within the Easement Area that would interfere with the safe operation of the Facilities or that are not in compliance with all safety and building codes, regulations and laws; provided, if Grantor reasonably determines that any of Grantee's Facilities conflict or interfere with Grantor's plans for the Property/Easement Area, and said plans are shown to be for the direct benefit of the public, Grantee shall relocate such Facilities at no cost or expense to Grantor. Grantee shall not be required to relocate the same facilities more than once in any five (5) year period.

5. **AS-BUILTS OF EXISTING FACILITIES.** Within sixty (60) days of receipt of a written request from the City, Avista shall provide the City with GIS mapping or similar rendering showing the approximate location of Avista's existing facilities within the Easement Area which mapping or rendering shall be marked **EXHIBIT "C"** and attached to this Utility Easement, and by this reference incorporated thereto (the "**Existing Facilities**"). Grantor may re-record this Utility Easement with Exhibit "C" added thereto, and upon recording, the Easement Area shall be deemed to be confined to the actual location of the Existing Facilities.

6. **INDEMNITY.** Grantee agrees to indemnify and hold harmless Grantor, its employees, agents, guests and invitees from damage to property and personal injury to the extent caused by Grantee's negligence or willful misconduct in the exercise of its rights herein, provided that Grantee shall not be liable for property damage or personal injury that is caused by the acts or omissions of Grantor, its employees, agents, guests and invitees or any other person.

7. **INSURANCE.** Grantor requires Grantee to secure a \$1,500,000.00 General Liability Coverage Policy of insurance naming Grantor as an additional insured. Grantor understands and is aware that Grantee is self-insured in an amount equal to \$1,500,000.00 general liability coverage, which is acceptable to Grantor as meeting the insurance requirement for this easement. Grantee shall provide the city with a certificate naming the City of Spokane as an additional insured under said self-insurance with respect to the matters set forth in this easement.

8. **HAZARDOUS MATERIALS.** Grantee, its successors and assigns, will not discharge, disperse, release, store, treat, generate, dispose of any pollutant or other toxic or hazardous substance, including any solid, liquid, gas, or thermal irritant or contaminant, acid, chemicals, or wastes onto the Easement Area or Grantor's adjacent property. For the purpose of this paragraph, hazardous substance shall include but are not limited to, substances defined as "hazardous substances," "hazardous materials," "hazardous waste," "toxic substances," in the Comprehensive Environmental Response Compensation and Liability Act of 1980, as amended, and RCW Title 70 and the regulations promulgated pursuant to the above cited laws.

9. **SUCCESSORS AND ASSIGNS.** The rights granted in this easement run with the Property and shall be binding upon and benefit the parties and their respective successors, heirs and assigns.

GRANTEE
Avista Corporation

By: _____

Its: _____

EXHIBIT A
Legal Description
Of the Property

Parcel # 35185.0041

All that certain property owned by the City of Spokane as of the date this easement is signed, known as Riverfront park in a portion of the Southwest Quarter of Section 18, Township 25 North, Range 43 East Willamette Meridian, situate in the City of Spokane, County of Spokane, State of Washington; Said property being bounded to the South by Spokane Falls Boulevard; also being bounded to the North by the Spokane River; also being bounded to the West by the East line of Block 14 of Resurvey and Addition to Spokane Falls, as extended Northerly to the South Bank of the Spokane River.

AND; all that certain property owned by the City of Spokane as of the date this easement is signed, known as Riverfront park in a portion of the Southeast Quarter of Section 18, Township 25 North, Range 43 East Willamette Meridian situate in the City of Spokane, County of Spokane, State of Washington; Said property being bounded to the South by Spokane Falls Boulevard; also being bounded to the North by the Spokane River; also being bounded to the East by Division Street;

ALSO being bounded to the South by the following described parcel:

A PORTION OF HAVERMALE'S SECOND ADDITION, ACCORDING TO PLAT RECORDED IN VOLUME "A" OF PLATS, PAGE 148, AND A PORTION OF THE SOUTHEAST QUARTER OF SECTION 18, TOWNSHIP 25 NORTH, RANGE 43 EAST, W.M., CITY OF SPOKANE, SPOKANE COUNTY, WASHINGTON, DESCRIBED, AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE EAST RIGHT OF WAY LINE OF WASHINGTON STREET AND THE NORTH RIGHT OF WAY LINE OF SPOKANE FALLS BOULEVARD;
THENCE NORTH 87°05'15" EAST, ALONG THE NORTH LINE OF SAID SPOKANE FALLS BOULEVARD, 712.00 FEET TO THE SOUTHWEST CORNER OF SPOKANE FALLS COURT;
THENCE NORTH 02°50'49" WEST, ALONG THE WEST LINE OF SAID SPOKANE FALLS COURT AND PARALLEL WITH THE EAST RIGHT OF WAY LINE OF WASHINGTON STREET, 157.95 FEET (REC. 158.00 FEET);
THENCE NORTH 87°05'15" EAST, ALONG THE NORTH LINE OF SPOKANE FALLS COURT AND PARALLEL TO THE NORTH LINE OF SPOKANE FALLS BOULEVARD, 32.51 FEET (REC. 32.50 FEET);
THENCE NORTH 10°19'39" WEST, 10.14 FEET (REC. 10.08 FEET);
THENCE NORTH 12°34'07" WEST, 10.14 FEET;
THENCE NORTH 14°30'20" WEST, 10.21 FEET;
THENCE NORTH 15°36'04" WEST, 10.25 FEET;
THENCE NORTH 16°24'59" WEST, 10.23 FEET;
THENCE NORTH 18°01'49" WEST, 10.36 FEET;
THENCE NORTH 20°55'29" WEST, 10.51 FEET;
THENCE NORTH 25°56'46" WEST, 10.87 FEET;
THENCE NORTH 24°58'06" WEST, 3.82 FEET;
THENCE NORTH 02°50'49" WEST, PARALLEL WITH THE EAST RIGHT OF WAY LINE OF WASHINGTON STREET, 48.01 FEET (REC. 47.95 FEET);
THENCE NORTH 35°58'22" EAST, 10.24 FEET TO THE BEGINNING OF A CURVE TO THE RIGHT, THE RADIUS OF WHICH BEARS SOUTH 33°45'06" EAST, A DISTANCE OF 25.00 FEET;
THENCE ALONG SAID CURVE TO THE RIGHT, THROUGH A CENTRAL ANGLE OF 30°08'53", AN ARC DISTANCE OF 13.15 FEET TO A POINT 742.00 FEET EAST OF THE EAST RIGHT OF WAY LINE OF WASHINGTON STREET AND 301.00 FEET NORTH OF THE NORTH RIGHT OF WAY LINE OF SPOKANE FALLS BOULEVARD;
THENCE NORTH 02°50'49" WEST, 12.00 FEET;
THENCE NORTH 35°58'22" EAST, 67.76 FEET;
THENCE NORTH 42°07'28" EAST, 40.45 FEET;
THENCE NORTH 56°26'07" EAST, 68.56 FEET;
THENCE SOUTH 31°58'44" EAST, 47.24 FEET (REC. 47.23) FEET TO A POINT 895.01 FEET EAST OF THE EAST RIGHT OF WAY LINE OF WASHINGTON STREET AND 388.00 FEET NORTH OF THE NORTH RIGHT OF WAY LINE OF SPOKANE FALLS BOULEVARD;
THENCE NORTH 87°05'15" EAST, 730.36 FEET (REC. 730.38 FEET) TO THE WEST RIGHT OF WAY LINE OF DIVISION STREET;

THENCE NORTH 03°05'15" WEST, ALONG SAID WEST RIGHT OF WAY LINE 77.03 FEET TO THE BEGINNING OF A CURVE TO THE LEFT THE RADIUS OF WHICH BEARS SOUTH 03°05'15" EAST, A DISTANCE OF 195.00 FEET;

THENCE ALONG SAID CURVE TO THE LEFT, THROUGH A CENTRAL ANGLE OF 31°23'12", AN ARC DISTANCE OF 106.82 FEET TO THE BEGINNING OF A REVERSE CURVE THE RADIUS OF WHICH BEARS NORTH 34°28'27" WEST, A DISTANCE OF 150.00 FEET;

THENCE ALONG SAID REVERSE CURVE, THROUGH A CENTRAL ANGLE OF 18°18'01", AN ARC DISTANCE OF 47.91 FEET TO A POINT 145.71 FEET WEST OF THE WEST RIGHT OF WAY LINE OF DIVISION STREET AND 418.00 FEET NORTH OF THE NORTH RIGHT OF WAY LINE OF SPOKANE FALLS BOULEVARD;

THENCE SOUTH 87°05'15" WEST, PARALLEL WITH SAID NORTH RIGHT OF WAY LINE, 251.29 FEET TO A POINT 397.00 FEET WEST OF THE WEST RIGHT OF WAY LINE OF DIVISION STREET;

THENCE NORTH 03°05'15" WEST, PARALLEL WITH SAID WEST RIGHT OF WAY LINE, 130.46 FEET;

THENCE NORTH 80°44'15" EAST, 84.09 FEET;

THENCE NORTH 84°21'00" EAST, 176.33 FEET;

THENCE NORTH 80°36'00" EAST, 86.86 FEET;

THENCE NORTH 82°33'30" EAST, 51.06 FEET (REC. 51.05 FEET) TO THE WEST RIGHT OF WAY LINE OF DIVISION STREET;

THENCE NORTH 03°05'15" WEST, ALONG SAID WEST RIGHT OF WAY LINE, 26.40 FEET;

THENCE SOUTH 73°18'46" WEST, 19.39 FEET;

THENCE SOUTH 63°12'14" WEST, 32.63 FEET;

THENCE SOUTH 72°13'24" WEST, 20.32 FEET;

THENCE SOUTH 82°06'10" WEST, 21.05 FEET;

THENCE SOUTH 85°05'30" WEST, 53.94 FEET;

THENCE SOUTH 85°36'01" WEST, 37.38 FEET;

THENCE SOUTH 81°27'48" WEST, 91.18 FEET;

THENCE SOUTH 81°28'18" WEST, 27.40 FEET;

THENCE SOUTH 81°39'06" WEST, 28.26 FEET;

THENCE SOUTH 81°22'21" WEST, 31.57 FEET;

THENCE SOUTH 82°48'52" WEST, 24.37 FEET;

THENCE SOUTH 79°50'33" WEST, 27.96 FEET;

THENCE SOUTH 81°13'51" WEST, 9.30 FEET;

THENCE SOUTH 83°01'55" WEST, 74.81 FEET;

THENCE SOUTH 82°41'31" WEST, 46.90 FEET;

THENCE SOUTH 82°54'44" WEST, 68.90 FEET;

THENCE SOUTH 86°30'10" WEST, 50.81 FEET;

THENCE SOUTH 86°24'39" WEST, 51.00 FEET;

THENCE NORTH 89°55'42" WEST, 31.12 FEET;

THENCE SOUTH 89°19'43" WEST, 29.16 FEET;

THENCE SOUTH 87°35'15" WEST, 28.09 FEET;

THENCE SOUTH 82°33'35" WEST, 29.40 FEET;

THENCE SOUTH 72°57'28" WEST, 5.64 FEET;

THENCE SOUTH 63°30'04" WEST, 4.49 FEET;

THENCE SOUTH 62°26'42" WEST, 23.20 FEET;

THENCE SOUTH 62°23'20" WEST, 27.23 FEET;

THENCE SOUTH 76°42'03" WEST, 41.02 FEET;

THENCE SOUTH 71°49'34" WEST, 46.60 FEET;

THENCE SOUTH 41°58'06" WEST, 41.14 FEET;

THENCE SOUTH 42°05'55" WEST, 101.61 FEET;
THENCE SOUTH 42°02'23" WEST, 50.88 FEET;
THENCE SOUTH 42°06'30" WEST, 62.27 FEET;
THENCE SOUTH 60°16'28" WEST, 2.58 FEET;
THENCE SOUTH 42°00'29" WEST, 42.09 FEET;
THENCE SOUTH 41°59'51" WEST, 83.72 FEET;
THENCE SOUTH 87°05'09" WEST, 50.65 FEET;
THENCE SOUTH 86°58'38" WEST, 109.39 FEET;
THENCE SOUTH 87°06'04" WEST, 138.61 FEET;
THENCE NORTH 69°30'57" WEST, 15.06 FEET TO THE BEGINNING OF A NON-TANGENT CURVE TO
THE LEFT THE RADIUS OF WHICH BEARS SOUTH 79°07'08" WEST, A DISTANCE OF 14.93 FEET;
THENCE ALONG SAID CURVE TO THE LEFT, THROUGH A CENTRAL ANGLE OF 232°50'37", AN ARC
DISTANCE OF 60.68 FEET;
THENCE SOUTH 03°07'55" EAST, 19.91 FEET;
THENCE SOUTH 00°46'51" WEST, 3.96 FEET;
THENCE SOUTH 42°06'21" WEST, 75.74 FEET TO THE EAST RIGHT OF WAY LINE OF WASHINGTON
STREET;
THENCE SOUTH 02°50'49" EAST, ALONG SAID EAST RIGHT OF WAY LINE, 141.20 FEET TO THE
POINT OF BEGINNING.

EXCEPT ANY PORTION OF DEEDED TO STATE OF WASHINGTON ON MARCH 13, 1990, RECORDED
APRIL 9, 1990 UNDER AUDITOR'S FILE NO. 9004090075, IN SPOKANE COUNTY, WASHINGTON, FOR
STATE ROUTE #2, SPOKANE RIVER BRIDGE VICINITY AND DIVISION STREET.

AND EXCEPT ALL THAT PORTION CONDEMNED BY CAUSE NO. 91201392-1, SUPERIOR COURT OF
THE STATE OF WASHINGTON, IN AND FOR SPOKANE COUNTY, WASHINGTON FOR STATE ROUTE
#2, SPOKANE RIVER BRIDGE VICINITY AND DIVISION STREET.

Known as parcel number 35184.0001;

EXCEPT, any Avista owned property as of the date this easement is signed.

Parcel # 35185.0077

All that certain property owned by the City of Spokane as of the date this easement is signed, being a portion of the
Northeast Quarter and a portion of the Southeast Quarter of Section 18, Township 25 North, Range 43 East
Willamette Meridian, situate in the City of Spokane, County of Spokane, State of Washington; Said property being
bounded to the South by the Spokane River; also being bounded to the East by Washington Street; also being
bounded to the North by Mallon Street and Parcel's A and C under Statutory Warranty Deed recorded under
Auditor File Number 4483487 in the records of the Spokane County Auditor, State of Washington; also being
bounded to the West by a certain parcel of land owned by Spokane Federal Credit Union as of the date this
easement is signed, also known as parcel number 35181.0003.

EXCEPT; any Avista owned property.

Parcel # 35185.0076

That parcel or tract of unplatted land situated in the Northwest Quarter of the Southeast Quarter and the Northeast Quarter of the Southwest Quarter of Section 18, Township 25 North, Range 43 East, W.M., in the City of Spokane, Spokane County, Washington, on the island between the North and middle channels of the Spokane River, described as follows:

Commencing at the City Engineer's Monument, a cross on a steel pin, which is the center of said Section 18; thence South $89^{\circ}39'$ East a distance of 299.85 feet on the north line of the Northwest Quarter of the Southeast Quarter to the intersection of the center line of Howard Street; thence South $10^{\circ}24'30''$ West a distance of 211.32 feet on the center line of Howard Street; thence at right angles North $79^{\circ}35'30''$ West 30 feet to a point marked by cross in concrete on the West line of Howard Street, which point is the true point of beginning; thence South $54^{\circ}52'$ West 108.85 feet to a point which bears North $33^{\circ}35'$ West 152.86 feet from the City Engineer's Monument located in center of Howard Street about 18 feet north of the north end of the bridge over the middle channel of the Spokane River; thence South $53^{\circ}49'$ West 73.03 feet to a point marked by iron pin; thence South $66^{\circ}34'$ West 76.71 feet; thence North $77^{\circ}38'$ West 85.82 feet to a point marked by cross in rock; thence South $71^{\circ}38'$ West 160.82 feet to a point marked by iron pin; thence South $27^{\circ}20'$ West 86.06 feet to a point marked by hole in rock; thence South $1^{\circ}09'$ East 54.47 feet to a point marked by iron pin; thence South $73^{\circ}40'$ East 45.51 feet to a point marked by iron pin; thence North $84^{\circ}10'$ East 121.13 feet to a point marked by iron pin; thence North $78^{\circ}44'$ East 138.81 feet to a point marked by iron pin; thence North $75^{\circ}59'$ East 165.50 feet to a point on the West line of Howard Street marked by iron pin; thence following the West line of Howard Street North $1^{\circ}55'$ West 45.45 feet to the angle point in Howard Street marked by cross in concrete; thence North $10^{\circ}24'30''$ East 190.86 feet to the place of beginning.

Also known as parcel number: 35185.0076

EXCEPT any Avista owned property.

Parcel Number 35184.0069

THAT PORTION OF THE NORTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 18, TOWNSHIP 25 NORTH, RANGE 43 EAST, W.M., IN SPOKANE COUNTY, WASHINGTON, DESCRIBED AS FOLLOWS:

**BEGINNING AT A POINT ON THE NORTH AND SOUTH CENTER LINE OF SAID SECTION, 476.59 FEET NORTH OF THE SOUTHWEST CORNER OF THE NORTHWEST QUARTER OF THE SOUTHEAST QUARTER;
THENCE SOUTH 87°37' EAST 24.67 FEET TO THE TRUE POINT OF BEGINNING;
THENCE NORTH 2°38' EAST 163.74 FEET;
THENCE NORTH 76°21'30" EAST 98.34 FEET;
THENCE SOUTH 50°18' EAST 21.74 FEET;
THENCE NORTH 67°51'30" EAST, 75.71 FEET, MORE OR LESS, TO A POINT ON THE WEST LINE OF HOWARD STREET;
THENCE SOUTH 1°55' EAST ALONG THE WEST LINE OF HOWARD STREET 226.78 FEET;
THENCE NORTH 42°41' WEST 8.55 FEET;
THENCE NORTH 78°06' WEST 66.72 FEET;
THENCE NORTH 87°37' WEST, 126.52 FEET TO THE TRUE POINT OF BEGINNING;**

ORDINANCE NO. C35407

An ordinance approving an easement between the Park Board and Avista Corporation.

WHEREAS, the Park Board has approved a utility easement agreement with Avista for easements on and across Riverfront Park as needed to further re-development of the Park;

Now, Therefore

The City of Spokane does ordain: That the Easement attached hereto is hereby approved and the Mayor is authorized to execute the same together with any incidental documentation necessary and appropriate for consummating the easement.

Adopted by the City Council on this _____ day of _____, 2016.

Council President

Attest:

Approved as to form:

City Clerk

Assistant City Attorney

Mayor

Date

Effective Date

Appendix

Project Agreement and Easement

AGENDA SHEET FOR PARKBOARD MEETING OF: May 12, 2016



Submitting Division
Parks & Recreation

Contact Person
Berry Ellison

Phone No.
625-6276

DEPARTMENT

- Finance
- Operations
- Recreation/Golf
- Riverfront Park
- Parks & Recreation

COMMITTEE

- Riverfront
- Golf
- Recreation
- Land
- Urban Forestry
- Finance

- CLERK'S FILE _____
- RENEWS _____
- CROSS REF _____
- ENG _____
- BID _____
- REQUISITION _____

AGENDA WORDING:

Motion to approve the non-exclusive utility easement between the City of Spokane and Avista which allows for relocation and construction of the utility corporation's new facilities at Riverfront Park.

BACKGROUND:

(Attach additional sheet if necessary)

The non-exclusive utility easement between the City of Spokane and Avista allows for relocation and construction of the utility corporation's new facilities at Riverfront Park. Avista agrees to pay the full cost of the relocation which is needed due to the Riverfront Park Redevelopment project.

RECOMMENDATION:

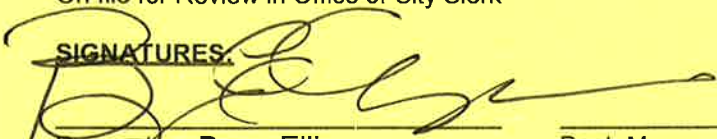
Approve Riverfront Park Utility Easement for Avista.

<u>Fiscal Impact:</u>	<u>Budget Account:</u>
Expenditure: none	
Revenue: \$1.00	1400-30210-76100-36999-99999


ATTACHMENTS: Include in Packets:


On file for Review in Office of City Clerk

SIGNATURES:


Requestor - Berry Ellison

Dept. Mgr. - _____


Director of Parks and Recreation


Parks Accounting - Nicole Edwards


Legal Dept. - _____

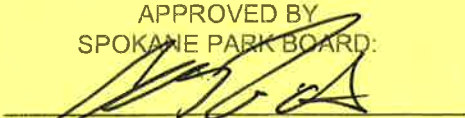
DISTRIBUTION:

- Parks: Accounting
- Parks: Pamela Clarke
- Budget Manager: Tim Dunivant
- Requester: _____

- Parks: Jo-Lynn Brown
- Parks: Berry Ellison

PARK BOARD ACTION:

APPROVED BY
SPOKANE PARK BOARD:



May 12, 2016

Return Address:

Avista Corporation
Real Estate Department MSC-25
P.O. Box 3727
Spokane, Washington 99220-3727

UTILITY EASEMENT

In exchange for One Dollar (\$1.00), the receipt of which is hereby acknowledged, City of Spokane, a Washington municipal corporation, ("Grantor") hereby grants, conveys and warrants to AVISTA CORPORATION, a Washington corporation ("Grantee"), a perpetual non-exclusive easement on, over, under, along and across real property identified as Assessor's Parcel #'s 35185.0041, 35185.0077, 35184.0069, and 35185.0076 located in the Northeast Quarter (NE1/4), Northwest Quarter (NW1/4), Southwest Quarter (SW1/4), and Southeast Quarter (SE1/4) of Section 18, Township 25 North, Range 43 East Willamette Meridian., in Spokane County, State of Washington, legally described in EXHIBIT "A" (the "Property"), and by this reference is incorporated into this easement, subject to the terms and conditions set forth below.

1. **PURPOSE.** Subject to the terms and conditions set forth herein, Grantee shall have the right to construct, reconstruct, operate, maintain, upgrade, repair, remove, relocate and replace electric transmission, electric distribution, natural gas and communication lines together with all related appurtenances ("Facilities") on, over, under, along and across the property, which is shown on the attached map marked EXHIBIT "B" (the "Easement Area"), and by this reference is incorporated into this easement; provided, the rights and easement granted hereunder shall not interfere with Grantor's use of the property. The easement may not be used for any other purpose without Grantor's express written consent which Grantor may withhold for any reason.

2. **ACCESS AND DAMAGE.** Grantee shall have the right of access over and across the Property/Easement Area and the adjoining property of the Grantor, provided the Grantee repairs any damage, makes reasonable attempt to restore the affected area to its original or natural state, as close as reasonably possible, to Grantor's reasonable satisfaction, or compensates the Grantor for any damage to said properties as a result of such access. Grantee shall not commence any construction, reconstruction, installation, upgrade, relocation, replacement, repair, or maintenance of Facilities under this Easement without first obtaining approval of the Director of the Spokane Parks and Recreation Department (the "Director") except in the event of emergency which necessitates Grantee's immediate occupancy of the Easement Area to affect repairs or maintenance, in which event Grantee will make a reasonable effort to notify the Director of any repair and maintenance as soon as feasibly possible. Grantee, its assigns and successors in interest shall at all times exercise its rights herein in accordance with all applicable standards, laws, statutes, ordinances, orders, rules, regulations, and requirements of governmental agencies, offices, and boards having jurisdiction. If the enactment or enforcement of any law, ordinance, regulation or code requires any change to the Facilities, Grantee shall promptly make all such changes at no cost to Grantor.

3. **CLEARING AND MAINTENANCE.** Subject to the conditions set forth herein, and further subject to compliance with the requirements of the City of Spokane's Urban Forestry Program (SMC 12.02.900 through .958),

Grantee may cut, trim and remove brush, branches, landscaping and trees, including danger trees, within the Easement Area, the Property and on Grantor's adjoining property that in the reasonable opinion of the Grantee, could interfere with the safe and reliable operation of Grantee's Facilities or that could unreasonably interfere with the exercise of Grantee's rights as granted herein. Provided, Grantee shall reimburse the City for the value of any trees that are removed pursuant to this easement. The value of said trees shall be determined in accordance with the latest revision of the Guide for Plant Appraisals as published by the International Society of Arboriculture. Grantee shall make a reasonable effort to notify the Director prior to cutting, trimming and/or removing any brush, branches and/or trees from the Easement Area or Grantor's adjoining property. Grantee may not cut, trim, and/or remove any trees without the Director's advance written approval, except in the event of an emergency which necessitates Grantee's immediate cutting, trimming, and/or removal of a tree, in which event Grantee will make reasonable efforts to notify the Director as soon as feasibly possible.

4. **GRANTOR'S USE OF THE PROPERTY.** Grantor reserves the right to use and enjoy the Property, to the extent that such use does not unreasonably conflict or interfere with the Grantee's rights herein. Grantor agrees that it will not construct, place or maintain any building, structure, fence or landscaping within the Easement Area that would interfere with the safe operation of the Facilities or that are not in compliance with all safety and building codes, regulations and laws; provided, if Grantor reasonably determines that any of Grantee's Facilities conflict or interfere with Grantor's plans for the Property/Easement Area, and said plans are shown to be for the direct benefit of the public, Grantee shall relocate such Facilities at no cost or expense to Grantor. Grantee shall not be required to relocate the same facilities more than once in any five (5) year period.

5. **AS-BUILTS OF EXISTING FACILITIES.** Within sixty (60) days of receipt of a written request from the City, Avista shall provide the City with GIS mapping or similar rendering showing the approximate location of Avista's existing facilities within the Easement Area which mapping or rendering shall be marked **EXHIBIT "C"** and attached to this Utility Easement, and by this reference incorporated thereto (the "**Existing Facilities**"). Grantor may re-record this Utility Easement with Exhibit "C" added thereto, and upon recording, the Easement Area shall be deemed to be confined to the actual location of the Existing Facilities.

6. **INDEMNITY.** Grantee agrees to indemnify and hold harmless Grantor, its employees, agents, guests and invitees from damage to property and personal injury to the extent caused by Grantee's negligence or willful misconduct in the exercise of its rights herein, provided that Grantee shall not be liable for property damage or personal injury that is caused by the acts or omissions of Grantor, its employees, agents, guests and invitees or any other person.

7. **INSURANCE.** Grantor requires Grantee to secure a \$1,500,000.00 General Liability Coverage Policy of insurance naming Grantor as an additional insured. Grantor understands and is aware that Grantee is self-insured in an amount equal to \$1,500,000.00 general liability coverage, which is acceptable to Grantor as meeting the insurance requirement for this easement. Grantee shall provide the city with a certificate naming the City of Spokane as an additional insured under said self-insurance with respect to the matters set forth in this easement.

8. **HAZARDOUS MATERIALS.** Grantee, its successors and assigns, will not discharge, disperse, release, store, treat, generate, dispose of any pollutant or other toxic or hazardous substance, including any solid, liquid, gas, or thermal irritant or contaminant, acid, chemicals, or wastes onto the Easement Area or Grantor's adjacent property. For the purpose of this paragraph, hazardous substance shall include but are not limited to, substances defined as "hazardous substances," "hazardous materials," "hazardous waste," "toxic substances," in the Comprehensive Environmental Response Compensation and Liability Act of 1980, as amended, and RCW Title 70 and the regulations promulgated pursuant to the above cited laws.

9. **SUCCESSORS AND ASSIGNS.** The rights granted in this easement run with the Property and shall be binding upon and benefit the parties and their respective successors, heirs and assigns.

DATED this 1 day of June, 2016.

GRANTOR: City of Spokane



Signature of:

Attest:

Approved as to form:

Clerk



Assistant City Attorney

STATE OF WASHINGTON)
) ss.
COUNTY OF SPOKANE)

I certify that I know or have satisfactory evidence that _____, is the individual who appeared before me, and said individual acknowledged that he/she signed this instrument on oath or stated that he/she was authorized to execute the instrument and acknowledged it as the _____ of City of Spokane, a Washington municipal corporation, to be the free and voluntary act and deed of such party, for the uses and purposes therein mentioned.

Signature


Print Name

Notary Public for the State of _____

Residing at _____

My Commission Expires _____

GRANTEE
Avista Corporation

By:  _____

Its: Rod Price
 Manager, Avista Real Estate



Agenda Sheet for City Council Meeting of:
06/20/2016

Date Rec'd	6/8/2016
Clerk's File #	ORD C35408
Renews #	

Submitting Dept	CITY COUNCIL	Cross Ref #	
Contact Name/Phone	KAREN 6291	Project #	
Contact E-Mail	KSTRATTON@SPOKANECITY.ORG	Bid #	
Agenda Item Type	First Reading Ordinance	Requisition #	
Agenda Item Name	AN ORDINANCE RELATING TO ESTABLISHING NEW EXEMPT POSITIONS		

Agenda Wording

An ordinance relating to the establishment of new exempt positions; amending section 03.07.330 of the Spokane Municipal Code.

Summary (Background)

This ordinance clarifies that before the City Council will take legislative action to create new exempt positions, the Human Resources Department must provide to the Council and to Civil Service an organizational chart, a written description of the reporting structure for the department in which the new exempt position resides, and a written justification for exempting that position from civil service.

Fiscal Impact		Budget Account	
Neutral	\$		#
Select	\$		#
Select	\$		#
Select	\$		#
Approvals		Council Notifications	
Dept Head	STUCKART, BEN	Study Session	
Division Director		Other	Finance Comm.: 6-6-2016
Finance	KECK, KATHLEEN	Distribution List	
Legal	PICCOLO, MIKE		
For the Mayor	WHITNEY, TYLER		
Additional Approvals			
Purchasing			

ORDINANCE NO. C35408

An ordinance relating to the establishment of new exempt positions; amending section 03.07.330 of the Spokane Municipal Code.

WHEREAS, pursuant to section 26 of the City Charter, “city officers, assistants, and employees shall receive such salary or compensation as the city council shall fix by ordinance”; and

WHEREAS, the City Council intends, by this ordinance, to help accomplish the purposes of the Spokane City Charter in the area of the establishment of new positions which are exempt from civil service rules.

NOW, THEREFORE, The City of Spokane does ordain:

Section 1. That section 03.07.330 of the Spokane Municipal Code is amended to read as follows:

Section 03.07.330 Establishment of New Exempt Positions

Prior to the City Council taking legislative action to create or fund new exempt positions, the City’s Human Resources department shall provide both the Civil Service Commission and the City Council with: (i) an organizational chart for the respective department identifying where the new exempt position fits in the department organization, (ii) a written description of the reporting structure for each position within the respective department, and (iii) the reasoning for exempting the position from Civil Service classification. The Human Resources department shall also provide the City Council with the justification or survey demonstrating the requested salary range and the job description questionnaire.

PASSED by the City Council on _____.

Council President

Attest:

Approved as to form:

City Clerk

Assistant City Attorney

Mayor

Date

Effective Date



Agenda Sheet for City Council Meeting of:

06/20/2016

Date Rec'd	6/8/2016
Clerk's File #	ORD C35409
Renews #	

Submitting Dept	CITY COUNCIL	Cross Ref #	
Contact Name/Phone	KAREN STRATTON 625-6291	Project #	
Contact E-Mail	KSTRATTON@SPOKANECITY.ORG	Bid #	
Agenda Item Type	First Reading Ordinance	Requisition #	
Agenda Item Name	AN ORDINANCE RELATING TO EXECUTIVE AND ADMINISTRATION		

Agenda Wording

An ordinance relating to Executive and Administration Organization; amending section 03.01A.205 of the Spokane Municipal Code; adopting a new section 03.01A.195 of the Spokane Municipal Code.

Summary (Background)

This ordinance clarifies that a department is a unit of the City having no fewer than three employees, no more than two of which may be exempt from civil service, and clarifies that exempt department heads and assistant department heads may not perform job duties or receive compensation until appointed by the City Council.

Fiscal Impact		Budget Account	
Neutral	\$		#
Select	\$		#
Select	\$		#
Select	\$		#
Approvals		Council Notifications	
<u>Dept Head</u>	MCCLATCHEY, BRIAN	<u>Study Session</u>	
<u>Division Director</u>		<u>Other</u>	
<u>Finance</u>	KECK, KATHLEEN	Distribution List	
<u>Legal</u>	DALTON, PAT		
<u>For the Mayor</u>	WHITNEY, TYLER		
Additional Approvals			
<u>Purchasing</u>			

ORDINANCE NO. C35409

An ordinance relating to Executive and Administration Organization; amending section 03.01A.205 of the Spokane Municipal Code; adopting a new section 03.01A.195 of the Spokane Municipal Code.

WHEREAS, under section 24 of the Spokane City Charter, the City Council approves the Mayor's appointment of the administrative heads of each department, the City Clerk, and the City Attorney; and

WHEREAS, in order to ensure that the City's use of its resources is most efficient, it is necessary to codify a requirement that "single-employee" departments are not to be permitted, and that a department consists of three employees, at a minimum, so that the City can arrest the proliferation of departments created solely to increase the number of employees who are exempt from civil service requirements; and

WHEREAS, recently, administrative heads of departments have been hired, have relocated to Spokane, and have been added to the City payroll before the City Council has approved appointment as is mandated by section 24 of the City Charter; and

WHEREAS, failing to obtain mandatory prior City Council approval for these appointments not only violates section 24 of the City Charter, but is also an unwise use of the City's financial resources and may subject the City to liability in the event that the City Council does not approve of the appointment.

NOW, THEREFORE, the City of Spokane does ordain:

Section 1. That section 03.01A.205 of the Spokane Municipal Code is amended to read as follows:

Section 03.01A.205 Departments – Rights, Powers and Duties

Except as otherwise provided, the departments and offices listed in this chapter shall have all the rights and powers granted and duties imposed by authority of the laws of the state and the charter and ordinances of the City now existing or subsequently adopted, subject to the general supervision and control of the mayor. For purposes of this chapter, "department" means an organizational unit having a minimum of three (3) employees, no more than two of whom may be exempt from civil service.

Section 2. That there is adopted a new section 03.01A.195 of the Spokane Municipal Code to read as follows:

Section 03.01A.195 Department Head Approval Process

- A. The City Attorney, the City Clerk, and the administrative head of each department shall not perform the duties of the position or be compensated directly or indirectly by the City of Spokane until approved by the City Council.
- B. The appointment of the head of the Parks and Recreation department shall not perform the duties of the position or be compensated directly or indirectly by the City of Spokane until the appointment has been concurred with by the Park Board and approved by the City Council.
- C. The appointment of the head of the Retirement Department shall not perform the duties of the position or be compensated directly or indirectly by the City of Spokane until the appointment has been concurred with by the Retirement Board and approved by the City Council.
- D. Pursuant to section 24 of the Charter, each department may have no more than two employees who are exempt from civil service: the department director and an assistant department director.

PASSED by the City Council on _____.

Council President

Attest:

Approved as to form:

City Clerk

Assistant City Attorney

Mayor

Date

Effective Date



Agenda Sheet for City Council Meeting of:
06/20/2016

Date Rec'd	6/3/2016
Clerk's File #	RES 2016-0053
Renews #	

Submitting Dept	INTEGRATED CAPITAL	Cross Ref #	PRO 2016-0025
Contact Name/Phone	BRANDON 625-6419	Project #	2016015
Contact E-Mail	BBLANKENAGEL@SPOKANECITY.ORG	Bid #	
Agenda Item Type	Hearings	Requisition #	
Agenda Item Name	4250 - RESOLUTION FOR SIX-YEAR COMPREHENSIVE STREET PROGRAM		

Agenda Wording

Hearing on resolution relating to the 2017-2022 Six Year Comprehensive Street Program (Various Neighborhoods)

Summary (Background)

RCW35.77 provides that pursuant to a public hearing process, each City shall update its Six-Year Transportation Improvement Program annually prior to July 1st and file a copy of the adopted program with the Secretary of Transportation no later than July 31st of that same year. The Plan Commission held a workshop on April 13, 2016. A hearing was held on May 25, 2016 which provided a recommendation of approval.

Fiscal Impact	Budget Account
Neutral \$	#
Select \$	#
Select \$	#
Select \$	#

Approvals		Council Notifications	
Dept Head	MILLER, KATHERINE E	Study Session	
Division Director	SIMMONS, SCOTT M.	Other	PW 1/1116, 4/25/16,
Finance	KECK, KATHLEEN	Distribution List	
Legal	DALTON, PAT	eraea@spokanecity.org	
For the Mayor	WHITNEY, TYLER	bblankenagel@spokanecity.org	
Additional Approvals		kmiller@spokanecity.org	
Purchasing		htrautman@spokanecity.org	
		kkeck@spokanecity.org	
		mhughes@spokanecity.org	

RESOLUTION 2016-0053

WHEREAS, pursuant to the requirements of RCW 35.77.010, Laws of the State of Washington, the City of Spokane has prepared a revised and extended Six-Year Comprehensive Street Program for the ensuing six years, 2017 through 2022; and

WHEREAS, the Spokane City Plan Commission, on May 25, 2016, following a public hearing, found the 2017-2022 Six-Year Comprehensive Street Program to be in full conformance with the City's Comprehensive Plan; and

WHEREAS, the City of Spokane utilizes state and federal grants and low-interest loans as appropriate to supplement its financial resources and such anticipated funding is incorporated in the 2017-2022 Six-Year Comprehensive Street Program;

WHEREAS, pursuant to the above law, the City Council of the City of Spokane, being the legislative body of the City held a public hearing on the 2017-2022 Six Year Comprehensive Street Program at 6:00 pm., at City Hall in Spokane, Washington on the 20th day of June, 2016.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Spokane that the revised and extended 2017-2022 Six Year Comprehensive Street Program is hereby adopted; and,

BE IT FURTHER RESOLVED, that a copy of the revised and extended 2017-2022 Six Year Comprehensive Street Program, together with a copy of this resolution, be filed with the Secretary, Washington State Department of Transportation.

BE IT FURTHER RESOLVED, that City staff be authorized to apply for state and federal grants and low-interest loans in support of projects as identified in the 2017-2022 Six Year Comprehensive Street Program;

Adopted this 20th day of June, 2016

Terri Pfister, City Clerk

Approved as to Form:

Assistant City Attorney



Agenda Sheet for City Council Meeting of:
06/20/2016

Date Rec'd	6/7/2016
Clerk's File #	ORD C35406
Renews #	

Submitting Dept	PLANNING	Cross Ref #	RES 2016-0046
Contact Name/Phone	BORIS BORISOV 625-6165	Project #	
Contact E-Mail	BBORISOV@SPOKANECITY.ORG	Bid #	
Agenda Item Type	First Reading Ordinance	Requisition #	
Agenda Item Name	0650 - 2016 E SPRAGUE ASSESSMENT ROLL ORDINANCE		

Agenda Wording

An Ordinance for the assessment roll hearing for the East Sprague Parking and Business Improvement Area. This ordinance will authorize the City to issue assess ratepayers for the 2nd half of 2016 per Ordinance C35377.

Summary (Background)

The City Council passed Ordinance C35377 on April 18, 2016 establishing the East Sprague Parking and Business Improvement Area. Council also passed Resolution 2016-0046, establishing an assessment roll hearing to take place on June 20, 2016. All ratepayers were provided notice of assessments and the hearing date and were given an opportunity to make comments and/or objections.

Fiscal Impact	Budget Account
Neutral \$	#
Select \$	#
Select \$	#
Select \$	#

Approvals		Council Notifications	
Dept Head	KEY, LISA	Study Session	
Division Director	MALLAHAN, JONATHAN	Other	
Finance	KECK, KATHLEEN	Distribution List	
Legal	DALTON, PAT	ENGINEERING ADMIN	
For the Mayor	WHITNEY, TYLER	JMALLAHAN@SPOKANECITY.ORG	
Additional Approvals		LKEY@SPOKANECITY.ORG	
Purchasing		SPEEDY1727@GMAIL.COM	
		DR@ACMETV.COM / BOB@NWSEED.COM	
		BBORISOV@SPOKANECITY.ORG	
		TARA.BROWN1@USBANK.COM	



Continuation of Wording, Summary, Budget, and Distribution

Agenda Wording

Summary (Background)

Fiscal Impact

Select **\$**

Select **\$**

Budget Account

#

#

Distribution List

MPICCOLO@SPOKANECITY.ORG

LAVERNE@ACCESSUNIFIED.NET

JERR811@OMNICAST.NET

AWORLOCK@SPOKANECITY.ORG

MOWEN@SPOKANECITY.ORG

LMEULER@SPOKANECITY.ORG

DEANNAH@PRIMESOURCECU.ORG

TSTRIPES@SPOKANECITY.ORG

ORDINANCE NO. C35406

AN ORDINANCE APPROVING AND CONFIRMING THE 2016 ASSESSMENTS AND ASSESSMENT ROLL FOR THE EAST SPRAGUE PARKING AND BUSINESS IMPROVEMENT AREA, PREPARED UNDER ORDINANCE C-35377.

WHEREAS, the Spokane City Council on May 23, 2016 passed Resolution 2016-0046, which provided notice and set a date for hearing on the assessments to be levied under the above identified ordinance; and

WHEREAS, pursuant to Resolution No. 2016-0046, a public hearing was held on June 20, 2016 to take public testimony regarding the assessments and assessment roll for the East Sprague Parking and Business Improvement Area; and

WHEREAS, the assessment rolls have been on file in the Office of the City Clerk for public review and inspection; and

WHEREAS, the City Council, through this ordinance, intends to levy assessments in the East Sprague Business Improvement District to provide programs and services, which will specifically benefit the businesses and properties in the District; and

THE CITY OF SPOKANE DOES ORDAIN:

Section 1. The 2016 assessments and the assessment roll of the East Sprague Parking and Business Improvement Area, established under Ordinance C-35377 are hereby approved and confirmed. The assessments and assessment roll are attached hereto, available in the Office of the City Clerk, City Treasurer.

Section 2. Each of the businesses, as described in RCW 35.87A.020, lots, tracts, and parcels of land and other property, including improvements thereon, multi-family residential, mixed-use projects (as described in RCW 35.87A.020(3), hotels, motels, government, and others , shown upon said rolls are hereby declared to be specially benefited by the programs authorized in Ordinance C-35377, as amended, in at least the amount levied against the same. The method of assessment is based upon the Special Assessment Formula in Exhibit A.

Section 3. Pursuant to SMC 4.31C.100, the projects, programs, activities and budget for the 2016 East Sprague Parking and Business Improvement Area as presented to the City Council are hereby approved.

Section 4. The City Clerk is hereby directed to certify and transmit the assessment rolls to the City Treasurer for collection, pursuant to City Ordinance and state law.

Section 5. That the assessments shown in the roll on file in the Office of the City Clerk may be paid annually, with the assessment due and payable within thirty (30) days or the first business day thereafter within the issuance of a bill. Ratepayers shall be sent a bill stating the amount of the assessment due and payable. If the assessment is not paid within thirty (30) days after its due date, a delinquency charge shall be added in the amount of ten percent (10%) of the assessment, not to exceed one hundred dollars (\$100) in addition to the processing fee. All assessments, or part thereof, shall also bear interest at the rate of one percent (1%) for each month, or part thereof, of delinquency. The City Treasurer or his/her designee shall send at least two (2) late notices assessing appropriate interest, penalty and fees. Interest, penalties and other fees will be collected on delinquent payments or any part thereof.

Any ratepayer, aggrieved by the amount of an assessment or delinquency charge, shall request, within sixty (60) days of the assessment or charge, a meeting and/or hearing before the Ratepayer Board, and, if not satisfied with the decision of the Ratepayer Board, appeal within ten (10) days from the date of the decision, the matter de novo, to the City's Hearing Examiner, in the manner provided for in the City's Municipal Code. Failure to request a hearing shall result in a waiver of the right to challenge the assessment.

Section 6. This ordinance shall take effect and be in full force from and after the date of its passage.

PASSED by the City Council on _____.

Council President

Attest:

Approved as to form:

City Clerk

Assistant City Attorney

Mayor

Date

Effective Date

EXHIBIT A – 2016

EAST SPRAGUE
BUSINESS IMPROVEMENT DISTRICT
Special Assessment Matrix

Estimated Annual Revenue	% Assessment based on Land Square Footage (LSF)		% Assessment based on Taxable Assessed Value (TAV)	Total Parcels
\$58,592	75%		25%	234
Benefit Area by Zone	Minimums	Maximums	Rate per LSF	Rate per \$1,000 TAV
Center and Corridor (Commercial)	\$200	\$1,000	2.5 cents	60 cents
General Commercial	\$100	\$500	1.3 cents	30 cents
Industrial	\$50	\$250	0.6 cents	15 cents

EXHIBIT B – 2016:

EAST SPRAGUE
BUSINESS IMPROVEMENT DISTRICT
Land Assessment Roll – By Assessment

Owner Name	# of Parcels	LSF	TAV	Annual Assessment	2nd Half 2016 Assessment	% of Assessment
CITY OF SPOKANE	12	68,389	\$ 173,020	\$ 2,305.04	\$ 1,152.52	3.9%
1020 E SPRAGUE AVE	1	7,841	\$ 23,420	\$ 105.04	\$ 52.52	0.2%
19 N LEE ST	1	6,098	\$ 13,500	\$ 200.00	\$ 100.00	0.3%
2102 E RIVERSIDE AVE	1	6,098	\$ 13,500	\$ 200.00	\$ 100.00	0.3%
2106 E RIVERSIDE AVE	1	3,920	\$ 9,000	\$ 200.00	\$ 100.00	0.3%
2108 E RIVERSIDE AVE	1	3,920	\$ 9,000	\$ 200.00	\$ 100.00	0.3%
2110 E RIVERSIDE AVE	1	3,920	\$ 9,000	\$ 200.00	\$ 100.00	0.3%
2118 E RIVERSIDE AVE	1	6,098	\$ 13,500	\$ 200.00	\$ 100.00	0.3%
2124 E RIVERSIDE AVE	1	6,098	\$ 13,500	\$ 200.00	\$ 100.00	0.3%
2408 E RIVERSIDE AVE	1	6,098	\$ 13,500	\$ 200.00	\$ 100.00	0.3%
2410 E RIVERSIDE AVE	1	6,098	\$ 13,500	\$ 200.00	\$ 100.00	0.3%
2418 E RIVERSIDE AVE	1	6,098	\$ 28,100	\$ 200.00	\$ 100.00	0.3%
2504 E RIVERSIDE AVE	1		\$ 13,500	\$ 200.00	\$ 100.00	0.3%

Owner Name	# of Parcels	LSF	TAV	Annual Assessment	2nd Half 2016 Assessment	% of Assessment
		6,098				
BFS RETAIL & COMMERCIAL OPERATIONS, LLC	3	47,480	\$ 798,350	\$ 1,634.47	\$ 817.24	2.8%
0 ADDRESS UNKNOWN	1	10,019	\$ 48,850	\$ 279.78	\$ 139.89	0.5%
1402 E RIVERSIDE AVE	1	9,148	\$ 210,000	\$ 354.69	\$ 177.35	0.6%
25 N HOGAN ST	1	28,314	\$ 539,500	\$ 1,000.00	\$ 500.00	1.7%
INLAND NORTHWEST INVESTMENTS, LLC	3	43,996	\$ 783,360	\$ 1,595.70	\$ 797.85	2.7%
2008 E RIVERSIDE AVE	1	6,098	\$ 14,140	\$ 200.00	\$ 100.00	0.3%
2018 E RIVERSIDE AVE	1	25,700	\$ 617,920	\$ 1,000.00	\$ 500.00	1.7%
2503 E SPRAGUE AVE	1	12,197	\$ 151,300	\$ 395.70	\$ 197.85	0.7%
RLC GROUP, INC	3	41,818	\$ 604,480	\$ 1,408.67	\$ 704.33	2.4%
11 S ALTAMONT ST	1	6,098	\$ 33,050	\$ 200.00	\$ 100.00	0.3%
2410 E SPRAGUE AVE	1	28,314	\$ 532,200	\$ 1,000.00	\$ 500.00	1.7%
5 S ALTAMONT ST	1	7,405	\$ 39,230	\$ 208.67	\$ 104.33	0.4%
CLS COMMERCIAL, LLC	6	37,462	\$ 492,540	\$ 1,327.81	\$ 663.90	2.3%
0 ADDRESS UNKNOWN	1	6,098	\$ 31,250	\$ 200.00	\$ 100.00	0.3%
1514 E SPRAGUE AVE	1	6,098	\$ 156,450	\$ 246.33	\$ 123.17	0.4%

Owner Name	# of Parcels	LSF	TAV	Annual Assessment	2nd Half 2016 Assessment	% of Assessment
1518 E SPRAGUE AVE	1	6,098	\$ 31,250	\$ 200.00	\$ 100.00	0.3%
1521 E 1ST AVE	1	6,098	\$ 15,630	\$ 200.00	\$ 100.00	0.3%
1522 E SPRAGUE AVE	1	6,098	\$ 119,450	\$ 224.13	\$ 112.07	0.4%
1528 E SPRAGUE AVE	1	6,970	\$ 138,510	\$ 257.35	\$ 128.67	0.4%
HALL, HOWARD DANA	3	39,204	\$ 360,700	\$ 1,210.37	\$ 605.19	2.1%
1704 E SPRAGUE AVE	1	17,860	\$ 302,450	\$ 627.96	\$ 313.98	1.1%
1707 E 1ST AVE	1	14,375	\$ 38,400	\$ 382.41	\$ 191.21	0.7%
1711 E 1ST AVE	1	6,970	\$ 19,850	\$ 200.00	\$ 100.00	0.3%
GILLES FAMILY TRUST	5	27,878	\$ 431,000	\$ 1,129.96	\$ 564.98	1.9%
1806 E SPRAGUE AVE	1	3,485	\$ 41,350	\$ 200.00	\$ 100.00	0.3%
1810 E SPRAGUE AVE	1	3,485	\$ 44,250	\$ 200.00	\$ 100.00	0.3%
1812 E SPRAGUE AVE	1	6,970	\$ 65,200	\$ 213.36	\$ 106.68	0.4%
1818 E SPRAGUE AVE	1	6,970	\$ 147,300	\$ 262.62	\$ 131.31	0.4%
1822 E SPRAGUE AVE	1	6,970	\$ 132,900	\$ 253.98	\$ 126.99	0.4%
SPOKANE COMM MENTAL HEALTH	3	30,056	\$ 502,540	\$ 1,094.30	\$ 547.15	1.9%
2100 E SPRAGUE AVE	1		\$ 449,300	\$ 661.62	\$ 330.81	1.1%

Owner Name	# of Parcels	LSF	TAV	Annual Assessment	2nd Half 2016 Assessment	% of Assessment
		15,682				
2103 E 1ST AVE	1	8,712	\$ 24,800	\$ 232.68	\$ 116.34	0.4%
2114 E SPRAGUE AVE	1	5,663	\$ 28,440	\$ 200.00	\$ 100.00	0.3%
CAST-A, LLC	2	35,719	\$ 334,000	\$ 1,093.38	\$ 546.69	1.9%
2329 E SPRAGUE AVE	1	17,860	\$ 90,000	\$ 500.49	\$ 250.25	0.9%
24 N STONE ST	1	17,860	\$ 244,000	\$ 592.89	\$ 296.45	1.0%
DULLANTY ETAL, VIRGINIA	1	42,689	\$ 743,700	\$ 1,000.00	\$ 500.00	1.7%
1602 E SPRAGUE AVE	1	42,689	\$ 743,700	\$ 1,000.00	\$ 500.00	1.7%
OLD NAT BANK	1	28,314	\$ 852,800	\$ 1,000.00	\$ 500.00	1.7%
2302 E SPRAGUE AVE	1	28,314	\$ 852,800	\$ 1,000.00	\$ 500.00	1.7%
ROGERS REVOCABLE TRUST	5	24,394	\$ 184,500	\$ 1,000.00	\$ 500.00	1.7%
16 N PITTSBURG ST	1	2,178	\$ 25,960	\$ 200.00	\$ 100.00	0.3%
1802 E RIVERSIDE AVE	1	3,920	\$ 73,240	\$ 200.00	\$ 100.00	0.3%
1808 E RIVERSIDE AVE	1	6,098	\$ 13,800	\$ 200.00	\$ 100.00	0.3%
1812 E RIVERSIDE AVE	1	6,098	\$ 57,300	\$ 200.00	\$ 100.00	0.3%
1818 E RIVERSIDE AVE	1	6,098	\$ 14,200	\$ 200.00	\$ 100.00	0.3%

Owner Name	# of Parcels	LSF	TAV	Annual Assessment	2nd Half 2016 Assessment	% of Assessment
ROSS PRINTING CO	1	52,708	\$ 1,540,690	\$ 1,000.00	\$ 500.00	1.7%
1611 E SPRAGUE AVE	1	52,708	\$ 1,540,690	\$ 1,000.00	\$ 500.00	1.7%
TORMINO'S SASH & GLASS, INC.	3	28,314	\$ 274,900	\$ 902.23	\$ 451.12	1.5%
1722 E SPRAGUE AVE	1	14,375	\$ 238,100	\$ 502.23	\$ 251.12	0.9%
1723 E 1ST AVE	1	6,970	\$ 19,050	\$ 200.00	\$ 100.00	0.3%
1729 E 1ST AVE	1	6,970	\$ 17,750	\$ 200.00	\$ 100.00	0.3%
LASAC INVESTMENTS, LLC	2	18,295	\$ 599,800	\$ 853.40	\$ 426.70	1.5%
1507 E SPRAGUE AVE	1	12,197	\$ 580,800	\$ 653.40	\$ 326.70	1.1%
1508 E RIVERSIDE AVE	1	6,098	\$ 19,000	\$ 200.00	\$ 100.00	0.3%
RIVERSIDE DEVELOPMENT LLC	2	25,265	\$ 267,000	\$ 791.82	\$ 395.91	1.4%
1712 E RIVERSIDE AVE	1	12,632	\$ 136,400	\$ 397.65	\$ 198.83	0.7%
1722 E RIVERSIDE AVE	1	12,632	\$ 130,600	\$ 394.17	\$ 197.09	0.7%
INLAND EMPIRE RESIDENTIAL RESOURCES	1	31,363	\$ 100	\$ 784.14	\$ 392.07	1.3%
0 .UNKNOWN	1	31,363	\$ 100	\$ 784.14	\$ 392.07	1.3%
RLC GROUP, LLC	3	28,314	\$ 86,800	\$ 784.03	\$ 392.02	1.3%
2421 E 1ST AVE	1		\$ 22,850	\$ 200.00	\$ 100.00	0.3%

Owner Name	# of Parcels	LSF	TAV	Annual Assessment	2nd Half 2016 Assessment	% of Assessment
		6,970				
2429 E 1ST AVE	1	6,970	\$ 22,850	\$ 200.00	\$ 100.00	0.3%
2501 E 1ST AVE	1	14,375	\$ 41,100	\$ 384.03	\$ 192.02	0.7%
SPOKANE MENTAL HEALTH ASSOC	3	27,443	\$ 85,830	\$ 780.67	\$ 390.34	1.3%
2113 E 1ST AVE	1	6,098	\$ 14,830	\$ 200.00	\$ 100.00	0.3%
2123 E 1ST AVE	1	14,375	\$ 35,500	\$ 380.67	\$ 190.34	0.6%
2128 E SPRAGUE AVE	1	6,970	\$ 35,500	\$ 200.00	\$ 100.00	0.3%
SPOKANE, CITY OF	2	21,344	\$ 364,650	\$ 766.07	\$ 383.04	1.3%
1903 E 1ST AVE	1	14,375	\$ 344,500	\$ 566.07	\$ 283.04	1.0%
1913 E 1ST AVE	1	6,970	\$ 20,150	\$ 200.00	\$ 100.00	0.3%
P & J PROPERTIES, L.L.C.	5	27,007	\$ 866,760	\$ 745.16	\$ 372.58	1.3%
1202 E SPRAGUE AVE	1	11,326	\$ 507,400	\$ 293.79	\$ 146.90	0.5%
1214 E SPRAGUE AVE	1	5,227	\$ 286,780	\$ 151.37	\$ 75.69	0.3%
1218 E SPRAGUE AVE	1	2,614	\$ 13,440	\$ 100.00	\$ 50.00	0.2%
1220 E SPRAGUE AVE	1	2,614	\$ 13,440	\$ 100.00	\$ 50.00	0.2%
1226 E SPRAGUE AVE	1	5,227	\$ 45,700	\$ 100.00	\$ 50.00	0.2%

Owner Name	# of Parcels	LSF	TAV	Annual Assessment	2nd Half 2016 Assessment	% of Assessment
WANG LIVING TRUST	3	18,295	\$ 363,780	\$ 742.89	\$ 371.44	1.3%
20 N ALTAMONT ST	1	6,098	\$ 15,300	\$ 200.00	\$ 100.00	0.3%
2401 E SPRAGUE AVE	1	6,098	\$ 317,380	\$ 342.89	\$ 171.44	0.6%
2407 E SPRAGUE AVE	1	6,098	\$ 31,100	\$ 200.00	\$ 100.00	0.3%
FROELICH JR, WALTER A & AUTUMN G	2	19,602	\$ 342,100	\$ 695.31	\$ 347.66	1.2%
20 N NAPA ST	1	7,405	\$ 210,700	\$ 311.55	\$ 155.78	0.5%
2003 E SPRAGUE AVE	1	12,197	\$ 131,400	\$ 383.76	\$ 191.88	0.7%
D & R SCHWARTZ HOLDINGS, LLC	2	14,375	\$ 312,930	\$ 689.54	\$ 344.77	1.2%
15 N MAGNOLIA ST	1	2,178	\$ 5,230	\$ 200.00	\$ 100.00	0.3%
1821 E SPRAGUE AVE	1	12,197	\$ 307,700	\$ 489.54	\$ 244.77	0.8%
GREEN TURTLE INVESTMENTS, LLC	3	18,295	\$ 289,900	\$ 689.20	\$ 344.60	1.2%
0 ADDRESS UNKNOWN	1	6,098	\$ 227,900	\$ 289.20	\$ 144.60	0.5%
2213 E SPRAGUE AVE	1	6,098	\$ 32,000	\$ 200.00	\$ 100.00	0.3%
2217 E SPRAGUE AVE	1	6,098	\$ 30,000	\$ 200.00	\$ 100.00	0.3%
RASCHKO, KEITH J & JANICE D	3	12,197	\$ 186,090	\$ 677.98	\$ 338.99	1.2%
1801 E 1ST AVE	1		\$ 7,580	\$ 200.00	\$ 100.00	0.3%

Owner Name	# of Parcels	LSF	TAV	Annual Assessment	2nd Half 2016 Assessment	% of Assessment
		3,049				
1802 E SPRAGUE AVE	1	6,970	\$ 172,900	\$ 277.98	\$ 138.99	0.5%
19 S PITTSBURG ST	1	2,178	\$ 5,610	\$ 200.00	\$ 100.00	0.3%
CUSTOM 1031, INC	2	21,344	\$ 222,300	\$ 666.99	\$ 333.50	1.1%
2516 E SPRAGUE AVE	2	21,344	\$ 222,300	\$ 666.99	\$ 333.50	1.1%
HOLLEN, JOYCE L	3	18,295	\$ 193,300	\$ 638.26	\$ 319.13	1.1%
1517 E SPRAGUE AVE	1	6,098	\$ 143,000	\$ 238.26	\$ 119.13	0.4%
1520 E RIVERSIDE AVE	1	6,098	\$ 13,500	\$ 200.00	\$ 100.00	0.3%
1524 E RIVERSIDE AVE	1	6,098	\$ 36,800	\$ 200.00	\$ 100.00	0.3%
MINOR, W E & N G	1	17,860	\$ 315,400	\$ 635.73	\$ 317.87	1.1%
2125 E SPRAGUE AVE	1	17,860	\$ 315,400	\$ 635.73	\$ 317.87	1.1%
KEYSTONE UNLIMITED	1	14,375	\$ 452,200	\$ 630.69	\$ 315.35	1.1%
2021 E 1ST AVE	1	14,375	\$ 452,200	\$ 630.69	\$ 315.35	1.1%
NAEGELI ENTERPRISES, LLC	1	14,375	\$ 427,300	\$ 615.75	\$ 307.88	1.1%
25 S ALTAMONT ST	1	14,375	\$ 427,300	\$ 615.75	\$ 307.88	1.1%
HANLEY, JAMES L & SUSAN	2	13,068	\$ 472,900	\$ 610.44	\$ 305.22	1.0%

Owner Name	# of Parcels	LSF	TAV	Annual Assessment	2nd Half 2016 Assessment	% of Assessment
1715 E SPRAGUE AVE	1	6,534	\$ 330,000	\$ 361.35	\$ 180.68	0.6%
1727 E SPRAGUE AVE	1	6,534	\$ 142,900	\$ 249.09	\$ 124.55	0.4%
LKB PROPERTIES LLC	2	13,939	\$ 323,250	\$ 557.54	\$ 278.77	1.0%
2202 E SPRAGUE AVE	1	6,970	\$ 305,500	\$ 357.54	\$ 178.77	0.6%
2203 E 1ST AVE	1	6,970	\$ 17,750	\$ 200.00	\$ 100.00	0.3%
HALL, DANA H	1	17,860	\$ 180,200	\$ 554.61	\$ 277.31	0.9%
2101 E SPRAGUE AVE	1	17,860	\$ 180,200	\$ 554.61	\$ 277.31	0.9%
MCNAIRY, JERRY LEWIS	1	12,197	\$ 390,200	\$ 539.04	\$ 269.52	0.9%
2223 E SPRAGUE AVE	1	12,197	\$ 390,200	\$ 539.04	\$ 269.52	0.9%
SAMCA, LLC	2	31,799	\$ 461,800	\$ 536.03	\$ 268.01	0.9%
1107 E 1ST AVE	1	17,424	\$ 82,240	\$ 242.47	\$ 121.24	0.4%
1118 E SPRAGUE AVE	1	14,375	\$ 379,560	\$ 293.55	\$ 146.78	0.5%
CHRISTIAN HERALD FELLOWSHIP	2	13,939	\$ 249,100	\$ 497.94	\$ 248.97	0.8%
1906 E SPRAGUE AVE	1	6,970	\$ 111,400	\$ 241.08	\$ 120.54	0.4%
1910 E SPRAGUE AVE	1	6,970	\$ 137,700	\$ 256.86	\$ 128.43	0.4%
CHIU, VAN QING/PHAN, RUBY	1		\$ 202,000	\$ 480.57	\$ 240.29	0.8%

Owner Name	# of Parcels	LSF	TAV	Annual Assessment	2nd Half 2016 Assessment	% of Assessment
		14,375				
2022 E SPRAGUE AVE	1	14,375	\$ 202,000	\$ 480.57	\$ 240.29	0.8%
RIVERSIDE PARTNERS GROUP LLC	2	12,197	\$ 225,600	\$ 479.72	\$ 239.86	0.8%
2214 E RIVERSIDE AVE	1	6,098	\$ 212,100	\$ 279.72	\$ 139.86	0.5%
2220 E RIVERSIDE AVE	1	6,098	\$ 13,500	\$ 200.00	\$ 100.00	0.3%
ASHENBRENER, CHRISTOPHER & CHRISTINE	2	13,939	\$ 169,650	\$ 465.38	\$ 232.69	0.8%
2511 E 1ST AVE	1	6,970	\$ 17,750	\$ 200.00	\$ 100.00	0.3%
2512 E SPRAGUE AVE	1	6,970	\$ 151,900	\$ 265.38	\$ 132.69	0.5%
KINCAID, RONALD R & BRIANA C	2	13,939	\$ 184,800	\$ 463.82	\$ 231.91	0.8%
2502 E SPRAGUE AVE	1	6,970	\$ 149,300	\$ 263.82	\$ 131.91	0.5%
2508 E SPRAGUE AVE	1	6,970	\$ 35,500	\$ 200.00	\$ 100.00	0.3%
OVERHAUSER, DAN & BRENDA K	2	12,197	\$ 210,000	\$ 453.14	\$ 226.57	0.8%
0 ADDRESS UNKNOWN	1	6,098	\$ 42,200	\$ 200.00	\$ 100.00	0.3%
1919 E SPRAGUE AVE	1	6,098	\$ 167,800	\$ 253.14	\$ 126.57	0.4%
TYSON, GERALD R & PORN SUVAN	1	12,197	\$ 227,300	\$ 441.30	\$ 220.65	0.8%
1801 E SPRAGUE AVE	1	12,197	\$ 227,300	\$ 441.30	\$ 220.65	0.8%

Owner Name	# of Parcels	LSF	TAV	Annual Assessment	2nd Half 2016 Assessment	% of Assessment
ROBERT & GEORGIA I TOMBARI LLC	2	12,197	\$ 212,200	\$ 432.24	\$ 216.12	0.7%
2224 E RIVERSIDE AVE	1	6,098	\$ 97,400	\$ 210.90	\$ 105.45	0.4%
2226 E RIVERSIDE AVE	1	6,098	\$ 114,800	\$ 221.34	\$ 110.67	0.4%
RANTZOW, CARL O & ROSALIE	2	12,197	\$ 126,000	\$ 419.96	\$ 209.98	0.7%
1910 E RIVERSIDE AVE	1	6,098	\$ 112,500	\$ 219.96	\$ 109.98	0.4%
1912 E RIVERSIDE AVE	1	6,098	\$ 13,500	\$ 200.00	\$ 100.00	0.3%
VAN BELLE, LOUIS	2	12,197	\$ 134,400	\$ 415.64	\$ 207.82	0.7%
13 N CRESTLINE ST	1	6,098	\$ 105,300	\$ 215.64	\$ 107.82	0.4%
2027 E SPRAGUE AVE	1	6,098	\$ 29,100	\$ 200.00	\$ 100.00	0.3%
BOYD-WALKER SEWING MACHINE CO	2	6,970	\$ 183,700	\$ 411.32	\$ 205.66	0.7%
14 S NAPA ST	1	2,614	\$ 13,000	\$ 200.00	\$ 100.00	0.3%
1926 E SPRAGUE AVE	1	4,356	\$ 170,700	\$ 211.32	\$ 105.66	0.4%
CCRC, LLC	1	12,197	\$ 174,100	\$ 409.38	\$ 204.69	0.7%
1901 E SPRAGUE AVE	1	12,197	\$ 174,100	\$ 409.38	\$ 204.69	0.7%
MAGERS, EDWIN P & NICOLE L	2	19,166	\$ 227,300	\$ 615.54	\$ 307.77	1.1%
1911 E SPRAGUE AVE	1		\$ 170,300	\$ 407.10	\$ 203.55	0.7%

Owner Name	# of Parcels	LSF	TAV	Annual Assessment	2nd Half 2016 Assessment	% of Assessment
		12,197				
2016 E SPRAGUE AVE	1	6,970	\$ 57,000	\$ 208.44	\$ 104.22	0.4%
OLD NAT BK WASH	1	14,375	\$ 77,510	\$ 405.88	\$ 202.94	0.7%
2320 E SPRAGUE AVE	1	14,375	\$ 77,510	\$ 405.88	\$ 202.94	0.7%
SPOKANE MENTAL HEALTH ASSO	1	14,375	\$ 71,000	\$ 401.97	\$ 200.99	0.7%
2118 E SPRAGUE AVE	1	14,375	\$ 71,000	\$ 401.97	\$ 200.99	0.7%
ALVAREZ, RAINBOW JADE & SKYE BERGHAN-	2	10,019	\$ 96,780	\$ 400.00	\$ 200.00	0.7%
1501 E 1ST AVE	1	6,098	\$ 22,230	\$ 200.00	\$ 100.00	0.3%
1504 E SPRAGUE AVE	1	3,920	\$ 74,550	\$ 200.00	\$ 100.00	0.3%
ANDERSON, MARK T & STEFFANIE	2	6,098	\$ 174,400	\$ 400.00	\$ 200.00	0.7%
15 N NAPA ST	1	2,614	\$ 7,250	\$ 200.00	\$ 100.00	0.3%
21 N NAPA ST	1	3,485	\$ 167,150	\$ 200.00	\$ 100.00	0.3%
CHIU, VAN	2	12,197	\$ 72,400	\$ 400.00	\$ 200.00	0.7%
2411 E SPRAGUE AVE	1	6,098	\$ 42,400	\$ 200.00	\$ 100.00	0.3%
2417 E SPRAGUE AVE	1	6,098	\$ 30,000	\$ 200.00	\$ 100.00	0.3%
PIERRE, JESSICA	2	10,019	\$ 34,550	\$ 400.00	\$ 200.00	0.7%

Owner Name	# of Parcels	LSF	TAV	Annual Assessment	2nd Half 2016 Assessment	% of Assessment
1611 E 1ST AVE	1	6,970	\$ 27,450	\$ 200.00	\$ 100.00	0.3%
1617 E 1ST AVE	1	3,049	\$ 7,100	\$ 200.00	\$ 100.00	0.3%
SPRAGUE E 2515, LLC	1	12,197	\$ 140,800	\$ 389.40	\$ 194.70	0.7%
2515 E SPRAGUE AVE	1	12,197	\$ 140,800	\$ 389.40	\$ 194.70	0.7%
BURYA, JOHN	1	12,197	\$ 112,400	\$ 372.36	\$ 186.18	0.6%
2204 E RIVERSIDE AVE	1	12,197	\$ 112,400	\$ 372.36	\$ 186.18	0.6%
AUNTY MARY'S SWEET RIDES, LLC	1	12,197	\$ 108,400	\$ 369.96	\$ 184.98	0.6%
1521 E SPRAGUE AVE	1	12,197	\$ 108,400	\$ 369.96	\$ 184.98	0.6%
MCLAUGHLIN, J D	3	71,438	\$ 791,220	\$ 365.22	\$ 182.61	0.6%
120 N HELENA ST	1	5,663	\$ 19,480	\$ 50.00	\$ 25.00	0.1%
122 N HELENA ST	1	57,064	\$ 699,910	\$ 250.00	\$ 125.00	0.4%
129 N MADELIA ST	1	8,712	\$ 71,830	\$ 65.22	\$ 32.61	0.1%
SPOKANE AUTO ELECTRIC/BATTERY	1	9,148	\$ 218,900	\$ 360.03	\$ 180.02	0.6%
1407 E SPRAGUE AVE	1	9,148	\$ 218,900	\$ 360.03	\$ 180.02	0.6%
FROELICH JR, WALTER & AUTUMN G	1	12,197	\$ 55,200	\$ 338.04	\$ 169.02	0.6%

Owner Name	# of Parcels	LSF	TAV	Annual Assessment	2nd Half 2016 Assessment	% of Assessment
2019 E SPRAGUE AVE	1	12,197	\$ 55,200	\$ 338.04	\$ 169.02	0.6%
SPRAGUE 1500 LLC	1	8,712	\$ 190,960	\$ 332.38	\$ 166.19	0.6%
1502 5 E SPRAGUE AVE	1	8,712	\$ 190,960	\$ 332.38	\$ 166.19	0.6%
SPOKANE TOMORROW, LLC	2	17,424	\$ 145,000	\$ 323.86	\$ 161.93	0.6%
1325 E SPRAGUE AVE	1	14,810	\$ 129,100	\$ 223.86	\$ 111.93	0.4%
1327 E SPRAGUE AVE	1	2,614	\$ 15,900	\$ 100.00	\$ 50.00	0.2%
ACME ELECT SER	1	6,534	\$ 251,500	\$ 314.25	\$ 157.13	0.5%
1717 E SPRAGUE AVE	1	6,534	\$ 251,500	\$ 314.25	\$ 157.13	0.5%
RIGG, RICKY A & QIN Z	6	35,284	\$ 272,760	\$ 309.67	\$ 154.84	0.5%
107 N PITTSBURG ST	1	3,049	\$ 48,980	\$ 50.00	\$ 25.00	0.1%
108 N MADELIA ST	1	6,534	\$ 14,380	\$ 50.00	\$ 25.00	0.1%
113 N PITTSBURG ST	1	6,534	\$ 15,680	\$ 50.00	\$ 25.00	0.1%
114 N MADELIA ST	1	6,970	\$ 15,980	\$ 50.00	\$ 25.00	0.1%
115 N PITTSBURG ST	1	6,534	\$ 15,880	\$ 50.00	\$ 25.00	0.1%
1723 E RIVERSIDE AVE	1	5,663	\$ 161,860	\$ 59.67	\$ 29.84	0.1%

Owner Name	# of Parcels	LSF	TAV	Annual Assessment	2nd Half 2016 Assessment	% of Assessment
UNION GOSPEL MISSION ASSOC OF SPOKANE	1	16,117	\$ 329,230	\$ 300.23	\$ 150.12	0.5%
1234 E SPRAGUE AVE	1	16,117	\$ 329,230	\$ 300.23	\$ 150.12	0.5%
TEMPLIN-THOMPSON INVESTMENTS LLC	2	51,836	\$ 802,220	\$ 300.00	\$ 150.00	0.5%
115 N MAGNOLIA ST	1	45,302	\$ 787,040	\$ 250.00	\$ 125.00	0.4%
130 N PITTSBURG ST	1	6,534	\$ 15,180	\$ 50.00	\$ 25.00	0.1%
FAKE FROWNS LLC	1	6,098	\$ 228,800	\$ 289.74	\$ 144.87	0.5%
1511 E SPRAGUE AVE	1	6,098	\$ 228,800	\$ 289.74	\$ 144.87	0.5%
MCLENDON, WILLIAM / RICHARD	1	6,098	\$ 195,000	\$ 269.46	\$ 134.73	0.5%
1811 E SPRAGUE AVE	1	6,098	\$ 195,000	\$ 269.46	\$ 134.73	0.5%
BEL AIR MOTEL, LLC	2	12,197	\$ 326,800	\$ 265.90	\$ 132.95	0.5%
1303 E SPRAGUE AVE	1	7,841	\$ 226,300	\$ 165.90	\$ 82.95	0.3%
1311 E SPRAGUE AVE	1	4,356	\$ 100,500	\$ 100.00	\$ 50.00	0.2%
SWANBY, VICTOR S	3	35,284	\$ 246,000	\$ 263.16	\$ 131.58	0.4%
1208 E 1ST AVE	1	6,970	\$ 24,600	\$ 50.00	\$ 25.00	0.1%
1220 E 1ST AVE	1	21,344	\$ 198,400	\$ 163.16	\$ 81.58	0.3%
1302 E 1ST AVE	1		\$ 23,000	\$ 50.00	\$ 25.00	0.1%

Owner Name	# of Parcels	LSF	TAV	Annual Assessment	2nd Half 2016 Assessment	% of Assessment
		6,970				
N M SULLIVAN, LLC	2	15,246	\$ 231,880	\$ 260.14	\$ 130.07	0.4%
1318 E SPRAGUE AVE	1	10,019	\$ 51,100	\$ 140.57	\$ 70.28	0.2%
1324 E SPRAGUE AVE	1	5,227	\$ 180,780	\$ 119.57	\$ 59.79	0.2%
SMITH, DARRELL W & KATHERINE	1	6,970	\$ 129,700	\$ 252.06	\$ 126.03	0.4%
1916 E SPRAGUE AVE	1	6,970	\$ 129,700	\$ 252.06	\$ 126.03	0.4%
ADM MILLING CO	1	138,956	\$ 1,681,780	\$ 250.00	\$ 125.00	0.4%
1211 E SPRAGUE AVE	1	138,956	\$ 1,681,780	\$ 250.00	\$ 125.00	0.4%
RDO ENTERPRISES LLC	1	34,412	\$ 727,600	\$ 250.00	\$ 125.00	0.4%
1120 E 1ST AVE	1	34,412	\$ 727,600	\$ 250.00	\$ 125.00	0.4%
SPO TRANSFER & STORAGE CO	1	108,900	\$ 635,190	\$ 250.00	\$ 125.00	0.4%
120 N MAGNOLIA ST	1	108,900	\$ 635,190	\$ 250.00	\$ 125.00	0.4%
JOHNSON, MARK & SHARON	1	6,970	\$ 125,350	\$ 249.45	\$ 124.73	0.4%
1927 E 1ST AVE	1	6,970	\$ 125,350	\$ 249.45	\$ 124.73	0.4%
RAY, LOUIS L & PATRICIA DAHMEN	1	6,970	\$ 122,200	\$ 247.56	\$ 123.78	0.4%
2012 E SPRAGUE AVE	1	6,970	\$ 122,200	\$ 247.56	\$ 123.78	0.4%

Owner Name	# of Parcels	LSF	TAV	Annual Assessment	2nd Half 2016 Assessment	% of Assessment
NHUT, HAI HO & DIEM, CHAU BUI	1	6,098	\$ 155,400	\$ 245.70	\$ 122.85	0.4%
2201 E SPRAGUE AVE	1	6,098	\$ 155,400	\$ 245.70	\$ 122.85	0.4%
1514, LLC	1	6,098	\$ 153,100	\$ 244.32	\$ 122.16	0.4%
1514 E RIVERSIDE AVE	1	6,098	\$ 153,100	\$ 244.32	\$ 122.16	0.4%
ACME TV HOME & OFFICE	1	6,534	\$ 131,800	\$ 242.43	\$ 121.22	0.4%
1702 E RIVERSIDE AVE	1	6,534	\$ 131,800	\$ 242.43	\$ 121.22	0.4%
BLALOCK, ALAN R & STEPHANIE K	1	6,970	\$ 108,000	\$ 239.04	\$ 119.52	0.4%
2008 E SPRAGUE AVE	1	6,970	\$ 108,000	\$ 239.04	\$ 119.52	0.4%
OVERHAUSER, DAN J & BRENDA K	1	6,970	\$ 107,700	\$ 238.86	\$ 119.43	0.4%
2002 E SPRAGUE AVE	1	6,970	\$ 107,700	\$ 238.86	\$ 119.43	0.4%
PANSIE TRUST, MARGARET F	1	6,098	\$ 132,700	\$ 232.08	\$ 116.04	0.4%
1817 E SPRAGUE AVE	1	6,098	\$ 132,700	\$ 232.08	\$ 116.04	0.4%
JACOBS, CYNTHIA	1	6,098	\$ 124,600	\$ 227.22	\$ 113.61	0.4%
2523 E SPRAGUE AVE	1	6,098	\$ 124,600	\$ 227.22	\$ 113.61	0.4%
CHEN, FANG-RU	1	6,098	\$ 114,800	\$ 221.34	\$ 110.67	0.4%

Owner Name	# of Parcels	LSF	TAV	Annual Assessment	2nd Half 2016 Assessment	% of Assessment
2429 E SPRAGUE AVE	1	6,098	\$ 114,800	\$ 221.34	\$ 110.67	0.4%
THAYER, PATRICIA A	1	6,098	\$ 109,500	\$ 218.16	\$ 109.08	0.4%
2512 E RIVERSIDE AVE	1	6,098	\$ 109,500	\$ 218.16	\$ 109.08	0.4%
STRATEGY WORKS, LLC	1	6,098	\$ 108,800	\$ 217.74	\$ 108.87	0.4%
2518 E RIVERSIDE AVE	1	6,098	\$ 108,800	\$ 217.74	\$ 108.87	0.4%
SMITH, DARRELL W & KATHERINE I	1	6,970	\$ 51,000	\$ 204.84	\$ 102.42	0.3%
1924 E SPRAGUE AVE	1	6,970	\$ 51,000	\$ 204.84	\$ 102.42	0.3%
WAITING, GREGORY C & CINDY A	1	6,098	\$ 86,100	\$ 204.12	\$ 102.06	0.3%
2423 E SPRAGUE AVE	1	6,098	\$ 86,100	\$ 204.12	\$ 102.06	0.3%
TORMINO SASH INC	3	19,602	\$ 520,840	\$ 200.64	\$ 100.32	0.3%
101 N MADELIA ST	1	6,534	\$ 84,080	\$ 53.45	\$ 26.72	0.1%
102 N HELENA ST	1	6,534	\$ 151,680	\$ 63.59	\$ 31.79	0.1%
105 N MADELIA ST	1	6,534	\$ 285,080	\$ 83.60	\$ 41.80	0.1%
ACME ELECTRONICS SERVICES INC	1	6,534	\$ 18,900	\$ 200.00	\$ 100.00	0.3%
1706 E RIVERSIDE AVE	1	6,534	\$ 18,900	\$ 200.00	\$ 100.00	0.3%

Owner Name	# of Parcels	LSF	TAV	Annual Assessment	2nd Half 2016 Assessment	% of Assessment
ALDARED, JADE	1	6,098	\$ 15,630	\$ 200.00	\$ 100.00	0.3%
1507 E 1ST AVE	1	6,098	\$ 15,630	\$ 200.00	\$ 100.00	0.3%
BOWMAN, ROBERT J	1	4,356	\$ 11,620	\$ 200.00	\$ 100.00	0.3%
1411 E 1ST AVE	1	4,356	\$ 11,620	\$ 200.00	\$ 100.00	0.3%
CLAYMAN, PEGGY S	1	3,485	\$ 44,150	\$ 200.00	\$ 100.00	0.3%
1912 E SPRAGUE AVE	1	3,485	\$ 44,150	\$ 200.00	\$ 100.00	0.3%
COMMUNITY MENTAL HEALTH CENTER	1	6,970	\$ 17,150	\$ 200.00	\$ 100.00	0.3%
2107 E 1ST AVE	1	6,970	\$ 17,150	\$ 200.00	\$ 100.00	0.3%
COON, D H & P A	1	3,485	\$ 77,950	\$ 200.00	\$ 100.00	0.3%
1720 E SPRAGUE AVE	1	3,485	\$ 77,950	\$ 200.00	\$ 100.00	0.3%
CRANDALL, GARY L & PAMELA M	1	6,098	\$ 18,130	\$ 200.00	\$ 100.00	0.3%
1427 E 1ST AVE	1	6,098	\$ 18,130	\$ 200.00	\$ 100.00	0.3%
CRANDALL, LANE & PAMELA M	1	6,098	\$ 15,630	\$ 200.00	\$ 100.00	0.3%
1423 E 1ST AVE	1	6,098	\$ 15,630	\$ 200.00	\$ 100.00	0.3%
DECKER, WILLIAM E	1	6,970	\$ 17,750	\$ 200.00	\$ 100.00	0.3%
2007 E 1ST AVE	1		\$ 17,750	\$ 200.00	\$ 100.00	0.3%

Owner Name	# of Parcels	LSF	TAV	Annual Assessment	2nd Half 2016 Assessment	% of Assessment
		6,970				
HANLEY, JAMES L & SUSAN M	1	6,534	\$ 28,800	\$ 200.00	\$ 100.00	0.3%
1709 E SPRAGUE AVE	1	6,534	\$ 28,800	\$ 200.00	\$ 100.00	0.3%
JDSC HOLDINGS LLC	1	3,485	\$ 167,050	\$ 200.00	\$ 100.00	0.3%
1718 E SPRAGUE AVE	1	3,485	\$ 167,050	\$ 200.00	\$ 100.00	0.3%
MASSIE, MELISSA	1	6,970	\$ 17,750	\$ 200.00	\$ 100.00	0.3%
2301 E 1ST AVE	1	6,970	\$ 17,750	\$ 200.00	\$ 100.00	0.3%
PROPERTY, THOMAS	1	6,098	\$ 13,500	\$ 200.00	\$ 100.00	0.3%
1504 E RIVERSIDE AVE	1	6,098	\$ 13,500	\$ 200.00	\$ 100.00	0.3%
RANTZOW JR, CARL O & ROSELIE S	1	6,098	\$ 13,500	\$ 200.00	\$ 100.00	0.3%
1924 E RIVERSIDE AVE	1	6,098	\$ 13,500	\$ 200.00	\$ 100.00	0.3%
RANTZOW, CARL & ROSELIE	1	6,098	\$ 46,800	\$ 200.00	\$ 100.00	0.3%
1918 E RIVERSIDE AVE	1	6,098	\$ 46,800	\$ 200.00	\$ 100.00	0.3%
ROSS PRINTING	1	6,970	\$ 19,650	\$ 200.00	\$ 100.00	0.3%
1603 E 1ST AVE	1	6,970	\$ 19,650	\$ 200.00	\$ 100.00	0.3%
SCHULER, GORDAN	1	6,098	\$ 38,900	\$ 200.00	\$ 100.00	0.3%

Owner Name	# of Parcels	LSF	TAV	Annual Assessment	2nd Half 2016 Assessment	% of Assessment
2529 E SPRAGUE AVE	1	6,098	\$ 38,900	\$ 200.00	\$ 100.00	0.3%
TORMINO SASH CO	1	6,098	\$ 40,500	\$ 200.00	\$ 100.00	0.3%
0 ADDRESS UNKNOWN	1	6,098	\$ 40,500	\$ 200.00	\$ 100.00	0.3%
TORMINO, JOHN JK	1	6,098	\$ 13,500	\$ 200.00	\$ 100.00	0.3%
1528 E RIVERSIDE AVE	1	6,098	\$ 13,500	\$ 200.00	\$ 100.00	0.3%
WILDE, CHRIS	1	3,485	\$ 108,650	\$ 200.00	\$ 100.00	0.3%
1716 E SPRAGUE AVE	1	3,485	\$ 108,650	\$ 200.00	\$ 100.00	0.3%
WILLARD, CAROL E	1	6,534	\$ 44,400	\$ 200.00	\$ 100.00	0.3%
1701 E SPRAGUE AVE	1	6,534	\$ 44,400	\$ 200.00	\$ 100.00	0.3%
STANDAL INVESTMENTS, LLC	1	19,166	\$ 402,920	\$ 180.23	\$ 90.11	0.3%
126 N PITTSBURG ST	1	19,166	\$ 402,920	\$ 180.23	\$ 90.11	0.3%
QUIGLEY INVESTMENT CO/QUIGLEY, JOHN P	2	19,602	\$ 282,530	\$ 164.89	\$ 82.45	0.3%
125 N CRESTLINE ST	1	6,534	\$ 234,780	\$ 76.05	\$ 38.03	0.1%
129 N CRESTLINE ST	1	13,068	\$ 47,750	\$ 88.84	\$ 44.42	0.2%
MCLAUGHLIN, GAIL	3	18,731	\$ 141,040	\$ 157.92	\$ 78.96	0.3%
118 N MADELIA ST	1		\$ 12,780	\$ 50.00	\$ 25.00	0.1%

Owner Name	# of Parcels	LSF	TAV	Annual Assessment	2nd Half 2016 Assessment	% of Assessment
		5,663				
122 N MADELIA ST	1	6,534	\$ 113,880	\$ 57.92	\$ 28.96	0.1%
126 N MADELIA ST	1	6,534	\$ 14,380	\$ 50.00	\$ 25.00	0.1%
HACKNEY,D & S/MORSE,D/SOLIDAY	2	13,068	\$ 460,860	\$ 150.80	\$ 75.40	0.3%
130 N MADELIA ST	1	6,534	\$ 229,280	\$ 75.23	\$ 37.61	0.1%
134 N MADELIA ST	1	6,534	\$ 231,580	\$ 75.57	\$ 37.79	0.1%
MCCALL, JAMES C & MARILYN B	1	13,068	\$ 350,950	\$ 134.32	\$ 67.16	0.2%
129 N PITTSBURG ST	1	13,068	\$ 350,950	\$ 134.32	\$ 67.16	0.2%
GARBER, DEL R	1	12,632	\$ 248,550	\$ 116.24	\$ 58.12	0.2%
116 N NAPA ST	1	12,632	\$ 248,550	\$ 116.24	\$ 58.12	0.2%
BRESNEE JR, JAMES M & KARLA L	2	13,068	\$ 184,940	\$ 115.82	\$ 57.91	0.2%
130 N NAPA ST	1	6,534	\$ 166,580	\$ 65.82	\$ 32.91	0.1%
134 N NAPA ST	1	6,534	\$ 18,360	\$ 50.00	\$ 25.00	0.1%
CYCLONE SALES & SERVICE LTD	1	12,632	\$ 147,860	\$ 101.13	\$ 50.57	0.2%
2025 E RIVERSIDE AVE	1	12,632	\$ 147,860	\$ 101.13	\$ 50.57	0.2%
BECK, MARK J	2	13,068	\$ 65,360	\$ 100.00	\$ 50.00	0.2%

Owner Name	# of Parcels	LSF	TAV	Annual Assessment	2nd Half 2016 Assessment	% of Assessment
102 N NAPA ST	1	6,534	\$ 15,980	\$ 50.00	\$ 25.00	0.1%
108 N NAPA ST	1	6,534	\$ 49,380	\$ 50.00	\$ 25.00	0.1%
FABEL, RICHARD	1	5,227	\$ 57,880	\$ 100.00	\$ 50.00	0.2%
1306 E SPRAGUE AVE	1	5,227	\$ 57,880	\$ 100.00	\$ 50.00	0.2%
RHOADS, GARY	1	6,970	\$ 154,900	\$ 66.80	\$ 33.40	0.1%
1202 E 1ST AVE	1	6,970	\$ 154,900	\$ 66.80	\$ 33.40	0.1%
MEDELIA PROPERTIES, LLC	1	6,534	\$ 122,780	\$ 59.25	\$ 29.63	0.1%
102 N MADELIA ST	1	6,534	\$ 122,780	\$ 59.25	\$ 29.63	0.1%
TORMINOS PROPERTIES, LLC	1	6,534	\$ 113,980	\$ 57.93	\$ 28.97	0.1%
114 N PITTSBURG ST	1	6,534	\$ 113,980	\$ 57.93	\$ 28.97	0.1%
HARGREAVES, DAVID T	1	6,534	\$ 94,080	\$ 54.95	\$ 27.47	0.1%
111 N CRESTLINE ST	1	6,534	\$ 94,080	\$ 54.95	\$ 27.47	0.1%
LEMM, JAMES M	1	6,534	\$ 63,880	\$ 50.42	\$ 25.21	0.1%
119 N CRESTLINE ST	1	6,534	\$ 63,880	\$ 50.42	\$ 25.21	0.1%
FURY, ROBERT O	1	6,534	\$ 59,280	\$ 50.00	\$ 25.00	0.1%
115 N CRESTLINE ST	1		\$ 59,280	\$ 50.00	\$ 25.00	0.1%

Owner Name	# of Parcels	LSF	TAV	Annual Assessment	2nd Half 2016 Assessment	% of Assessment
		6,534				
J.G. FOX, INC.	1	6,970	\$ 21,300	\$ 50.00	\$ 25.00	0.1%
1310 E 1ST AVE	1	6,970	\$ 21,300	\$ 50.00	\$ 25.00	0.1%
MCLAUGHLIN, GARY L	1	6,534	\$ 14,380	\$ 50.00	\$ 25.00	0.1%
121 N PITTSBURG ST	1	6,534	\$ 14,380	\$ 50.00	\$ 25.00	0.1%
MCLAUGHLIN, J D/J E/G L/M L	1	6,534	\$ 15,780	\$ 50.00	\$ 25.00	0.1%
125 N PITTSBURG ST	1	6,534	\$ 15,780	\$ 50.00	\$ 25.00	0.1%
QUIGLEY INVEST	1	6,534	\$ 14,380	\$ 50.00	\$ 25.00	0.1%
108 N PITTSBURG ST	1	6,534	\$ 14,380	\$ 50.00	\$ 25.00	0.1%
CK VENTURES, LLC	2	13,068	\$ 147,760	\$ 110.60	\$ 55.30	0.2%
122 N NAPA ST	1	6,534	\$ 131,780	\$ 60.60	\$ 30.30	0.1%
126 N NAPA ST	1	6,534	\$ 15,980	\$ 50.00	\$ 25.00	0.1%
OVERHAUSER, DAN & BRENDA	1	3,485	\$ 52,650	\$ 200.00	\$ 100.00	0.3%
1914 E SPRAGUE AVE	1	3,485	\$ 52,650	\$ 200.00	\$ 100.00	0.3%
NORTHWEST CLOSERS, LLC	1	6,970	\$ 176,200	\$ 279.96	\$ 139.98	0.5%
1826 E SPRAGUE AVE	1	6,970	\$ 176,200	\$ 279.96	\$ 139.98	0.5%

Owner Name	# of Parcels	LSF	TAV	Annual Assessment	2nd Half 2016 Assessment	% of Assessment
ZALES DISCOUNT, LLC	1	71,003	\$ 447,800	\$ 1,000.00	\$ 500.00	1.7%
2230 E SPRAGUE AVE	1	71,003	\$ 447,800	\$ 1,000.00	\$ 500.00	1.7%
Grand Total	234	2,380,989	\$ 32,939,140	\$ 58,591.64	\$ 29,295.82	100.0%