

# THE CITY OF SPOKANE CITY COUNCIL FINANCE & ADMINISTRATION COMMITTEE



## AGENDA FOR 12:00 P.M. MONDAY, MARCH 24, 2025

The Spokane City Council's Finance and Administration Committee meeting will be held at **12:00 PM March 24, 2025**, in City Council Chambers, located on the lower level of City Hall at 808 W. Spokane Falls Blvd. The meeting can also be accessed live at <https://my.spokanecity.org/citycable5/live/> and <https://www.facebook.com/spokanecitycouncil> or by calling 1-408-418-9388 and entering the access code #2482 433 6563; meeting password 0320.

The meeting will be conducted in a standing committee format. Because a quorum of the City Council may be present, the standing committee meeting will be conducted as a committee of the whole council. The Finance & Administration Committee meeting is regularly held every 4<sup>th</sup> Monday of each month at 12:00 p.m. unless otherwise posted.

The meeting will be open to the public both virtually and in person, with the possibility of moving or reconvening into executive session only with members of the City Council and appropriate staff. No legislative action will be taken.

Public testimony will be taken on the committee's agenda. Use the following link to sign up to speak for 2 min on any and all items on this month's agenda:

<https://forms.gle/bkT286mc72d1ECFg5>

## **AGENDA**

### **I. Call To Order**

### **II. Discussion Items**

1. 0410 - LTGO REFUNDING BOND - MATT BOSTON (5 minutes)
2. 0410 - UTGO REFUNDING BOND - MATT BOSTON (5 minutes)
3. 0410 - WATER & WASTEWATER REVENUE REFUNDING BOND - MATT BOSTON (5 minutes)
4. 5500 ANNUAL REPORT APPRENTICE UTILIZATION PROGRAM 2024 - JASON SANDOBAL (8 minutes)
5. PROJECT MANAGEMENT OFFICE OVERVIEW - DUSTY FREDRICKSON (10 minutes)
6. 0520 - SBO OPIOID RESPONSE ALLOCATION - MAGGIE YATES (10 minutes)
7. 0620 SPOKANE TESTING SOLUTIONS CONTRACT AMEDMENT - ALLISON ADAM (5 minutes)
8. 1680- SBO- COORDINATING LOW-INCOME HOUSING GRANT - ARIELLE ANDERSON (5 minutes)
9. RESOLUTION TO UPDATE BOARD & COMMISSION ADMINISTRATIVE POLICY 0320-07-06 - ADAM MCDANIEL (5 minutes)
10. 2025 FEDERAL LOBBYING CONTRACT - ADAM MCDANIEL (10 minutes)
11. 0520 - SBO FOR USCM DOLLARWISE GRANT - ADAM MCDANIEL (5 minutes)
12. 0620 - ORDINANCE EXPANDING FAIR CHANCE HIRING PRACTICES - VRAMOS (10 minutes)
13. 0320 -AN ORDINANCE RELATING TO PROTECTION OF LGBTQIA2S+ COMMUNITY - VIRGINIA RAMOS (10 minutes)
14. NO TO MEDICAID CUTS RESOLUTION - PDILLON (10 minutes)
15. LETTER OF SUPPORT FOR COMPLETION OF N/S CORRIDOR - MCATHCART (5 minutes)
16. BOARD, COMMISSION, AND STAFF UPDATES - (10 minutes)

### **III. Consent Items**

1. 5300 CARAHSOFT – SALESFORCE LICENSES & ANNUAL SUPPORT (INFORMATION TECHNOLOGY)

2. 5300 MITCHELL HUMPHREY FMS ANNUAL SOFTWARE MAINTENANCE AND SUPPORT (INFORMATION TECHNOLOGY)
3. 5300 HYLAND ANNUAL SOFTWARE SUBSCRIPTION AND SUPPORT (INFORMATION TECHNOLOGY)
4. 5100 - PURCHASE OF SPRINTER 2500 VAN FOR WATER DEPARTMENT (FLEET SERVICES)
5. 0500 OUTSIDE COUNSEL CONTRACT AMENDMENT (CITY ATTORNEY)
6. 5300 MASTER CONTRACT COPIERS NORTHWEST (INFORMATION TECHNOLOGY)
7. 4100 - LOW REBID AWARD - GENERATOR #3 REBUILD FOR UPRIVER HYDROELECTRIC DAM (WATER & HYDROELECTRIC SERVICES)

**IV. Public Testimony**

**V. Executive Session**

Executive Session may be held or reconvened during any Finance & Administration Committee meeting.

**VI. Adjournment**

**VII. Next Meeting**

**Next Finance & Administration Committee**

The next meeting will be held at the regular date and time of **12:00 PM. April 28, 2025.**

**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 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 Risk Management at 509.625.6221, 808 W. Spokane Falls Blvd, Spokane, WA, 99201; or [m\\_lowmaster@spokanecity.org](mailto:m_lowmaster@spokanecity.org). Persons who are deaf or hard of hearing may contact Risk Management through the Washington Relay Service at 7-1-1. Please contact us forty-eight (48) hours before the meeting date.

**Agenda Sheet for City Council:****Committee:** Finance & Administration **Date:** 03/24/2025**Committee Agenda type:** Discussion**Date Rec'd**

3/19/2025

**Clerk's File #**

ORD C36664

**Cross Ref #****Project #****Council Meeting Date:** 04/21/2025**Submitting Dept**

FINANCE, TREASURY &amp; ADMIN

**Bid #****Contact Name/Phone**

MATT BOSTON 625-6585

**Requisition #****Contact E-Mail**

MBOSTON@SPOKANECITY.ORG

**Agenda Item Type**

First Reading Ordinance

**Council Sponsor(s)**

PDILLON MCATHCART

**Sponsoring at Administrators Request**

NO

**Lease?** NO**Grant Related?** NO**Public Works?** NO**Agenda Item Name**

0410 - LTGO REFUNDING BOND

**Agenda Wording**

An ordinance authorizing the issuance and sale of the Limited Tax General Obligation Bonds in an amount not to exceed \$53 million.

**Summary (Background)**

An ordinance authorizing the issuance and sale of the Limited Tax General Obligation Bonds in an amount not to exceed \$53 million to refund the City's outstanding 2015 LTGO obligation.

**What impacts would the proposal have on historically excluded communities?**

N/A

**How will data be collected, analyzed, and reported concerning the effect of the program/policy by racial, ethnic, gender identity, national origin, income level, disability, sexual orientation, or other existing disparities?**

N/A

**How will data be collected regarding the effectiveness of this program, policy, or product to ensure it is the right solution?**

N/A

**Describe how this proposal aligns with current City Policies, including the Comprehensive Plan, Sustainability Action Plan, Capital Improvement Program, Neighborhood Master Plans, Council Resolutions, and others?**

N/A

**Council Subcommittee Review**

N/A

<b>Fiscal Impact</b>	
Approved in Current Year Budget?	N/A
Total Cost	\$
Current Year Cost	\$
Subsequent Year(s) Cost	\$
<b><u>Narrative</u></b>	
The point of this ORD is to allow significant flexibility to the CFO to allow them to refinance all or a portion of outstanding bonds at a better rate.	
<b>Amount</b>	<b>Budget Account</b>
Select \$	#
Select \$	#
Select \$	#
Select \$	#
Select \$	#
Select \$	#
<b>Funding Source</b> One-Time	
<b>Funding Source Type</b> Reallocation	
<b>Is this funding source sustainable for future years, months, etc?</b>	
<b>Expense Occurrence</b> One-Time	
<b>Other budget impacts (revenue generating, match requirements, etc.)</b>	
<b>Approvals</b>	
<b>Dept Head</b>	STRATTON, JESSICA
<b>Division Director</b>	STRATTON, JESSICA
<b>Accounting Manager</b>	BAIRD, CHRISTI
<b>Legal</b>	SCHOEDEL, ELIZABETH
<b>For the Mayor</b>	PICCOLO, MIKE
<b>Distribution List</b>	

CITY OF SPOKANE, WASHINGTON  
LIMITED TAX GENERAL OBLIGATION REFUNDING BONDS, 2025

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ORDINANCE NO. C36664

AN ORDINANCE OF THE CITY OF SPOKANE, WASHINGTON AUTHORIZING THE SALE, ISSUANCE AND DELIVERY OF NOT TO EXCEED \$53,000,000 OF THE CITY'S LIMITED TAX GENERAL OBLIGATION REFUNDING BONDS, SERIES 2025, TO PROVIDE MONEY TO DEFEASE AND/OR REFUND ALL OR A PORTION OF THE CITY'S OUTSTANDING LIMITED TAX GENERAL OBLIGATION REFUNDING BONDS, SERIES 2015; PROVIDING FOR THE CALL, DEFEASANCE, PAYMENT AND REDEMPTION OF THE REFUNDED BONDS; PROVIDING FOR THE OPTION OF SELLING THE BONDS BY COMPETITIVE OR NEGOTIATED SALE; DELEGATING AUTHORITY TO THE DESIGNATED REPRESENTATIVE TO DETERMINE THE MANNER OF SALE AND TERMS OF THE BONDS UNDER THE CONDITIONS SET FORTH HEREIN; AUTHORIZING THE EXECUTION OF AN ESCROW AGREEMENT; DESIGNATING A FISCAL AGENT; PLEDGING THE CITY'S FULL FAITH, CREDIT AND RESOURCES TO THE PAYMENT OF THE BONDS; CREATING AND ADOPTING CERTAIN FUNDS AND ACCOUNTS AND PROVIDING FOR DEPOSITS THEREIN; COVENANTING TO COMPLY WITH CERTAIN FEDERAL TAX AND SECURITIES LAWS; DELEGATING CERTAIN ACTIONS IN CONNECTION WITH THE PRELIMINARY OFFICIAL STATEMENT AND THE OFFICIAL STATEMENT; DECLARING AN EMERGENCY; AND PROVIDING FOR OTHER MATTERS PROPERLY RELATING THERETO

Passed: April 21, 2025

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Prepared by:

KUTAK ROCK LLP  
Spokane, Washington

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ORDINANCE NO. [ \_\_\_\_\_ ]

AN ORDINANCE OF THE CITY OF SPOKANE, WASHINGTON AUTHORIZING THE SALE, ISSUANCE AND DELIVERY OF NOT TO EXCEED \$53,000,000 OF THE CITY’S LIMITED TAX GENERAL OBLIGATION REFUNDING BONDS, SERIES 2025, TO PROVIDE MONEY TO DEFEASE AND/OR REFUND ALL OR A PORTION OF THE CITY’S OUTSTANDING LIMITED TAX GENERAL OBLIGATION REFUNDING BONDS, SERIES 2015; PROVIDING FOR THE CALL, DEFEASANCE, PAYMENT AND REDEMPTION OF THE REFUNDED BONDS; PROVIDING FOR THE OPTION OF SELLING THE BONDS BY COMPETITIVE OR NEGOTIATED SALE; DELEGATING AUTHORITY TO THE DESIGNATED REPRESENTATIVE TO DETERMINE THE MANNER OF SALE AND TERMS OF THE BONDS UNDER THE CONDITIONS SET FORTH HEREIN; AUTHORIZING THE EXECUTION OF AN ESCROW AGREEMENT; DESIGNATING A FISCAL AGENT; PLEDGING THE CITY’S FULL FAITH, CREDIT AND RESOURCES TO THE PAYMENT OF THE BONDS; CREATING AND ADOPTING CERTAIN FUNDS AND ACCOUNTS AND PROVIDING FOR DEPOSITS THEREIN; COVENANTING TO COMPLY WITH CERTAIN FEDERAL TAX AND SECURITIES LAWS; DELEGATING CERTAIN ACTIONS IN CONNECTION WITH THE PRELIMINARY OFFICIAL STATEMENT AND THE OFFICIAL STATEMENT; DECLARING AN EMERGENCY; AND PROVIDING FOR OTHER MATTERS PROPERLY RELATING THERETO

**WHEREAS**, the City of Spokane, Washington (the “City”) is a municipal corporation and first-class charter city duly organized and existing under the laws of the State of Washington (the “State”) and the Charter of the City; and

**WHEREAS**, the City is authorized and empowered by chapters 35.22, 39.36, 39.46 and 39.53 RCW to sell, issue and deliver its limited tax general obligation refunding bonds to refund all or a portion of its outstanding limited tax general obligation bonds; and

**WHEREAS**, the City now has outstanding its Limited Tax General Obligation Refunding Bonds, Series 2015, issued on February 11, 2015, pursuant to Ordinance No. C35219, passed by the City Council of the City (the “Council”) on January 12, 2015 (the “**2015 Bond Ordinance**”), in the original aggregate principal amount of \$48,305,000 (the “**2015 Bonds**”), which remain outstanding as follows:

<b>Outstanding 2015 Bonds</b>			
<u>Years</u> <u>(December 1)</u>	<u>Amounts</u>	<u>Interest</u> <u>Rates</u>	<u>CUSIP Nos.</u>
2027	\$4,050,000	3.000%	849067 T52
2028	4,530,000	3.500	849067 T60
2029	5,055,000	4.000	849067 T78
2030	5,640,000	4.000	849067 T86

2031	6,265,000	4.000	849067 T94
2032	6,935,000	3.000	849067 U27
2033	7,570,000	3.125	849067 U35
2034	8,260,000	3.100	849067 U43

; and

**WHEREAS**, the 2015 Bonds maturing on and after December 1, 2027 are callable for redemption at any time on or after December 1, 2024, at a price of par plus accrued interest to the date of redemption; and

**WHEREAS**, after due consideration, the Council has determined it will be financially advantageous to the City and result in a savings to the City’s taxpayers to pay, defease, redeem and/or retire the all or portion of the outstanding 2015 Bonds maturing on and after December 1, 2027 (as more specifically defined herein, the “**Refunded Bonds**”) through the issuance of Limited Tax General Obligation Refunding Bonds, Series 2025 (the “**Bonds**”); and

**WHEREAS**, the Bonds will not mature later than the Refunded Bonds would have matured; and

**WHEREAS**, the annual debt service requirements of the Bonds will not exceed the annual debt service requirements of the Refunded Bonds; and

**WHEREAS**, the Council wishes to delegate authority to the Designated Representative (as hereinafter defined) to approve the final principal amount of the Bonds, the date of the Bonds, denominations, the interest rates, the number of series, the series designation, the tax status of each series, payment dates, redemption provisions, minimum savings and maturity dates of the Bonds under such terms and conditions as are approved by this ordinance; and

**WHEREAS**, the Council is desirous of taking all reasonable actions to enable it to refund the Refunded Bonds in order to obtain maximum savings for the taxpayers of the City; and

**WHEREAS**, the Council has determined it to be in the best interest of the City to sell the Bonds at competitive sale or negotiated sale;

**NOW, THEREFORE, THE CITY OF SPOKANE DOES HEREBY FURTHER FIND, DETERMINE AND ORDAIN as follows:**

**Section 1: Definitions**

As used in this Ordinance, the following terms have the meanings provided in this Section 1.

*Approved Bid* means the winning bid submitted for a series of the Bonds if such series is sold by competitive sale, as selected by the Designated Representative.

**Bond Fund** means the City’s “General Obligation Debt Service Fund” maintained pursuant to Section 9 of this Ordinance.

**Bond Purchase Contract** means the contract between the City and the Underwriter pertaining to the sale and delivery of the Bonds, if the Bonds are sold by negotiated sale (including a private placement), as more fully described in Section 4 of this Ordinance.

**Bond Register** means the registration records maintained by the Registrar on which shall appear the names and addresses of the Registered Owners.

**Bonds** means the bonds herein authorized, designated as “City of Spokane Limited Tax General Obligation Refunding Bonds, Series 2025,” or such other designation as the Designated Representative shall determine.

**Chief Financial Officer** means the duly qualified, appointed and acting Chief Financial Officer of the City or any other officer who succeeds to the duties now delegated to that office.

**City** means the City of Spokane, a municipal corporation and first-class charter city duly organized and existing under the laws of the State of Washington and the Charter of the City.

**City Clerk** means the Clerk of the City or other officer of the City who is the custodian of the records of the proceedings of the Council or her successor in functions, if any.

**Code** means the Internal Revenue Code of 1986, as amended, and any Treasury Regulations promulgated thereunder.

**Council** means the City Council as the general legislative authority of the City, as the same shall be duly and regularly constituted from time to time.

**Debt Service Account** means the City’s “LTGO 2025 Debt Service Account” referred to in Section 9 of this Ordinance.

**Designated Representative** means the Chief Financial Officer or the Director of Management and Budget.

**Director of Management and Budget** means the duly qualified, appointed and acting Director of Management and Budget of the City or any other officer who succeeds to the duties now delegated to that office.

**DTC** means The Depository Trust Company, a limited-purpose trust company organized under the laws of the State of New York, which will act as securities depository for the Bonds.

**Escrow Account** means the City’s “Limited Tax General Obligation Refunding Bonds, Series 2015 Escrow Account” which may be created by the Refunding Trustee to accomplish the defeasance and/or refunding of the Refunded Bonds.

**Escrow Agreement** means the agreement of that name by and between the City and the Refunding Trustee, which may be executed by the Designated Representative, if deemed

necessary by the Designated Representative to affect the defeasance and/or refunding of the Refunded Bonds.

***Good Faith Deposit*** has the meaning ascribed thereto in Section 6 hereof.

***Government Obligations*** means those obligations now or hereafter defined as such in Chapter 39.53 RCW.

***Letter of Representations*** means the Blanket Issuer Letter of Representations from the City to DTC.

***Mayor*** means the Mayor of the City or her successor in functions, if any.

***Municipal Advisor*** means Northwest Municipal Advisors, Bellevue, Washington, the City's municipal advisor with respect to the issuance of the Bonds.

***Official Notice of Sale*** means, if the Bonds are sold by competitive sale, the notice of bond sale to be submitted to potential bidders for the Bonds and authorized to be given in Section 4 of this Ordinance.

***Ordinance*** means this Ordinance adopted by the Council on April 21, 2025, authorizing the sale, issuance and delivery of the Bonds.

***Outstanding*** means, when used with reference to the Bonds, as of any particular date, all Bonds that have been issued, executed, authenticated and delivered except: (A) Bonds canceled because of payment or redemption prior to their stated dates of maturity; and (B) any Bond (or portion thereof) deemed to have been paid pursuant to Section 19 of this Ordinance.

***Participants*** means those broker-dealers, banks and other financial institutions from time to time for which DTC holds the Bonds as securities depository.

***Redemption Date*** means the date on which the Refunded Bonds will be redeemed, as selected by the Designated Representative.

***Refunded Bonds*** means all or a portion of the 2015 Bonds maturing on and after December 1, 2027, as selected by the Designated Representative.

***Refunding Trustee*** has the meaning ascribed thereto in Section 11 hereof.

***Registered Owner*** means the person named as the registered owner of a Bond on the Bond Register.

***Registrar*** means the Washington State Fiscal Agent, acting in the capacity as registrar, authenticating agent, paying agent and transfer agent of the Bonds, or its successors in functions, as now or hereafter designated.

***Serial Bonds*** means any Bonds other than Term Bonds.

***Term Bonds*** means the Bonds specifically designated as such in the Official Statement.

**Treasurer** means the Treasurer of the City, and any successor treasurer of the City in accordance with applicable law.

**True Interest Cost** means the yield that, when discounting all future principal and interest payments to the delivery date of the Bonds, produces a present value equal to the principal amount of the Bonds, less any Bond insurance policy premium, less the successful bidder's discount, plus any original issue premium, less any original issue discount, plus accrued interest.

**Underwriter** means the firm submitting the Approved Bid for the Bonds, or if it is determined that a negotiated sale (including a private placement) is in the best interest of the City, the underwriting firm or bank entering into the Bond Purchase Contract.

**2015 Bond Ordinance** means Ordinance No. C35219, passed by the Council on January 12, 2015.

**2015 Bonds** means the Limited Tax General Obligation Refunding Bonds, Series 2015, of the City issued February 11, 2015, and authorized by the 2015 Bond Ordinance.

## **Section 2: Interpretation**

For all purposes of this Ordinance, except as otherwise expressly provided or unless the context otherwise requires:

A. **Internal References.** All references in this Ordinance to designated "Sections" and other subdivisions are to the designated sections and other subdivisions of this Ordinance. The words "herein," "hereof," "hereto," "hereby," "hereunder" and other words of similar import refer to this Ordinance as a whole and not to any particular section or other subdivision.

B. **Persons.** Words importing persons shall include firms, associations, partnerships (including limited partnerships), trusts, corporations and other legal entities, including public boards, as well as natural persons.

C. **Headings.** Any headings preceding the texts of the several sections of this Ordinance and the table of contents, shall be solely for convenience of reference and shall not constitute a part of this Ordinance, nor shall they affect its meaning, construction or effect.

D. **Writing Requirement.** Every "notice," "certificate," "consent" or similar action hereunder by the City shall, unless the form thereof is specifically provided, be in writing signed by an authorized representative of the City.

E. **Time.** In the computation of a period of time from a specified date to a later specified date, the word "from" means "from and including" and each of the words "to" and "until" means "to but excluding."

F. **Redemption.** Words importing the redemption or redeeming of a Bond or the calling of a Bond for redemption do not include or connote the payment of such Bond at its stated maturity or the purchase of such Bond.

G. *Payment Terms.* References to the payment of the Bonds shall be deemed to include references to the payment of interest thereon.

H. *Gender.* Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders. Words imparting the singular number shall include the plural numbers and vice versa, unless the context shall otherwise dictate.

**Section 3: Purpose of the Bonds**

The Bonds are being issued to provide money to pay, defease, redeem and/or retire the Refunded Bonds and to pay certain expenses incurred in connection with the issuance of the Bonds and the defeasance and/or refunding of the Refunded Bonds, all as set forth more specifically herein.

**Section 4: Authorization of the Bonds**

A. *General Terms.* Limited tax general obligation refunding bonds of the City, designated “City of Spokane Limited Tax General Obligation Refunding Bonds, Series 2025,” are hereby authorized to be sold, issued and delivered pursuant to chapters 35.22, 39.36, 39.46 and 39.53 RCW, in the event that an Approved Bid for the Bonds is accepted, or a Bond Purchase Contract is executed if the Bonds are sold by negotiated sale (including a private placement), as provided in this Section 4. The Bonds shall be issued in the aggregate principal amount of not to exceed \$53,000,000; shall be issued in fully registered form; shall be in the denomination of \$5,000 each, or any integral multiple thereof within a single maturity; and shall be numbered separately in such manner and with any additional designation as the Registrar deems necessary for purposes of identification. The Bonds shall be in substantially the form set forth in Exhibit “A” attached hereto and by this reference incorporated herein.

B. *Competitive Sale.* The Designated Representative is authorized to cause the Official Notice of Sale for the Bonds to be prepared and published, and provide for such other matters pertaining to the competitive sale as deemed necessary or desirable. The Official Notice of Sale shall establish:

- (1) that the True Interest Cost of the Bonds shall not exceed 4.00 percent;
- (2) the date or dates of the Bonds, which shall be no later than one year from the date of this Ordinance;
- (3) the date or dates upon which the Bonds shall mature;
- (4) the principal amount of the Bonds maturing on each maturity date concluding no later than December 1, 2034;
- (5) the date on which interest shall first be payable for each Bond, which date shall be no later than June 1, 2026;
- (6) the yield and price for each maturity of the Bonds, which price shall be not less than 95 percent nor more than 140 percent of the principal amount of the Bonds;

(7) the optional and mandatory redemption provisions pertaining to the Bonds, provided the first date on which the Bonds may be optionally redeemed at par is not later than 10.5 years after the date of the Bonds; and

(8) the net present value savings due to the defeasance and/or refunding of the Refunded Bonds, which shall be not less than 1.00 percent of the par amount of the Refunded Bonds.

The Designated Representative is hereby authorized to accept the Approved Bid for the Bonds, which Approved Bid must state the rate or rates of interest the Bonds shall bear and any premium or discount the Bonds shall bear.

C. *Findings.* The Council hereby finds that the determinations made in this Ordinance are the determinations set forth in RCW 39.46.040; and as such, the Council has fully and properly authorized the sale, issuance and delivery of the Bonds.

D. *Negotiated Sale.* In the event the Designated Representative determines that it is in the best interest of the City and its taxpayers to sell the Bonds by negotiated sale (including a private placement), the Designated Representative, upon the approval of the Mayor, is hereby authorized to select a bank for placement, or an underwriter, and to enter into a Bond Purchase Contract as provided in this Section 4. The Bond Purchase Contract shall establish the following:

(1) the True Interest Cost of the Bonds, which shall not exceed 4.00 percent;

(2) the date or dates of the Bonds, which shall be no later than one year from the date of this Ordinance;

(3) the date or dates upon which the Bonds shall mature;

(4) the principal amount of the Bonds maturing on each maturity date concluding no later than December 1, 2034;

(5) the date on which interest shall first be payable for each Bond, which date shall be no later than June 1, 2026;

(6) the yield and price for each maturity of the Bonds, which price shall be not less than 95 percent nor more than 140 percent of the principal amount of the Bonds;

(7) the optional and mandatory redemption provisions pertaining to the Bonds, provided the first date on which the Bonds may be optionally redeemed at par is not later than 10.5 years after the date of the Bonds; and

(8) the net present value savings due to the defeasance and/or refunding of the Refunded Bonds, which shall be not less than 1.00 percent of the par amount of the Refunded Bonds.

The Designated Representative is hereby authorized to approve additions, deletions or alterations to the Bond Purchase Contract or any other document or certificate related thereto so long as such additions, deletions or alterations do not substantially alter the intent and substance of this Ordinance.

E. *Negotiable Instruments.* The Bonds shall be negotiable instruments to the extent provided by chapter 62A.3 RCW.

#### **Section 5: Redemption Prior to Maturity**

A. *Redemption.* The Bonds shall be subject to redemption at such time and in such amounts as provided in the Official Notice of Sale and the Approved Bid, or, if the Bonds are sold by negotiated sale (including a private placement), in the Bond Purchase Contract.

B. *Partial Redemption.* In accordance with the preceding paragraph, portions of the principal amount of any Bond, in installments of \$5,000 or any integral multiple of \$5,000 within a maturity, may also be redeemed. If less than all the principal amount of any Bond is redeemed, upon surrender of such Bond at the designated corporate trust office of the Registrar there shall be issued to the Registered Owner, without charge therefor, for the then unredeemed balance of the principal amount thereof, a new Bond or Bonds, at the option of the Registered Owner, with like maturity and interest rate, in any denomination authorized by this Ordinance.

C. *Notice of Redemption.* Except as set forth in subsection D below, and unless waived by the Registered Owner of any Bond to be redeemed, notice of any such redemption shall be sent by the Registrar by first-class mail, postage prepaid, not less than 20 nor more than 60 days prior to the date fixed for redemption to the Registered Owner of each Bond to be redeemed at the address shown on the Bond Register, or at such other address as may be furnished in writing by such Registered Owner to the Registrar. The requirements of this subsection shall be deemed to be complied with when notice is mailed as herein provided, regardless of whether it is actually received by the Registered Owner of any Bond to be redeemed. The redemption of the Bonds may be contingent or subject to such conditions as may be specified in the written notice, and if funds for the redemption are not irrevocably deposited with the Registrar or otherwise placed in escrow and in trust prior to the giving of notice of redemption, the notice shall be specifically subject to the deposit of funds by the City. The Designated Representative is hereby authorized to agree to redemption provision they deem to be in the best interest of the City.

Any notice given pursuant to this subsection may be rescinded by written notice given by the City to the Registrar on or prior to the date specified for redemption. The Registrar shall give notice of such rescission as soon thereafter as practicable, and to the same Registered Owners, as notice of such redemption was given pursuant to this subsection.

D. *Special Notice of Redemption to DTC.* For so long as DTC is the securities depository for the Bonds, the Registrar shall send redemption and defeasance notices to DTC in the manner required by the Letter of Representations.

E. *Continuing Disclosure Undertaking.* Except in the case of a private placement, for so long as Section 24 of this Ordinance remains in effect, each redemption notice shall also



be provided to EMMA by the City in the manner and timeframe specified in the Continuing Disclosure Undertaking; provided, neither any defect in such notice nor any failure to give all or any portion of such notice shall in any manner defeat the effectiveness of a call for redemption if notice thereof is given as prescribed in subsection C above.

F. *Effect of Redemption.* When so called for redemption, the Bonds shall cease to accrue interest on the specified redemption date, provided money for redemption is on deposit at the place of payment at that time, and shall not be deemed to be Outstanding as of such redemption date.

G. *Voluntary Redemption Notice.* In addition to the notice required by subsection C above, further notice may be given by the Registrar as set out below, but neither any defect in such further notice nor any failure to give all or any portion of such further notice shall in any manner defeat the effectiveness of a call for redemption if notice thereof is given as prescribed in subsection C hereof.

(1) Each further notice of redemption given hereunder may contain the following information: (a) the redemption date; (b) the redemption price; (c) if less than all Bonds Outstanding are to be redeemed, the identification (and, in the case of partial redemption, the respective principal amounts) of the Bonds to be redeemed; (d) notification that, on the redemption date, the redemption price will become due and payable upon each such Bond or portion thereof called for redemption, and that interest thereon shall cease to accrue from and after such date; (e) the place where such Bonds are to be surrendered for payment of the redemption price, which place of payment shall be the designated corporate trust office of the Registrar; (f) the CUSIP numbers, if any, of all Bonds being redeemed; (g) the date of issue of the Bonds as originally issued; (h) the rate of interest borne by each Bond being redeemed; (i) the maturity date of each Bond being redeemed; and (j) any other descriptive information needed to identify accurately the Bonds being redeemed.

(2) Each further notice of redemption may be sent at least 20 days before the redemption date by registered or certified mail or overnight delivery service to: (a) all registered securities depositories then in the business of holding substantial amounts of obligations of types comprising the Bonds, such depositories now being DTC; and (b) one or more national information services that disseminate notices of redemption of obligations such as the Bonds.

(3) Each such further notice may be published one time in *The Bond Buyer* in New York, New York, or, if such publication is impractical or unlikely to reach a substantial number of the Registered Owners, in some other financial newspaper or journal which regularly carries notices of redemption of other obligations similar to the Bonds, such publication to be made at least 20 days prior to the date fixed for redemption.

H. *Open Market Purchase and Cancellation.* The City hereby reserves the right and option to purchase any or all of the Bonds on the open market at any time and at any price. To the extent the City partially redeems Term Bonds, pursuant to this Ordinance, the City may, at its discretion, reduce the amount of any mandatory sinking fund deposit or deposits by an aggregate

principal amount equal to the principal amount of the Term Bonds so redeemed. All Bonds purchased or redeemed under this Section 5 shall be canceled.

#### **Section 6: Sale of the Bonds**

A. *Competitive Sale Authorized.* The Bonds may be sold by competitive sale. In any such competitive sale, the Bonds will be awarded to the bidder whose bid will result in the lowest True Interest Cost to the City. In the event that two or more bidders offer bids at the same lowest True Interest Cost, the City will award the Bonds to the bidder submitting the bid resulting in the highest net present value savings to the City. The Underwriter must pay accrued interest, if any, computed on a 360-day year and 30-day month basis, from the date of the Bonds to the date of delivery.

(1) *Notice of Sale.* The City hereby authorizes the Designated Representative, with the assistance of the Municipal Advisor, if the Bonds are sold by competitive sale, to cause the Official Notice of Sale to be disseminated to prospective purchasers of the Bonds in such manner as it deems to be in the best interest of the City.

(2) *Good Faith Deposit.* Each bid must be unconditional and the successful bidder shall, within three hours of the award of the Bonds, make a good faith deposit (the “**Good Faith Deposit**”) by federal wire or by a certified or bank cashier’s check in immediately available funds payable to the City in an amount set forth in the Official Notice of Sale, which amount shall not be less than 0.5 percent of the principal amount of the Bonds.

The Good Faith Deposit of the successful bidder will become the property of the City and will be credited to the purchase price of the Bonds at the time of delivery of the Bonds. No interest will be paid by the City on a bidder’s Good Faith Deposit. If the purchase price is not paid in full upon tender of the Bonds, the successful bidder shall have no right to the Bonds or to the recovery of the Good Faith Deposit, or to any allowance or credit by reason of the Good Faith Deposit, unless it appears the Bonds would not be validly issued if delivered to the Underwriter in the form and manner proposed. However, in the event of such nonpayment, the City reserves any and all rights granted by law to recover the agreed purchase price of the Bonds, and, in addition, any damages suffered by the City.

(3) *Opening and Award of Bids.* If the Bonds are sold pursuant to the provisions of this Section 6.A, bids will be opened by the City no later than 9:00 a.m. Pacific Time, in the offices of the Designated Representative, on the date set forth in the Official Notice of Sale. The Designated Representative is hereby authorized and directed to conduct the competitive sale of the Bonds in accordance with the Official Notice of Sale. The City reserves the right to reject any and all bids and to waive any irregularity or informality in any bid.

B. *Negotiated Sale Authorized.* The Bonds may be sold by negotiated sale (including a private placement) if it is determined by the Designated Representative, upon approval from the Mayor, that such method of sale is in the best interests of the City. If the

Bonds are sold at negotiated sale or private placement, the terms of such sale must comply with Section 4 of this Ordinance.

C. *Other Related Matters.* The Designated Representative is authorized and directed to take such other actions to publicize or facilitate the sale of the Bonds as may be deemed desirable or necessary including, but not limited to, securing a rating on the Bonds from one or more of the established nationally recognized rating services.

#### **Section 7: Place, Manner and Medium of Payment**

A. *Payment Medium.* The principal of and interest on the Bonds are payable in lawful money of the United States of America to the Registered Owners thereof.

B. *Payment of Interest.* Payment of each installment of interest shall be made to the Registered Owner whose name appears on the Bond Register at the close of business on the fifteenth day of the calendar month preceding the interest payment date. Each installment of interest shall be paid by check or draft of the Registrar mailed to such Registered Owner on the due date at the address appearing on the Bond Register, or at such other address as may be furnished in writing by such Registered Owner to the Registrar. Interest installments may be paid by wire transfer to a Registered Owner within the United States of at least \$1,000,000 in principal amount of the Bonds, upon written request of such Registered Owner submitted to the Registrar at least 15 days prior to the interest payment date; provided, the costs of such wire transfer shall be paid by the Registered Owner.

C. *Payment of Principal.* Principal of each Bond shall be payable to the Registered Owner, upon presentation and surrender of the Bonds on or after the date of maturity or prior redemption, at the designated corporate trust office of the Registrar. Upon the payment of the Bonds at maturity, or upon payment of the redemption price of any Bond being redeemed, each check or other transfer of money issued for such purpose shall bear the CUSIP number, if any, and identify by issue and maturity the Bonds being paid or redeemed with the proceeds of such check or other transfer.

D. *Interest on Delinquent Amounts of the Bonds.* If any Bond is not redeemed when properly presented at its maturity or redemption date, the City shall pay interest on that Bond at the same rate provided in the Bond from and after its maturity or redemption date until the principal of and interest on that Bond is paid in full or until sufficient money for its payment in full is on deposit in the Debt Service Account and the Bond has been called for payment by giving notice to the Registered Owner of that unpaid Bond.

E. *Ownership of Bonds.* The City and the Registrar may deem and treat the Registered Owner of each Bond as the absolute owner of such Bond for the purpose of receiving payments of principal and interest due on such Bond and for all other purposes, and neither the City nor the Registrar shall be affected by any notice to the contrary.

F. *Unclaimed Money.* The Treasurer shall submit a written request to the Registrar that the Registrar return to the Treasurer all money previously remitted to the Registrar for the payment of the Bonds that has not been distributed by the Registrar as of one year after the final maturity or prior redemption of all of the Bonds. The Treasurer shall deposit such money into a

separate account to be held solely for the benefit of the Registered Owners of Bonds which have not been presented for payment, and which shall be used solely for paying the principal of such Bonds and the interest which had accrued thereon to the date of maturity or prior redemption. Interest earnings on the money in such account may be deposited into the Debt Service Account to pay the principal of and interest on any Bonds that are Outstanding.

### **Section 8: Pledge of Full Faith, Credit and Resources of the City**

The Bonds are limited tax general obligations of the City and, as such, the full faith, credit and resources of the City are hereby pledged for their payment, within the appropriate constitutional and statutory limitations pertaining to non-voted general obligations. The Bonds are issued within the applicable debt limitations of the City.

The officers now or hereafter charged by law with the duty of levying taxes for the payment of the Bonds and the interest thereon shall, in the manner provided by law, make annual tax levies upon all of the taxable property within the City sufficient, together with other legally available money, to meet the annual payments of principal and interest on the Bonds as they become due, complying at all times with the constitutional and statutory tax limitations pertaining to non-voted general obligations.

### **Section 9: The Bond Fund**

A. *Bond Fund & Debt Service Account.* The Treasurer currently maintains a fund to be used for the payment of debt service on all general obligation bonds, designated as the “General Obligation Debt Service Fund” (the “**Bond Fund**”). Within the Bond Fund, there has heretofore been created and shall continue to be maintained, a subsidiary account separate and distinct from all other accounts of the City, designated the “LTGO 2025 Debt Service Account” (the “**Debt Service Account**”) or such other designation conforming to accounting practices, for the purpose of paying the principal of, premium, if any, and interest on the Bonds when due.

B. *Deposits to the Debt Service Account.* Accrued interest received from the sale of the Bonds, if any, shall be deposited into the Debt Service Account. All or a portion of original issue premium, if any, received from the sale of the Bonds may be deposited into the Debt Service Account. Tax receipts levied for the purpose of paying principal of and interest on the Bonds and, as from time to time directed by the Council, other City money legally available for payment of the Bonds will be deposited to the Debt Service Account to the extent necessary, and no later than the date such funds are required, to pay the principal of, premium, if any, and interest on the Bonds. The Treasurer is hereby authorized and directed to pay to the Registrar, in its capacity as the City’s paying agent, all payments of principal and interest due on the Bonds in sufficient time for such payments to be made.

C. *Investment of Money in the Debt Service Account.* Money in the Debt Service Account may be invested as permitted by law, which investments shall mature prior to the date on which such money shall be needed for required interest or principal payments. All interest earned and income derived by virtue of such investments shall remain in the Debt Service Account and be used to meet the required deposits therein.

## Section 10: The Refunding Plan

A. *Designation of the Refunded Bonds.* The City is desirous of defeasing, paying, redeeming and/or retiring the Refunded Bonds. The Designated Representative is authorized to designate all or a portion of the following outstanding 2015 Bonds as the “Refunded Bonds”:

<b>Outstanding 2015 Bonds</b>			
Years (December 1)	Amounts	Interest Rates	CUSIP Nos.
2027	\$4,050,000	3.000%	849067 T52
2028	4,530,000	3.500	849067 T60
2029	5,055,000	4.000	849067 T78
2030	5,640,000	4.000	849067 T86
2031	6,265,000	4.000	849067 T94
2032	6,935,000	3.000	849067 U27
2033	7,570,000	3.125	849067 U35
2034	8,260,000	3.100	849067 U43

B. *Application of Bond Proceeds.* The net proceeds of the Bonds (exclusive of any amounts that may be designated by the Designated Representative in a closing certificate to be allocated to pay costs of issuance of the Bonds and exclusive of amounts paid to an Underwriter as a fee or an Underwriter’s discount)(the “**Net Bond Proceeds**”), together with other available funds of the City in the amount (if any) specified by the Designated Representative, shall be held by the City and used at the direction of the Designated Representative to pay the costs of, or to reimburse the City for the costs of, redeeming the Refunded Bonds and/or may be placed into the Escrow Account pursuant to the terms of an Escrow Agreement to effect a defeasance of the Refunded Bonds.

C. *Notice of Redemption.* The Refunding Trustee is hereby directed to give notice of the call and redemption of the Refunded Bonds in substantially the form set forth as Attachment II to the Form of Escrow Agreement attached hereto as Exhibit “B” and in the manner required by the 2015 Bond Ordinance.

D. *Modification of Refunding Plan.* The Designated Representative is hereby authorized, upon advice from the City’s Municipal Advisor, to modify the refunding plan if such modification is determined to be in the City’s best interest.

## Section 11: The Refunding Trustee; Escrow Agreement

The City hereby authorizes the Designated Representative to select a financial institution to act as the Refunding Trustee with respect to the Refunded Bonds (the “**Refunding Trustee**”). In order to carry out the purposes of this Ordinance, if deemed necessary by the Designated Representative to affect the defeasance and/or refunding of the Refunded Bonds, the Designated Representative is authorized and directed to execute and deliver to the Refunding Trustee an Escrow Agreement substantially in the form marked Exhibit “B” attached hereto and by this reference incorporated herein. If utilized, the Escrow Agreement, shall set forth the duties, obligations and responsibilities of the Refunding Trustee in connection with the defeasance

and/or refunding of the Refunded Bonds as provided herein, and shall set forth the payment of the fees, compensation and expenses of the Refunding Trustee.

## **Section 12: Creation of the Escrow Account & Government Obligations**

A. *Creation of the Escrow Account.* If deemed necessary by the Designated Representative to affect the defeasance and/or refunding of the Refunded Bonds, the Refunding Trustee is authorized and directed to establish a special account for the City designated the “Limited Tax General Obligation Refunding Bonds, Series 2015 Escrow Account,” or such other designation conforming to accounting principles and banking practices.

B. *Deposits into the Escrow Account.* If deemed necessary by the Designated Representative to affect the defeasance and/or refunding of the Refunded Bonds, the Net Bond Proceeds, together with other available funds of the City in the amount (if any) specified by the Designated Representative, may be deposited into the Escrow Account and may be held as cash or used to acquire Government Obligations, as more specifically provided in the Escrow Agreement. Such funds shall be irrevocably deposited into the Escrow Account. Any funds to be deposited into the Escrow Account shall be held by the Refunding Trustee in trust. All funds credited to the Escrow Account shall be deemed so credited to and held in the Escrow Account notwithstanding the fact that such funds are held by the Refunding Trustee in trust for the owners of the Refunded Bonds.

C. *Use of Money in the Escrow Account.* If deemed necessary by the Designated Representative to affect the defeasance and/or refunding of the Refunded Bonds, the Refunding Trustee, on behalf of the City, may be authorized and directed to use the Net Bond Proceeds, together with other legally available money of the City, to purchase Government Obligations in the amounts, of the type, bearing interest and maturing in such amounts as are necessary to make the payments described in this Ordinance and in the Escrow Agreement. The investment income from and maturing principal of the Government Obligations and money to be deposited into the Escrow Account, if any, shall be transmitted to the Washington State Fiscal Agent, as Registrar for the City, for the sole purpose of paying the principal of and interest on the Refunded Bonds. Any money remaining on deposit in the Escrow Account created hereunder after the payment in full of the Refunded Bonds and the costs of issuing the Bonds, shall be transferred by the Refunding Trustee to the City and deposited into the Bond Fund.

### D. *Government Obligations.*

(1) *Government Obligations.* If the purchase of Government Obligations is deemed necessary by the Designated Representative to affect the defeasance and/or refunding of the Refunded Bonds, the Government Obligations shall be payable in such amounts and at such times that, together with other legally available money of the City, will be sufficient to provide for the payment of: (a) the interest on the Refunded Bonds as such becomes due on and before the Redemption Date or maturity of the Refunded Bonds; and (b) the price of redemption of the Refunded Bonds on the Redemption Date or the maturity value of the Refunded Bonds that are defeased to maturity.

(2) *Sufficiency of the Government Obligations.* If the purchase of Government Obligations is deemed necessary by the Designated Representative to affect the defeasance and/or refunding of the Refunded Bonds, prior to the delivery of the Bonds, the City shall receive an opinion of a nationally recognized firm of independent certified public accountants or from a nationally recognized financial advisor, stating, in substance, that the money and Government Obligations to be deposited with the Refunding Trustee for the payment of the Refunded Bonds will discharge and satisfy the City's obligations under the 2015 Ordinance to make payments on the Refunded Bonds. Such opinion will not be required in the event the City deposits sufficient funds at closing to provide for all debt service payments, without taking into account interest earnings thereon.

### **Section 13: Irrevocable Call**

#### **A. Refunded Bonds.**

(1) *Irrevocable Call for Redemption.* In accordance with Section 5 of the 2015 Bond Ordinance, the City hereby calls the Refunded Bonds for redemption on the Redemption Date. Such call for redemption shall be irrevocable upon the delivery of the Bonds to the Underwriter.

(2) *Irrevocable Pledge of Proceeds of the Bonds.* The City hereby irrevocably pledges the Net Bond Proceeds, together with other available funds of the City in the amount (if any) specified by the Designated Representative, Government Obligations (if any) and any amounts on deposit in the Escrow Account (if utilized), to pay the interest on the Refunded Bonds, up to and including the Redemption Date, and to redeem and retire the Refunded Bonds on such date at the price of 100 percent of the principal amount thereof plus accrued interest to the Redemption Date. Such amounts are hereby irrevocably pledged to be set aside to effect such payment, redemption and retirement.

**B. Findings Regarding the Defeasance and/or Refunding of the Refunded Bonds.** The Council hereby finds that, as of the date the Bonds are issued and the Net Bond Proceeds are utilized as set forth herein: (1) no further payments need to be made into the Bond Fund for the payment of the principal of and interest on the Refunded Bonds; (2) the Refunded Bonds and the interest accrued thereon shall cease to be entitled to any lien, benefit or security of the 2015 Bond Ordinance, except the right to receive the funds so set aside and pledged; and (3) the Refunded Bonds and the interest accruing thereon shall no longer be deemed to be Outstanding under the 2015 Bond Ordinance. The Council hereby further finds and determines that the issuance and sale of the Bonds will benefit the City by affecting a savings to the City's taxpayers. In making such finding and determination, the Council has given consideration to the interest that will be payable on the Bonds through the maturity of the Bonds, the costs of issuance of the Bonds and the net present value savings due to the defeasance and/or refunding of the Refunded Bonds.

### **Section 14: Execution and Authentication of the Bonds**

**A. Execution of the Bonds.** The City shall cause definitive Bonds to be prepared, executed, and delivered. The Bonds shall be executed on behalf of the City by the manual or

facsimile signature of the Mayor, shall be attested by the manual or facsimile signature of the City Clerk, and shall have the seal of the City impressed, imprinted or otherwise reproduced thereon.

B. *Authentication of the Bonds.* The executed Bonds shall be delivered to the Registrar for authentication. The Bonds shall be numbered separately in the manner and with any additional designation as the Registrar deems necessary for purposes of identification. Only those Bonds that bear a Certificate of Authentication substantially in the form set forth in Exhibit “A” attached hereto and manually executed by an authorized representative of the Registrar shall be valid or obligatory for any purpose or entitled to the benefits of this Ordinance. Such Certificate of Authentication shall be conclusive evidence that the Bonds so authenticated have been duly executed, authenticated and delivered hereunder and are entitled to the benefits of this Ordinance.

C. *Validity of Signatures.* In case any of the officers who shall have signed or attested any of the Bonds shall cease to be such officer or officers of the City before the Bonds so signed or attested shall have been authenticated or delivered by the Registrar, or issued by the City, such Bond may nevertheless be authenticated, delivered and issued, and, upon such authentication, delivery and issue, shall be as binding upon the City as though those who signed and attested the same had continued to be such officers of the City. Any Bond may also be signed and attested on behalf of the City by such persons as at the actual date of execution of such Bond shall be the proper officers of the City although at the original date of such Bond any such person shall not have been such officer of the City.

#### **Section 15: The Registrar**

A. *Registrar Appointed.* The Treasurer has designated the Washington State Fiscal Agent as the City’s legally designated fiscal agent with respect to the Bonds. The Council hereby confirms such designation with respect to the Bonds and appoints the Washington State Fiscal Agent as Registrar, authenticating agent, paying agent and transfer agent with respect to the Bonds, subject to the terms and conditions of this Section.

B. *Delegated Duties.* The Registrar is hereby authorized and directed, on behalf of the City, to authenticate and deliver Bonds initially issued or transferred or exchanged in accordance with the provisions of the Bonds and this Ordinance and to carry out all of the Registrar’s powers and duties under this Ordinance and the Agreement for Fiscal Agency Services between the Washington State Finance Committee and the Registrar (as the same may be amended or readopted from time to time).

C. *Bond Register.* The Bonds shall be issued only in registered form as to both principal and interest. The Registrar shall keep, or cause to be kept, at its designated corporate trust office the Bond Register which shall at all times be open to inspection by the City. The City hereby specifies and adopts the system of registration for the Bonds approved by the Washington State Finance Committee.

D. *Fees and Costs.* The City shall pay to the Registrar from time to time reasonable compensation for all services rendered under this Ordinance, together with reasonable expenses, charges, fees of counsel, accountants and consultants and other disbursements, including those of



its attorneys, agents and employees, incurred in good faith in and about the performance of their powers and duties under this Ordinance. The administrative fees provided for in this subsection may be paid from the Debt Service Account.

E. *Representations.* The Registrar shall be responsible for its representations contained in the Registrar's Certificate of Authentication on the Bonds.

F. *Ownership Rights.* The Registrar may become the Registered Owner of the Bonds with the same rights it would have if it were not the Registrar, and, to the extent permitted by law, may act as depository for and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of Registered Owners of the Bonds.

G. *Cancellation of Surrendered Bonds.* Bonds surrendered to the Registrar for payment, redemption, transfer or exchange, as well as Bonds surrendered by the City for cancellation, shall be canceled immediately by the Registrar and returned to the City. Such Bonds thereafter shall be destroyed.

#### **Section 16: Book-Entry System Authorized**

A. The Bonds shall be initially issued in the form of a separate, single-certificated, fully registered Bond for each maturity set forth in the Official Notice of Sale, or, if the Bonds are sold by negotiated sale (including a private placement), the Bond Purchase Contract, as provided for in Section 4 of this Ordinance, in the aggregate principal amount of such maturity. Upon initial issuance, the ownership of each Bond may be registered in the Bond Register in the name of Cede & Co., as nominee of DTC, the securities depository for the Bonds. Except as provided in subsection D of this Section, all of the Bonds shall be registered in the Bond Register in the name of Cede & Co., as nominee of DTC.

B. With respect to Bonds registered in the Bond Register in the name of Cede & Co., as nominee of DTC, neither the City nor the Registrar shall have any responsibility or obligation to any Participant or to any person on behalf of which a Participant holds an interest in the Bonds. Without limiting the immediately preceding sentence, the City and the Registrar shall have no responsibility or obligation with respect to: (1) the accuracy of the records of DTC, Cede & Co., or any Participant with respect to any ownership interest in the Bonds; (2) the delivery to any Participant or any other person, other than a Registered Owner, of any notice with respect to the Bonds; or (3) the payment to any Participant or any other person, other than a Registered Owner, of any amount with respect to principal of, premium, if any, or interest on the Bonds. The City and the Registrar may treat and consider the Registered Owner of each Bond as the absolute owner of such Bond for the purpose of payment of principal, premium, if any, and interest with respect to such Bond, for the purpose of giving notices of matters with respect to such Bond, for the purpose of registering transfers with respect to such Bond, and for all other purposes whatsoever. The Registrar shall pay all principal of, premium, if any, and the interest on the Bonds as provided for in the Official Notice of Sale, or, if the Bonds are sold by negotiated sale (including a private placement), Bond Purchase Contract, and as further provided in Sections 4 and 5 of this Ordinance and all such payments shall be valid and effective to fully satisfy and discharge the City's obligations with respect to payment of principal of, premium, if any, and interest on the Bonds to the extent of the sums so paid. No person other than a

Registered Owner shall receive a certificated Bond evidencing the obligation of the City to make payments of principal, premium, if any, and interest pursuant to this Ordinance. Upon delivery by DTC to the Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions herein with respect to the transfer and payment of the Bonds, the phrase “Cede & Co.” in this Ordinance shall refer to such new nominee of DTC.

C. The City heretofore has delivered the Letter of Representations to the Registrar and DTC. The delivery of the Letter of Representations shall not in any way limit the provisions of subsection B of this Section or in any other way impose upon the City any obligation whatsoever with respect to persons having interests in the Bonds other than the Registered Owner. The Registrar shall take all action necessary to comply with, at all times, any and all representations of the City in the Letter of Representations with respect to the Registrar.

D. (1) DTC may determine to discontinue providing its services with respect to the Bonds at any time by giving notice to the City and to the Registrar, and discharging its responsibilities with respect thereto under applicable law.

(2) The City, in its sole discretion and without the consent of any other person, may terminate the services of DTC with respect to the Bonds if the City determines that: (a) DTC is unable to discharge its responsibilities with respect to the Bonds; or (b) a continuation of the requirement that all of the Bonds be registered in the Bond Register in the name of Cede & Co., or any other nominee of DTC, is not in the best interest of the beneficial owners of the Bonds.

(3) Upon termination of the services of DTC with respect to the Bonds pursuant to subsection D(2)(b) of this Section, or upon the discontinuance or termination of the services of DTC with respect to the Bonds pursuant to subsection D(1) or subsection D(2)(a) of this Section, after which no substitute securities depository willing to undertake the functions of DTC hereunder can be found that, in the opinion of the City, is willing and able to undertake such functions upon reasonable and customary terms, the City shall deliver certificated Bonds at the expense of the City, as described in this Ordinance, and the Bonds shall no longer be restricted to being registered in the Bond Register in the name of Cede & Co., as nominee of DTC, but may be registered in the names that the Registered Owners transferring or exchanging Bonds shall designate, in accordance with the provisions of this Ordinance. In the event the Bonds are transferred by the City to fully registered form, the Bonds shall be payable by the Registrar. Thereafter, the principal of the Bonds shall be payable upon due presentment and surrender thereof at the designated corporate trust office of the Registrar; interest shall be paid by check or draft of the Registrar mailed to such Registered Owner on the due date at the address appearing on the Bond Register, or at such other address as may be furnished in writing by such Registered Owner to the Registrar. Interest installments may be paid by wire transfer to a Registered Owner within the United States of at least \$1,000,000 in principal amount of the Bonds, upon written request of such Registered Owner submitted to the Registrar at least 15 days prior to the interest payment date; provided, the costs of such wire transfer shall be paid by the Registered Owner, and the Bonds shall be transferable as provided in this Ordinance.

E. Notwithstanding any other provision of this Ordinance to the contrary, so long as any Bond is registered in the name of Cede & Co., as nominee of DTC, all payments with respect to principal or premium, if any, and interest on such Bond and all notices with respect to such Bond shall be made and given, respectively, in the manner provided in the Letter of Representations.

F. If the Bonds are privately placed with a bank, the City may determine not to comply with this Section if the Designated Representative deems it to be in the best interest of the City.

### **Section 17: Transfer and Exchange of the Bonds**

A. *Transfer of Bonds.* Each Bond shall be transferable by the Registered Owner thereof in person, or by its attorney duly authorized in writing, upon due completion of the assignment form appearing thereon and upon surrender of such Bond at the designated corporate trust office of the Registrar for cancellation and issuance of a new Bond registered in the name of the transferee, in exchange therefor.

B. *Exchange of Bonds.* Each Bond shall be exchangeable by the Registered Owner thereof in person, or by its attorney duly authorized in writing, for one or more new Bonds, upon surrender of such Bond at the designated corporate trust office of the Registrar for cancellation.

C. *Authentication and Delivery of New Bonds.* Whenever a Bond shall be surrendered for transfer or exchange, the Registrar shall authenticate and deliver to the transferee or exchangee, in exchange therefor, a new fully registered Bond or Bonds of any authorized denomination or denominations, of the same maturity and interest rate as, and for the aggregate principal amount of, the Bond being surrendered. Notwithstanding the foregoing sentence, the Registrar is not required to transfer or exchange any Bond during the 15 days preceding any principal or interest payment date.

D. *Payment of Fees and Costs.* The Registrar shall require the payment by the Registered Owner requesting such transfer or exchange of any tax, fee or governmental charge required to be paid with respect to such transfer or exchange.

### **Section 18: Mutilated, Lost, Stolen or Destroyed Bonds**

A. *Issuance of Substitute Bonds.* If any Bond shall become mutilated, lost, stolen or destroyed, the affected Registered Owner shall be entitled to the issuance of a substitute Bond only as follows:

(1) in the case of a lost, stolen or destroyed Bond, the Registered Owner shall:  
(a) provide notice of the loss, theft or destruction to the City and the Registrar within a reasonable time after the Registered Owner receives notice of the loss, theft or destruction; (b) request the issuance of a substitute Bond; (c) provide evidence, satisfactory to the City and the Registrar, of the ownership and the loss, theft or destruction of the affected Bond; and (d) file in the offices of the City and the Registrar a written affidavit specifically alleging on oath that such Registered Owner is the proper owner, payee or legal representative of such owner or payee of the Bond that has been

lost, stolen or destroyed, giving the date the Bond was issued and the number, principal amount and series of such Bond, and stating that the Bond has been lost, stolen or destroyed, and has not been paid and has not been received by such Registered Owner;

(2) in the case of a mutilated Bond, the Registered Owner shall surrender the Bond to the Registrar for cancellation; and

(3) in all cases, the Registered Owner shall provide indemnity against any and all claims arising out of or otherwise related to the issuance of substitute Bonds pursuant to this Section satisfactory to the City and the Registrar.

Upon compliance with the foregoing, a new Bond of like tenor and denomination, bearing the same number as the mutilated, lost, stolen or destroyed Bond, and with the word “DUPLICATE” stamped or printed plainly on its face, shall be executed by the City, authenticated by the Registrar and delivered to the Registered Owner, all at the expense of the Registered Owner to whom the substitute Bond is delivered. Notwithstanding the foregoing, the Registrar shall not be required to authenticate and deliver any substitute Bond for a Bond that has matured or is about to mature or that has been called for redemption and, in any such case, the principal or redemption price and interest then due or becoming due shall be paid by the Registrar in accordance with the terms of the mutilated, destroyed, lost or stolen Bonds without substitution therefor.

B. *Notation on the Bond Register.* Upon the issuance and authentication of any substitute Bond under the provisions of this Section, the Registrar shall enter upon the Bond Register a notation that the original Bond was canceled and a substitute Bond was issued.

C. *Rights of Registered Owners of Substitute Bonds.* Every substitute Bond issued pursuant to this Section shall constitute an additional contractual obligation of the City and shall be entitled to all the benefits of this Ordinance equally and proportionately with any and all other Bonds duly issued hereunder unless the Bond alleged to have been destroyed, lost or stolen shall be at any time enforceable by a bona fide purchaser for value without notice. In the event the Bond alleged to have been destroyed, lost or stolen shall be enforceable by anyone, the City may recover the substitute Bond from the Registered Owner to whom it was issued or from anyone taking under the Registered Owner except a bona fide purchaser for value without notice.

D. *Exclusive Rights.* All Bonds shall be held and owned upon the express condition that the foregoing provisions are exclusive with respect to the replacement or payment of mutilated, destroyed, lost or stolen Bonds, and shall preclude any and all other rights or remedies, notwithstanding any law or statute existing or hereafter enacted to the contrary with respect to the replacement or payment of negotiable instruments or of investment or other securities without their surrender.

## **Section 19: Defeasance of the Bonds**

In the event that money and/or “government obligations” (as defined from time to time in RCW 39.53.010), maturing or having guaranteed redemption prices at the option of the owner at such time or times and bearing interest to be earned thereon in such amounts as are sufficient, together with any resulting cash balances, to redeem and retire part or all of the Bonds in

accordance with their terms, are hereafter irrevocably set aside in a special account and pledged to effect such redemption and retirement, then no further payments need be made into the Debt Service Account or any account therein for the payment of the principal of and interest on the certain Bonds so provided for, and such Bonds and interest accrued thereon shall no longer be deemed to be Outstanding hereunder.

If the principal or redemption price of any Bonds becoming due, either at maturity or by call for redemption or otherwise, together with all interest accruing thereon to the due date, has been paid or provision therefor has been made in accordance with this Section, all interest on such Bonds shall cease to accrue on the due date and all liability of the City with respect to such Bonds shall cease as of the date the principal, redemption price, if any, and interest is so provided for, except as hereinafter provided. Thereafter, the Registered Owners of such Bonds shall be restricted exclusively to the money so deposited for any claim of whatsoever nature with respect to such Bonds, and the Registrar shall hold such money in trust for such Registered Owners uninvested and without interest.

#### **Section 20: Tax Covenants**

A. *Compliance With the Code.* The City covenants to comply with each requirement of the Code necessary to maintain the exclusion of interest on the Bonds from gross income for federal income tax purposes. In furtherance of the covenant contained in the preceding sentence, the City covenants to comply with the provisions of the Tax Compliance Certificate executed by the City on the date of initial issuance and delivery of the Bonds, as such Tax Compliance Certificate may be amended from time to time.

B. *Necessary Payments.* The City covenants to make any and all payments required to be made to the United States Department of the Treasury in connection with the Bonds pursuant to Section 148(f) of the Code.

C. *Survival of Tax Covenants.* Notwithstanding any other provision of this Ordinance to the contrary, so long as necessary in order to maintain the exclusion from gross income of interest on the Bonds for federal income tax purposes, the covenants contained in this Section shall survive the payment of the Bonds and the interest thereon, including any payment or defeasance thereof pursuant to Section 19 of this Ordinance.

D. *Remedies.* Notwithstanding any other provision of this Ordinance to the contrary: (1) upon the City's failure to observe or refusal to comply with the above covenants, the Registered Owners, or any trustee acting on their behalf, shall be entitled to the rights and remedies provided to the Registered Owners under this Ordinance; and (2) neither the holders or Registered Owners of bonds of any series other than Bonds, nor a trustee acting on their behalf, shall be entitled to exercise any right or remedy provided to Registered Owners under this Ordinance based upon the City's failure to observe, or refusal to comply with, the above covenants.

#### **Section 21: Amendments to the Ordinance**

A. *Amendments Not Requiring Registered Owner Consent.* The Council from time to time, and at any time, may adopt an ordinance or ordinances supplemental hereto, which

ordinance or ordinances thereafter shall become a part of this Ordinance, for any one or more of all the following purposes: (1) to add to or delete from the covenants and agreements of the City in this Ordinance, or to surrender any right or power reserved to the City herein, provided such additions or deletions shall not adversely affect, in any material respect, the interests of the Registered Owners of any Bond; and (2) to cure, correct or supplement any ambiguous or defective provision contained in this Ordinance, provided such supplemental ordinance shall not adversely affect, in any material respect, the interests of the Registered Owners of the Bonds. Any such supplemental ordinance may be adopted without the consent of the Registered Owners of any Bonds at any time Outstanding, notwithstanding any of the provisions of subsection B of this Section.

B. *Amendments Requiring Registered Owner Consent.* With the consent of the Registered Owners of not less than 50 percent in aggregate principal amount of the Bonds at the time Outstanding, the Council may adopt an ordinance or ordinances supplemental hereto for the purpose of adding any provisions to, or changing in any manner, or eliminating any of the provisions of this Ordinance or of any supplemental ordinance; provided, however, that no such supplemental ordinance shall: (1) extend the fixed maturity of any Bond, or reduce the rate of interest thereon, or extend the time of payments of interest from their due date, or reduce the amount of the principal thereof, or alter the redemption provisions pertaining thereto, without the consent of the Registered Owner of each Bond so affected; or (2) reduce the aforesaid percentage of Registered Owners required to approve any such supplemental ordinance, without the consent of the Registered Owners of all of the Bonds then Outstanding. It shall not be necessary for the consent of Registered Owners consent under this subsection B to approve the particular form of any proposed supplemental ordinance, but it shall be sufficient if such consent shall approve the substance thereof.

C. *Effect of Supplemental Ordinances.* Upon the adoption of any supplemental ordinance pursuant to the provisions of this Section, this Ordinance shall be deemed to be modified and amended in accordance therewith, and the respective rights, duties and obligations of the City under this Ordinance and all Registered Owners of Bonds Outstanding hereunder shall thereafter be determined, exercised and enforced thereunder, subject in all respects to such modification and amendments, and all terms and conditions of any such supplemental ordinance shall be deemed to be part of the terms and conditions of this Ordinance for any and all purposes.

D. *Notations; Replacement Bonds.* Bonds executed and delivered after the execution of any supplemental ordinance adopted pursuant to the provisions of this Section may have a notation as to any matter provided for in such supplemental ordinance, and if such supplemental ordinance shall so provide, new Bonds so modified as to conform in the opinion of the Council to any modification of this Ordinance contained in any such supplemental ordinance, may be prepared and delivered without cost to the Registered Owners of any affected Bonds then Outstanding, upon surrender for cancellation of such Bonds in equal aggregate principal amounts.

## **Section 22: Sale and Delivery of the Bonds and Taking of Other Actions Authorized**

The Council hereby authorizes and directs each of the Mayor, the Chief Financial Officer, the Director of Management and Budget, the City Clerk, the Treasurer, the Municipal

Advisor and Kutak Rock LLP, bond counsel, to execute and deliver the Bonds to the Underwriter, or in the case of a private placement with a bank, to the bank, and for the proper application and use of the proceeds of the sale thereof, including:

A. preparing the final official statement regarding the Bonds, if the Bonds are publicly offered; and

B. executing such certificates and receipts as may be necessary to properly document the issuance of the Bonds.

In addition, the Mayor, the Chief Financial Officer, the Director of Management and Budget, the City Clerk, the Treasurer, the Municipal Advisor and Kutak Rock LLP, bond counsel, are hereby authorized by the Council to execute and deliver such other certificates, agreements and documents, and to take such other actions on behalf of the City as may be reasonable and necessary:

A. to facilitate the issuance and sale of the Bonds;

B. to meet all provisions of the Code in order to maintain tax-exempt status of the Bonds; and

C. in connection with any matters related thereto, until the final maturity date of the Bonds or redemption, whichever occur first.

### **Section 23: The Preliminary Official Statement**

If the Bonds are publicly offered, the Council hereby delegates authority to the Designated Representative to determine all acts to be undertaken by the City's officers, employees and agents with respect to the preparation and distribution of the preliminary official statement regarding the Bonds, if the Bonds are publicly offered, including any action taken to deem such preliminary official statement final as of its date except for the omission of information dependent upon the pricing of the issue and the completion of the underwriting agreement, such as offering prices, interest rates, selling compensation, aggregate principal amount, principal amount per maturity, delivery dates and other terms of the Bonds dependent on the foregoing matters. The City agrees to cooperate with the Underwriter to deliver or cause to be delivered, within seven business days from the date of the sale date of the Bonds and in sufficient time to accompany any confirmation that requests payment from any customer of the Underwriter, copies of a final official statement in sufficient quantity to comply with the rules of the Municipal Securities Rulemaking Board and paragraph (b)(4) of Securities and Exchange Commission Rule 15c2-12.

### **Section 24: Continuing Disclosure Undertaking**

The City covenants to execute and deliver at the time of issuance of the Bonds a Continuing Disclosure Undertaking in substantially the form set forth in Exhibit "C" attached hereto and by this reference incorporated herein. The Designated Representative is authorized and directed to execute and deliver a Continuing Disclosure Undertaking upon the sale, issuance and delivery of the Bonds with such terms and provisions as such officer shall deem appropriate

and in the best interest of the City, upon consultation with the City's bond counsel. The City hereby reserves the right to comply with this Section by meeting its annual disclosure requirements through any system approved by the SEC. All required filings shall be made in an electronic format as prescribed by the MSRB.

**Section 25: Contract and Severability of Provisions**

The covenants contained in this Ordinance and in the Bonds shall constitute a contract between the City and the Registered Owner of each and every Bond. Any action by the Registered Owner of any Bond shall bind all future Registered Owners of the same Bond in respect of anything done or suffered by the City or the Registrar in pursuance thereof. All the covenants, promises and agreements in this Ordinance contained by or on behalf of the City, or by or on behalf of the Registrar, shall bind and inure to the benefit of their respective successors and assigns, whether so expressed or not.

If any one or more of the covenants or agreements provided in this Ordinance to be performed on the part of the City shall be declared by any court of competent jurisdiction on final appeal (if any appeal be taken) to be contrary to law, then such covenant or agreement shall be null and void and shall be deemed separable from the remaining covenants and agreements in this Ordinance and shall in no way affect the validity of the other provisions of this Ordinance or of the Bonds.

Nothing in this Ordinance, expressed or implied, is intended or shall be construed to confer upon or give to any person other than the City, the Registrar and the Registered Owners and the holders from time to time of the Bonds any rights, remedies or claims under or by reason of this Ordinance or any covenant, condition or stipulation thereof; and all of the covenants, stipulations, promises and agreements in this Ordinance contained by or on behalf of the City shall be for the sole and exclusive benefit of the City, the Registrar and the Registered Owners and the holders from time to time of the Bonds.

**Section 26: No Personal Recourse**

No recourse shall be had for any claim based on this Ordinance or the Bonds against any Council member, officer or employee, past, present or future, of the City or of any successor body as such, either directly or through the City or any such successor body, under any constitutional provision, statute or rule of law or by the enforcement of any assessment or penalty or otherwise.

**Section 27: Ratification**

All actions not inconsistent with the provisions of this Ordinance heretofore taken by the Council and the City's employees with respect to the adoption of this Ordinance, the defeasance and/or refunding of the Refunded Bonds and the issuance, sale and delivery of the Bonds, are hereby in all respects ratified, approved and confirmed.

**Section 28: Repealer**

All ordinances or parts thereof in conflict herewith are, to the extent of such conflict, hereby repealed, and shall have no further force or effect.



## **Section 29: Effective Date**

The Council hereby finds and determines that the issuance and sale of the Bonds at this time will benefit the City by allowing the City to take advantage of current interest rates for tax-exempt bonds. In making such finding and determination, the Council has given consideration to the interest that will be payable on the Bonds through the maturity of the Bonds, the costs of issuance of the Bonds and the net present value savings due to the defeasance and/or refunding of the Refunded Bonds. In order to take advantage of current interest rates and maximum savings to the City's taxpayers, it is essential to accept the Bond Purchase Contract or accept the Approved Bid at a competitive sale, as applicable, as quickly as possible. Based upon said facts, an emergency and urgency is declared and found to exist as necessary for the immediate support of City government and its existing public institutions. Based upon said emergency and urgency, this ordinance shall become effective immediately upon its passage.

PASSED by the City Council of the City of Spokane, Washington, at a regular meeting thereof, held on April 21, 2025.

CITY OF SPOKANE  
Spokane County, Washington

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Betsy Wilkerson, Council President

ATTEST:

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Terri L. Pfister, City Clerk

---

Lisa Brown, Mayor

( S E A L )

APPROVED AS TO FORM:

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City Attorney

---

Tanya Lawless, Bond Counsel

\* \* \* \* \*

**C E R T I F I C A T E**

I DO HEREBY CERTIFY that I am the duly chosen, qualified and acting Clerk of the City of Spokane, Washington (the “City”), and keeper of the records of the City Council (the “Council”); and

I HEREBY CERTIFY:

1. That the attached ordinance is a true and correct copy of Ordinance No. [ ] of the City (the “Ordinance”), as finally passed at a regular meeting of the Council held on the 21st day of April, 2025, and duly recorded in my office.

2. That said meeting was duly convened and held in all respects in accordance with law, and to the extent required by law, due and proper notice of such meeting was given; that a quorum was present throughout the meeting and a legally sufficient number of members of the Council voted in the proper manner for the passage of the Ordinance; that all other requirements and proceedings incident to the proper passage of the Ordinance have been duly fulfilled, carried out and otherwise observed, and that I am authorized to execute this certificate.

IN WITNESS WHEREOF, I have hereunto set my hand this 21<sup>st</sup> day of April 2025.

\_\_\_\_\_  
City Clerk

**EXHIBIT “A”**

[Form of Bond]

*Unless this certificate is presented by an authorized representative of The Depository Trust Company, a New York corporation (“DTC”), to the issuer or its agent for registration of transfer, exchange, or payment, and any certificate issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.*

NO. R-[ ]

\$\_[ ]

**UNITED STATES OF AMERICA  
STATE OF WASHINGTON  
COUNTY OF SPOKANE**

**CITY OF SPOKANE**

**LIMITED TAX GENERAL OBLIGATION REFUNDING BOND, SERIES 2025**

<u>INTEREST RATE</u>	<u>MATURITY DATE</u>	<u>ORIGINAL ISSUE DATE</u>	<u>CUSIP</u>
_____%	December 1, 20__	_____, 2025	____

**REGISTERED OWNER: CEDE & CO.**

**PRINCIPAL AMOUNT: [ ] AND NO/100 DOLLARS**

THE CITY OF SPOKANE, Spokane County, Washington (the “City”), a municipal corporation and first-class charter city duly organized and existing under the laws of the State of Washington (the “State”) now in force, acknowledges itself to owe and, for value received, promises to pay from the City’s “LTGO 2025 Debt Service Account” (the “**Debt Service Account**”), referred to in Ordinance No. [ ], adopted by the City Council of the City (the “**Council**”) on April 21, 2025 (the “**Ordinance**”), to the Registered Owner identified above, or registered assigns, on the Maturity Date identified above, the Principal Amount identified above and to pay interest thereon from the Debt Service Account from \_\_\_\_\_, 2025, or from the most recent date to which interest has been paid or duly provided for, whichever is later, at the Interest Rate per annum identified above, payable commencing on \_\_\_\_\_ 1, 20[25], and semiannually thereafter on each December 1 and June 1 to the Maturity Date set forth above or to the date of prior redemption of this Bond, whichever occurs first. Interest shall be calculated on the basis of a 360-day year consisting of twelve 30-day months. Capitalized terms used herein shall have the meanings given to them in the Ordinance.

The principal of and interest on this Bond are payable in lawful money of the United States of America to the Registered Owner hereof, whose name and address shall appear on the registration books of the City (the “**Bond Register**”) maintained by the Washington State Fiscal Agent (the “**Registrar**”). Interest shall be paid to the Registered Owner whose name appears on the Bond Register at the close of business on the fifteenth day of the calendar month preceding

the interest payment date, and shall be paid by check or draft of the Registrar mailed to such Registered Owner on the due date at the address appearing on the Bond Register, or at such other address as may be furnished in writing by such Registered Owner to the Registrar. Interest installments may be paid by wire transfer to a Registered Owner within the United States of at least \$1,000,000 in principal amount of the Bonds, upon written request of such Registered Owner submitted to the Registrar at least 15 days prior to the interest payment date; provided, the costs of such wire transfer shall be paid by the Registered Owner. Principal of this Bond shall be paid to the Registered Owner upon presentation and surrender of this Bond on or after the Maturity Date set forth above or date of prior redemption of this Bond, whichever occurs first, at the designated corporate trust office of the Registrar.

This Bond is one of a series aggregating \$[\_\_\_\_\_] par value, all of like date, tenor and effect, issued by the City pursuant to and in full compliance with the Constitution and laws of the state of Washington now in force, particularly chapters 35.22, 39.36, 39.46 and 39.53 RCW, and proceedings duly adopted and authorized by the Council, more particularly the Ordinance, for the purpose of providing money to pay, defease, redeem and/or retire the Refunded Bonds and to pay certain expenses incurred in connection with the issuance of the Bonds, as more particularly described in the Ordinance.

The Bonds are issued in fully registered form, in the denomination of \$5,000 each, or any integral multiple thereof.

The Bonds are limited tax general obligations of the City and, as such, the full faith, credit and resources of the City are hereby pledged for their payment, within the appropriate constitutional and statutory limitations pertaining to non-voted general obligations. The Bonds are issued within the applicable debt limitations of the City. The officers now or hereafter charged by law with the duty of levying taxes for the payment of the Bonds and the interest thereon shall, in the manner provided by law, make annual tax levies upon all of the taxable property within the City sufficient, together with other legally available money, to meet the annual payments of principal and interest on the Bonds as they become due, complying at all times with the constitutional and statutory tax limitations pertaining to non-voted general obligations.

The Bonds are subject to redemption as stated in the [Bond Purchase Contract] [Official Notice of Sale and Approved Bid].

So long as the Bonds are in book-entry only form, the Registrar will notify DTC of an early redemption, not less than 20 days and not more than 60 days prior to the date fixed for redemption, and will provide such information as required by the operational arrangements of DTC referenced in the Blanket Letter of Representations from the City to DTC.

During any period in which the Bonds are not in book-entry only form, unless waived by any Registered Owner of the Bonds to be redeemed, notice of any redemption of Bonds will be given by the Registrar on behalf of the City by mailing a copy of a redemption notice by first-class mail, postage prepaid, not less than 20 days nor more than 60 days prior to the date fixed for redemption, to the Registered Owners of each Bond to be redeemed at the address shown on the Bond Register or at such other address as is furnished in writing by such Registered Owners

to the Registrar. The City reserves the right to rescind any redemption notice no later than one business day prior to the date fixed for redemption.

The City has reserved the right to purchase any or all of the Bonds on the open market at any time and at any price. To the extent the City purchases the Term Bonds on the open market, the City may reduce, at its discretion, the amount of any mandatory sinking fund deposit or deposits by an aggregate principal amount equal to the principal amount of the Term Bonds so purchased. Any Bonds so purchased or redeemed shall be canceled.

The City and the Registrar may deem and treat the Registered Owner of this Bond as the absolute owner of this Bond for the purpose of receiving payments of principal and interest due on this Bond and for all other purposes, and neither the City nor the Registrar shall be affected by any notice to the contrary.

This Bond is transferable or exchangeable by the Registered Owner hereof in person, or by its attorney duly authorized in writing, upon due completion of the Assignment appearing hereon and upon presentation and surrender of this Bond at the designated corporate trust office of the Registrar. Upon such transfer or exchange, a new Bond or Bonds of any authorized denomination, of the same maturity and interest rate, and for the same aggregate principal amount of the Bond being surrendered will be issued to the transferee or exchangee, in exchange therefor. The Registrar is not required to transfer or exchange any Bond during the 15 days preceding any principal or interest payment date.

Reference is hereby made to the Ordinance for the covenants and declarations of the City and other terms and conditions under which this Bond and the Bonds of this series have been issued. The covenants contained herein and in the Ordinance, as they may apply to this Bond, may be discharged by making provision, at any time, for the payment of the principal of and interest on this Bond in the manner provided in the Ordinance.

This Bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Ordinance until the Certificate of Authentication hereon is manually signed by the Registrar.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things essential to the validity of this Bond and the Bonds of this series do exist, have happened, been done and been performed and that the City has complied with every requirement of the Constitution and the laws of the State now in force and the ordinances and resolutions of the City, particularly the Ordinance, affecting the issue hereof, and that the issuance of this Bond and the Bonds of this series does not exceed any constitutional, statutory or other limitation upon the amount of bonded indebtedness that the City may incur.

IN WITNESS WHEREOF, City of Spokane, Washington, has caused this Bond to be signed with the facsimile or manual signature of the Mayor, to be attested by the facsimile or manual signature of the City Clerk, and the corporate seal of the City to be reproduced hereon, all as of this \_\_\_\_ day of \_\_\_\_\_ 2025.

CITY OF SPOKANE, WASHINGTON

By \_\_\_\_\_  
Mayor

ATTEST:

\_\_\_\_\_  
City Clerk

[SEAL]

-----  
**CERTIFICATE OF AUTHENTICATION**

Date of Authentication:

This Bond is one of the City of Spokane Limited Tax General Obligation Refunding Bonds, Series 2025, dated \_\_\_\_\_, 2025, and described in the within-mentioned Ordinance.

WASHINGTON STATE FISCAL AGENT  
as Registrar

By \_\_\_\_\_  
Authorized Signatory

**ASSIGNMENT**

FOR VALUE RECEIVED, the undersigned sells, assigns, and transfers unto

Name and address of Assignee:

Social Security or Federal Employer  
Identification Number of Assignee:

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

\_\_\_\_\_

the within Bond and does hereby irrevocably constitute and appoint \_\_\_\_\_,  
attorney, to transfer said Bond on the books kept for registration thereof with full power of  
substitution in the premises.

Dated: \_\_\_\_\_

Signature of Registered Owner:

\_\_\_\_\_

NOTICE: The signature to this assignment  
must correspond with the name of the  
registered owner as it appears upon the face of  
the within Bond in every particular, without  
alteration or enlargement or any change  
whatever.

Signature guaranteed:

\_\_\_\_\_

(Bank, Trust Company, or Firm)

[End of Form of Bond]



**EXHIBIT “B”**

**CITY OF SPOKANE  
SPOKANE COUNTY, WASHINGTON**

**LIMITED TAX GENERAL OBLIGATION REFUNDING BONDS, SERIES 2025**

**FORM OF ESCROW AGREEMENT**

This **ESCROW AGREEMENT** is made and entered into as of \_\_\_\_\_, 2025, by and between the City of Spokane, Washington (the “**City**”), a municipal corporation and first-class charter city duly organized and existing under the laws of the State of Washington (the “**State**”), and [U.S. Bank Trust Company National Association, Seattle, Washington] (the “**Refunding Trustee**”), with respect to the redemption of certain bonds, as provided for in Ordinance No. [\_\_\_\_\_] adopted by the City Council of the City on April 21, 2025 (the “**Ordinance**”). Unless otherwise defined in this Escrow Agreement, all capitalized terms shall have the meanings set forth in Section 1 of the Ordinance.

**WITNESSETH**

**WHEREAS**, the City Council of the City (the “**Council**”) authorized this Escrow Agreement to be executed pursuant to Section 11 of the Ordinance; and

**WHEREAS**, the City reserved the right and option to redeem the outstanding 2015 Bonds maturing on or after December 1, 2027, prior to their stated maturity dates at any time on or after December 1, 2024, in whole or in part (maturities to be selected by the City and within a maturity in such manner as DTC shall determine), at par plus accrued interest to the date fixed for redemption; and

**WHEREAS**, after due consideration, the Council has determined that it will be advantageous to the City to pay, [defease], redeem and retire [all] [a portion of] the 2015 Bonds maturing on December 1 in the years 20[27] through 20[34], inclusive (the “**Refunded Bonds**”), by the sale, issuance and delivery of refunding bonds and to execute the refunding plan as detailed in the Ordinance; and

**WHEREAS**, in order to effect such refunding plan in the manner that will be most advantageous to the City, the Council has determined to [acquire certain government obligations from a portion of bond proceeds] and other available money that bear interest and mature at such times as necessary to pay interest, when due, on the Refunded Bonds, up to and including [REDEMPTION DATE], 2025, and redeem the Refunded Bonds on [REDEMPTION DATE], 2025, at a price equal to 100 percent of the principal to be redeemed plus accrued interest to the date of redemption; and

**NOW, THEREFORE**, in consideration of the premises and the mutual covenants hereinafter contained, the parties hereto covenant, agree and bind themselves as follows:

**Section 1.** *Acceptance of Refunding Trustee Duties.* [U.S. Bank Trust Company National Association, Seattle, Washington], hereby accepts its appointment by the Designated Representative of the City as the Refunding Trustee with respect to the Refunded Bonds.

**Section 2.** *City Representations.* The City represents to the Refunding Trustee that: (a) the City is a municipal corporation and first-class charter city duly organized and existing under the laws of the State; and (b) the City is authorized to enter into this Escrow Agreement.

**Section 3.** *Refunding Trustee Representations.* The Refunding Trustee represents to the City that: (a) the Refunding Trustee is a trust company or state or national bank having the powers of a trust company within or without the State; and (b) the Refunding Trustee is authorized to enter into this Escrow Agreement.

**Section 4.** *The Escrow Account.* The Refunding Trustee hereby agrees to establish, hold, invest and otherwise administer the Escrow Account in the manner provided by the Ordinance. In the furtherance of the foregoing, the Refunding Trustee will, on behalf of the City, use the Net Bond Proceeds and other money, if any, deposited with the Refunding Trustee to purchase Government Obligations in the amounts, of the type, bearing interest and maturing as set forth in the following schedule:

<u>Type of Obligation</u>	<u>Par Amount</u>	<u>Interest Rate</u>	<u>Delivery Date</u> __/__/2025	<u>Maturity Date</u>
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**Section 5.** *Receipt of Certain Money.* Execution of this Escrow Agreement by the Refunding Trustee shall constitute written acknowledgment by the Refunding Trustee of its receipt from the City of \$\_\_\_\_\_, \$\_\_\_\_\_ of which will be invested in Government Obligations, \$\_\_\_\_\_ of which will be held as an initial cash balance and the balance of \$\_\_\_\_\_ will be used to pay costs of issuance of the Bonds at the direction of the Designated Representative.

**Section 6.** *Sufficiency of Government Obligations.* Based on the escrow verification report of [VERIFICATION AGENT], the City represents that the Government Obligations and the maturing principal thereof and the interest thereon, if paid when due, together with a beginning cash balance of \$\_\_\_\_\_, will be sufficient to make the payments described in Section 7 hereof.

**Section 7.** *Payments on the Refunded Bonds.* The Refunding Trustee will transfer money from the Escrow Account to the Washington State Fiscal Agent in the amounts, and at the times, necessary to enable the Washington State Fiscal Agent to make the payments described in the following schedule:

<u>Payment Date</u> *	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
	\$	\$	\$

\* Redemption Date.

**Section 8.** *The Government Obligations.* The Refunding Trustee will purchase the Government Obligations described in Section 4 above, on behalf of the City, from the Bond proceeds and other money, if any, deposited with the Refunding Trustee on the date the Bonds are issued. The Refunding Trustee will use such Government Obligations, and the earnings thereon, for the sole purpose of making the transfers to the Washington State Fiscal Agent described in Section 7 hereof. The Refunding Trustee will not allow any Government Obligations to be liquidated prior to maturity without: (a) the City's written consent; (b) receiving a supplemental verification addressed to the City and the Refunding Trustee of an independent firm of certified public accountants or a nationally recognized financial advisor, which shall be satisfactory to nationally recognized bond counsel, that the money and Government Obligations on deposit after such liquidation will be sufficient to effect the defeasance and/or refunding of the Refunded Bonds; and (c) receiving the written opinion of nationally recognized bond counsel that such redemption would not cause the interest on the Refunded Bonds or the Bonds to become includable in gross income for federal income tax purposes.

**Section 9.** *Safekeeping of Money and Investments.* All Government Obligations, money and investment income deposited with or received by the Refunding Trustee pursuant to this Escrow Agreement shall be subject to the trust created by this Escrow Agreement, and the Refunding Trustee shall be liable for the safekeeping thereof. All money deposited with the Refunding Trustee or received by the Refunding Trustee as maturing principal or interest on the Government Obligations prior to the times the Refunding Trustee is required to make the payments described in Section 7 of this Escrow Agreement shall be held uninvested, in cash, by the Refunding Trustee.

**Section 10.** *Substitution of the Government Obligations.* The Refunding Trustee acknowledges the City's right to substitute Government Obligations for investments in the Escrow Account. The Refunding Trustee will cooperate with the City in making any such substitution, so long as prior to each such substitution, the City obtains: (1) a supplemental verification addressed to the City and the Refunding Trustee from a nationally recognized firm of independent certified public accountants or from a nationally recognized financial advisor, which shall be satisfactory to nationally recognized bond counsel, that the money and Government Obligations on deposit in the Escrow Account after such substitution will be sufficient to effect the defeasance and/or refunding of the Refunded Bonds and that such substitute Government Obligations are noncallable; and (2) a written opinion addressed to the City from nationally recognized bond counsel that such substitution will not cause the interest on the Refunded Bonds or the Bonds to become includable in gross income for federal income tax purposes.

**Section 11.** *Transfer of Surplus Money Prior to Full Redemption.* The Refunding Trustee will transfer to the City any money remaining on deposit in the Escrow Account prior to the payment in full of the Refunded Bonds if the City furnishes to the Refunding Trustee: (a) a supplemental verification addressed to the City and the Refunding Trustee of an independent firm of certified public accountants or a nationally recognized financial advisor, which shall be satisfactory to nationally recognized bond counsel, that the money and Government Obligations on deposit after such transfer will be sufficient to effect the defeasance and/or refunding of the Refunded Bonds; and (b) an opinion addressed to the City and to the Refunding Trustee from

nationally recognized bond counsel that such transfer will not cause the interest on the Refunded Bonds or the Bonds to become includable in gross income for federal income tax purposes.

**Section 12.** *Transfer of Surplus Money After Full Redemption.* The Refunding Trustee will transfer to the City any money remaining on deposit in the Escrow Account after the payment, redemption and retirement in full of all of the Refunded Bonds.

**Section 13.** *Notices of [Defeasance and Redemption].* [The Refunding Trustee will cause notice of the defeasance of the Refunded Bonds to be given, substantially in the form set forth in Attachment I hereto, not later than [10] days after the Bonds are delivered to the Underwriter by the City. The notice of defeasance shall be given to the Municipal Securities Rulemaking Board.] [The Refunding Trustee will direct the Washington State Fiscal Agent to give notice, or cause notice to be given, at the expense of the City, of the redemption of the Refunded Bonds in the form and manner required by the 2015 Ordinance. Such notice of redemption shall be substantially in the form set forth in Attachment II hereto, and shall be given not less than 20 nor more than 60 days prior to the redemption date.]

**Section 14.** *Limitation of Refunding Trustee's Duties.* The duties and obligations of the Refunding Trustee shall be prescribed by the provisions of this Escrow Agreement and the Ordinance, and the Refunding Trustee shall not be liable except for the performance of its duties and obligations as specifically set forth herein or therein and the duty to act in good faith in the performance thereof and no implied duties or obligations shall be incurred by such Refunding Trustee other than those specified herein and therein. Nothing contained herein shall require the Refunding Trustee to advance its own money or otherwise to incur any financial liability to carry out its obligations hereunder. The Refunding Trustee shall not be responsible or liable for: (a) the sufficiency, correctness, genuineness or validity of the Government Obligations; (b) the performance or compliance by any party other than the Refunding Trustee with the terms or conditions of any such instruments; or (c) any loss which may occur by reason of forgeries, false representations or the exercise of the Refunding Trustee's discretion in any particular manner, unless such exercise is negligent or constitutes willful misconduct.

**Section 15.** *Interpleader.* If any controversy arises between the City and any third person, the Refunding Trustee shall not be required to determine the same or to take any action in the premises, but it may institute, in its discretion, an interpleader or other proceedings in connection therewith as it may deem proper, and in following either course, it shall not be liable.

**Section 16.** *Reporting Requirements.* For as long as any of the Refunded Bonds are outstanding, the Refunding Trustee shall render a statement as of the last day of the month on a semi-annual basis commencing December 1, 2025, to the Chief Financial Officer setting forth: (a) the Government Obligations which have matured and the amounts received by the Refunding Trustee by reason of such maturity; (b) the amounts paid to the Washington State Fiscal Agent pursuant to Section 7 of this Escrow Agreement and the dates of such payments, for payments on the Refunded Bonds; and (c) any other transactions of the Refunding Trustee pertaining to its duties and obligations as set forth herein.

**Section 17.** *Compensation of the Refunding Trustee.* The Refunding Trustee hereby acknowledges payment for services rendered and to be rendered by it pursuant to the provisions of this Escrow Agreement of all fees, compensation and expenses of the Refunding Trustee. The Refunding Trustee hereby agrees that such compensation has been made to the satisfaction of the Refunding Trustee. Such amount does not take into consideration any extraordinary fees and expenses of the Refunding Trustee. The Refunding Trustee represents that it has incurred no extraordinary fees and expenses pertaining to this Escrow Agreement. The Refunding Trustee shall comply with the requirements of the following paragraph before incurring any extraordinary fees and costs to be billed to the City. The Refunding Trustee acknowledges that it is not entitled to a lien on any Government Obligations or other obligations or money of the City held by it pursuant to this Escrow Agreement or any other agreement.

The Refunding Trustee shall provide the City with a good faith estimate of its fees and costs if and when it is requested by the City to: (a) render any service that is not provided for in this Escrow Agreement; (b) amend this Escrow Agreement; or (c) substitute securities under this Escrow Agreement. The City will pay the Refunding Trustee reasonable compensation for such unanticipated services, provided the City is first provided with such estimate and approves thereof in writing.

**Section 18.** *Amendments to this Escrow Agreement.* The Refunding Trustee and the City recognize that the owners of the Refunded Bonds have a beneficial interest in the money and the Government Obligations to be held in trust by the Refunding Trustee pursuant to this Escrow Agreement. Therefore, this Escrow Agreement shall be subject to amendment only in writing executed by the City and the Refunding Trustee for the purposes of: (a) clarifying an ambiguity in the duties and obligations set forth hereunder; or (b) altering the reporting or other ministerial obligations of the Refunding Trustee to the City. The parties will not amend this Escrow Agreement in such a manner as to permit the Refunding Trustee to invest in or deposit in the Escrow Account any obligations other than noncallable, nonprepayable obligations of, or obligations unconditionally guaranteed by, the United States of America. Each amendment to this Escrow Agreement shall be accompanied by an opinion addressed to the City and to the Refunding Trustee from nationally recognized bond counsel that such amendment will not cause the interest on the Refunded Bonds or the Bonds to become includable in gross income for federal income tax purposes. In addition, if such amendment results in any change of the maturities, interest earnings or redemption features of the Government Obligations, then such amendment shall also be accompanied by a supplemental verification addressed to the City and to the Refunding Trustee from an independent firm of certified public accountants or a nationally recognized financial advisor, which shall be satisfactory to nationally recognized bond counsel, that the money and Government Obligations on deposit after the amendment will be sufficient to effect the defeasance and/or refunding of the Refunded Bonds.

**Section 19.** *Notification of Deficiency.* The Refunding Trustee will give the City prompt notice if the Refunding Trustee shall determine there are or will be insufficient money or Government Obligations to make the payments specified in Section 7 of this Escrow Agreement, and the City shall promptly deposit with the Refunding Trustee additional sums of money required to correct such deficiencies. This Section 19 is not intended to create an obligation on the part of the Refunding Trustee to calculate or in any way verify the sufficiency or projected

future sufficiency of the maturing principal of and interest on the Government Obligations and other money held by the Refunding Trustee pursuant to this Escrow Agreement to pay the debt service on the Refunding Bonds.

**Section 20.** *Successor Refunding Trustee.* The Refunding Trustee shall, upon receiving a written request from the City, or may, upon providing 30 days prior written notice to the City, be removed as Refunding Trustee hereunder; provided, the Refunding Trustee will not relinquish its duties hereunder until a qualified successor accepts its appointment. The City shall promptly appoint a successor Refunding Trustee upon the removal of the Refunding Trustee; *provided*, the Refunding Trustee may petition a court of competent jurisdiction for the appointment of a successor Refunding Trustee if the successor Refunding Trustee appointed by the City does not accept its appointment within 45 days after the giving of notice described in the preceding sentence. Any successor Refunding Trustee shall meet the requirements of RCW 39.53.070, as now in effect or hereafter amended, and shall assume all the obligations of the Refunding Trustee under this Escrow Agreement. All the Government Obligations and money then held by the Refunding Trustee pursuant to this Escrow Agreement shall thereafter be transferred to such successor.

Any corporation or association into which the Refunding Trustee may be merged or with which it may be consolidated, or any corporation or association resulting from any merger, consolidation or reorganization to which the Refunding Trustee may be a party, or any corporation or association to which the Refunding Trustee may sell or transfer all or substantially all of its corporate trust business, shall be the successor to the Refunding Trustee without the execution or filing of any paper or any further act on the part of the City or the Refunding Trustee.

**Section 21.** *Receipt of Statements.* The Refunding Trustee hereby acknowledges receipt from the City of statements setting forth the interest payment schedules and maturity schedules of the Refunded Bonds by number, amount, date of maturity and interest rates, the amount of interest to be paid on each semiannual interest payment date of such bonds, if any, and the amount of the principal to be paid on the date that the Refunded Bonds are to be redeemed.

**Section 22.** *Holidays.* If the date for making any payment or the last date for performance of any act or the exercising of any right or duty, as provided in this Escrow Agreement, shall be a legal holiday, a day on which banking institutions in Seattle, Washington, and New York, New York, are authorized by law to remain closed, or a day on which the New York Stock Exchange is closed, such payment may be made, such act performed, or such right exercised on the next succeeding day, with the same force and effect as if done on the nominal date provided in this Escrow Agreement.

**Section 23.** *Term.* The term of this Escrow Agreement shall commence on the date the Bonds are delivered to the Underwriter and shall expire on the later of: (a) the date the final payment is made pursuant to Section 7 hereof; (b) the date any surplus money remaining in the Escrow Account is transferred to the City pursuant to Section 12 hereof; and (c) the date the final statement required by Section 16 hereof is received by the City. Notwithstanding the expiration

of this Escrow Agreement, the Refunding Trustee shall not be relieved of any liability for a breach of this Escrow Agreement occurring during the term hereof.

**Section 24.** *Writings Required.* Any notice, authorization, request or demand required or permitted to be given in accordance with the terms of this Escrow Agreement shall be in writing.

**Section 25.** *Governing Law.* This Escrow Agreement shall be governed by and construed in accordance with the laws of the State, without regard to conflict of law principles.

**Section 26.** *Severability.* In the event any one or more of the provisions contained in this Escrow Agreement shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision of this Escrow Agreement, and this Escrow Agreement shall be construed as if such invalid or illegal or unenforceable provision had never been contained herein. If any portion of this Escrow Agreement is amended, severed or revoked, the City agrees to notify any rating agency with a current rating on the Bonds prior to such action.

**Section 27.** *Counterparts.* This Escrow Agreement may be executed in several counterparts, each of which shall be regarded as the original and all of which shall constitute one and the same Escrow Agreement.

CITY OF SPOKANE  
Spokane County, Washington

( S E A L )

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Matthew Boston, Designated Representative

ATTEST:

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Terri L. Pfister, City Clerk

[U.S. BANK TRUST COMPANY NATIONAL  
ASSOCIATION, Seattle, Washington], as Refunding  
Trustee

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[Aaron Fong, Vice President]

ATTACHMENT "I"

NOTICE OF DEFEASANCE

CITY OF SPOKANE  
SPOKANE COUNTY, WASHINGTON

LIMITED TAX GENERAL OBLIGATION REFUNDING BONDS, SERIES 2015

NOTICE IS HEREBY GIVEN that pursuant to the provisions of Section [ ] of Ordinance No. C35219, adopted on January 12, 2015, by the City Council of the City of Spokane, Washington (the "City"), the City has defeased [all] [a portion of] its outstanding Limited Tax General Obligation Refunding Bonds, Series 2015 (the "Refunded Bonds"), as set forth below, by depositing certain Government Obligations, together with other legally available money of the City, in an escrow account held by [U.S. Bank Trust Company National Association of Seattle, Washington], as Refunding Trustee.

[Refunded Bonds]

Maturity Date (December 1)	Principal Amounts	Interest Rates	CUSIP Nos.
2027	\$4,050,000	3.000%	849067 T52
2028	4,530,000	3.500	849067 T60
2029	5,055,000	4.000	849067 T78
2030	5,640,000	4.000	849067 T86
2031	6,265,000	4.000	849067 T94
2032	6,935,000	3.000	849067 U27
2033	7,570,000	3.125	849067 U35
2034	8,260,000	3.100	849067 U43]

The Refunded Bonds will become due and will be redeemed and paid on [ ], 2025, at the redemption price of par, together with interest accrued to such date. Interest on the Refunded Bonds shall cease to accrue on and after [REDEMPTION DATE], 2025, whether or not such Refunded Bonds are presented for redemption.

[U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION, Seattle, Washington], as Refunding Trustee

By: \_\_\_\_\_  
Trust Officer

Dated: \_\_\_\_\_, 2025.



**ATTACHMENT "II"**

**NOTICE OF REDEMPTION**

**CITY OF SPOKANE  
Spokane County, Washington**

**LIMITED TAX GENERAL OBLIGATION REFUNDING BONDS, SERIES 2015**

NOTICE IS HEREBY GIVEN that pursuant to the provisions of Section 5 of Ordinance No. C35219, adopted on January 12, 2015 by the City Council of the City of Spokane, Washington (the "City"), the City has called for redemption on [REDEMPTION DATE], 2025, \$[48,305,000] principal amount of its outstanding City of Spokane Limited Tax General Obligation Refunding Bonds, Series 2015, dated February 11, 2015, that mature on December 1 in the years 20[27] through 20[34], inclusive (the "Refunded Bonds"), as set forth below:

**[Refunded Bonds]**

<u>Maturity Date (December 1)</u>	<u>Principal Amounts</u>	<u>Interest Rates</u>	<u>CUSIP Nos.</u>
2027	\$4,050,000	3.000%	849067 T52
2028	4,530,000	3.500	849067 T60
2029	5,055,000	4.000	849067 T78
2030	5,640,000	4.000	849067 T86
2031	6,265,000	4.000	849067 T94
2032	6,935,000	3.000	849067 U27
2033	7,570,000	3.125	849067 U35
2034	8,260,000	3.100	849067 U43]

The Refunded Bonds will become due and will be redeemed and paid on [REDEMPTION DATE], 2025, at the redemption price of 100 percent of the principal to be redeemed, together with interest accrued to such date. Interest on the Refunded Bonds shall cease to accrue on and after [REDEMPTION DATE], 2025, whether or not such Refunded Bonds are presented for redemption.

On [REDEMPTION DATE], 2025, the Refunded Bonds designated will become due and payable at the specified redemption price at the following address:

In Person or By Mail: [Washington State Fiscal Agent]  
[address]  
\_\_\_\_\_ [ZIP Code]

U.S. Bank Trust Company National Association, as Refunding Trustee, shall not be held responsible for the selection or use of the CUSIP number, nor is any representation made as to its correctness indicated in this Redemption Notice. It is included solely for convenience of the Registered Owners.

[insert relevant federal and state law tax consequences of redemption payments]

No representation is made as to the correctness of the number either as printed on the Refunded Bonds or as contained in any notice of redemption and reliance may be placed only on the identification numbers printed on the Refunded Bonds.

Dated: \_\_\_\_\_, 2025.

WASHINGTON STATE FISCAL AGENT

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

## EXHIBIT “C”

### FORM OF CONTINUING DISCLOSURE UNDERTAKING

This Continuing Disclosure Undertaking (this “**Undertaking**”) is executed and delivered by the City of Spokane, Washington (the “**City**”) in connection with the issuance of \$ \_\_\_\_\_ Limited Tax General Obligation Refunding Bonds, Series 2025 (the “**Bonds**”) of the City. The Bonds are being issued pursuant to Ordinance No. [\_\_\_\_], adopted by the City Council of the City (the “**Council**”) on April 21, 2025 (the “**Ordinance**”).

A. *Limitation of Rights.* The City intends that this Undertaking constitutes the City’s undertaking to provide the information and notices described by Rule 15c2-12 (as defined below) with respect solely to the Bonds (the “**Undertaking**”). Notwithstanding any other provision of the Ordinance to the contrary, neither the Holder or the Registered Owner of bonds of any series other than the Bonds, nor any trustee acting on their behalf, shall be entitled to any right or to exercise any remedy provided to the Holders under this Undertaking based upon the City’s failure to observe, or refusal to comply with, the covenants contained in this Undertaking.

B. *Definitions for Purposes of this Undertaking*

Solely for the purposes of this Undertaking, the following terms shall have the following meanings unless the context otherwise requires:

“*Annual Financial Information*” means an annual update of the financial information and operating data of the type set forth in the Audited Financial Statements which shall include statements of: \_\_\_\_\_, commencing September 30, 2025.

“*Audited Financial Statements*” means, with respect to the City, financial statements prepared and audited pursuant to the laws of the State (presently RCW 43.09.200 through 43.09.285), as such laws may be amended from time to time, and with respect to Obligated Persons, financial statements prepared and audited in such manner as is described in the Annual Financial Information regarding the Obligated Person, if such Obligated Person exists in the future. Presently, there are no Obligated Persons (other the City) with respect to the Bonds.

“*EMMA*” means the Electronic Municipal Market Access facility for municipal securities disclosure of the MSRB.

“*Financial Obligation*” means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term “Financial Obligation” does not include municipal securities as to which a final official statement has been provided to the MSRB consistent with Rule 15c2-12.

“*Holder*” means any Registered Owner of a Bond and any person who, directly or indirectly, through any contract, arrangement, understanding, relationship or otherwise, has or shares: voting power which includes the power to vote, or to direct the voting of, any such bond; and/or investment power which includes the power to dispose, or direct the disposition of, any such bond.

“MSRB” means the Municipal Securities Rulemaking Board or any successor in functions thereto.

“Obligated Person” shall have the meaning specified in Rule 15c2-12.

“Official Statement” means the City’s official statement relating to the Bonds, together with any amendments thereto.

“Required Filings” means any filing made pursuant to Sections this Undertaking.

“Rule 15c2-12” means Rule 15c2-12 of the SEC, as amended.

“SEC” means the Securities and Exchange Commission or any successor in functions thereto.

#### C. *Annual Financial Information*

The City will provide to EMMA not later than the last day of the ninth month of each fiscal year, commencing on or before September 30, 20[25], Annual Financial Information for the City in an electronic format as prescribed by the MSRB, accompanied by identifying information as prescribed by the MSRB. Presently, the City’s fiscal year commences on January 1. All or any portion of the Annual Financial Information may be incorporated in the Annual Financial Information by cross reference to any other documents which have been filed with: (1) EMMA; or (2) the SEC; or (3) if the document is an official statement, with the MSRB.

Annual Financial Information for any fiscal year containing any modified operating data or financial information for such fiscal year shall explain, in narrative form, the reasons for such modification and the effect of such modification on the Annual Financial Information being provided for such fiscal year. If a change in accounting principles is included in any such modification, the initial Annual Financial Information after such modification shall present a comparison between the financial statements or information prepared on the basis of the modified accounting principles and those prepared on the basis of the former accounting principles. The City will provide notice of the modification of operating data or financial information or change in accounting principles to EMMA.

#### D. *Audited Financial Statements*

To the extent the City’s Audited Financial Statements are not submitted as part of the Annual Financial Information under Paragraph C, the City will provide to EMMA the Audited Financial Statements of the City (commencing with the audited financial statements for the fiscal year ending December 31, 2024), when and if such Audited Financial Statements are available.

#### E. *Listed Event Notices*

The City will provide to EMMA, within 10 business days of the occurrence, notice of any of the following events with respect to the Bonds:

1. Principal and interest payment delinquencies;
2. Non-payment related defaults, if material;
3. Unscheduled draws on debt service reserves reflecting financial difficulties;

4. Unscheduled draws on credit enhancements reflecting financial difficulties;
5. Substitution of credit or liquidity providers, or their failure to perform;
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701 TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security;
7. Modifications to rights of security holders, if material;
8. Bond calls, if material, and tender offers;
9. Defeasances;
10. Release, substitution or sale of property securing repayment of the securities, if material;
11. Rating changes;
12. Bankruptcy, insolvency, receivership or similar event of the City;<sup>1</sup>
13. The consummation of a merger, consolidation or acquisition involving the City or the sale of all or substantially all of the assets of the City, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
14. Appointment of a successor or additional trustee or the change of name of a trustee, if material;
15. Incurrence of a Financial Obligation of the City, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Obligated Person, any of which affect security holders, if material; and
16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the City, any of which reflect financial difficulties.

F. *Notice of Late Filing*

The City will provide to EMMA in a timely manner, not in excess of 10 business days after the occurrence of the event, notice of a failure of the City to provide the required Annual Financial Information on or before the date specified in this Section.

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<sup>1</sup> This event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the City in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the City, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the City.

G. *Term of this Undertaking*

The term of this Undertaking shall commence on the date of closing and initial delivery of the Bonds to the Registered Owners, and shall terminate when the Bonds shall have been paid in full or defeased in accordance with the Ordinance. The City shall provide notice of such defeasance to EMMA; provided, such notice shall not be a condition to such defeasance.

H. *Amendments*

Notwithstanding any provision of the Ordinance to the contrary, the City may amend this Undertaking in conformity with Rule 15c2-12, as interpreted from time to time by the courts of competent jurisdiction, the SEC, or the SEC staff. Upon the adoption of any amendment to the Rule, this Undertaking shall be deemed to be modified and amended in accordance therewith, and the respective rights, duties and obligations of the City and all Holders under this Undertaking shall thereafter be determined, exercised and enforced thereunder, subject in all respects to such modification and amendments, and all terms and conditions of any such amendment shall be deemed to be part of the terms and conditions of this Undertaking for any and all purposes. If the consent of Holders is necessary for such amendment, only the Holders of the Bonds shall be considered for purposes of determining whether such consent has been rendered.

I. *Additional Information*

Nothing in this Undertaking shall be deemed to prevent the City from disseminating any other information, using the means of dissemination set forth in this Undertaking or any other means of communication, or including any other information in any Required Filing, in addition to that which is required by this Undertaking. If the City chooses to include any information in any Required Filing in addition to that which is specifically required by this Undertaking, the City shall have no obligation under this Undertaking to update such information or include it in any future Required Filing.

J. *Defaults of this Undertaking*

If the City shall fail to comply with any provision of this Undertaking, then any Holder may enforce, for the equal benefit and protection of all Holders similarly situated, by mandamus or other suit or proceeding at law or in equity, such provision against the City and any of the officers, agents and employees of the City, and may compel the City or any such officers, agents or employees to perform and carry out their duties under this Undertaking; provided, that the sole and exclusive remedy for breach of this Undertaking shall be an action to compel specific performance of the obligations of the City hereunder and no person or entity shall be entitled to recover monetary damages hereunder under any circumstances.

K. *Rescission Rights*

The City hereby reserves the right to rescind this Undertaking without the consent of the Holders in the event Rule 15c2-12 is repealed by the SEC or is ruled to be invalid by a federal court and the time to appeal from such decision has expired. In the event of a partial repeal or invalidation of Rule 15c2-12, the City hereby reserves the right to rescind those provisions of this Undertaking that were required by those parts of Rule 15c2-12 that are so repealed or invalidated.

L. *Dissemination Agent.*

The City may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Agreement, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent.

M. *EMMA*

Any filing under this Undertaking may be made solely by transmitting such filing to EMMA as provided at <http://emma.msrb.org>.

CITY OF SPOKANE  
Spokane County, Washington

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Matthew Boston, Designated Representative

**Agenda Sheet for City Council:****Committee:** Finance & Administration **Date:** 03/24/2025**Committee Agenda type:** Discussion**Date Rec'd**

3/19/2025

**Clerk's File #**

ORD C36663

**Cross Ref #****Project #****Council Meeting Date:** 04/21/2025**Submitting Dept**

FINANCE, TREASURY &amp; ADMIN

**Bid #****Contact Name/Phone**

MATT BOSTON 625-6585

**Requisition #****Contact E-Mail**

MBOSTON@SPOKANECITY.ORG

**Agenda Item Type**

First Reading Ordinance

**Council Sponsor(s)**

PDILLON MCATHCART

**Sponsoring at Administrators Request**

NO

**Lease?** NO**Grant Related?** NO**Public Works?** NO**Agenda Item Name**

0410 - UTGO REFUNDING BOND

**Agenda Wording**

An ordinance authorizing the issuance and sale of Unlimited Tax General Obligation Bonds in an amount not to exceed \$58.7 million.

**Summary (Background)**

An ordinance authorizing the issuance and sale of Unlimited Tax General Obligation Bonds in an amount not to exceed \$58.7 million. To refund the City's outstanding 2015 Unlimited Tax General Obligation.



**What impacts would the proposal have on historically excluded communities?**

N/A

**How will data be collected, analyzed, and reported concerning the effect of the program/policy by racial, ethnic, gender identity, national origin, income level, disability, sexual orientation, or other existing disparities?**

N/A

**How will data be collected regarding the effectiveness of this program, policy, or product to ensure it is the right solution?**

N/A

**Describe how this proposal aligns with current City Policies, including the Comprehensive Plan, Sustainability Action Plan, Capital Improvement Program, Neighborhood Master Plans, Council Resolutions, and others?**

N/A

**Council Subcommittee Review**

N/A

<b>Fiscal Impact</b>	
Approved in Current Year Budget?	N/A
Total Cost	\$
Current Year Cost	\$
Subsequent Year(s) Cost	\$
<b><u>Narrative</u></b>	
The point of this ORD is to allow significant flexibility to the CFO to allow them to refinance all or a portion of outstanding bonds at a better rate.	
<b>Amount</b>	<b>Budget Account</b>
Select \$	#
Select \$	#
Select \$	#
Select \$	#
Select \$	#
Select \$	#
<b>Funding Source</b> One-Time	
<b>Funding Source Type</b> Reallocation	
<b>Is this funding source sustainable for future years, months, etc?</b>	
<b>Expense Occurrence</b> One-Time	
<b>Other budget impacts (revenue generating, match requirements, etc.)</b>	
<b>Approvals</b>	
<b>Dept Head</b>	STRATTON, JESSICA
<b>Division Director</b>	STRATTON, JESSICA
<b>Accounting Manager</b>	BAIRD, CHRISTI
<b>Legal</b>	SCHOEDEL, ELIZABETH
<b>For the Mayor</b>	PICCOLO, MIKE
<b>Distribution List</b>	

CITY OF SPOKANE, WASHINGTON  
UNLIMITED TAX GENERAL OBLIGATION REFUNDING BONDS, 2025

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ORDINANCE NO. C36663

AN ORDINANCE OF THE CITY OF SPOKANE, WASHINGTON AUTHORIZING THE SALE, ISSUANCE AND DELIVERY OF NOT TO EXCEED \$58,700,000 OF THE CITY'S UNLIMITED TAX GENERAL OBLIGATION REFUNDING BONDS, SERIES 2025, TO PROVIDE MONEY TO DEFEASE AND/OR REFUND ALL OR A PORTION OF THE CITY'S OUTSTANDING UNLIMITED TAX GENERAL OBLIGATION BONDS, SERIES 2015; PROVIDING FOR THE CALL, DEFEASANCE, PAYMENT AND REDEMPTION OF THE REFUNDED BONDS; PROVIDING FOR THE OPTION OF SELLING THE BONDS BY COMPETITIVE OR NEGOTIATED SALE; DELEGATING AUTHORITY TO THE DESIGNATED REPRESENTATIVE TO DETERMINE THE MANNER OF SALE AND TERMS OF THE BONDS UNDER THE CONDITIONS SET FORTH HEREIN; AUTHORIZING THE EXECUTION OF AN ESCROW AGREEMENT; DESIGNATING A FISCAL AGENT; PLEDGING THE CITY'S FULL FAITH, CREDIT AND RESOURCES TO THE PAYMENT OF THE BONDS; CREATING AND ADOPTING CERTAIN FUNDS AND ACCOUNTS AND PROVIDING FOR DEPOSITS THEREIN; COVENANTING TO COMPLY WITH CERTAIN FEDERAL TAX AND SECURITIES LAWS; DELEGATING CERTAIN ACTIONS IN CONNECTION WITH THE PRELIMINARY OFFICIAL STATEMENT AND THE OFFICIAL STATEMENT; DECLARING AN EMERGENCY; AND PROVIDING FOR OTHER MATTERS PROPERLY RELATING THERETO

Passed: April 21, 2025

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Prepared by:

KUTAK ROCK LLP  
Spokane, Washington

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Exhibit "A": Form of Bond

Exhibit "B": Form of Escrow Agreement

Exhibit "C": Continuing Disclosure Undertaking

ORDINANCE NO. [ \_\_\_\_\_ ]

AN ORDINANCE OF THE CITY OF SPOKANE, WASHINGTON AUTHORIZING THE SALE, ISSUANCE AND DELIVERY OF NOT TO EXCEED \$58,700,000 OF THE CITY’S UNLIMITED TAX GENERAL OBLIGATION REFUNDING BONDS, SERIES 2025, TO PROVIDE MONEY TO DEFEASE AND/OR REFUND ALL OR A PORTION OF THE CITY’S OUTSTANDING UNLIMITED TAX GENERAL OBLIGATION BONDS, SERIES 2015; PROVIDING FOR THE CALL, DEFEASANCE, PAYMENT AND REDEMPTION OF THE REFUNDED BONDS; PROVIDING FOR THE OPTION OF SELLING THE BONDS BY COMPETITIVE OR NEGOTIATED SALE; DELEGATING AUTHORITY TO THE DESIGNATED REPRESENTATIVE TO DETERMINE THE MANNER OF SALE AND TERMS OF THE BONDS UNDER THE CONDITIONS SET FORTH HEREIN; AUTHORIZING THE EXECUTION OF AN ESCROW AGREEMENT; DESIGNATING A FISCAL AGENT; PLEDGING THE CITY’S FULL FAITH, CREDIT AND RESOURCES TO THE PAYMENT OF THE BONDS; CREATING AND ADOPTING CERTAIN FUNDS AND ACCOUNTS AND PROVIDING FOR DEPOSITS THEREIN; COVENANTING TO COMPLY WITH CERTAIN FEDERAL TAX AND SECURITIES LAWS; DELEGATING CERTAIN ACTIONS IN CONNECTION WITH THE PRELIMINARY OFFICIAL STATEMENT AND THE OFFICIAL STATEMENT; DECLARING AN EMERGENCY; AND PROVIDING FOR OTHER MATTERS PROPERLY RELATING THERETO

**WHEREAS**, the City of Spokane, Washington (the “**City**”) is a municipal corporation and first-class charter city duly organized and existing under the laws of the State of Washington (the “**State**”) and the Charter of the City; and

**WHEREAS**, the City is authorized and empowered by chapters 35.22, 39.36, 39.46 and 39.53 RCW to sell, issue and deliver its unlimited tax general obligation refunding bonds to refund all or a portion of its outstanding unlimited tax general obligation bonds; and

**WHEREAS**, the City now has outstanding its Unlimited Tax General Obligation Bonds, Series 2015, issued on January 27, 2015, pursuant to Ordinance No. C35207, passed by the City Council of the City (the “**Council**”) on December 15, 2014 (the “**2015 Bond Ordinance**”), in the aggregate principal amount of \$60,070,000 (the “**2015 Bonds**”), which remain outstanding as follows:

<b>Outstanding 2015 Bonds</b>			
Years (December 1)	Amounts	Interest Rates	CUSIP Nos.
2025	\$1,295,000	3.00%	849067 S38
2026	1,615,000	4.00	849067 S46
2027	1,970,000	4.00	849067 S53
2028	5,770,000	4.00	849067 S61
2029	6,315,000	4.00	849067 S79

2030	6,895,000	4.00	849067 S87
2031	7,505,000	4.00	849067 S95
2032	8,160,000	3.00	849067 T29
2033	8,770,000	4.00	849067 T37
2034	9,500,000	4.00	849067 T45

; and

**WHEREAS**, the 2015 Bonds maturing on and after December 1, 2025 are callable for redemption at any time on or after December 1, 2024, at a price of par plus accrued interest to the date of redemption; and

**WHEREAS**, after due consideration, the Council has determined it will be financially advantageous to the City and result in a savings to the City’s taxpayers to pay, defease, redeem and/or retire all or a portion of the outstanding 2015 Bonds maturing on and after December 1, 2025 (as more specifically defined herein, the “**Refunded Bonds**”) the Refunded Bonds through the issuance of Unlimited Tax General Obligation Refunding Bonds, Series 2025 (the “**Bonds**”); and

**WHEREAS**, the Bonds will not mature later than the Refunded Bonds would have matured; and

**WHEREAS**, the annual debt service requirements of the Bonds will not exceed the annual debt service requirements of the Refunded Bonds; and

**WHEREAS**, the Council wishes to delegate authority to the Designated Representative (as hereinafter defined) to approve the final principal amount of the Bonds, the date of the Bonds, denominations, the interest rates, the number of series, the series designation, the tax status of each series, payment dates, redemption provisions, minimum savings and maturity dates of the Bonds under such terms and conditions as are approved by this ordinance; and

**WHEREAS**, the Council is desirous of taking all reasonable actions to enable it to refund the Refunded Bonds in order to obtain maximum savings for the taxpayers of the City; and

**WHEREAS**, the Council has determined it to be in the best interest of the City to sell the Bonds at competitive sale or negotiated sale;

**NOW, THEREFORE, THE CITY OF SPOKANE DOES HEREBY FURTHER FIND, DETERMINE AND ORDAIN as follows:**

**Section 1: Definitions**

As used in this Ordinance, the following terms have the meanings provided in this Section 1.

*Approved Bid* means the winning bid submitted for a series of the Bonds if such series is sold by competitive sale, as selected by the Designated Representative.

**Bond Fund** means the City’s “General Obligation Debt Service Fund” maintained pursuant to Section 9 of this Ordinance.

**Bond Purchase Contract** means the contract between the City and the Underwriter pertaining to the sale and delivery of the Bonds, if the Bonds are sold by negotiated sale (including a private placement), as more fully described in Section 4 of this Ordinance.

**Bond Register** means the registration records maintained by the Registrar on which shall appear the names and addresses of the Registered Owners.

**Bonds** means the bonds herein authorized, designated as “City of Spokane Unlimited Tax General Obligation Refunding Bonds, Series 2025,” or such other designation as the Designated Representative shall determine.

**Chief Financial Officer** means the duly qualified, appointed and acting Chief Financial Officer of the City or any other officer who succeeds to the duties now delegated to that office.

**City** means the City of Spokane, a municipal corporation and first-class charter city duly organized and existing under the laws of the State of Washington and the Charter of the City.

**City Clerk** means the Clerk of the City or other officer of the City who is the custodian of the records of the proceedings of the Council or her successor in functions, if any.

**Code** means the Internal Revenue Code of 1986, as amended, and any Treasury Regulations promulgated thereunder.

**Council** means the City Council as the general legislative authority of the City, as the same shall be duly and regularly constituted from time to time.

**Debt Service Account** means the City’s “UTGO 2025 Debt Service Account” referred to in Section 9 of this Ordinance.

**Designated Representative** means the Chief Financial Officer or the Director of Management and Budget.

**Director of Management and Budget** means the duly qualified, appointed and acting Director of Management and Budget of the City or any other officer who succeeds to the duties now delegated to that office.

**DTC** means The Depository Trust Company, a limited-purpose trust company organized under the laws of the State of New York, which will act as securities depository for the Bonds.

**Escrow Account** means the City’s “Unlimited Tax General Obligation Bonds, Series 2015 Escrow Account” which may be created by the Refunding Trustee to accomplish the defeasance and/or refunding of the Refunded Bonds.

**Escrow Agreement** means the agreement of that name by and between the City and the Refunding Trustee, which may be executed by the Designated Representative, if deemed

necessary by the Designated Representative to affect the defeasance and/or refunding of the Refunded Bonds.

***Good Faith Deposit*** has the meaning ascribed thereto in Section 6 hereof.

***Government Obligations*** means those obligations now or hereafter defined as such in Chapter 39.53 RCW.

***Letter of Representations*** means the Blanket Issuer Letter of Representations from the City to DTC.

***Mayor*** means the Mayor of the City or her successor in functions, if any.

***Municipal Advisor*** means Northwest Municipal Advisors, Bellevue, Washington, the City's municipal advisor with respect to the issuance of the Bonds.

***Official Notice of Sale*** means, if the Bonds are sold by competitive sale, the notice of bond sale to be submitted to potential bidders for the Bonds and authorized to be given in Section 4 of this Ordinance.

***Ordinance*** means this Ordinance adopted by the Council on April 21, 2025, authorizing the sale, issuance and delivery of the Bonds.

***Outstanding*** means, when used with reference to the Bonds, as of any particular date, all Bonds that have been issued, executed, authenticated and delivered except: (A) Bonds canceled because of payment or redemption prior to their stated dates of maturity; and (B) any Bond (or portion thereof) deemed to have been paid pursuant to Section 19 of this Ordinance.

***Participants*** means those broker-dealers, banks and other financial institutions from time to time for which DTC holds the Bonds as securities depository.

***Redemption Date*** means the date on which the Refunded Bonds will be redeemed, as selected by the Designated Representative.

***Refunded Bonds*** means all or a portion of the 2015 Bonds maturing on and after December 1, 2025, as selected by the Designated Representative.

***Refunding Trustee*** has the meaning ascribed thereto in Section 11 hereof.

***Registered Owner*** means the person named as the registered owner of a Bond on the Bond Register.

***Registrar*** means the Washington State Fiscal Agent, acting in the capacity as registrar, authenticating agent, paying agent and transfer agent of the Bonds, or its successors in functions, as now or hereafter designated.

***Serial Bonds*** means any Bonds other than Term Bonds.

***Term Bonds*** means the Bonds specifically designated as such in the Official Statement.



**Treasurer** means the Treasurer of the City, and any successor treasurer of the City in accordance with applicable law.

**True Interest Cost** means the yield that, when discounting all future principal and interest payments to the delivery date of the Bonds, produces a present value equal to the principal amount of the Bonds, less any Bond insurance policy premium, less the successful bidder's discount, plus any original issue premium, less any original issue discount, plus accrued interest.

**Underwriter** means the firm submitting the Approved Bid for the Bonds, or if it is determined that a negotiated sale (including a private placement) is in the best interest of the City, the underwriting firm or bank entering into the Bond Purchase Contract.

**2015 Bond Ordinance** means Ordinance No. C35207, passed by the Council on December 15, 2014.

**2015 Bonds** means the Unlimited Tax General Obligation Bonds, Series 2015, of the City issued January 27, 2015, and authorized by the 2015 Bond Ordinance.

## **Section 2: Interpretation**

For all purposes of this Ordinance, except as otherwise expressly provided or unless the context otherwise requires:

A. **Internal References.** All references in this Ordinance to designated "Sections" and other subdivisions are to the designated sections and other subdivisions of this Ordinance. The words "herein," "hereof," "hereto," "hereby," "hereunder" and other words of similar import refer to this Ordinance as a whole and not to any particular section or other subdivision.

B. **Persons.** Words importing persons shall include firms, associations, partnerships (including limited partnerships), trusts, corporations and other legal entities, including public boards, as well as natural persons.

C. **Headings.** Any headings preceding the texts of the several sections of this Ordinance and the table of contents, shall be solely for convenience of reference and shall not constitute a part of this Ordinance, nor shall they affect its meaning, construction or effect.

D. **Writing Requirement.** Every "notice," "certificate," "consent" or similar action hereunder by the City shall, unless the form thereof is specifically provided, be in writing signed by an authorized representative of the City.

E. **Time.** In the computation of a period of time from a specified date to a later specified date, the word "from" means "from and including" and each of the words "to" and "until" means "to but excluding."

F. **Redemption.** Words importing the redemption or redeeming of a Bond or the calling of a Bond for redemption do not include or connote the payment of such Bond at its stated maturity or the purchase of such Bond.

G. *Payment Terms.* References to the payment of the Bonds shall be deemed to include references to the payment of interest thereon.

H. *Gender.* Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders. Words imparting the singular number shall include the plural numbers and vice versa, unless the context shall otherwise dictate.

**Section 3: Purpose of the Bonds**

The Bonds are being issued to provide money to pay, defease, redeem and/or retire the Refunded Bonds and to pay certain expenses incurred in connection with the issuance of the Bonds and the defeasance and/or refunding of the Refunded Bonds, all as set forth more specifically herein.

**Section 4: Authorization of the Bonds**

A. *General Terms.* Unlimited tax general obligation refunding bonds of the City, designated “City of Spokane Unlimited Tax General Obligation Refunding Bonds, Series 2025,” are hereby authorized to be sold, issued and delivered pursuant to chapters 35.22, 39.36, 39.46 and 39.53 RCW, in the event that an Approved Bid for the Bonds is accepted, or a Bond Purchase Contract is executed if the Bonds are sold by negotiated sale (including a private placement), as provided in this Section 4. The Bonds shall be issued in the aggregate principal amount of not to exceed \$58,700,000; shall be dated as of their date of delivery; shall be issued in fully registered form; shall be in the denomination of \$5,000 each, or any integral multiple thereof within a single maturity; and shall be numbered separately in such manner and with any additional designation as the Registrar deems necessary for purposes of identification. The Bonds shall be in substantially the form set forth in Exhibit “A” attached hereto and by this reference incorporated herein.

B. *Competitive Sale.* The Designated Representative is authorized to cause the Official Notice of Sale for the Bonds to be prepared and published, and provide for such other matters pertaining to the competitive sale as deemed necessary or desirable. The Official Notice of Sale shall establish:

- (1) that the True Interest Cost of the Bonds shall not exceed 4.00 percent;
- (2) the date or dates of the Bonds, which shall be no later than one year from the date of this Ordinance;
- (3) the date or dates upon which the Bonds shall mature;
- (4) the principal amount of the Bonds maturing on each maturity date concluding no later than December 1, 2034;
- (5) the date on which interest shall first be payable for each Bond, which date shall be no later than June 1, 2026;

(6) the yield and price for each maturity of the Bonds, which price shall be not less than 95 percent nor more than 140 percent of the principal amount of the Bonds;

(7) the optional and mandatory redemption provisions pertaining to the Bonds, provided the first date on which the Bonds may be optionally redeemed at par is not later than 10.5 years after the date of the Bonds; and

(8) the net present value savings due to the defeasance and/or refunding of the Refunded Bonds, which shall be not less than 1.00 percent of the par amount of the Refunded Bonds.

The Designated Representative is hereby authorized to accept the Approved Bid for the Bonds, which Approved Bid must state the rate or rates of interest the Bonds shall bear and any premium or discount the Bonds shall bear.

C. *Findings.* The Council hereby finds that the determinations made in this Ordinance are the determinations set forth in RCW 39.46.040; and as such, the Council has fully and properly authorized the sale, issuance and delivery of the Bonds.

D. *Negotiated Sale.* In the event the Designated Representative determines that it is in the best interest of the City and its taxpayers to sell the Bonds by negotiated sale (including a private placement), the Designated Representative, upon the approval of the Mayor, is hereby authorized to select a bank for placement, or an underwriter, and to enter into a Bond Purchase Contract as provided in this Section 4. The Bond Purchase Contract shall establish the following:

(1) the True Interest Cost of the Bonds, which shall not exceed 4.00 percent;

(2) the date or dates of the Bonds, which shall be no later than one year from the date of this Ordinance;

(3) the date or dates upon which the Bonds shall mature;

(4) the principal amount of the Bonds maturing on each maturity date concluding no later than December 1, 2034;

(5) the date on which interest shall first be payable for each Bond, which date shall be no later than June 1, 2026;

(6) the yield and price for each maturity of the Bonds, which price shall be not less than 95 percent nor more than 140 percent of the principal amount of the Bonds;

(7) the optional and mandatory redemption provisions pertaining to the Bonds, provided the first date on which the Bonds may be optionally redeemed at par is not later than 10.5 years after the date of the Bonds; and

(8) the net present value savings due to the defeasance and/or refunding of the Refunded Bonds, which shall be not less than 1.00 percent of the par amount of the Refunded Bonds.

The Designated Representative is hereby authorized to approve additions, deletions or alterations to the Bond Purchase Contract or any other document or certificate related thereto so long as such additions, deletions or alterations do not substantially alter the intent and substance of this Ordinance.

E. *Negotiable Instruments.* The Bonds shall be negotiable instruments to the extent provided by chapter 62A.3 RCW.

### **Section 5: Redemption Prior to Maturity**

A. *Redemption.* The Bonds shall be subject to redemption at such time and in such amounts as provided in the Official Notice of Sale and the Approved Bid, or, if the Bonds are sold by negotiated sale (including a private placement), in the Bond Purchase Contract.

B. *Partial Redemption.* In accordance with the preceding paragraph, portions of the principal amount of any Bond, in installments of \$5,000 or any integral multiple of \$5,000 within a maturity, may also be redeemed. If less than all the principal amount of any Bond is redeemed, upon surrender of such Bond at the designated corporate trust office of the Registrar there shall be issued to the Registered Owner, without charge therefor, for the then unredeemed balance of the principal amount thereof, a new Bond or Bonds, at the option of the Registered Owner, with like maturity and interest rate, in any denomination authorized by this Ordinance.

C. *Notice of Redemption.* Except as set forth in subsection D below, and unless waived by the Registered Owner of any Bond to be redeemed, notice of any such redemption shall be sent by the Registrar by first-class mail, postage prepaid, not less than 20 nor more than 60 days prior to the date fixed for redemption to the Registered Owner of each Bond to be redeemed at the address shown on the Bond Register, or at such other address as may be furnished in writing by such Registered Owner to the Registrar. The requirements of this subsection shall be deemed to be complied with when notice is mailed as herein provided, regardless of whether it is actually received by the Registered Owner of any Bond to be redeemed. The redemption of the Bonds may be contingent or subject to such conditions as may be specified in the written notice, and if funds for the redemption are not irrevocably deposited with the Registrar or otherwise placed in escrow and in trust prior to the giving of notice of redemption, the notice shall be specifically subject to the deposit of funds by the City. The Designated Representative is hereby authorized to agree to redemption provision they deem to be in the best interest of the City.

Any notice given pursuant to this subsection may be rescinded by written notice given by the City to the Registrar on or prior to the date specified for redemption. The Registrar shall give notice of such rescission as soon thereafter as practicable, and to the same Registered Owners, as notice of such redemption was given pursuant to this subsection.

D. *Special Notice of Redemption to DTC.* For so long as DTC is the securities depository for the Bonds, the Registrar shall send redemption and defeasance notices to DTC in the manner required by the Letter of Representations.

E. *Continuing Disclosure Undertaking.* Except in the case of a private placement, for so long as Section 24 of this Ordinance remains in effect, each redemption notice shall also be provided to EMMA by the City in the manner and timeframe specified in the Continuing Disclosure Undertaking; provided, neither any defect in such notice nor any failure to give all or any portion of such notice shall in any manner defeat the effectiveness of a call for redemption if notice thereof is given as prescribed in subsection C above.

F. *Effect of Redemption.* When so called for redemption, the Bonds shall cease to accrue interest on the specified redemption date, provided money for redemption is on deposit at the place of payment at that time, and shall not be deemed to be Outstanding as of such redemption date.

G. *Voluntary Redemption Notice.* In addition to the notice required by subsection C above, further notice may be given by the Registrar as set out below, but neither any defect in such further notice nor any failure to give all or any portion of such further notice shall in any manner defeat the effectiveness of a call for redemption if notice thereof is given as prescribed in subsection C hereof.

(1) Each further notice of redemption given hereunder may contain the following information: (a) the redemption date; (b) the redemption price; (c) if less than all Bonds Outstanding are to be redeemed, the identification (and, in the case of partial redemption, the respective principal amounts) of the Bonds to be redeemed; (d) notification that, on the redemption date, the redemption price will become due and payable upon each such Bond or portion thereof called for redemption, and that interest thereon shall cease to accrue from and after such date; (e) the place where such Bonds are to be surrendered for payment of the redemption price, which place of payment shall be the designated corporate trust office of the Registrar; (f) the CUSIP numbers, if any, of all Bonds being redeemed; (g) the date of issue of the Bonds as originally issued; (h) the rate of interest borne by each Bond being redeemed; (i) the maturity date of each Bond being redeemed; and (j) any other descriptive information needed to identify accurately the Bonds being redeemed.

(2) Each further notice of redemption may be sent at least 20 days before the redemption date by registered or certified mail or overnight delivery service to: (a) all registered securities depositories then in the business of holding substantial amounts of obligations of types comprising the Bonds, such depositories now being DTC; and (b) one or more national information services that disseminate notices of redemption of obligations such as the Bonds.

(3) Each such further notice may be published one time in *The Bond Buyer* in New York, New York, or, if such publication is impractical or unlikely to reach a substantial number of the Registered Owners, in some other financial newspaper or journal which regularly carries notices of redemption of other obligations similar to the

Bonds, such publication to be made at least 20 days prior to the date fixed for redemption.

H. *Open Market Purchase and Cancellation.* The City hereby reserves the right and option to purchase any or all of the Bonds on the open market at any time and at any price. To the extent the City partially redeems Term Bonds, pursuant to this Ordinance, the City may, at its discretion, reduce the amount of any mandatory sinking fund deposit or deposits by an aggregate principal amount equal to the principal amount of the Term Bonds so redeemed. All Bonds purchased or redeemed under this Section shall be canceled.

## **Section 6: Sale of the Bonds**

A. *Competitive Sale Authorized.* The Bonds may be sold by competitive sale. In any such competitive sale, the Bonds will be awarded to the bidder whose bid will result in the lowest True Interest Cost to the City. In the event that two or more bidders offer bids at the same lowest True Interest Cost, the City will award the Bonds to the bidder submitting the bid resulting in the highest net present value savings to the City. The Underwriter must pay accrued interest, if any, computed on a 360-day year and 30-day month basis, from the date of the Bonds to the date of delivery.

(1) *Notice of Sale.* The City hereby authorizes the Designated Representative, with the assistance of the Municipal Advisor, if the Bonds are sold by competitive sale, to cause the Official Notice of Sale to be disseminated to prospective purchasers of the Bonds in such manner as it deems to be in the best interest of the City.

(2) *Good Faith Deposit.* Each bid must be unconditional and the successful bidder shall, within three hours of the award of the Bonds, make a good faith deposit (the “**Good Faith Deposit**”) by federal wire or by a certified or bank cashier’s check in immediately available funds payable to the City in an amount set forth in the Official Notice of Sale, which amount shall not be less than 0.5 percent of the principal amount of the Bonds.

The Good Faith Deposit of the successful bidder will become the property of the City and will be credited to the purchase price of the Bonds at the time of delivery of the Bonds. No interest will be paid by the City on a bidder’s Good Faith Deposit. If the purchase price is not paid in full upon tender of the Bonds, the successful bidder shall have no right to the Bonds or to the recovery of the Good Faith Deposit, or to any allowance or credit by reason of the Good Faith Deposit, unless it appears the Bonds would not be validly issued if delivered to the Underwriter in the form and manner proposed. However, in the event of such nonpayment, the City reserves any and all rights granted by law to recover the agreed purchase price of the Bonds, and, in addition, any damages suffered by the City.

(3) *Opening and Award of Bids.* If the Bonds are sold pursuant to the provisions of this Section 6.A, bids will be opened by the City no later than 9:00 a.m. Pacific Time, in the offices of the Designated Representative, on the date set forth in the Official Notice of Sale. The Designated Representative is hereby authorized and directed to conduct the competitive sale of the Bonds in accordance with the Official Notice of

Sale. The City reserves the right to reject any and all bids and to waive any irregularity or informality in any bid.

B. *Negotiated Sale Authorized.* The Bonds may be sold by negotiated sale (including a private placement) if it is determined by the Designated Representative, upon approval from the Mayor, that such method of sale is in the best interests of the City. If the Bonds are sold at negotiated sale or private placement, the terms of such sale must comply with Section 4 of this Ordinance.

C. *Other Related Matters.* The Designated Representative is authorized and directed to take such other actions to publicize or facilitate the sale of the Bonds as may be deemed desirable or necessary including, but not limited to, securing a rating on the Bonds from one or more of the established nationally recognized rating services.

### **Section 7: Place, Manner and Medium of Payment**

A. *Payment Medium.* The principal of and interest on the Bonds are payable in lawful money of the United States of America to the Registered Owners thereof.

B. *Payment of Interest.* Payment of each installment of interest shall be made to the Registered Owner whose name appears on the Bond Register at the close of business on the fifteenth day of the calendar month preceding the interest payment date. Each installment of interest shall be paid by check or draft of the Registrar mailed to such Registered Owner on the due date at the address appearing on the Bond Register, or at such other address as may be furnished in writing by such Registered Owner to the Registrar. Interest installments may be paid by wire transfer to a Registered Owner within the United States of at least \$1,000,000 in principal amount of the Bonds, upon written request of such Registered Owner submitted to the Registrar at least 15 days prior to the interest payment date; provided, the costs of such wire transfer shall be paid by the Registered Owner.

C. *Payment of Principal.* Principal of each Bond shall be payable to the Registered Owner, upon presentation and surrender of the Bonds on or after the date of maturity or prior redemption, at the designated corporate trust office of the Registrar. Upon the payment of the Bonds at maturity, or upon payment of the redemption price of any Bond being redeemed, each check or other transfer of money issued for such purpose shall bear the CUSIP number, if any, and identify by issue and maturity the Bonds being paid or redeemed with the proceeds of such check or other transfer.

D. *Interest on Delinquent Amounts of the Bonds.* If any Bond is not redeemed when properly presented at its maturity or redemption date, the City shall pay interest on that Bond at the same rate provided in the Bond from and after its maturity or redemption date until the principal of and interest on that Bond is paid in full or until sufficient money for its payment in full is on deposit in the Debt Service Account and the Bond has been called for payment by giving notice to the Registered Owner of that unpaid Bond.

E. *Ownership of Bonds.* The City and the Registrar may deem and treat the Registered Owner of each Bond as the absolute owner of such Bond for the purpose of receiving payments of principal and interest due on such Bond and for all other purposes, and neither the City nor the Registrar shall be affected by any notice to the contrary.

F. *Unclaimed Money.* The Treasurer shall submit a written request to the Registrar that the Registrar return to the Treasurer all money previously remitted to the Registrar for the payment of the Bonds that has not been distributed by the Registrar as of one year after the final maturity or prior redemption of all of the Bonds. The Treasurer shall deposit such money into a separate account to be held solely for the benefit of the Registered Owners of Bonds which have not been presented for payment, and which shall be used solely for paying the principal of such Bonds and the interest which had accrued thereon to the date of maturity or prior redemption. Interest earnings on the money in such account may be deposited into the Debt Service Account to pay the principal of and interest on any Bonds that are Outstanding.

### **Section 8: Pledge of Full Faith, Credit and Resources of the City**

The full faith, credit and resources of the City are hereby irrevocably pledged for the punctual and full payment of the principal of and interest on the Bonds.

The City hereby irrevocably covenants that, for as long as any of the Bonds are Outstanding, it will make annual levies of *ad valorem* taxes without limitation as to rate or amount upon all the property within the City subject to taxation which, together with other money legally available therefor, will be sufficient in amount to pay the principal of and interest on the Bonds as the same shall become due.

### **Section 9: The Bond Fund**

A. *Bond Fund & Debt Service Account.* The Treasurer currently maintains a fund to be used for the payment of debt service on all general obligation bonds, designated as the “General Obligation Debt Service Fund” (the “**Bond Fund**”). Within the Bond Fund, there has heretofore been created and shall continue to be maintained, a subsidiary account separate and distinct from all other accounts of the City, designated the “UTGO 2025 Debt Service Account” (the “**Debt Service Account**”) or such other designation conforming to accounting practices, for the purpose of paying the principal of, premium, if any, and interest on the Bonds when due.

B. *Deposits to the Debt Service Account.* Accrued interest received from the sale of the Bonds, if any, shall be deposited into the Debt Service Account. All or a portion of original issue premium, if any, received from the sale of the Bonds may be deposited into the Debt Service Account. Tax receipts levied for the purpose of paying principal of and interest on the Bonds and, as from time to time directed by the Council, other City money legally available for payment of the Bonds will be deposited to the Debt Service Account to the extent necessary, and no later than the date such funds are required, to pay the principal of, premium, if any, and interest on the Bonds. The Treasurer is hereby authorized and directed to pay to the Registrar, in its capacity as the City’s paying agent, all payments of principal and interest due on the Bonds in sufficient time for such payments to be made.



C. *Investment of Money in the Debt Service Account.* Money in the Debt Service Account may be invested as permitted by law, which investments shall mature prior to the date on which such money shall be needed for required interest or principal payments. All interest earned and income derived by virtue of such investments shall remain in the Debt Service Account and be used to meet the required deposits therein.

**Section 10: The Refunding Plan**

A. *Designation of the Refunded Bonds.* The City is desirous of defeasing, paying, redeeming and/or retiring the Refunded Bonds. The Designated Representative is authorized to designate all or a portion of the following outstanding 2015 Bonds as the “Refunded Bonds”:

<b>Outstanding 2015 Bonds</b>			
Years (December 1)	Amounts	Interest Rates	CUSIP Nos.
2025	\$1,295,000	3.00%	849067 S38
2026	1,615,000	4.00	849067 S46
2027	1,970,000	4.00	849067 S53
2028	5,770,000	4.00	849067 S61
2029	6,315,000	4.00	849067 S79
2030	6,895,000	4.00	849067 S87
2031	7,505,000	4.00	849067 S95
2032	8,160,000	3.00	849067 T29
2033	8,770,000	4.00	849067 T37
2034	9,500,000	4.00	849067 T45

B. *Application of Bond Proceeds.* The net proceeds of the Bonds (exclusive of any amounts that may be designated by the Designated Representative in a closing certificate to be allocated to pay costs of issuance of the Bonds and exclusive of amounts paid to an Underwriter as a fee or an Underwriter’s discount)(the “**Net Bond Proceeds**”), together with other available funds of the City in the amount (if any) specified by the Designated Representative, shall be held by the City and used at the direction of the Designated Representative to pay the costs of, or to reimburse the City for the costs of, redeeming the Refunded Bonds and/or may be placed into the Escrow Account pursuant to the terms of an Escrow Agreement to effect a defeasance of the Refunded Bonds.

C. *Notice of Redemption.* The Refunding Trustee is hereby directed to give notice of the call and redemption of the Refunded Bonds in substantially the form set forth as Attachment II to the Form of Escrow Agreement attached hereto as Exhibit “B” and in the manner required by the 2015 Bond Ordinance.

D. *Modification of Refunding Plan.* The Designated Representative is hereby authorized, upon advice from the City’s Municipal Advisor, to modify the refunding plan if such modification is determined to be in the City’s best interest.

**Section 11: The Refunding Trustee; Escrow Agreement**

The City hereby authorizes the Designated Representative to select a financial institution to act as the Refunding Trustee with respect to the Refunded Bonds (the “**Refunding Trustee**”). In order to carry out the purposes of this Ordinance, if deemed necessary by the Designated Representative to affect the defeasance and/or refunding of the Refunded Bonds, the Designated Representative is authorized and directed to execute and deliver to the Refunding Trustee an Escrow Agreement substantially in the form marked Exhibit “B” attached hereto and by this reference incorporated herein. If utilized, the Escrow Agreement, shall set forth the duties, obligations and responsibilities of the Refunding Trustee in connection with the defeasance and/or refunding of the Refunded Bonds as provided herein, and shall set forth the payment of the fees, compensation and expenses of the Refunding Trustee.

## **Section 12: Creation of the Escrow Account & Government Obligations**

A. *Creation of the Escrow Account.* If deemed necessary by the Designated Representative to affect the defeasance and/or refunding of the Refunded Bonds, the Refunding Trustee is authorized and directed to establish a special account for the City designated the “Unlimited Tax General Obligation Bonds, Series 2015 Escrow Account,” or such other designation conforming to accounting principles and banking practices.

B. *Deposits into the Escrow Account.* If deemed necessary by the Designated Representative to affect the defeasance and/or refunding of the Refunded Bonds, the Net Bond Proceeds, together with other available funds of the City in the amount (if any) specified by the Designated Representative, may be deposited into the Escrow Account and may be held as cash or used to acquire Government Obligations, as more specifically provided in the Escrow Agreement. Such funds shall be irrevocably deposited into the Escrow Account. Any funds to be deposited into the Escrow Account shall be held by the Refunding Trustee in trust. All funds credited to the Escrow Account shall be deemed so credited to and held in the Escrow Account notwithstanding the fact that such funds are held by the Refunding Trustee in trust for the owners of the Refunded Bonds.

C. *Use of Money in the Escrow Account.* If deemed necessary by the Designated Representative to affect the defeasance and/or refunding of the Refunded Bonds, the Refunding Trustee, on behalf of the City, may be authorized and directed to use the Net Bond Proceeds, together with other legally available money of the City, to purchase Government Obligations in the amounts, of the type, bearing interest and maturing in such amounts as are necessary to make the payments described in this Ordinance and in the Escrow Agreement. The investment income from and maturing principal of the Government Obligations and money to be deposited into the Escrow Account, if any, shall be transmitted to the Washington State Fiscal Agent, as Registrar for the City, for the sole purpose of paying the principal of and interest on the Refunded Bonds. Any money remaining on deposit in the Escrow Account created hereunder after the payment in full of the Refunded Bonds and the costs of issuing the Bonds, shall be transferred by the Refunding Trustee to the City and deposited into the Bond Fund.

D. *Government Obligations.*

(1) *Government Obligations.* If the purchase of Government Obligations is deemed necessary by the Designated Representative to affect the defeasance and/or

refunding of the Refunded Bonds, the Government Obligations shall be payable in such amounts and at such times that, together with other legally available money of the City, will be sufficient to provide for the payment of: (a) the interest on the Refunded Bonds as such becomes due on and before the Redemption Date or maturity of the Refunded Bonds; and (b) the price of redemption of the Refunded Bonds on the Redemption Date or the maturity value of the Refunded Bonds that are defeased to maturity.

(2) *Sufficiency of the Government Obligations.* If the purchase of Government Obligations is deemed necessary by the Designated Representative to affect the defeasance and/or refunding of the Refunded Bonds, prior to the delivery of the Bonds, the City shall receive an opinion of a nationally recognized firm of independent certified public accountants or from a nationally recognized financial advisor, stating, in substance, that the money and Government Obligations to be deposited with the Refunding Trustee for the payment of the Refunded Bonds will discharge and satisfy the City's obligations under the 2015 Ordinance to make payments on the Refunded Bonds. Such opinion will not be required in the event the City deposits sufficient funds at closing to provide for all debt service payments, without taking into account interest earnings thereon.

### **Section 13: Irrevocable Call**

#### *A. Refunded Bonds.*

(1) *Irrevocable Call for Redemption.* In accordance with Section 4 of the 2015 Bond Ordinance, the City hereby calls the Refunded Bonds for redemption on the Redemption Date. Such call for redemption shall be irrevocable upon the delivery of the Bonds to the Underwriter.

(2) *Irrevocable Pledge of Proceeds of the Bonds.* The City hereby irrevocably pledges the Net Bond Proceeds, together with other available funds of the City in the amount (if any) specified by the Designated Representative, Government Obligations (if any) and any amounts on deposit in the Escrow Account (if utilized), to pay the interest on the Refunded Bonds, up to and including the Redemption Date, and to redeem and retire the Refunded Bonds on such date at the price of 100 percent of the principal amount thereof plus accrued interest to the Redemption Date. Such amounts are hereby irrevocably pledged to be set aside to effect such payment, redemption and retirement.

*B. Findings Regarding the Defeasance and/or Refunding of the Refunded Bonds.* The Council hereby finds that, as of the date the Bonds are issued and the Net Bond Proceeds are utilized as set forth herein: (1) no further payments need to be made into the Bond Fund for the payment of the principal of and interest on the Refunded Bonds; (2) the Refunded Bonds and the interest accrued thereon shall cease to be entitled to any lien, benefit or security of the 2015 Bond Ordinance, except the right to receive the funds so set aside and pledged; and (3) the Refunded Bonds and the interest accruing thereon shall no longer be deemed to be Outstanding under the 2015 Bond Ordinance. The Council hereby further finds and determines that the issuance and sale of the Bonds will benefit the City by affecting a savings to the City's taxpayers. In making such finding and determination, the Council has given consideration to the

interest that will be payable on the Bonds through the maturity of the Bonds, the costs of issuance of the Bonds and the net present value savings due to the defeasance and/or refunding of the Refunded Bonds.

#### **Section 14: Execution and Authentication of the Bonds**

A. *Execution of the Bonds.* The City shall cause definitive Bonds to be prepared, executed, and delivered. The Bonds shall be executed on behalf of the City by the manual or facsimile signature of the Mayor, shall be attested by the manual or facsimile signature of the City Clerk, and shall have the seal of the City impressed, imprinted or otherwise reproduced thereon.

B. *Authentication of the Bonds.* The executed Bonds shall be delivered to the Registrar for authentication. The Bonds shall be numbered separately in the manner and with any additional designation as the Registrar deems necessary for purposes of identification. Only those Bonds that bear a Certificate of Authentication substantially in the form set forth in Exhibit “A” attached hereto and manually executed by an authorized representative of the Registrar shall be valid or obligatory for any purpose or entitled to the benefits of this Ordinance. Such Certificate of Authentication shall be conclusive evidence that the Bonds so authenticated have been duly executed, authenticated and delivered hereunder and are entitled to the benefits of this Ordinance.

C. *Validity of Signatures.* In case any of the officers who shall have signed or attested any of the Bonds shall cease to be such officer or officers of the City before the Bonds so signed or attested shall have been authenticated or delivered by the Registrar, or issued by the City, such Bond may nevertheless be authenticated, delivered and issued, and, upon such authentication, delivery and issue, shall be as binding upon the City as though those who signed and attested the same had continued to be such officers of the City. Any Bond may also be signed and attested on behalf of the City by such persons as at the actual date of execution of such Bond shall be the proper officers of the City although at the original date of such Bond any such person shall not have been such officer of the City.

#### **Section 15: The Registrar**

A. *Registrar Appointed.* The Treasurer has designated the Washington State Fiscal Agent as the City’s legally designated fiscal agent with respect to the Bonds. The Council hereby confirms such designation with respect to the Bonds and appoints the Washington State Fiscal Agent as Registrar, authenticating agent, paying agent and transfer agent with respect to the Bonds, subject to the terms and conditions of this Section.

B. *Delegated Duties.* The Registrar is hereby authorized and directed, on behalf of the City, to authenticate and deliver Bonds initially issued or transferred or exchanged in accordance with the provisions of the Bonds and this Ordinance and to carry out all of the Registrar’s powers and duties under this Ordinance and the Agreement for Fiscal Agency Services between the Washington State Finance Committee and the Registrar (as the same may be amended or readopted from time to time).

C. *Bond Register.* The Bonds shall be issued only in registered form as to both principal and interest. The Registrar shall keep, or cause to be kept, at its designated corporate trust office the Bond Register which shall at all times be open to inspection by the City. The City hereby specifies and adopts the system of registration for the Bonds approved by the Washington State Finance Committee.

D. *Fees and Costs.* The City shall pay to the Registrar from time to time reasonable compensation for all services rendered under this Ordinance, together with reasonable expenses, charges, fees of counsel, accountants and consultants and other disbursements, including those of its attorneys, agents and employees, incurred in good faith in and about the performance of their powers and duties under this Ordinance. The administrative fees provided for in this subsection may be paid from the Debt Service Account.

E. *Representations.* The Registrar shall be responsible for its representations contained in the Registrar's Certificate of Authentication on the Bonds.

F. *Ownership Rights.* The Registrar may become the Registered Owner of the Bonds with the same rights it would have if it were not the Registrar, and, to the extent permitted by law, may act as depository for and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of Registered Owners of the Bonds.

G. *Cancellation of Surrendered Bonds.* Bonds surrendered to the Registrar for payment, redemption, transfer or exchange, as well as Bonds surrendered by the City for cancellation, shall be canceled immediately by the Registrar and returned to the City. Such Bonds thereafter shall be destroyed.

#### **Section 16: Book-Entry System Authorized**

A. The Bonds shall be initially issued in the form of a separate, single-certificated, fully registered Bond for each maturity set forth in the Official Notice of Sale, or, if the Bonds are sold by negotiated sale (including a private placement), the Bond Purchase Contract, as provided for in Section 4 of this Ordinance, in the aggregate principal amount of such maturity. Upon initial issuance, the ownership of each Bond may be registered in the Bond Register in the name of Cede & Co., as nominee of DTC, the securities depository for the Bonds. Except as provided in subsection D of this Section, all of the Bonds shall be registered in the Bond Register in the name of Cede & Co., as nominee of DTC.

B. With respect to Bonds registered in the Bond Register in the name of Cede & Co., as nominee of DTC, neither the City nor the Registrar shall have any responsibility or obligation to any Participant or to any person on behalf of which a Participant holds an interest in the Bonds. Without limiting the immediately preceding sentence, the City and the Registrar shall have no responsibility or obligation with respect to: (1) the accuracy of the records of DTC, Cede & Co., or any Participant with respect to any ownership interest in the Bonds; (2) the delivery to any Participant or any other person, other than a Registered Owner, of any notice with respect to the Bonds; or (3) the payment to any Participant or any other person, other than a Registered Owner, of any amount with respect to principal of, premium, if any, or interest on the Bonds. The City and the Registrar may treat and consider the Registered Owner of each Bond as

the absolute owner of such Bond for the purpose of payment of principal, premium, if any, and interest with respect to such Bond, for the purpose of giving notices of matters with respect to such Bond, for the purpose of registering transfers with respect to such Bond, and for all other purposes whatsoever. The Registrar shall pay all principal of, premium, if any, and the interest on the Bonds as provided for in the Official Notice of Sale, or, if the Bonds are sold by negotiated sale (including a private placement), Bond Purchase Contract, and as further provided in Sections 4 and 5 of this Ordinance and all such payments shall be valid and effective to fully satisfy and discharge the City's obligations with respect to payment of principal of, premium, if any, and interest on the Bonds to the extent of the sums so paid. No person other than a Registered Owner shall receive a certificated Bond evidencing the obligation of the City to make payments of principal, premium, if any, and interest pursuant to this Ordinance. Upon delivery by DTC to the Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions herein with respect to the transfer and payment of the Bonds, the phrase "Cede & Co." in this Ordinance shall refer to such new nominee of DTC.

C. The City heretofore has delivered the Letter of Representations to the Registrar and DTC. The delivery of the Letter of Representations shall not in any way limit the provisions of subsection B of this Section or in any other way impose upon the City any obligation whatsoever with respect to persons having interests in the Bonds other than the Registered Owner. The Registrar shall take all action necessary to comply with, at all times, any and all representations of the City in the Letter of Representations with respect to the Registrar.

D. (1) DTC may determine to discontinue providing its services with respect to the Bonds at any time by giving notice to the City and to the Registrar, and discharging its responsibilities with respect thereto under applicable law.

(2) The City, in its sole discretion and without the consent of any other person, may terminate the services of DTC with respect to the Bonds if the City determines that: (a) DTC is unable to discharge its responsibilities with respect to the Bonds; or (b) a continuation of the requirement that all of the Bonds be registered in the Bond Register in the name of Cede & Co., or any other nominee of DTC, is not in the best interest of the beneficial owners of the Bonds.

(3) Upon termination of the services of DTC with respect to the Bonds pursuant to subsection D(2)(b) of this Section, or upon the discontinuance or termination of the services of DTC with respect to the Bonds pursuant to subsection D(1) or subsection D(2)(a) of this Section, after which no substitute securities depository willing to undertake the functions of DTC hereunder can be found that, in the opinion of the City, is willing and able to undertake such functions upon reasonable and customary terms, the City shall deliver certificated Bonds at the expense of the City, as described in this Ordinance, and the Bonds shall no longer be restricted to being registered in the Bond Register in the name of Cede & Co., as nominee of DTC, but may be registered in the names that the Registered Owners transferring or exchanging Bonds shall designate, in accordance with the provisions of this Ordinance. In the event the Bonds are transferred by the City to fully registered form, the Bonds shall be payable by the Registrar. Thereafter, the principal of the Bonds shall be payable upon due presentment and

surrender thereof at the designated corporate trust office of the Registrar; interest shall be paid by check or draft of the Registrar mailed to such Registered Owner on the due date at the address appearing on the Bond Register, or at such other address as may be furnished in writing by such Registered Owner to the Registrar. Interest installments may be paid by wire transfer to a Registered Owner within the United States of at least \$1,000,000 in principal amount of the Bonds, upon written request of such Registered Owner submitted to the Registrar at least 15 days prior to the interest payment date; provided, the costs of such wire transfer shall be paid by the Registered Owner, and the Bonds shall be transferable as provided in this Ordinance.

E. Notwithstanding any other provision of this Ordinance to the contrary, so long as any Bond is registered in the name of Cede & Co., as nominee of DTC, all payments with respect to principal or premium, if any, and interest on such Bond and all notices with respect to such Bond shall be made and given, respectively, in the manner provided in the Letter of Representations.

F. If the Bonds are privately placed with a bank, the City may determine not to comply with this Section if the Designated Representative deems it to be in the best interest of the City.

#### **Section 17: Transfer and Exchange of the Bonds**

A. *Transfer of Bonds.* Each Bond shall be transferable by the Registered Owner thereof in person, or by its attorney duly authorized in writing, upon due completion of the assignment form appearing thereon and upon surrender of such Bond at the designated corporate trust office of the Registrar for cancellation and issuance of a new Bond registered in the name of the transferee, in exchange therefor.

B. *Exchange of Bonds.* Each Bond shall be exchangeable by the Registered Owner thereof in person, or by its attorney duly authorized in writing, for one or more new Bonds, upon surrender of such Bond at the designated corporate trust office of the Registrar for cancellation.

C. *Authentication and Delivery of New Bonds.* Whenever a Bond shall be surrendered for transfer or exchange, the Registrar shall authenticate and deliver to the transferee or exchangee, in exchange therefor, a new fully registered Bond or Bonds of any authorized denomination or denominations, of the same maturity and interest rate as, and for the aggregate principal amount of, the Bond being surrendered. Notwithstanding the foregoing sentence, the Registrar is not required to transfer or exchange any Bond during the 15 days preceding any principal or interest payment date.

D. *Payment of Fees and Costs.* The Registrar shall require the payment by the Registered Owner requesting such transfer or exchange of any tax, fee or governmental charge required to be paid with respect to such transfer or exchange.

## **Section 18: Mutilated, Lost, Stolen or Destroyed Bonds**

A. *Issuance of Substitute Bonds.* If any Bond shall become mutilated, lost, stolen or destroyed, the affected Registered Owner shall be entitled to the issuance of a substitute Bond only as follows:

(1) in the case of a lost, stolen or destroyed Bond, the Registered Owner shall:  
(a) provide notice of the loss, theft or destruction to the City and the Registrar within a reasonable time after the Registered Owner receives notice of the loss, theft or destruction; (b) request the issuance of a substitute Bond; (c) provide evidence, satisfactory to the City and the Registrar, of the ownership and the loss, theft or destruction of the affected Bond; and (d) file in the offices of the City and the Registrar a written affidavit specifically alleging on oath that such Registered Owner is the proper owner, payee or legal representative of such owner or payee of the Bond that has been lost, stolen or destroyed, giving the date the Bond was issued and the number, principal amount and series of such Bond, and stating that the Bond has been lost, stolen or destroyed, and has not been paid and has not been received by such Registered Owner;

(2) in the case of a mutilated Bond, the Registered Owner shall surrender the Bond to the Registrar for cancellation; and

(3) in all cases, the Registered Owner shall provide indemnity against any and all claims arising out of or otherwise related to the issuance of substitute Bonds pursuant to this Section satisfactory to the City and the Registrar.

Upon compliance with the foregoing, a new Bond of like tenor and denomination, bearing the same number as the mutilated, lost, stolen or destroyed Bond, and with the word "DUPLICATE" stamped or printed plainly on its face, shall be executed by the City, authenticated by the Registrar and delivered to the Registered Owner, all at the expense of the Registered Owner to whom the substitute Bond is delivered. Notwithstanding the foregoing, the Registrar shall not be required to authenticate and deliver any substitute Bond for a Bond that has matured or is about to mature or that has been called for redemption and, in any such case, the principal or redemption price and interest then due or becoming due shall be paid by the Registrar in accordance with the terms of the mutilated, destroyed, lost or stolen Bonds without substitution therefor.

B. *Notation on the Bond Register.* Upon the issuance and authentication of any substitute Bond under the provisions of this Section, the Registrar shall enter upon the Bond Register a notation that the original Bond was canceled and a substitute Bond was issued.

C. *Rights of Registered Owners of Substitute Bonds.* Every substitute Bond issued pursuant to this Section shall constitute an additional contractual obligation of the City and shall be entitled to all the benefits of this Ordinance equally and proportionately with any and all other Bonds duly issued hereunder unless the Bond alleged to have been destroyed, lost or stolen shall be at any time enforceable by a bona fide purchaser for value without notice. In the event the Bond alleged to have been destroyed, lost or stolen shall be enforceable by anyone, the City may recover the substitute Bond from the Registered Owner to whom it was issued or from anyone taking under the Registered Owner except a bona fide purchaser for value without notice.



D. *Exclusive Rights.* All Bonds shall be held and owned upon the express condition that the foregoing provisions are exclusive with respect to the replacement or payment of mutilated, destroyed, lost or stolen Bonds, and shall preclude any and all other rights or remedies, notwithstanding any law or statute existing or hereafter enacted to the contrary with respect to the replacement or payment of negotiable instruments or of investment or other securities without their surrender.

### **Section 19: Defeasance of the Bonds**

In the event that money and/or “government obligations” (as defined from time to time in RCW 39.53.010), maturing or having guaranteed redemption prices at the option of the owner at such time or times and bearing interest to be earned thereon in such amounts as are sufficient, together with any resulting cash balances, to redeem and retire part or all of the Bonds in accordance with their terms, are hereafter irrevocably set aside in a special account and pledged to effect such redemption and retirement, then no further payments need be made into the Debt Service Account or any account therein for the payment of the principal of and interest on the certain Bonds so provided for, and such Bonds and interest accrued thereon shall no longer be deemed to be Outstanding hereunder.

If the principal or redemption price of any Bonds becoming due, either at maturity or by call for redemption or otherwise, together with all interest accruing thereon to the due date, has been paid or provision therefor has been made in accordance with this Section, all interest on such Bonds shall cease to accrue on the due date and all liability of the City with respect to such Bonds shall cease as of the date the principal, redemption price, if any, and interest is so provided for, except as hereinafter provided. Thereafter, the Registered Owners of such Bonds shall be restricted exclusively to the money so deposited for any claim of whatsoever nature with respect to such Bonds, and the Registrar shall hold such money in trust for such Registered Owners uninvested and without interest.

### **Section 20: Tax Covenants**

A. *Compliance With the Code.* The City covenants to comply with each requirement of the Code necessary to maintain the exclusion of interest on the Bonds from gross income for federal income tax purposes. In furtherance of the covenant contained in the preceding sentence, the City covenants to comply with the provisions of the Tax Compliance Certificate executed by the City on the date of initial issuance and delivery of the Bonds, as such Tax Compliance Certificate may be amended from time to time.

B. *Necessary Payments.* The City covenants to make any and all payments required to be made to the United States Department of the Treasury in connection with the Bonds pursuant to Section 148(f) of the Code.

C. *Survival of Tax Covenants.* Notwithstanding any other provision of this Ordinance to the contrary, so long as necessary in order to maintain the exclusion from gross income of interest on the Bonds for federal income tax purposes, the covenants contained in this Section shall survive the payment of the Bonds and the interest thereon, including any payment or defeasance thereof pursuant to Section 19 of this Ordinance.

D. *Remedies.* Notwithstanding any other provision of this Ordinance to the contrary: (1) upon the City's failure to observe or refusal to comply with the above covenants, the Registered Owners, or any trustee acting on their behalf, shall be entitled to the rights and remedies provided to the Registered Owners under this Ordinance; and (2) neither the holders or Registered Owners of bonds of any series other than Bonds, nor a trustee acting on their behalf, shall be entitled to exercise any right or remedy provided to Registered Owners under this Ordinance based upon the City's failure to observe, or refusal to comply with, the above covenants.

## **Section 21: Amendments to the Ordinance**

A. *Amendments Not Requiring Registered Owner Consent.* The Council from time to time, and at any time, may adopt an ordinance or ordinances supplemental hereto, which ordinance or ordinances thereafter shall become a part of this Ordinance, for any one or more of all the following purposes: (1) to add to or delete from the covenants and agreements of the City in this Ordinance, or to surrender any right or power reserved to the City herein, provided such additions or deletions shall not adversely affect, in any material respect, the interests of the Registered Owners of any Bond; and (2) to cure, correct or supplement any ambiguous or defective provision contained in this Ordinance, provided such supplemental ordinance shall not adversely affect, in any material respect, the interests of the Registered Owners of the Bonds. Any such supplemental ordinance may be adopted without the consent of the Registered Owners of any Bonds at any time Outstanding, notwithstanding any of the provisions of subsection B of this Section.

B. *Amendments Requiring Registered Owner Consent.* With the consent of the Registered Owners of not less than 50 percent in aggregate principal amount of the Bonds at the time Outstanding, the Council may adopt an ordinance or ordinances supplemental hereto for the purpose of adding any provisions to, or changing in any manner, or eliminating any of the provisions of this Ordinance or of any supplemental ordinance; provided, however, that no such supplemental ordinance shall: (1) extend the fixed maturity of any Bond, or reduce the rate of interest thereon, or extend the time of payments of interest from their due date, or reduce the amount of the principal thereof, or alter the redemption provisions pertaining thereto, without the consent of the Registered Owner of each Bond so affected; or (2) reduce the aforesaid percentage of Registered Owners required to approve any such supplemental ordinance, without the consent of the Registered Owners of all of the Bonds then Outstanding. It shall not be necessary for the consent of Registered Owners consent under this subsection B to approve the particular form of any proposed supplemental ordinance, but it shall be sufficient if such consent shall approve the substance thereof.

C. *Effect of Supplemental Ordinances.* Upon the adoption of any supplemental ordinance pursuant to the provisions of this Section, this Ordinance shall be deemed to be modified and amended in accordance therewith, and the respective rights, duties and obligations of the City under this Ordinance and all Registered Owners of Bonds Outstanding hereunder shall thereafter be determined, exercised and enforced thereunder, subject in all respects to such modification and amendments, and all terms and conditions of any such supplemental ordinance shall be deemed to be part of the terms and conditions of this Ordinance for any and all purposes.

D. *Notations; Replacement Bonds.* Bonds executed and delivered after the execution of any supplemental ordinance adopted pursuant to the provisions of this Section may have a notation as to any matter provided for in such supplemental ordinance, and if such supplemental ordinance shall so provide, new Bonds so modified as to conform in the opinion of the Council to any modification of this Ordinance contained in any such supplemental ordinance, may be prepared and delivered without cost to the Registered Owners of any affected Bonds then Outstanding, upon surrender for cancellation of such Bonds in equal aggregate principal amounts.

**Section 22: Sale and Delivery of the Bonds and Taking of Other Actions Authorized**

The Council hereby authorizes and directs each of the Mayor, the Chief Financial Officer, the Director of Management and Budget, the City Clerk, the Treasurer, the Municipal Advisor and Kutak Rock LLP, bond counsel, to execute and deliver the Bonds to the Underwriter, or in the case of a private placement with a bank, to the bank, and for the proper application and use of the proceeds of the sale thereof, including:

A. preparing the final official statement regarding the Bonds, if the Bonds are publicly offered; and

B. executing such certificates and receipts as may be necessary to properly document the issuance of the Bonds.

In addition, the Mayor, the Chief Financial Officer, the Director of Management and Budget, the City Clerk, the Treasurer, the Municipal Advisor and Kutak Rock LLP, bond counsel, are hereby authorized by the Council to execute and deliver such other certificates, agreements and documents, and to take such other actions on behalf of the City as may be reasonable and necessary:

A. to facilitate the issuance and sale of the Bonds;

B. to meet all provisions of the Code in order to maintain tax-exempt status of the Bonds; and

C. in connection with any matters related thereto, until the final maturity date of the Bonds or redemption, whichever occur first.

**Section 23: The Preliminary Official Statement**

If the Bonds are publicly offered, the Council hereby delegates authority to the Designated Representative to determine all acts to be undertaken by the City's officers, employees and agents with respect to the preparation and distribution of the preliminary official statement regarding the Bonds, if the Bonds are publicly offered, including any action taken to deem such preliminary official statement final as of its date except for the omission of information dependent upon the pricing of the issue and the completion of the underwriting agreement, such as offering prices, interest rates, selling compensation, aggregate principal amount, principal amount per maturity, delivery dates and other terms of the Bonds dependent on

the foregoing matters. The City agrees to cooperate with the Underwriter to deliver or cause to be delivered, within seven business days from the date of the sale date of the Bonds and in sufficient time to accompany any confirmation that requests payment from any customer of the Underwriter, copies of a final official statement in sufficient quantity to comply with the rules of the Municipal Securities Rulemaking Board and paragraph (b)(4) of Securities and Exchange Commission Rule 15c2-12.

#### **Section 24: Continuing Disclosure Undertaking**

The City covenants to execute and deliver at the time of issuance of the Bonds a Continuing Disclosure Undertaking in substantially the form set forth in Exhibit “C” attached hereto and by this reference incorporated herein. The Designated Representative is authorized and directed to execute and deliver a Continuing Disclosure Undertaking upon the sale, issuance and delivery of the Bonds with such terms and provisions as such officer shall deem appropriate and in the best interest of the City, upon consultation with the City’s bond counsel. The City hereby reserves the right to comply with this Section by meeting its annual disclosure requirements through any system approved by the SEC. All required filings shall be made in an electronic format as prescribed by the MSRB.

#### **Section 25: Contract and Severability of Provisions**

The covenants contained in this Ordinance and in the Bonds shall constitute a contract between the City and the Registered Owner of each and every Bond. Any action by the Registered Owner of any Bond shall bind all future Registered Owners of the same Bond in respect of anything done or suffered by the City or the Registrar in pursuance thereof. All the covenants, promises and agreements in this Ordinance contained by or on behalf of the City, or by or on behalf of the Registrar, shall bind and inure to the benefit of their respective successors and assigns, whether so expressed or not.

If any one or more of the covenants or agreements provided in this Ordinance to be performed on the part of the City shall be declared by any court of competent jurisdiction on final appeal (if any appeal be taken) to be contrary to law, then such covenant or agreement shall be null and void and shall be deemed separable from the remaining covenants and agreements in this Ordinance and shall in no way affect the validity of the other provisions of this Ordinance or of the Bonds.

Nothing in this Ordinance, expressed or implied, is intended or shall be construed to confer upon or give to any person other than the City, the Registrar and the Registered Owners and the holders from time to time of the Bonds any rights, remedies or claims under or by reason of this Ordinance or any covenant, condition or stipulation thereof; and all of the covenants, stipulations, promises and agreements in this Ordinance contained by or on behalf of the City shall be for the sole and exclusive benefit of the City, the Registrar and the Registered Owners and the holders from time to time of the Bonds.

#### **Section 26: No Personal Recourse**

No recourse shall be had for any claim based on this Ordinance or the Bonds against any Council member, officer or employee, past, present or future, of the City or of any successor

body as such, either directly or through the City or any such successor body, under any constitutional provision, statute or rule of law or by the enforcement of any assessment or penalty or otherwise.

**Section 27: Ratification**

All actions not inconsistent with the provisions of this Ordinance heretofore taken by the Council and the City's employees with respect to the adoption of this Ordinance, the defeasance and/or refunding of the Refunded Bonds and the issuance, sale and delivery of the Bonds, are hereby in all respects ratified, approved and confirmed.

**Section 28: Repealer**

All ordinances or parts thereof in conflict herewith are, to the extent of such conflict, hereby repealed, and shall have no further force or effect.

**Section 29: Effective Date**

The Council hereby finds and determines that the issuance and sale of the Bonds at this time will benefit the City by allowing the City to take advantage of current interest rates for tax-exempt bonds. In making such finding and determination, the Council has given consideration to the interest that will be payable on the Bonds through the maturity of the Bonds, the costs of issuance of the Bonds and the net present value savings due to the defeasance and/or refunding of the Refunded Bonds. In order to take advantage of current interest rates and maximum savings to the City's taxpayers, it is essential to accept the Bond Purchase Contract or accept the Approved Bid at a competitive sale, as applicable, as quickly as possible. Based upon said facts, an emergency and urgency is declared and found to exist as necessary for the immediate support of City government and its existing public institutions. Based upon said emergency and urgency, this ordinance shall become effective immediately upon its passage.

PASSED by the City Council of the City of Spokane, Washington, at a regular meeting thereof, held on April 21, 2025.

CITY OF SPOKANE  
Spokane County, Washington

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Betsy Wilkerson, Council President

ATTEST:

---

Terri L. Pfister, City Clerk

---

Lisa Brown, Mayor

( S E A L )

APPROVED AS TO FORM:

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City Attorney

---

Tanya Lawless, Bond Counsel

\* \* \* \* \*

**C E R T I F I C A T E**

I DO HEREBY CERTIFY that I am the duly chosen, qualified and acting Clerk of the City of Spokane, Washington (the “**City**”), and keeper of the records of the City Council (the “**Council**”); and

I HEREBY CERTIFY:

1. That the attached ordinance is a true and correct copy of Ordinance No. [ ] of the City (the “**Ordinance**”), as finally passed at a regular meeting of the Council held on the 21st day of April, 2025, and duly recorded in my office.

2. That said meeting was duly convened and held in all respects in accordance with law, and to the extent required by law, due and proper notice of such meeting was given; that a quorum was present throughout the meeting and a legally sufficient number of members of the Council voted in the proper manner for the passage of the Ordinance; that all other requirements and proceedings incident to the proper passage of the Ordinance have been duly fulfilled, carried out and otherwise observed, and that I am authorized to execute this certificate.

IN WITNESS WHEREOF, I have hereunto set my hand this 21st day of April 2025.

\_\_\_\_\_  
City Clerk

**EXHIBIT “A”**

[Form of Bond]

*Unless this certificate is presented by an authorized representative of The Depository Trust Company, a New York corporation (“DTC”), to the issuer or its agent for registration of transfer, exchange, or payment, and any certificate issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.*

NO. R-[ ]

\$\_[ ]

**UNITED STATES OF AMERICA  
STATE OF WASHINGTON  
COUNTY OF SPOKANE**

**CITY OF SPOKANE**

**UNLIMITED TAX GENERAL OBLIGATION REFUNDING BOND, SERIES 2025**

<u>INTEREST RATE</u>	<u>MATURITY DATE</u>	<u>ORIGINAL ISSUE DATE</u>	<u>CUSIP</u>
_____%	December 1, 20__	_____, 2025	____

**REGISTERED OWNER: CEDE & CO.**

**PRINCIPAL AMOUNT: [ ] AND NO/100 DOLLARS**

THE CITY OF SPOKANE, Spokane County, Washington (the “City”), a municipal corporation and first-class charter city duly organized and existing under the laws of the State of Washington (the “State”) now in force, acknowledges itself to owe and, for value received, promises to pay from the City’s “UTGO 2025 Debt Service Account” (the “**Debt Service Account**”), referred to in Ordinance No. [ ], adopted by the City Council of the City (the “**Council**”) on April 21, 2025 (the “**Ordinance**”), to the Registered Owner identified above, or registered assigns, on the Maturity Date identified above, the Principal Amount identified above and to pay interest thereon from the Debt Service Account from \_\_\_\_\_, 2025, or from the most recent date to which interest has been paid or duly provided for, whichever is later, at the Interest Rate per annum identified above, payable commencing on \_\_\_\_\_ 1, 20[25], and semiannually thereafter on each December 1 and June 1 to the Maturity Date set forth above or to the date of prior redemption of this Bond, whichever occurs first. Interest shall be calculated on the basis of a 360-day year consisting of twelve 30-day months. Capitalized terms used herein shall have the meanings given to them in the Ordinance.

The principal of and interest on this Bond are payable in lawful money of the United States of America to the Registered Owner hereof, whose name and address shall appear on the registration books of the City (the “**Bond Register**”) maintained by the Washington State Fiscal Agent (the “**Registrar**”). Interest shall be paid to the Registered Owner whose name appears on the Bond Register at the close of business on the fifteenth day of the calendar month preceding



the interest payment date, and shall be paid by check or draft of the Registrar mailed to such Registered Owner on the due date at the address appearing on the Bond Register, or at such other address as may be furnished in writing by such Registered Owner to the Registrar. Interest installments may be paid by wire transfer to a Registered Owner within the United States of at least \$1,000,000 in principal amount of the Bonds, upon written request of such Registered Owner submitted to the Registrar at least 15 days prior to the interest payment date; provided, the costs of such wire transfer shall be paid by the Registered Owner. Principal of this Bond shall be paid to the Registered Owner upon presentation and surrender of this Bond on or after the Maturity Date set forth above or date of prior redemption of this Bond, whichever occurs first, at the designated corporate trust office of the Registrar.

This Bond is one of a series aggregating \$[\_\_\_\_\_] par value, all of like date, tenor and effect, issued by the City pursuant to and in full compliance with the Constitution and laws of the state of Washington now in force, particularly chapters 35.22, 39.36, 39.46 and 39.53 RCW, and proceedings duly adopted and authorized by the Council, more particularly the Ordinance, for the purpose of providing money to pay, defease, redeem and/or retire the Refunded Bonds and to pay certain expenses incurred in connection with the issuance of the Bonds, as more particularly described in the Ordinance.

The Bonds are issued in fully registered form, in the denomination of \$5,000 each, or any integral multiple thereof.

The Bonds are unlimited tax general obligations of the City, and as such, the full faith, credit and resources of the City have been irrevocably pledged for the punctual and full payment of the principal of and interest on the Bonds. The Bonds are payable from *ad valorem* taxes levied and to be levied upon all the taxable property within the City, together with other legally available money, without limitation as to rate or amount, and are payable solely from the Debt Service Account.

The Bonds are subject to redemption as stated in the [Bond Purchase Contract] [Official Notice of Sale].

So long as the Bonds are in book-entry only form, the Registrar will notify DTC of an early redemption, not less than 20 days and not more than 60 days prior to the date fixed for redemption, and will provide such information as required by the operational arrangements of DTC referenced in the Blanket Letter of Representations from the City to DTC.

During any period in which the Bonds are not in book-entry only form, unless waived by any Registered Owner of the Bonds to be redeemed, notice of any redemption of Bonds will be given by the Registrar on behalf of the City by mailing a copy of a redemption notice by first-class mail, postage prepaid, not less than 20 days nor more than 60 days prior to the date fixed for redemption, to the Registered Owners of each Bond to be redeemed at the address shown on the Bond Register or at such other address as is furnished in writing by such Registered Owners to the Registrar. The City reserves the right to rescind any redemption notice no later than one business day prior to the date fixed for redemption.

The City has reserved the right to purchase any or all of the Bonds on the open market at any time and at any price. To the extent the City purchases the Term Bonds on the open market,

the City may reduce, at its discretion, the amount of any mandatory sinking fund deposit or deposits by an aggregate principal amount equal to the principal amount of the Term Bonds so purchased. Any Bonds so purchased or redeemed shall be canceled.

The City and the Registrar may deem and treat the Registered Owner of this Bond as the absolute owner of this Bond for the purpose of receiving payments of principal and interest due on this Bond and for all other purposes, and neither the City nor the Registrar shall be affected by any notice to the contrary.

This Bond is transferable or exchangeable by the Registered Owner hereof in person, or by its attorney duly authorized in writing, upon due completion of the Assignment appearing hereon and upon presentation and surrender of this Bond at the designated corporate trust office of the Registrar. Upon such transfer or exchange, a new Bond or Bonds of any authorized denomination, of the same maturity and interest rate, and for the same aggregate principal amount of the Bond being surrendered will be issued to the transferee or exchangee, in exchange therefor. The Registrar is not required to transfer or exchange any Bond during the 15 days preceding any principal or interest payment date.

Reference is hereby made to the Ordinance for the covenants and declarations of the City and other terms and conditions under which this Bond and the Bonds of this series have been issued. The covenants contained herein and in the Ordinance, as they may apply to this Bond, may be discharged by making provision, at any time, for the payment of the principal of and interest on this Bond in the manner provided in the Ordinance.

This Bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Ordinance until the Certificate of Authentication hereon is manually signed by the Registrar.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things essential to the validity of this Bond and the Bonds of this series do exist, have happened, been done and been performed and that the City has complied with every requirement of the Constitution and the laws of the State now in force and the ordinances and resolutions of the City, particularly the Ordinance, affecting the issue hereof, and that the issuance of this Bond and the Bonds of this series does not exceed any constitutional, statutory or other limitation upon the amount of bonded indebtedness that the City may incur.

IN WITNESS WHEREOF, City of Spokane, Washington, has caused this Bond to be signed with the facsimile or manual signature of the Mayor, to be attested by the facsimile or manual signature of the City Clerk, and the corporate seal of the City to be reproduced hereon, all as of this \_\_\_\_ day of \_\_\_\_\_ 2025.

CITY OF SPOKANE, WASHINGTON

By \_\_\_\_\_  
Mayor

ATTEST:

\_\_\_\_\_  
City Clerk

[SEAL]

-----  
**CERTIFICATE OF AUTHENTICATION**

Date of Authentication:

This Bond is one of the City of Spokane Unlimited Tax General Obligation Refunding Bonds, Series 2025, dated \_\_\_\_\_, 2025, and described in the within-mentioned Ordinance.

WASHINGTON STATE FISCAL AGENT  
as Registrar

By \_\_\_\_\_  
Authorized Signatory

**ASSIGNMENT**

FOR VALUE RECEIVED, the undersigned sells, assigns, and transfers unto

Name and address of Assignee:

Social Security or Federal Employer  
Identification Number of Assignee:

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

\_\_\_\_\_

the within Bond and does hereby irrevocably constitute and appoint \_\_\_\_\_,  
attorney, to transfer said Bond on the books kept for registration thereof with full power of  
substitution in the premises.

Dated: \_\_\_\_\_

Signature of Registered Owner:

\_\_\_\_\_

NOTICE: The signature to this assignment  
must correspond with the name of the  
registered owner as it appears upon the face of  
the within Bond in every particular, without  
alteration or enlargement or any change  
whatever.

Signature guaranteed:

\_\_\_\_\_

(Bank, Trust Company, or Firm)

[End of Form of Bond]

**EXHIBIT “B”**

**CITY OF SPOKANE  
SPOKANE COUNTY, WASHINGTON**

**UNLIMITED TAX GENERAL OBLIGATION REFUNDING BONDS, SERIES 2025**

**FORM OF ESCROW AGREEMENT**

This **ESCROW AGREEMENT** is made and entered into as of \_\_\_\_\_, 2025, by and between the City of Spokane, Washington (the “**City**”), a municipal corporation and first-class charter city duly organized and existing under the laws of the State of Washington (the “**State**”), and [U.S. Bank Trust Company National Association, Seattle, Washington] (the “**Refunding Trustee**”), with respect to the redemption of certain bonds, as provided for in Ordinance No. [\_\_\_\_\_] adopted by the City Council of the City on April 21, 2025 (the “**Ordinance**”). Unless otherwise defined in this Escrow Agreement, all capitalized terms shall have the meanings set forth in Section 1 of the Ordinance.

**W I T N E S S E T H**

**WHEREAS**, the City Council of the City (the “**Council**”) authorized this Escrow Agreement to be executed pursuant to Section 11 of the Ordinance; and

**WHEREAS**, the City reserved the right and option to redeem the outstanding 2015 Bonds maturing on or after December 1, 2025, prior to their stated maturity dates at any time on or after December 1, 2024, in whole or in part (maturities to be selected by the City and within a maturity in such manner as DTC shall determine), at par plus accrued interest to the date fixed for redemption; and

**WHEREAS**, after due consideration, the Council has determined that it will be advantageous to the City to pay, [defease] redeem and retire [all] [a portion] of the 2015 Bonds maturing on December 1 in the years 20[25] through 20[34], inclusive (the “**Refunded Bonds**”), by the sale, issuance and delivery of refunding bonds and to execute the refunding plan as detailed in the Ordinance; and

**WHEREAS**, in order to effect such refunding plan in the manner that will be most advantageous to the City, the Council has determined to [acquire certain government obligations from a portion of bond proceeds] and other available money that bear interest and mature at such times as necessary to pay interest, when due, on the Refunded Bonds, up to and including [REDEMPTION DATE], 2025, and redeem the Refunded Bonds on [REDEMPTION DATE], 2025, at a price equal to 100 percent of the principal to be redeemed plus accrued interest to the date of redemption; and

**NOW, THEREFORE**, in consideration of the premises and the mutual covenants hereinafter contained, the parties hereto covenant, agree and bind themselves as follows:

**Section 1.** *Acceptance of Refunding Trustee Duties.* [U.S. Bank Trust Company National Association, Seattle, Washington], hereby accepts its appointment by the Designated Representative of the City as the Refunding Trustee with respect to the Refunded Bonds.

**Section 2.** *City Representations.* The City represents to the Refunding Trustee that: (a) the City is a municipal corporation and first-class charter city duly organized and existing under the laws of the State; and (b) the City is authorized to enter into this Escrow Agreement.

**Section 3.** *Refunding Trustee Representations.* The Refunding Trustee represents to the City that: (a) the Refunding Trustee is a trust company or state or national bank having the powers of a trust company within or without the State; and (b) the Refunding Trustee is authorized to enter into this Escrow Agreement.

**Section 4.** *The Escrow Account.* The Refunding Trustee hereby agrees to establish, hold, invest and otherwise administer the Escrow Account in the manner provided by the Ordinance. In the furtherance of the foregoing, the Refunding Trustee will, on behalf of the City, use the Net Bond Proceeds and other money, if any, deposited with the Refunding Trustee to purchase Government Obligations in the amounts, of the type, bearing interest and maturing as set forth in the following schedule:

<u>Type of Obligation</u>	<u>Par Amount</u>	<u>Interest Rate</u>	<u>Delivery Date</u> __/__/2025	<u>Maturity Date</u>
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**Section 5.** *Receipt of Certain Money.* Execution of this Escrow Agreement by the Refunding Trustee shall constitute written acknowledgment by the Refunding Trustee of its receipt from the City of \$\_\_\_\_\_, \$\_\_\_\_\_ of which will be invested in Government Obligations, \$\_\_\_\_\_ of which will be held as an initial cash balance and the balance of \$\_\_\_\_\_ will be used to pay costs of issuance of the Bonds at the direction of the Designated Representative.

**Section 6.** *Sufficiency of Government Obligations.* Based on the escrow verification report of [VERIFICATION AGENT], the City represents that the Government Obligations and the maturing principal thereof and the interest thereon, if paid when due, together with a beginning cash balance of \$\_\_\_\_\_, will be sufficient to make the payments described in Section 7 hereof.

**Section 7.** *Payments on the Refunded Bonds.* The Refunding Trustee will transfer money from the Escrow Account to the Washington State Fiscal Agent in the amounts, and at the times, necessary to enable the Washington State Fiscal Agent to make the payments described in the following schedule:

<u>Payment Date</u> *	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
	\$	\$	\$

\* Redemption Date.

**Section 8.** *The Government Obligations.* The Refunding Trustee will purchase the Government Obligations described in Section 4 above, on behalf of the City, from the Bond proceeds and other money, if any, deposited with the Refunding Trustee on the date the Bonds are issued. The Refunding Trustee will use such Government Obligations, and the earnings thereon, for the sole purpose of making the transfers to the Washington State Fiscal Agent described in Section 7 hereof. The Refunding Trustee will not allow any Government Obligations to be liquidated prior to maturity without: (a) the City's written consent; (b) receiving a supplemental verification addressed to the City and the Refunding Trustee of an independent firm of certified public accountants or a nationally recognized financial advisor, which shall be satisfactory to nationally recognized bond counsel, that the money and Government Obligations on deposit after such liquidation will be sufficient to effect the defeasance and/or refunding of the Refunded Bonds; and (c) receiving the written opinion of nationally recognized bond counsel that such redemption would not cause the interest on the Refunded Bonds or the Bonds to become includable in gross income for federal income tax purposes.

**Section 9.** *Safekeeping of Money and Investments.* All Government Obligations, money and investment income deposited with or received by the Refunding Trustee pursuant to this Escrow Agreement shall be subject to the trust created by this Escrow Agreement, and the Refunding Trustee shall be liable for the safekeeping thereof. All money deposited with the Refunding Trustee or received by the Refunding Trustee as maturing principal or interest on the Government Obligations prior to the times the Refunding Trustee is required to make the payments described in Section 7 of this Escrow Agreement shall be held uninvested, in cash, by the Refunding Trustee.

**Section 10.** *Substitution of the Government Obligations.* The Refunding Trustee acknowledges the City's right to substitute Government Obligations for investments in the Escrow Account. The Refunding Trustee will cooperate with the City in making any such substitution, so long as prior to each such substitution, the City obtains: (1) a supplemental verification addressed to the City and the Refunding Trustee from a nationally recognized firm of independent certified public accountants or from a nationally recognized financial advisor, which shall be satisfactory to nationally recognized bond counsel, that the money and Government Obligations on deposit in the Escrow Account after such substitution will be sufficient to effect the defeasance and/or refunding of the Refunded Bonds and that such substitute Government Obligations are noncallable; and (2) a written opinion addressed to the City from nationally recognized bond counsel that such substitution will not cause the interest on the Refunded Bonds or the Bonds to become includable in gross income for federal income tax purposes.

**Section 11.** *Transfer of Surplus Money Prior to Full Redemption.* The Refunding Trustee will transfer to the City any money remaining on deposit in the Escrow Account prior to the payment in full of the Refunded Bonds if the City furnishes to the Refunding Trustee: (a) a supplemental verification addressed to the City and the Refunding Trustee of an independent firm of certified public accountants or a nationally recognized financial advisor, which shall be satisfactory to nationally recognized bond counsel, that the money and Government Obligations on deposit after such transfer will be sufficient to effect the defeasance and/or refunding of the Refunded Bonds; and (b) an opinion addressed to the City and to the Refunding Trustee from

nationally recognized bond counsel that such transfer will not cause the interest on the Refunded Bonds or the Bonds to become includable in gross income for federal income tax purposes.

**Section 12.** *Transfer of Surplus Money After Full Redemption.* The Refunding Trustee will transfer to the City any money remaining on deposit in the Escrow Account after the payment, redemption and retirement in full of all of the Refunded Bonds.

**Section 13.** *Notices of [Defeasance and Redemption].* [The Refunding Trustee will cause notice of the defeasance of the Refunded Bonds to be given, substantially in the form set forth in Attachment I hereto, not later than [10] days after the Bonds are delivered to the Underwriter by the City. The notice of defeasance shall be given to the Municipal Securities Rulemaking Board.] [The Refunding Trustee will direct the Washington State Fiscal Agent to give notice, or cause notice to be given, at the expense of the City, of the redemption of the Refunded Bonds in the form and manner required by the 2015 Ordinance. Such notice of redemption shall be substantially in the form set forth in Attachment II hereto, and shall be given not less than 20 nor more than 60 days prior to the redemption date.]

**Section 14.** *Limitation of Refunding Trustee's Duties.* The duties and obligations of the Refunding Trustee shall be prescribed by the provisions of this Escrow Agreement and the Ordinance, and the Refunding Trustee shall not be liable except for the performance of its duties and obligations as specifically set forth herein or therein and the duty to act in good faith in the performance thereof and no implied duties or obligations shall be incurred by such Refunding Trustee other than those specified herein and therein. Nothing contained herein shall require the Refunding Trustee to advance its own money or otherwise to incur any financial liability to carry out its obligations hereunder. The Refunding Trustee shall not be responsible or liable for: (a) the sufficiency, correctness, genuineness or validity of the Government Obligations; (b) the performance or compliance by any party other than the Refunding Trustee with the terms or conditions of any such instruments; or (c) any loss which may occur by reason of forgeries, false representations or the exercise of the Refunding Trustee's discretion in any particular manner, unless such exercise is negligent or constitutes willful misconduct.

**Section 15.** *Interpleader.* If any controversy arises between the City and any third person, the Refunding Trustee shall not be required to determine the same or to take any action in the premises, but it may institute, in its discretion, an interpleader or other proceedings in connection therewith as it may deem proper, and in following either course, it shall not be liable.

**Section 16.** *Reporting Requirements.* For as long as any of the Refunded Bonds are outstanding, the Refunding Trustee shall render a statement as of the last day of the month on a semi-annual basis commencing December 1, 2025, to the Chief Financial Officer setting forth: (a) the Government Obligations which have matured and the amounts received by the Refunding Trustee by reason of such maturity; (b) the amounts paid to the Washington State Fiscal Agent pursuant to Section 7 of this Escrow Agreement and the dates of such payments, for payments on the Refunded Bonds; and (c) any other transactions of the Refunding Trustee pertaining to its duties and obligations as set forth herein.



**Section 17.** *Compensation of the Refunding Trustee.* The Refunding Trustee hereby acknowledges payment for services rendered and to be rendered by it pursuant to the provisions of this Escrow Agreement of all fees, compensation and expenses of the Refunding Trustee. The Refunding Trustee hereby agrees that such compensation has been made to the satisfaction of the Refunding Trustee. Such amount does not take into consideration any extraordinary fees and expenses of the Refunding Trustee. The Refunding Trustee represents that it has incurred no extraordinary fees and expenses pertaining to this Escrow Agreement. The Refunding Trustee shall comply with the requirements of the following paragraph before incurring any extraordinary fees and costs to be billed to the City. The Refunding Trustee acknowledges that it is not entitled to a lien on any Government Obligations or other obligations or money of the City held by it pursuant to this Escrow Agreement or any other agreement.

The Refunding Trustee shall provide the City with a good faith estimate of its fees and costs if and when it is requested by the City to: (a) render any service that is not provided for in this Escrow Agreement; (b) amend this Escrow Agreement; or (c) substitute securities under this Escrow Agreement. The City will pay the Refunding Trustee reasonable compensation for such unanticipated services, provided the City is first provided with such estimate and approves thereof in writing.

**Section 18.** *Amendments to this Escrow Agreement.* The Refunding Trustee and the City recognize that the owners of the Refunded Bonds have a beneficial interest in the money and the Government Obligations to be held in trust by the Refunding Trustee pursuant to this Escrow Agreement. Therefore, this Escrow Agreement shall be subject to amendment only in writing executed by the City and the Refunding Trustee for the purposes of: (a) clarifying an ambiguity in the duties and obligations set forth hereunder; or (b) altering the reporting or other ministerial obligations of the Refunding Trustee to the City. The parties will not amend this Escrow Agreement in such a manner as to permit the Refunding Trustee to invest in or deposit in the Escrow Account any obligations other than noncallable, nonprepayable obligations of, or obligations unconditionally guaranteed by, the United States of America. Each amendment to this Escrow Agreement shall be accompanied by an opinion addressed to the City and to the Refunding Trustee from nationally recognized bond counsel that such amendment will not cause the interest on the Refunded Bonds or the Bonds to become includable in gross income for federal income tax purposes. In addition, if such amendment results in any change of the maturities, interest earnings or redemption features of the Government Obligations, then such amendment shall also be accompanied by a supplemental verification addressed to the City and to the Refunding Trustee from an independent firm of certified public accountants or a nationally recognized financial advisor, which shall be satisfactory to nationally recognized bond counsel, that the money and Government Obligations on deposit after the amendment will be sufficient to effect the defeasance and/or refunding of the Refunded Bonds.

**Section 19.** *Notification of Deficiency.* The Refunding Trustee will give the City prompt notice if the Refunding Trustee shall determine there are or will be insufficient money or Government Obligations to make the payments specified in Section 7 of this Escrow Agreement, and the City shall promptly deposit with the Refunding Trustee additional sums of money required to correct such deficiencies. This Section 19 is not intended to create an obligation on the part of the Refunding Trustee to calculate or in any way verify the sufficiency or projected

future sufficiency of the maturing principal of and interest on the Government Obligations and other money held by the Refunding Trustee pursuant to this Escrow Agreement to pay the debt service on the Refunding Bonds.

**Section 20.** *Successor Refunding Trustee.* The Refunding Trustee shall, upon receiving a written request from the City, or may, upon providing 30 days prior written notice to the City, be removed as Refunding Trustee hereunder; provided, the Refunding Trustee will not relinquish its duties hereunder until a qualified successor accepts its appointment. The City shall promptly appoint a successor Refunding Trustee upon the removal of the Refunding Trustee; *provided*, the Refunding Trustee may petition a court of competent jurisdiction for the appointment of a successor Refunding Trustee if the successor Refunding Trustee appointed by the City does not accept its appointment within 45 days after the giving of notice described in the preceding sentence. Any successor Refunding Trustee shall meet the requirements of RCW 39.53.070, as now in effect or hereafter amended, and shall assume all the obligations of the Refunding Trustee under this Escrow Agreement. All the Government Obligations and money then held by the Refunding Trustee pursuant to this Escrow Agreement shall thereafter be transferred to such successor.

Any corporation or association into which the Refunding Trustee may be merged or with which it may be consolidated, or any corporation or association resulting from any merger, consolidation or reorganization to which the Refunding Trustee may be a party, or any corporation or association to which the Refunding Trustee may sell or transfer all or substantially all of its corporate trust business, shall be the successor to the Refunding Trustee without the execution or filing of any paper or any further act on the part of the City or the Refunding Trustee.

**Section 21.** *Receipt of Statements.* The Refunding Trustee hereby acknowledges receipt from the City of statements setting forth the interest payment schedules and maturity schedules of the Refunded Bonds by number, amount, date of maturity and interest rates, the amount of interest to be paid on each semiannual interest payment date of such bonds, if any, and the amount of the principal to be paid on the date that the Refunded Bonds are to be redeemed.

**Section 22.** *Holidays.* If the date for making any payment or the last date for performance of any act or the exercising of any right or duty, as provided in this Escrow Agreement, shall be a legal holiday, a day on which banking institutions in Seattle, Washington, and New York, New York, are authorized by law to remain closed, or a day on which the New York Stock Exchange is closed, such payment may be made, such act performed, or such right exercised on the next succeeding day, with the same force and effect as if done on the nominal date provided in this Escrow Agreement.

**Section 23.** *Term.* The term of this Escrow Agreement shall commence on the date the Bonds are delivered to the Underwriter and shall expire on the later of: (a) the date the final payment is made pursuant to Section 7 hereof; (b) the date any surplus money remaining in the Escrow Account is transferred to the City pursuant to Section 12 hereof; and (c) the date the final statement required by Section 16 hereof is received by the City. Notwithstanding the expiration

of this Escrow Agreement, the Refunding Trustee shall not be relieved of any liability for a breach of this Escrow Agreement occurring during the term hereof.

**Section 24.** *Writings Required.* Any notice, authorization, request or demand required or permitted to be given in accordance with the terms of this Escrow Agreement shall be in writing.

**Section 25.** *Governing Law.* This Escrow Agreement shall be governed by and construed in accordance with the laws of the State, without regard to conflict of law principles.

**Section 26.** *Severability.* In the event any one or more of the provisions contained in this Escrow Agreement shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision of this Escrow Agreement, and this Escrow Agreement shall be construed as if such invalid or illegal or unenforceable provision had never been contained herein. If any portion of this Escrow Agreement is amended, severed or revoked, the City agrees to notify any rating agency with a current rating on the Bonds prior to such action.

**Section 27.** *Counterparts.* This Escrow Agreement may be executed in several counterparts, each of which shall be regarded as the original and all of which shall constitute one and the same Escrow Agreement.

CITY OF SPOKANE  
Spokane County, Washington

( S E A L )

---

Matthew Boston, Designated Representative

ATTEST:

---

Terri L. Pfister, City Clerk

[U.S. BANK TRUST COMPANY NATIONAL  
ASSOCIATION, Seattle, Washington], as Refunding  
Trustee

---

[Aaron Fong, Vice President]

ATTACHMENT "I"

NOTICE OF DEFEASANCE

CITY OF SPOKANE  
SPOKANE COUNTY, WASHINGTON

UNLIMITED TAX GENERAL OBLIGATION BONDS, SERIES 2015

NOTICE IS HEREBY GIVEN that pursuant to the provisions of Section [ ] of Ordinance No. C35207, adopted on December 15, 2014 by the City Council of the City of Spokane, Washington (the "City"), the City has defeased [all] [a portion of] its outstanding Unlimited Tax General Obligation Bonds, Series 2015 (the "Refunded Bonds"), as set forth below, by depositing certain Government Obligations, together with other legally available money of the City, in an escrow account held by [U.S. Bank Trust Company National Association of Seattle, Washington], as Refunding Trustee.

[Refunded Bonds]

Maturity Date (December 1)	Principal Amounts	Interest Rates	CUSIP Nos.
2025	\$1,295,000	3.00%	849067 S38
2026	1,615,000	4.00	849067 S46
2027	1,970,000	4.00	849067 S53
2028	5,770,000	4.00	849067 S61
2029	6,315,000	4.00	849067 S79
2030	6,895,000	4.00	849067 S87
2031	7,505,000	4.00	849067 S95
2032	8,160,000	3.00	849067 T29
2033	8,770,000	4.00	849067 T37
2034	9,500,000	4.00	849067 T45]

The Refunded Bonds will become due and will be redeemed and paid on [ ], 2025, at the redemption price of par, together with interest accrued to such date. Interest on the Refunded Bonds shall cease to accrue on and after [REDEMPTION DATE], 2025, whether or not such Refunded Bonds are presented for redemption.

[U.S. BANK TRUST COMPANY NATIONAL ASSOCIATION, Seattle, Washington], as Refunding Trustee

By: \_\_\_\_\_  
Trust Officer

Dated: \_\_\_\_\_, 2025.

**ATTACHMENT "II"**

**NOTICE OF REDEMPTION**

**CITY OF SPOKANE  
SPOKANE COUNTY, WASHINGTON**

**UNLIMITED TAX GENERAL OBLIGATION BONDS, SERIES 2015**

NOTICE IS HEREBY GIVEN that pursuant to the provisions of Section 4 of Ordinance No. C35207, adopted on December 15, 2014 by the City Council of the City of Spokane, Washington (the "City"), the City has called for redemption on [REDEMPTION DATE], 2025, \$[57,795,000] principal amount of its outstanding City of Spokane Unlimited Tax General Obligation Bonds, Series 2015, dated January 27, 2015, that mature on December 1 in the years 20[25] through 20[34], inclusive (the "Refunded Bonds"), as set forth below:

<b>[Refunded Bonds]</b>			
<b>Maturity Date (December 1)</b>	<b>Principal Amounts</b>	<b>Interest Rates</b>	<b>CUSIP Nos.</b>
2025	\$1,295,000	3.00%	849067 S38
2026	1,615,000	4.00	849067 S46
2027	1,970,000	4.00	849067 S53
2028	5,770,000	4.00	849067 S61
2029	6,315,000	4.00	849067 S79
2030	6,895,000	4.00	849067 S87
2031	7,505,000	4.00	849067 S95
2032	8,160,000	3.00	849067 T29
2033	8,770,000	4.00	849067 T37
2034	9,500,000	4.00	849067 T45]

The Refunded Bonds will become due and will be redeemed and paid on [REDEMPTION DATE], 2025, at the redemption price of 100 percent of the principal to be redeemed, together with interest accrued to such date. Interest on the Refunded Bonds shall cease to accrue on and after [REDEMPTION DATE], 2025, whether or not such Refunded Bonds are presented for redemption.

On [REDEMPTION DATE], 2025, the Refunded Bonds designated will become due and payable at the specified redemption price at the following address:

In Person or By Mail: [Washington State Fiscal Agent]  
[address]  
\_\_\_\_\_ [ZIP Code]

U.S. Bank Trust Company National Association, as Refunding Trustee, shall not be held responsible for the selection or use of the CUSIP number, nor is any representation made as to its correctness indicated in this Redemption Notice. It is included solely for convenience of the Registered Owners.

[insert relevant federal and state law tax consequences of redemption payments]

No representation is made as to the correctness of the number either as printed on the Refunded Bonds or as contained in any notice of redemption and reliance may be placed only on the identification numbers printed on the Refunded Bonds.

Dated: \_\_\_\_\_, 2025.

WASHINGTON STATE FISCAL AGENT

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

## EXHIBIT “C”

### CONTINUING DISCLOSURE UNDERTAKING

This Continuing Disclosure Undertaking (this “**Undertaking**”) is executed and delivered by the City of Spokane, Washington (the “**City**”) in connection with the issuance of \$ \_\_\_\_\_ Unlimited Tax General Obligation Refunding Bonds, Series 2025 (the “**Bonds**”) of the City. The Bonds are being issued pursuant to Ordinance No. [\_\_\_\_], adopted by the City Council of the City (the “**Council**”) on April 21, 2025 (the “**Ordinance**”).

A. *Limitation of Rights.* The City intends that this Undertaking constitutes the City’s undertaking to provide the information and notices described by Rule 15c2-12 (as defined below) with respect solely to the Bonds (the “**Undertaking**”). Notwithstanding any other provision of the Ordinance to the contrary, neither the Holder or the Registered Owner of bonds of any series other than the Bonds, nor any trustee acting on their behalf, shall be entitled to any right or to exercise any remedy provided to the Holders under this Undertaking based upon the City’s failure to observe, or refusal to comply with, the covenants contained in this Undertaking.

B. *Definitions for Purposes of this Undertaking*

Solely for the purposes of this Undertaking, the following terms shall have the following meanings unless the context otherwise requires:

“*Annual Financial Information*” means an annual update of the financial information and operating data of the type set forth in the Audited Financial Statements which shall include statements of: \_\_\_\_\_, commencing September 30, 2025.

“*Audited Financial Statements*” means, with respect to the City, financial statements prepared and audited pursuant to the laws of the State (presently RCW 43.09.200 through 43.09.285), as such laws may be amended from time to time, and with respect to Obligated Persons, financial statements prepared and audited in such manner as is described in the Annual Financial Information regarding the Obligated Person, if such Obligated Person exists in the future. Presently, there are no Obligated Persons (other the City) with respect to the Bonds.

“*EMMA*” means the Electronic Municipal Market Access facility for municipal securities disclosure of the MSRB.

“*Financial Obligation*” means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term “Financial Obligation” does not include municipal securities as to which a final official statement has been provided to the MSRB consistent with Rule 15c2-12.

“*Holder*” means any Registered Owner of a Bond and any person who, directly or indirectly, through any contract, arrangement, understanding, relationship or otherwise, has or shares: voting power which includes the power to vote, or to direct the voting of, any such bond; and/or investment power which includes the power to dispose, or direct the disposition of, any such bond.

“MSRB” means the Municipal Securities Rulemaking Board or any successor in functions thereto.

“Obligated Person” shall have the meaning specified in Rule 15c2-12

“Official Statement” means the City’s official statement relating to the Bonds, together with any amendments thereto.

“Required Filings” means any filing made pursuant to Sections this Undertaking.

“Rule 15c2-12” means Rule 15c2-12 of the SEC, as amended.

“SEC” means the Securities and Exchange Commission or any successor in functions thereto.

#### C. *Annual Financial Information*

The City will provide to EMMA not later than the last day of the ninth month after the end of each fiscal year, commencing on or before September 30, 20[25], Annual Financial Information for the City in an electronic format as prescribed by the MSRB, accompanied by identifying information as prescribed by the MSRB. Presently, the City’s fiscal year commences on January 1. All or any portion of the Annual Financial Information may be incorporated in the Annual Financial Information by cross reference to any other documents which have been filed with: (1) EMMA; or (2) the SEC; or (3) if the document is an official statement, with the MSRB.

Annual Financial Information for any fiscal year containing any modified operating data or financial information for such fiscal year shall explain, in narrative form, the reasons for such modification and the effect of such modification on the Annual Financial Information being provided for such fiscal year. If a change in accounting principles is included in any such modification, the initial Annual Financial Information after such modification shall present a comparison between the financial statements or information prepared on the basis of the modified accounting principles and those prepared on the basis of the former accounting principles. The City will provide notice of the modification of operating data or financial information or change in accounting principles to EMMA.

#### D. *Audited Financial Statements*

To the extent the City’s Audited Financial Statements are not submitted as part of the Annual Financial Information under Paragraph C, the City will provide to EMMA the Audited Financial Statements of the City (commencing with the audited financial statements for the fiscal year ending December 31, 2024), when and if such Audited Financial Statements are available.

#### E. *Listed Event Notices*

The City will provide to EMMA, within 10 business days of the occurrence, notice of any of the following events with respect to the Bonds:

1. Principal and interest payment delinquencies;
2. Non-payment related defaults, if material;



3. Unscheduled draws on debt service reserves reflecting financial difficulties;
4. Unscheduled draws on credit enhancements reflecting financial difficulties;
5. Substitution of credit or liquidity providers, or their failure to perform;
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701 TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security;
7. Modifications to rights of security holders, if material;
8. Bond calls, if material, and tender offers;
9. Defeasances;
10. Release, substitution or sale of property securing repayment of the securities, if material;
11. Rating changes;
12. Bankruptcy, insolvency, receivership or similar event of the City;<sup>1</sup>
13. The consummation of a merger, consolidation or acquisition involving the City or the sale of all or substantially all of the assets of the City, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
14. Appointment of a successor or additional trustee or the change of name of a trustee, if material;
15. Incurrence of a Financial Obligation of the City, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Obligated Person, any of which affect security holders, if material; and
16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the City, any of which reflect financial difficulties.

F. *Notice of Late Filing*

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<sup>1</sup> This event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the City in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the City, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the City.

The City will provide to EMMA in a timely manner, not in excess of 10 business days after the occurrence of the event, notice of a failure of the City to provide the required Annual Financial Information on or before the date specified in this Section.

G. *Term of this Undertaking*

The term of this Undertaking shall commence on the date of closing and initial delivery of the Bonds to the Registered Owners, and shall terminate when the Bonds shall have been paid in full or defeased in accordance with the Ordinance. The City shall provide notice of such defeasance to EMMA; provided, such notice shall not be a condition to such defeasance.

H. *Amendments*

Notwithstanding any provision of the Ordinance to the contrary, the City may amend this Undertaking in conformity with Rule 15c2-12, as interpreted from time to time by the courts of competent jurisdiction, the SEC, or the SEC staff. Upon the adoption of any amendment to the Rule, this Undertaking shall be deemed to be modified and amended in accordance therewith, and the respective rights, duties and obligations of the City and all Holders under this Undertaking shall thereafter be determined, exercised and enforced thereunder, subject in all respects to such modification and amendments, and all terms and conditions of any such amendment shall be deemed to be part of the terms and conditions of this Undertaking for any and all purposes. If the consent of Holders is necessary for such amendment, only the Holders of the Bonds shall be considered for purposes of determining whether such consent has been rendered.

I. *Additional Information*

Nothing in this Undertaking shall be deemed to prevent the City from disseminating any other information, using the means of dissemination set forth in this Undertaking or any other means of communication, or including any other information in any Required Filing, in addition to that which is required by this Undertaking. If the City chooses to include any information in any Required Filing in addition to that which is specifically required by this Undertaking, the City shall have no obligation under this Undertaking to update such information or include it in any future Required Filing.

J. *Defaults of this Undertaking*

If the City shall fail to comply with any provision of this Undertaking, then any Holder may enforce, for the equal benefit and protection of all Holders similarly situated, by mandamus or other suit or proceeding at law or in equity, such provision against the City and any of the officers, agents and employees of the City, and may compel the City or any such officers, agents or employees to perform and carry out their duties under this Undertaking; provided, that the sole and exclusive remedy for breach of this Undertaking shall be an action to compel specific performance of the obligations of the City hereunder and no person or entity shall be entitled to recover monetary damages hereunder under any circumstances.

K. *Rescission Rights*

The City hereby reserves the right to rescind this Undertaking without the consent of the Holders in the event Rule 15c2-12 is repealed by the SEC or is ruled to be invalid by a federal

court and the time to appeal from such decision has expired. In the event of a partial repeal or invalidation of Rule 15c2-12, the City hereby reserves the right to rescind those provisions of this Undertaking that were required by those parts of Rule 15c2-12 that are so repealed or invalidated.

L. *Dissemination Agent.*

The City may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Agreement, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent.

M. *EMMA*

Any filing under this Undertaking may be made solely by transmitting such filing to EMMA as provided at <http://emma.msrb.org>.

CITY OF SPOKANE  
Spokane County, Washington

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Matthew Boston, Designated Representative

**Agenda Sheet for City Council:****Committee:** Finance & Administration **Date:** 03/24/2025**Committee Agenda type:** Discussion**Date Rec'd**

3/19/2025

**Clerk's File #**

ORD C36665

**Cross Ref #****Project #****Council Meeting Date:** 04/21/2025**Submitting Dept**

FINANCE, TREASURY &amp; ADMIN

**Bid #****Contact Name/Phone**

MATT BOSTON 625-6585

**Requisition #****Contact E-Mail**

MBOSTON@SPOKANECITY.ORG

**Agenda Item Type**

First Reading Ordinance

**Council Sponsor(s)**

PDILLON MCATHCART

**Sponsoring at Administrators Request**

NO

**Lease?** NO**Grant Related?** NO**Public Works?** NO**Agenda Item Name**

0410 - WATER &amp; WASTEWATER REVENUE REFUNDING BOND

**Agenda Wording**

An ordinance authorizing the issuance and sale of the City's Water and Wastewater System Revenue Bond in an amount not to exceed \$112 million.

**Summary (Background)**

An ordinance authorizing the issuance and sale of the City's Water and Wastewater System Revenue Bond in an amount not to exceed \$112 million. This is to refund the City's outstanding 2014 Water and Wastewater Revenue Bonds.

**What impacts would the proposal have on historically excluded communities?**

N/A

**How will data be collected, analyzed, and reported concerning the effect of the program/policy by racial, ethnic, gender identity, national origin, income level, disability, sexual orientation, or other existing disparities?**

N/A

**How will data be collected regarding the effectiveness of this program, policy, or product to ensure it is the right solution?**

N/A

**Describe how this proposal aligns with current City Policies, including the Comprehensive Plan, Sustainability Action Plan, Capital Improvement Program, Neighborhood Master Plans, Council Resolutions, and others?**

N/A

**Council Subcommittee Review**

N/A

<b>Fiscal Impact</b>	
Approved in Current Year Budget?	N/A
Total Cost	\$
Current Year Cost	\$
Subsequent Year(s) Cost	\$
<b><u>Narrative</u></b>	
The point of this ORD is to allow significant flexibility to the CFO to allow them to refinance all or a portion of outstanding bonds at a better rate.	
<b>Amount</b>	<b>Budget Account</b>
Select \$	#
Select \$	#
Select \$	#
Select \$	#
Select \$	#
Select \$	#
<b>Funding Source</b> One-Time	
<b>Funding Source Type</b> Reallocation	
<b>Is this funding source sustainable for future years, months, etc?</b>	
<b>Expense Occurrence</b> One-Time	
<b>Other budget impacts (revenue generating, match requirements, etc.)</b>	
<b>Approvals</b>	
<b>Dept Head</b>	STRATTON, JESSICA
<b>Division Director</b>	STRATTON, JESSICA
<b>Accounting Manager</b>	BAIRD, CHRISTI
<b>Legal</b>	SCHOEDEL, ELIZABETH
<b>For the Mayor</b>	PICCOLO, MIKE
<b>Distribution List</b>	

CITY OF SPOKANE  
WATER AND WASTEWATER SYSTEM REVENUE REFUNDING BONDS,  
SERIES 2025

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ORDINANCE NO. C36665

AN ORDINANCE OF THE CITY OF SPOKANE, WASHINGTON, AUTHORIZING THE SALE, ISSUANCE AND DELIVERY OF NOT TO EXCEED \$112,000,000 OF THE CITY'S WATER AND WASTEWATER SYSTEM REVENUE REFUNDING BONDS, SERIES 2025 TO PAY, DEFEASE, REDEEM AND RETIRE ALL OR A PORTION OF THE CITY'S OUTSTANDING WATER AND WASTEWATER SYSTEM REVENUE BONDS, SERIES 2014; PROVIDING FOR THE DEFEASANCE, CALL, PAYMENT AND REDEMPTION OF THE REFUNDED BONDS; PROVIDING FOR THE OPTION OF SELLING THE BONDS BY COMPETITIVE OR NEGOTIATED SALE; AUTHORIZING THE EXECUTION OF AN ESCROW AGREEMENT; DELEGATING AUTHORITY TO THE DESIGNATED REPRESENTATIVE TO DETERMINE THE MANNER OF SALE AND TERMS OF THE BONDS UNDER THE CONDITIONS SET FORTH HEREIN; DESIGNATING A FISCAL AGENT; PROVIDING FOR THE REGISTRATION AND AUTHENTICATION OF THE BONDS; CREATING AND ADOPTING CERTAIN FUNDS AND ACCOUNTS AND PROVIDING FOR DEPOSITS THEREIN; COVENANTING TO COMPLY WITH CERTAIN FEDERAL TAX AND SECURITIES LAWS; DELEGATING CERTAIN ACTIONS IN CONNECTION WITH THE PRELIMINARY OFFICIAL STATEMENT AND THE OFFICIAL STATEMENT; DECLARING AN EMERGENCY; AND PROVIDING FOR OTHER MATTERS PROPERLY RELATING THERETO

Passed: April 21, 2025

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Prepared by:

Kutak Rock LLP

Spokane, Washington

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Exhibit “A”: Form of the Bond

Exhibit “B”: Form of Escrow Agreement

Exhibit “C”: Form of the Continuing Disclosure Undertaking



ORDINANCE NO. [ \_\_\_\_\_ ]

AN ORDINANCE OF THE CITY OF SPOKANE, WASHINGTON, AUTHORIZING THE SALE, ISSUANCE AND DELIVERY OF NOT TO EXCEED \$112,000,000 OF THE CITY'S WATER AND WASTEWATER SYSTEM REVENUE REFUNDING BONDS, SERIES 2025 TO PAY, DEFEASE, REDEEM AND RETIRE ALL OR A PORTION OF THE CITY'S OUTSTANDING WATER AND WASTEWATER SYSTEM REVENUE BONDS, SERIES 2014; PROVIDING FOR THE DEFEASANCE, CALL, PAYMENT AND REDEMPTION OF THE REFUNDED BONDS; PROVIDING FOR THE OPTION OF SELLING THE BONDS BY COMPETITIVE OR NEGOTIATED SALE; DELEGATING AUTHORITY TO THE DESIGNATED REPRESENTATIVE TO DETERMINE THE MANNER OF SALE AND TERMS OF THE BONDS UNDER THE CONDITIONS SET FORTH HEREIN; AUTHORIZING THE EXECUTION OF AN ESCROW AGREEMENT; DESIGNATING A FISCAL AGENT; PROVIDING FOR THE REGISTRATION AND AUTHENTICATION OF THE BONDS; CREATING AND ADOPTING CERTAIN FUNDS AND ACCOUNTS AND PROVIDING FOR DEPOSITS THEREIN; COVENANTING TO COMPLY WITH CERTAIN FEDERAL TAX AND SECURITIES LAWS; DELEGATING CERTAIN ACTIONS IN CONNECTION WITH THE PRELIMINARY OFFICIAL STATEMENT AND THE OFFICIAL STATEMENT; DECLARING AN EMERGENCY; AND PROVIDING FOR OTHER MATTERS PROPERLY RELATING THERETO

**WHEREAS**, the City of Spokane, Washington (the "**City**") is a municipal corporation and first-class charter city duly organized and existing under the laws of the State of Washington (the "**State**") and the Charter of the City; and

**WHEREAS**, the City now owns and operates a combined system of water supply and distribution system and wastewater treatment and disposal (the "**System**"); and

**WHEREAS**, the City is authorized and empowered by chapters 35.41, 39.46 and 39.53 RCW to issue revenue refunding bonds to redeem or retire the Refunded Bonds (as hereinafter defined);

**WHEREAS**, the City now has outstanding its Water and Wastewater System Revenue Bonds, Series 2014 (Green Bonds), issued on December 2, 2014, pursuant to Ordinance No. C35170, passed by the City Council of the City (the "**Council**") on October 27, 2014 (the "**2014 Bond Ordinance**"), in the original aggregate principal amount of \$181,225,000 (the "**2014 Bonds**"), which remain outstanding as follows:

<b>Outstanding 2014 Bonds</b>			
<u>Years</u> (December 1)	<u>Amounts</u>	<u>Interest</u> Rates	<u>CUSIP Nos.</u>

2025	\$ 9,185,000	5.00%	849103 AL0
2026	9,645,000	3.00	849103 AM8
2027	9,935,000	3.15	849103 AN6
2028	10,250,000	4.50	849103 AP1
2029	10,710,000	4.50	849103 AQ9
2030	11,190,000	4.00	849103 AR7
2031	11,640,000	4.00	849103 AS5
2032	12,105,000	4.00	849103 AT3
2033	12,590,000	3.75	849103 AU0
2034	13,060,000	3.75	849103 AV8

; and

**WHEREAS**, the Council wishes to delegate authority to the Designated Representative (as hereinafter defined) to approve the final principal amount of the Bonds, the date of the Bonds, denominations, the interest rates, the number of series, the series designation, the tax status of each series, payment dates, redemption provisions, minimum savings and maturity dates of the Bonds under such terms and conditions as are approved by this Ordinance; and

**WHEREAS**, the Council is desirous of taking all reasonable actions to enable it to defease and/or refund the Refunded Bonds in order to obtain maximum savings for the ratepayers of the City; and

**WHEREAS**, the Council has determined it to be in the best interest of the City to sell the Bonds at competitive sale or negotiated sale;

**NOW, THEREFORE, THE CITY OF SPOKANE DOES HEREBY FURTHER FIND, DETERMINE AND ORDAIN as follows:**

**Section 1: Definitions**

As used in this Ordinance, the following terms have the meanings provided in this Section 1.

**Accreted Value** means (1) with respect to any Capital Appreciation Bonds, as of any date of calculation, the sum of the amount set forth in the ordinance authorizing their issuance as the amount representing the initial principal amount of such Capital Appreciation Bonds plus the interest accumulated, compounded and unpaid thereon as of the most recent compounding date, or (2) with respect to Original Issue Discount Bonds, as of the date of calculation, the amount representing the initial public offering price of such Original Issue Discount Bonds plus the amount of discounted principal that has accreted since the date of issue. In any case, the Accreted Value shall be determined in accordance with the provisions of the ordinance authorizing the issuance of Balloon Maturity Bonds.

**Annual Debt Service** means, the sum of (1) the interest accruing on all Parity Bonds during any calendar year, assuming that all Parity Bonds are retired as scheduled, plus (2) the

principal amount (including principal due as sinking fund installment payments) allocable to all Parity Bonds then outstanding, minus (3) any federal subsidy legally available to pay the principal of or interest on Parity Bonds in the year of calculation. Annual Debt Service shall be net of any principal and/or interest funded out of Bond proceeds. Annual Debt Service shall include reimbursement obligations to providers of Credit Facilities to the extent authorized by ordinance. Annual Debt Service shall exclude the payments required to be made with respect to revenue bond anticipation notes to the extent that the ordinance authorizing their issuance provides that the bond anticipation notes will be funded with the proceeds of Future Parity Bonds.

***Approved Bid*** means the winning bid submitted for a series of the Bonds if such series is sold by competitive sale, as selected by the Designated Representative.

***Average Annual Debt Service*** shall mean the average amount of the Annual Debt Service which will become due on the Parity Bonds for the period from the date of such calculation until the final maturity date of such Parity Bonds then Outstanding.

***Balloon Maturity Bonds*** means any evidences of indebtedness of the City payable from Revenue of the System which are so designated in the ordinance or resolution pursuant to which such indebtedness is incurred.

***Base Period*** means any consecutive 12-month period selected by the City out of the 36-month period next preceding the date of issuance of an additional series of Future Parity Bonds.

***Bond Counsel*** shall mean Kutak Rock LLP or such other nationally recognized bond counsel firm as designated by the Council.

***Bond Purchase Contract*** means the contract between the City and the Underwriter pertaining to the sale and delivery of the Bonds, if the Bonds are sold by negotiated sale (including a private placement), as more fully described in Section 4 of this Ordinance.

***Bond Register*** means the registration records maintained by the Registrar on which shall appear the names and addresses of the Registered Owners.

***Bonds*** shall mean the herein authorized Bonds designated as the “City of Spokane, Washington, Water and Wastewater System Revenue Refunding Bonds, Series 2025” or such other designation as the Designated Representative shall determine.

***Capital Appreciation Bonds*** means any Future Parity Bonds, all or a portion of the interest on which is compounded, accumulated and payable only upon redemption or on the maturity date of such Capital Appreciation Bonds. If so provided in the ordinance authorizing their issuance, Future Parity Bonds may be deemed to be Capital Appreciation Bonds for only a portion of their term. On the date on which Future Parity Bonds no longer are Capital Appreciation Bonds, they shall be deemed outstanding in a principal amount equal to their Accreted Value.

**Chief Financial Officer** means the duly qualified, appointed and acting Chief Financial Officer of the City or any other officer who succeeds to the duties now delegated to that office.

**City** means the City of Spokane, a municipal corporation and first-class charter city duly organized and existing under the laws of the State of Washington and the Charter of the City.

**City Clerk** means the Clerk of the City or other officer of the City who is the custodian of the records of the proceedings of the Council or her successor in functions, if any.

**Code** shall mean the Internal Revenue Code of 1986, as amended, and any treasury regulations promulgated thereunder or applicable thereto.

**Continuing Disclosure Undertaking** shall mean the Continuing Disclosure Undertaking substantially in the form attached hereto as Exhibit "C."

**Consultant** means at any time an independent municipal financial consultant or advisor appointed by the City to perform the duties of the Consultant as required by this Ordinance. For the purposes of delivering any certificate required by Section 24 hereof and making the calculation required by Section 24 hereof, the term Consultant shall also include any independent public accounting firm or engineer appointed by the City to make such calculation or to provide such certificate.

**Costs of Maintenance and Operation** shall mean all necessary operating expenses, current maintenance expenses, expenses of reasonable upkeep and repairs, and insurance and administrative expense with respect to the System, but excludes depreciation, payments for debt service or into reserve accounts, costs of capital additions to or replacements of the System, municipal taxes, or payments to the City in lieu of taxes.

**Council** means the City Council as the general legislative authority of the City, as the same shall be duly and regularly constituted from time to time.

**Coverage Stabilization Account** shall mean the account of that name that shall, at the option of the Designated Representative, be created in the Revenue Fund and maintained pursuant to this Ordinance.

**Covered Bonds** means the Bonds, if designated as such by the Designated Representative, and any Future Parity Bonds, if designated as such in the ordinance authorizing their issuance, which are secured by the Reserve Account.

**Credit Event** means when (a) a Qualified Letter of Credit terminates, (b) the issuer of Qualified Insurance or a Qualified Letter of Credit shall become insolvent or no longer be in existence, or (c) a Qualified Letter of Credit or Qualified Insurance no longer meets the requirements established therefor in the definition thereof.

**Credit Facility** means a policy of municipal bond insurance, a letter of credit, surety bond, line of credit, guarantee or other financial instrument or any combination of the foregoing, which obligates a third party to make payment or provide funds for the payment of financial obligations of the City. There may be one or more Credit Facilities outstanding at any time.

**Designated Representative** means the Chief Financial Officer or the Director of the Utilities Division.

**Director of the Utilities Division** means the duly qualified, appointed and acting Director of the Utilities Division of the City or any other officer who succeeds to the duties now delegated to that office.

**DTC** means The Depository Trust Company, a limited-purpose trust company organized under the laws of the State of New York, which will act as securities depository for the Bonds.

**Escrow Account** means the City's "Water and Wastewater System Revenue and Refunding Bonds Escrow Account" which may be created by the Refunding Trustee to accomplish the defeasance and/or refunding of the Refunded Bonds.

**Escrow Agreement** means the agreement of that name by and between the City and the Refunding Trustee, which may be executed by the Designated Representative, if deemed necessary by the Designated Representative to effect the defeasance and/or refunding of the Refunded Bonds.

**Future Parity Bonds** means any water and wastewater system revenue bonds or other obligations which the City may hereafter issue having a lien upon the Revenue of the System for the payment of the principal thereof and interest thereon equal to the lien upon the Revenue of the System to pay the principal of and interest on the Bonds.

**Good Faith Deposit** has the meaning ascribed thereto in Section 6 hereof.

**Government Loans** means the PWTF Loans, State Revolving Fund Loans, and other subordinate lien revenue loans currently outstanding or received by the City in the future from the state of Washington or the United States of America.

**Government Obligations** means those obligations now or hereafter defined as such in Chapter 39.53 RCW.

**Letter of Representations** means the Blanket Issuer Letter of Representations from the City to DTC.

**Maximum Annual Debt Service** means, at the time of calculation, the maximum amount of Annual Debt Service in any fiscal year on all outstanding Parity Bonds and/or for

all subordinate lien evidences of indebtedness secured by Revenue of the System, as the context requires.

**Mayor** means the Mayor of the City or her successor in functions, if any.

**Municipal Advisor** means Northwest Municipal Advisors, Bellevue, Washington, as the City's municipal advisor with respect to the issuance of the Bonds, or such other municipal advisor as designated by the Council.

**MSRB** shall mean the Municipal Securities Rulemaking Board or any successor in functions thereto.

**Net Revenue** shall mean the Revenue of the System less the Costs of Maintenance and Operation.

**Official Notice of Sale** means, if the Bonds are sold by competitive sale, the notice of bond sale to be submitted to potential bidders for the Bonds and authorized to be given in Section 4 of this Ordinance.

**Ordinance** means this Ordinance adopted by the Council on April 21, 2025, authorizing the sale, issuance and delivery of the Bonds.

**Original Issue Discount Bonds** means Parity Bonds which are sold at an initial public offering price of less than 95% of their face value and which are specifically designated as Original Issue Discount Bonds in the ordinance authorizing their issuance.

**Outstanding**, when used with reference to a Bond, or a Parity Bond, as of any particular date, shall mean all such bonds that have been issued, executed, authenticated and delivered under this Ordinance or under any ordinance authorizing the issuance of any Parity Bonds, except (1) Bonds or Parity Bonds canceled because of payment or redemption prior to their stated dates of maturity, (2) any Bond (or portion thereof) deemed to have been paid within the meaning of Section 21 hereof, and (3) any Parity Bond (or portion thereof) deemed to have been paid pursuant to the ordinance under which it was issued.

**Parity Bonds** shall mean the Bonds, any 2014 Bonds that remain Outstanding following the issuance of the Bonds, and any Future Parity Bonds.

**Parity Requirement** means Net Revenues equal to or greater than 125% of Annual Debt Service for all Parity Bonds computed by deducting from Annual Debt Service the Annual Debt Service for each series or issue of Parity Bonds that is covered by ULID Assessments. In determining the amount of Annual Debt Service covered by ULID Assessments, Annual Debt Service for each future year is reduced by the dollar amount of ULID Assessments projected to be received during such future year, and the remaining outstanding ULID Assessments are assumed to be paid in the remaining number of annual installments with no prepayments. For purposes of determining whether the Parity Requirement has been met, transfers from the Coverage Stabilization Account shall not be taken into account.

**Participants** means those broker-dealers, banks and other financial institutions from time to time for which DTC holds the Bonds as securities depository.

**PWTF Loans** mean the loans from the State of Washington Department of Commerce under the Public Works Trust Fund loan program pursuant to any loan agreements existing as of the effective date of this Ordinance or hereafter entered into by the City under the Public Works Trust Fund loan program.

**Qualified Insurance** shall mean any noncancelable municipal bond insurance policy or surety bond issued by any insurance company licensed to conduct an insurance business in any state of the United States (or by a service corporation acting on behalf of one or more such insurance companies), which insurance company or service corporation, as of the time of issuance of such policy or surety bond, is rated in one of the two highest rating categories by Moody's Ratings, S&P Global Ratings, or Fitch Ratings or their comparably recognized business successors.

**Qualified Letter of Credit** shall mean any irrevocable letter of credit issued by a financial institution for the account of the City on behalf of the owners of any Parity Bonds, which institution maintains an office, agency or branch in the United States and as of the time of issuance of such letter of credit, is rated in one of the two highest rating categories by Moody's Ratings, S&P Global Ratings, or Fitch Ratings or their comparably recognized business successor.

**Rate Covenant** means Net Revenue in each fiscal year at least equal to 125% of the amounts required in such fiscal year to be paid as scheduled debt service (principal and interest) on all Parity Bonds, subtracting from scheduled debt service the amount of ULID Assessments collected in such year. Furthermore, in determining compliance with the Rate Covenant, Net Revenues are subject to adjustment to reflect the following: Revenue of the System and Costs of Maintenance and Operation may be adjusted, regardless of then applicable generally accepted accounting principles, for certain items (e.g., to omit unrealized gains or losses in investments) to more fairly reflect the System's annual operating performance. Scheduled debt service shall exclude the payments required to be made with respect to revenue bond anticipation notes to the extent that the proceedings authorizing their issuance provides that the bond anticipation notes will be funded with the proceeds of Future Parity Bonds. For purposes of determining compliance with the Rate Covenant, amounts withdrawn from the Coverage Stabilization Account shall increase Revenue of the System for the period in which they are withdrawn, and amounts deposited in the Coverage Stabilization Account shall reduce Revenue of the System for the period during which they are deposited. Credits to or from the Coverage Stabilization Account that occur within 90 days after the end of a fiscal year may be treated as occurring within such fiscal year.

**Redemption Date** means the date on which the Refunded Bonds will be redeemed, as selected by the Designated Representative.

**Refunded Bonds** means all or a portion of the 2014 Bonds maturing on and after December 1, 2025, as selected by the Designated Representative.

**Refunding Trustee** has the meaning ascribed thereto in Section 9 hereof.

**Registered Owner** means the person named as the registered owner of a Bond on the Bond Register.

**Registrar** means the Washington State Fiscal Agent, acting in the capacity as registrar, authenticating agent, paying agent and transfer agent of the Bonds, or its successors in functions, as now or hereafter designated.

**Reserve Account** shall mean the account of that name previously created in the Revenue Bond Fund and maintained pursuant to this Ordinance.

**Reserve Requirement** means the dollar amount to be calculated with respect to all Covered Bonds and separately with respect to other Parity Bonds.

(a) With respect to Covered Bonds, the Reserve Requirement shall be equal to the lesser of:

- (i) Maximum Annual Debt Service for Covered Bonds,
- (ii) 10% of the initial principal amount of Covered Bonds of each series,  
and
- (iii) 125% of average annual debt service for Covered Bonds;

provided, however, that 10% of the initial principal amount of Covered Bonds of each series may be contributed to the Reserve Account from any series of Covered Bonds.

(b) With respect to other series of Parity Bonds, the Reserve Requirement shall be equal to the amount specified in the ordinance authorizing the issuance of that series of Parity Bonds.

The Reserve Requirement shall be adjusted accordingly and remain in effect until the earlier of (i) at the City's option, a payment of principal of Parity Bonds, or (ii) the issuance of a subsequent series of Future Parity Bonds, at which time the Reserve Requirement shall be re-calculated.

**Revenue Bond Fund** means the "Water Revenue Bond Fund" previously created in the office of the Treasurer by Section 1 of Ordinance No. C34024 and previously renamed as the "Water-Wastewater Revenue Bond Fund" in the 2014 Bond Ordinance for the sole purpose of paying and securing the payment of the principal of, premium, if any, and interest on Parity Bonds.

**Revenue Fund** means the Water and Wastewater Revenue Fund of the City created by Section 1 of Ordinance No. C-34981, and known as the Water-Wastewater Fund and shall include cash accounts therein.

**Revenue of the System** means all of the earnings, revenues and money received by the City from or on account of the ownership and operation of the System and connection



and capital improvement charges collected for the purpose of defraying the cost of capital facilities of the System; including to the extent of internally approved policies of the City, investment earnings and income from investments of money in the Revenue Fund and the Revenue Bond Fund or from any other investment of Revenues; but excluding government grants, any federal subsidy legally available to pay the principal of or interest on Parity Bonds, proceeds from the sale of System property, City taxes collected by or through the System, principal proceeds of bonds and earnings or proceeds from any investments in a trust, defeasance or escrow fund created to defease or refund System obligations (until commingled with other earnings and revenues of the System) or held in a special account for the purpose of paying a rebate to the United States Government under the Code. *Revenue of the System* shall also include any federal or state reimbursements of operating expenses to the extent such expenses are included as *Costs of Maintenance and Operation of the System*; provided, however, that Revenue of the System shall not include ULID Assessments.

**Rule** shall mean the SEC's Rule 15c2-12 under the Securities and Exchange Act of 1934, as the same may be amended from time-to-time.

**SEC** shall mean the Securities and Exchange Commission.

**Serial Bonds** means any Bonds other than Term Bonds.

**State** means the state of Washington.

**State Revolving Fund Loans** mean the loans outstanding as of the date of this Ordinance or hereafter entered into by the City under the State of Washington Department of Ecology Clean Water State Revolving Fund Loan Program as part of the State's participation in the federal Clean Water State Revolving Fund established by the Clean Water Act amendments of 1987.

**System** means the combined utility of the City's existing water supply and distribution system and the sanitary sewage transmission, treatment and disposal system, inclusive of stormwater, of the City, as they now exist and as they may be added to, improved and extended, for as long as any Parity Bonds are outstanding.

**Term Bonds** means the Bonds specifically designated as such in the Official Notice of Sale and the Approved Bid or the Bond Purchase Contract, as applicable.

**Treasurer** means the Treasurer of the City, and any successor treasurer of the City in accordance with applicable law.

**True Interest Cost** means the yield that, when discounting all future principal and interest payments to the delivery date of the Bonds, produces a present value equal to the principal amount of the Bonds, less any Bond insurance policy premium, less the successful bidder's discount, plus any original issue premium, less any original issue discount, plus accrued interest.

**ULID** means a utility local improvement district of the City.

***ULID Assessments*** means the assessments levied in all ULIDs, the assessments in which are payable into the Revenue Bond Fund, and shall include installments thereof and interest and any penalties thereon.

***Underwriter*** means the firm submitting the Approved Bid for the Bonds, or if it is determined that a negotiated sale (including a private placement) is in the best interest of the City, the underwriting firm or bank entering into the Bond Purchase Contract.

***2014 Bond Ordinance*** means Ordinance No. C35170, passed by the Council on October 27, 2014.

***2014 Bonds*** means the City's Water and Wastewater System Revenue Bonds, Series 2014 (Green Bonds), issued on December 2, 2014, pursuant to the 2014 Bond Ordinance.

## **Section 2: Interpretation**

For all purposes of this Ordinance, except as otherwise expressly provided or unless the context otherwise requires:

A. ***Internal References.*** All references in this Ordinance to designated "Sections" and other subdivisions are to the designated sections and other subdivisions of this Ordinance. The words "herein," "hereof," "hereto," "hereby," "hereunder" and other words of similar import refer to this Ordinance as a whole and not to any particular section or other subdivision.

B. ***Persons.*** Words importing persons shall include firms, associations, partnerships (including limited partnerships), trusts, corporations and other legal entities, including public bodies, as well as natural persons.

C. ***Headings.*** Any headings preceding the texts of the several sections of this Ordinance and the table of contents shall be solely for convenience of reference and shall not constitute a part of this Ordinance, nor shall they affect its meaning, construction or effect.

D. ***Writing Requirement.*** Every "notice," "certificate," "consent" or similar action hereunder by the City shall, unless the form thereof is specifically provided, be in writing signed by an authorized representative of the City.

E. ***Time.*** In the computation of a period of time from a specified date to a later specified date, the word "from" means "from and including" and each of the words "to" and "until" means "to but excluding."

F. ***Redemption.*** Words importing the redemption or redeeming of a Bond or the calling of a Bond for redemption do not include or connote the payment of such Bond at its stated maturity or the purchase of such Bond.

G. ***Payment Terms.*** References to the payment of the Bonds shall be deemed to include references to the payment of interest thereon.

H. *Gender.* Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders. Words imparting the singular number shall include the plural numbers and vice versa, unless the context shall otherwise dictate.

### **Section 3: The Purpose of the Bonds**

The Bonds are being issued to provide money to pay, defease, redeem and/or retire the Refunded Bonds, fund the Reserve Requirement, if any, and pay certain expenses incurred in connection with the issuance of the Bonds and the defeasance and/or refunding of the Refunded Bonds, all as set forth more specifically herein.

### **Section 4: Authorization of the Bonds**

A. *General Terms.* Water and wastewater system revenue bonds of the City, designated “City of Spokane, Washington, Water and Wastewater System Revenue Refunding Bonds, Series 2025,” (or such other designation as the Designated Representative shall determine) are hereby authorized to be sold, issued and delivered pursuant to chapters 35.41, 39.46 and 39.53 RCW, in the event that an Approved Bid for the Bonds is accepted, or a Bond Purchase Contract is executed if the Bonds are sold by negotiated sale (including a private placement), as provided in this Section 4. The Bonds shall be issued in the aggregate principal amount of not to exceed \$112,000,000; shall be dated as of their date of delivery; shall be issued in fully registered form; shall be in the denomination of \$5,000 each, or any integral multiple thereof within a single maturity; and shall be numbered separately in such manner and with any additional designation as the Registrar deems necessary for purposes of identification. The Bonds shall be in substantially the form of Exhibit “A” attached hereto and by this reference incorporated herein.

B. *Competitive Sale.* The Designated Representative is authorized to cause the Official Notice of Sale for the Bonds to be prepared and published, and provide for such other matters pertaining to the competitive sale as deemed necessary or desirable. The Official Notice of Sale shall establish:

- (1) that the True Interest Cost of the Bonds shall not exceed 4.00%;
- (2) the date or dates of the Bonds, which shall be no later than one year from the date of this Ordinance;
- (3) the date or dates upon which the Bonds shall mature;
- (4) the principal amount of the Bonds maturing on each maturity date concluding no later than December 1, 2034;
- (5) the date on which interest shall first be payable for each Bond, which date shall be no later than June 1, 2026;
- (6) the yield and price for each maturity of the Bonds, which price shall be not less than 95% nor more than 140% of the principal amount of the Bonds;

(7) the optional and mandatory redemption provisions pertaining to the Bonds, provided the first date on which the Bonds may be optionally redeemed at par is not later than 10.5 years after the date of the Bonds; and

(8) the net present value savings due to the defeasance and/or refunding of the Refunded Bonds, which shall be not less than 1.00% of the par amount of the Refunded Bonds.

The Designated Representative is hereby authorized to accept the Approved Bid for the Bonds, which Approved Bid must state the rate or rates of interest the Bonds shall bear and any premium or discount the Bonds shall bear.

C. *Negotiated Sale.* In the event the Designated Representative determines that it is in the best interest of the City and its ratepayers to sell the Bonds by negotiated sale (including a private placement), the Designated Representative, upon the approval of the Mayor, is hereby authorized to select a bank for placement, or an underwriter, and to enter into a Bond Purchase Contract as provided in this Section 4. The Bond Purchase Contract shall establish the following:

(1) the True Interest Cost of the Bonds, which shall not exceed 4.00%;

(2) the date or dates of the Bonds, which shall be no later than one year from the date of this Ordinance;

(3) the date or dates upon which the Bonds shall mature;

(4) the principal amount of the Bonds maturing on each maturity date concluding no later than December 1, 2034;

(5) the date on which interest shall first be payable for each Bond, which date shall be no later than June 1, 2026;

(6) the yield and price for each maturity of the Bonds, which price shall be not less than 95% nor more than 140% of the principal amount of the Bonds;

(7) the optional and mandatory redemption provisions pertaining to the Bonds, provided the first date on which the Bonds may be optionally redeemed at par is not later than 10.5 years after the date of the Bonds; and

(8) the net present value savings due to the defeasance and/or refunding of the Refunded Bonds, which shall be not less than 1.00% of the par amount of the Refunded Bonds.

The Designated Representative is hereby authorized to approve additions, deletions or alterations to the Bond Purchase Contract or any other document or certificate related thereto so long as such additions, deletions or alterations do not substantially alter the intent and substance of this Ordinance.

D. *Findings.* The Council hereby finds that the determinations made in this Ordinance are the determinations set forth in RCW 39.46.040; and as such, the Council has fully and properly authorized the sale, issuance and delivery of the Bonds.

E. *Negotiable Instruments.* The Bonds shall be negotiable instruments to the extent provided by chapter 62A.3 RCW.

**Section 5: Redemption Prior to Maturity**

A. *Redemption.* The Bonds shall be subject to redemption at the times and in such amounts as provided in the Official Notice of Sale and the Approved Bid, or, if the Bonds are sold by negotiated sale (including a private placement), in the Bond Purchase Contract.

B. *Partial Redemption.* In accordance with the preceding paragraph, portions of the principal amount of any Bond, in installments of \$5,000 or any integral multiple of \$5,000 within a maturity, may also be redeemed. If less than all the principal amount of any Bond is redeemed, upon surrender of such Bond at the designated corporate trust office of the Registrar, there shall be issued to the Registered Owner, without charge therefor, for the then unredeemed balance of the principal amount thereof, a new Bond or Bonds, at the option of the Registered Owner, with like maturity and interest rate, in any denomination authorized by this Ordinance.

C. *Notice of Redemption.* Except as set forth in subsection D below, and unless waived by the Registered Owner of any Bond to be redeemed, written notice of any such redemption shall be sent by the Registrar by first-class mail, postage prepaid, not less than 20 nor more than 60 days prior to the date fixed for redemption to the Registered Owner of each Bond to be redeemed at the address shown on the Bond Register, or at such other address as may be furnished in writing by such Registered Owner to the Registrar. The requirements of this subsection shall be deemed to be complied with when notice is mailed as herein provided, regardless of whether it is actually received by the Registered Owner of any Bond to be redeemed. The redemption of the Bonds may be contingent or subject to such conditions as may be specified in the written notice, and if funds for the redemption are not irrevocably deposited with the Registrar or otherwise placed in escrow and in trust prior to the giving of notice of redemption, the notice shall be specifically subject to the deposit of funds by the City. The Designated Representative is hereby authorized to agree to redemption provisions they deem to be in the best interest of the City.

Any notice given pursuant to this subsection may be rescinded by written notice given by the City to the Registrar on or prior to the date specified for redemption. The Registrar shall give notice of such rescission as soon thereafter as practicable, and to the same Registered Owners, as notice of such redemption was given pursuant to this subsection.

D. *Special Notice of Redemption to DTC.* For so long as DTC is the securities depository for the Bonds, the Registrar shall send redemption and defeasance notices to DTC in the manner required by the Letter of Representations.

E. *Continuing Disclosure Undertaking.* Except in the case of a private placement, for so long as Section 28 of this Ordinance remains in effect, each redemption notice shall also be provided to EMMA by the City in the manner and timeframe specified in the Continuing Disclosure Undertaking; provided, neither any defect in such notice nor any failure to give all or any portion of such notice shall in any manner defeat the effectiveness of a call for redemption if notice thereof is given as prescribed in subsection C above.

F. *Effect of Redemption.* When so called for redemption, the Bonds shall cease to accrue interest on the specified redemption date, provided money for redemption is on deposit at the place of payment at that time, and shall not be deemed to be Outstanding as of such redemption date.

G. *Voluntary Redemption Notice.* In addition to the notice required by subsection C above, further notice may be given by the Registrar as set out below, but neither any defect in such further notice nor any failure to give all or any portion of such further notice shall in any manner defeat the effectiveness of a call for redemption if notice thereof is given as prescribed in subsection C hereof.

(1) Each further notice of redemption given hereunder may contain the following information: (a) the redemption date; (b) the redemption price; (c) if less than all Bonds Outstanding are to be redeemed, the identification (and, in the case of partial redemption, the respective principal amounts) of the Bonds to be redeemed; (d) notification that, on the redemption date, the redemption price will become due and payable upon each such Bond or portion thereof called for redemption, and that interest thereon shall cease to accrue from and after such date; (e) the place where such Bonds are to be surrendered for payment of the redemption price, which place of payment shall be the designated corporate trust office of the Registrar; (f) the CUSIP numbers, if any, of all Bonds being redeemed; (g) the date of issue of the Bonds as originally issued; (h) the rate of interest borne by each Bond being redeemed; (i) the maturity date of each Bond being redeemed; and (j) any other descriptive information needed to identify accurately the Bonds being redeemed.

(2) Each further notice of redemption may be sent at least 20 days before the redemption date by registered or certified mail or overnight delivery service to: (a) all registered securities depositories then in the business of holding substantial amounts of obligations of types comprising the Bonds, such depositories now being DTC; and (b) one or more national information services that disseminate notices of redemption of obligations such as the Bonds.

(3) Each such further notice may be published one time in *The Bond Buyer* in New York, New York, or, if such publication is impractical or unlikely to reach a substantial number of the Registered Owners, in some other financial newspaper or journal which regularly carries notices of redemption of other obligations similar to the Bonds, such publication to be made at least 20 days prior to the date fixed for redemption.

H. *Open Market Purchase and Cancellation.* The City hereby reserves the right and option to purchase any or all of the Bonds on the open market at any time and at any

price. To the extent the City partially redeems Term Bonds or Balloon Maturity Bonds, pursuant to this Ordinance, the City may, at its discretion, reduce the amount of any mandatory sinking fund deposit or deposits by an aggregate principal amount equal to the principal amount of the Term Bonds so redeemed. All Bonds purchased or redeemed under this Section shall be canceled.

## **Section 6: Sale of the Bonds**

A. *Competitive Sale Authorized.* The Bonds may be sold by competitive sale. In any such competitive sale, the Bonds will be awarded to the bidder whose bid will result in the lowest True Interest Cost to the City. In the event that two or more bidders offer bids at the same lowest True Interest Cost, the City will award the Bonds to the bidder submitting the bid resulting in the highest net present value savings to the City. The Underwriter must pay accrued interest, if any, computed on a 360-day year and 30-day month basis, or as otherwise designated by the Designated Representative, from the date of the Bonds to the date of delivery.

(1) *Notice of Sale.* The City hereby authorizes the Designated Representative, with the assistance of the Municipal Advisor, if the Bonds are sold by competitive sale, to cause the Official Notice of Sale to be disseminated to prospective purchasers of the Bonds in such manner as it deems to be in the best interest of the City.

(2) *Good Faith Deposit.* Each bid must be unconditional and the successful bidder shall, within three hours of the award of the Bonds, make a good faith deposit (the “**Good Faith Deposit**”) by federal wire or by a certified or bank cashier’s check in immediately available funds payable to the City in an amount set forth in the Official Notice of Sale, which amount shall not be less than 0.5% of the principal amount of the Bonds.

The Good Faith Deposit of the successful bidder will become the property of the City and will be credited to the purchase price of the Bonds at the time of delivery of the Bonds. No interest will be paid by the City on a bidder’s Good Faith Deposit. If the purchase price is not paid in full upon tender of the Bonds, the successful bidder shall have no right to the Bonds or to the recovery of the Good Faith Deposit, or to any allowance or credit by reason of the Good Faith Deposit, unless it appears the Bonds would not be validly issued if delivered to the Underwriter in the form and manner proposed. However, in the event of such nonpayment, the City reserves any and all rights granted by law to recover the agreed purchase price of the Bonds, and, in addition, any damages suffered by the City.

(3) *Opening and Award of Bids.* If the Bonds are sold pursuant to the provisions of this Section 6.A, bids will be opened by the City no later than 9:00 a.m. Pacific Time, in the offices of the Designated Representative, on the date set forth in the Official Notice of Sale. The Designated Representative is hereby authorized and directed to conduct the competitive sale of the Bonds in accordance with the Official Notice of Sale. The City reserves the right to reject any and all bids and to waive any irregularity or informality in any bid.

B. *Negotiated Sale Authorized.* The Bonds may be sold by negotiated sale (including a private placement) if it is determined by the Designated Representative, upon approval from the Mayor, that such method of sale is in the best interests of the City. If the Bonds are sold at negotiated sale or private placement, the terms of such sale must comply with Section 4 of this Ordinance.

C. *Other Related Matters.* The Designated Representative is authorized and directed to take such other actions to publicize or facilitate the sale of the Bonds as may be deemed desirable or necessary including, but not limited to, securing a rating on the Bonds from one or more of the established nationally recognized rating services.

### **Section 7: Place, Manner and Medium of Payment**

A. *Payment Medium.* Both principal of and interest on the Bonds are payable in lawful money of the United States to the Registered Owners thereof.

B. *Payment of Interest.* Interest on the Bonds shall be calculated on the basis of a 360-day year consisting of twelve 30-day months, or as otherwise designated by the Designated Representative. Payment of each installment of interest shall be made to the Registered Owner whose name appears on the Bond Register at the close of business on the fifteenth day of the calendar month preceding the interest payment date. Each installment of interest shall be paid by check or draft of the Registrar mailed to such Registered Owner on the due date at the address appearing on the Bond Register, or at such other address as may be furnished in writing by such Registered Owner to the Registrar. Interest installments may be paid by wire transfer to a Registered Owner of at least \$1,000,000 in principal amount of the Bonds, upon written request of such Registered Owner submitted to the Registrar at least 15 days prior to the interest payment date; provided, the costs of such wire transfer shall be paid by such Registered Owner.

C. *Payment of Principal.* Principal of each Bond shall be payable to the Registered Owner, upon presentation and surrender of the Bonds on or after the date of maturity or prior redemption, whichever occurs first, at the designated corporate trust office of the Registrar. Upon the payment of the Bonds at maturity of any Bond being redeemed, each check or other transfer of money issued for such purpose shall bear the CUSIP number, if any, and identify by issue and maturity the Bonds being paid with the proceeds of such check or other transfer.

D. *Interest on Delinquent Amounts.* If any Bond is not redeemed when properly presented at its maturity date, the City shall pay interest on that Bond at the same rate provided in the Bond from and after its maturity date until the principal of and interest on that Bond is paid in full or until sufficient money for its payment in full is on deposit in the Revenue Bond Fund and the Bond has been called for payment by giving notice to the Registered Owner of that unpaid Bond.

E. *Ownership of Bonds.* The City and the Registrar may deem and treat the Registered Owner of each Bond as the absolute owner of such Bond for the purpose of receiving payments of principal and interest due on such Bond and for all other purposes, and neither the City nor the Registrar shall be affected by any notice to the contrary.



F. *Unclaimed Money.* The Designated Representative may submit a written request to the Registrar that the Registrar return to the Designated Representative all money previously remitted to the Registrar for the payment of the Bonds that has not been distributed by the Registrar as of one year after the final maturity of all of the Bonds. The Designated Representative shall deposit such money into a separate account to be held solely for the benefit of the Registered Owners of Bonds which have not been presented for payment, and which shall be used solely for paying the principal of such Bonds and the interest which had accrued thereon to the date of maturity. Interest earnings on the money in such account may be deposited into the Revenue Bond Fund to pay the principal of and interest on any Bonds that are Outstanding.

**Section 8: The Refunding Plan**

A. *Description of the Refunded Bonds.* The City is desirous of defeasing, paying, redeeming and/or retiring the Refunded Bonds, if market conditions permit such refunding. The Designated Representative is authorized to designate all or a portion of the following outstanding 2014 Bonds as the “Refunded Bonds”:

<b>Outstanding 2014 Bonds</b>			
Years (December 1)	Amounts	Interest Rates	CUSIP Nos.
2025	\$9,185,000	5.00%	849103 AL0
2026	9,645,000	3.00	849103 AM8
2027	9,935,000	3.15	849103 AN6
2028	10,250,000	4.50	849103 AP1
2029	10,710,000	4.50	849103 AQ9
2030	11,190,000	4.00	849103 AR7
2031	11,640,000	4.00	849103 AS5
2032	12,105,000	4.00	849103 AT3
2033	12,590,000	3.75	849103 AU0
2034	13,060,000	3.75	849103 AV8

B. *Application of Bond Proceeds.* The net proceeds of the Bonds (exclusive of any amounts that may be designated by the Designated Representative in a closing certificate to be allocated to pay costs of issuance of the Bonds or to make a deposit into the Reserve Account, and exclusive of amounts paid to an Underwriter as a fee or an Underwriter’s discount) (the “**Net Bond Proceeds**”), together with other available funds of the City in the amount (if any) specified by the Designated Representative, shall be held by the City and used at the direction of the Designated Representative to pay the costs of, or to reimburse the City for the costs of, redeeming the Refunded Bonds and/or may be placed into the Escrow Account pursuant to the terms of an Escrow Agreement to effect a defeasance of the Refunded Bonds.

C. *Notice of Redemption.* The Refunding Trustee is hereby directed to give notice of the call and redemption of the Refunded Bonds in substantially the form set forth as Attachment II to the Form of Escrow Agreement attached hereto as Exhibit “B” and in the manner required by the 2014 Bond Ordinance.

D. *Modification of Refunding Plan.* The Designated Representative is hereby authorized, upon advice from the City’s Municipal Advisor, to modify the refunding plan if such modification is determined to be in the City’s best interest.

**Section 9: The Refunding Trustee; Escrow Agreement**

The City hereby authorizes the Designated Representative to select a financial institution to act as the Refunding Trustee with respect to the Refunded Bonds (the “**Refunding Trustee**”) if deemed necessary to effect the defeasance and/or refunding of the Refunded Bonds. In order to carry out the purposes of this Ordinance, if deemed necessary by the Designated Representative to effect the defeasance and/or refunding of the Refunded Bonds, the Designated Representative is authorized and directed to execute and deliver to the Refunding Trustee an Escrow Agreement substantially in the form marked Exhibit “B” attached hereto and by this reference incorporated herein. If utilized, the Escrow Agreement, shall set forth the duties, obligations and responsibilities of the Refunding Trustee in connection with the defeasance and/or refunding of the Refunded Bonds as provided herein, and shall set forth the payment of the fees, compensation and expenses of the Refunding Trustee.

**Section 10: Creation of the Escrow Account & Government Obligations**

A. *Creation of the Escrow Account.* If deemed necessary by the Designated Representative to effect the defeasance and/or refunding of the Refunded Bonds, the Refunding Trustee is authorized and directed to establish a special account for the City designated the “Water and Wastewater System Revenue and Refunding Bonds Escrow Account,” or such other designation conforming to accounting principles and banking practices.

B. *Deposits into the Escrow Account.* If deemed necessary by the Designated Representative to effect the defeasance and/or refunding of the Refunded Bonds, the Net Bond Proceeds, together with other available funds of the City in the amount (if any) specified by the Designated Representative, may be deposited into the Escrow Account and may be held as cash or used to acquire Government Obligations, as more specifically provided in the Escrow Agreement. Such funds shall be irrevocably deposited into the Escrow Account. Any funds to be deposited into the Escrow Account shall be held by the Refunding Trustee in trust. All funds credited to the Escrow Account shall be deemed so credited to and held in the Escrow Account notwithstanding the fact that such funds are held by the Refunding Trustee in trust for the owners of the Refunded Bonds.

C. *Use of Money in the Escrow Account.* If deemed necessary by the Designated Representative to effect the defeasance and/or refunding of the Refunded Bonds, the Refunding Trustee, on behalf of the City, may be authorized and directed to use the Net Bond Proceeds, together with other legally available money of the City, to purchase Government Obligations in the amounts, of the type, bearing interest and maturing in such amounts as are necessary to make the payments described in this Ordinance and in the Escrow Agreement. The investment income from and maturing principal of the Government Obligations and money to be deposited into the Escrow Account, if any, shall be transmitted to the Washington State Fiscal Agent, as Registrar for the City, for the sole purpose of paying the

principal of and interest on the Refunded Bonds. Any money remaining on deposit in the Escrow Account created hereunder after the payment in full of the Refunded Bonds and the costs of issuing the Bonds, shall be transferred by the Refunding Trustee to the City and deposited into the Revenue Bond Fund.

D. *Government Obligations.*

(1) *Government Obligations.* If the purchase of Government Obligations is deemed necessary by the Designated Representative to effect the defeasance and/or refunding of the Refunded Bonds, the Government Obligations shall be payable in such amounts and at such times that, together with other legally available money of the City, will be sufficient to provide for the payment of: (a) the interest on the Refunded Bonds as such becomes due on and before the Redemption Date or maturity of the Refunded Bonds; and (b) the price of redemption of the Refunded Bonds on the Redemption Date or the maturity value of the Refunded Bonds that are defeased to maturity.

(2) *Sufficiency of the Government Obligations.* If the purchase of Government Obligations is deemed necessary by the Designated Representative to effect the defeasance and/or refunding of the Refunded Bonds, prior to the delivery of the Bonds, the City shall receive an opinion of a nationally recognized firm of independent certified public accountants or from a nationally recognized financial advisor, stating, in substance, that the money and Government Obligations to be deposited with the Refunding Trustee for the payment of the Refunded Bonds will discharge and satisfy the City's obligations under the 2014 Bond Ordinance to make payments on the Refunded Bonds. Such opinion will not be required in the event the City deposits sufficient funds at closing to provide for all debt service payments, without taking into account interest earnings thereon.

**Section 11: Irrevocable Call**

A. *Refunded Bonds.*

(1) *Irrevocable Call for Redemption.* In accordance with Section 5 of the 2014 Bond Ordinance, the City hereby calls the Refunded Bonds for redemption on the Redemption Date. Such call for redemption shall be irrevocable upon the delivery of the Bonds to the Underwriter.

(2) *Irrevocable Pledge of Proceeds of the Bonds.* The City hereby irrevocably pledges the Net Bond Proceeds, together with other available funds of the City in the amount (if any) specified by the Designated Representative, Government Obligations (if any) and any amounts on deposit in the Escrow Account (if utilized), to pay the interest on the Refunded Bonds, up to and including the Redemption Date, and to redeem and retire the Refunded Bonds on such date at the price of 100% of the principal amount thereof plus accrued interest to the Redemption Date. Such amounts are hereby irrevocably pledged to be set aside to effect such payment, redemption and retirement.

B. *Findings Regarding the Defeasance and/or Refunding of the Refunded Bonds.* The Council hereby finds that, as of the date the Bonds are issued and the Net Bond Proceeds are utilized as set forth herein: (1) no further payments need to be made into the Revenue Bond Fund for the payment of the principal of and interest on the Refunded Bonds; (2) the Refunded Bonds and the interest accrued thereon shall cease to be entitled to any lien, benefit or security of the 2014 Bond Ordinance, except the right to receive the funds so set aside and pledged; and (3) the Refunded Bonds and the interest accruing thereon shall no longer be deemed to be Outstanding under the 2014 Bond Ordinance. The Council hereby further finds and determines that the issuance and sale of the Bonds will benefit the City by affecting a savings to the City's ratepayers. In making such finding and determination, the Council has given consideration to the interest that will be payable on the Bonds through the maturity of the Bonds, the costs of issuance of the Bonds and the net present value savings due to the defeasance and/or refunding of the Refunded Bonds.

**Section 12: [Reserved]**

**Section 13: Pledge of Net Revenue**

All of the Net Revenue is pledged for the payment of the Bonds, as a prior first charge and lien thereon equal to and on parity with the charge or lien of Future Parity Bonds, if any, and Revenue of the System shall be used and applied in the order of priority provided in Section 14 of this Ordinance.

The Bonds are payable solely from amounts deposited into the Revenue Bond Fund, shall not constitute general obligations of the City and are not payable from ad valorem taxes collected within the City. Accordingly, the full faith and credit of the City is not pledged for the payment of the principal of and interest on the Bonds.

**Section 14: The Revenue Fund; Priority of Payments from Revenue Fund; Coverage Stabilization Account**

A. *Revenue Fund.* A special fund of the City known as the "Water-Wastewater Fund" (including subaccounts therein, the "**Revenue Fund**") has heretofore been established into which shall be deposited the Revenue of the System as collected. The Revenue Fund shall be held separate and apart from all other funds and accounts of the City.

B. *Priority of Payments from the Revenue Fund.* The Revenue of the System deposited in the Revenue Fund shall be used only for the following purposes and in the following order of priority:

First, to pay the Costs of Maintenance and Operation of the System;

Second, to make all payments required to be made into the Revenue Bond Fund to pay the interest on any Parity Bonds, including reimbursements to the issuer of a Credit Facility if the Credit Facility secures the payment of interest on Parity Bonds and the ordinance authorizing such Parity Bonds provides for such reimbursement;

Third, to make all payments required to be made into the Revenue Bond Fund to pay the principal of any Parity Bonds, including reimbursements to the issuer of a Credit Facility

if the Credit Facility secures the payment of principal of Parity Bonds and the ordinance authorizing such Parity Bonds provides for such reimbursement;

Fourth, to make all payments required to be made into any sinking fund account hereafter created to provide for the payment of the principal of Term Bonds or Balloon Maturity Bonds;

Fifth, to make all payments required to be made into the Reserve Account for Covered Bonds and to any reserve account created in the future for the payment of debt service on Future Parity Bonds;

Sixth, to make all payments required to be made into any revenue debt redemption fund, debt service account, reserve account or sinking fund account created to pay and secure the payment of the principal of and interest on Government Loans and any revenue bonds, or revenue warrants or other revenue obligations of the City having a lien upon the Revenue of the System junior and inferior to the lien thereon for the payment of the principal of and interest on the Parity Bonds; and

Seventh, to retire by redemption or purchase on the open market any outstanding water and wastewater system revenue bonds or revenue warrants of the City, to make necessary additions, betterments, improvements and repairs to or extensions and replacements of the System, or for any other lawful City purposes.

The City may transfer any money from any funds or accounts of the System legally available therefor, except bond redemption funds, refunding escrow funds or defeasance funds, to meet the required payments to be made into the Revenue Bond Fund. Money in the Revenue Fund may be invested by the City in any investment that is a legal investment for the City.

C. *Coverage Stabilization Account.* A Coverage Stabilization Account shall be established within the Revenue Fund at the option of the Designated Representative. The City hereby determines that the maintenance of a Coverage Stabilization Account will moderate fluctuations in Net Revenues and help to alleviate the need for short-term rate adjustments. Money in the Coverage Stabilization Account will be transferred as determined from time to time by the City. The City may make payments into the Coverage Stabilization Account from the Revenue Fund at any time. Money in the Coverage Stabilization Account may be withdrawn at any time and used for the purpose for which the Revenue of the System may be used. Amounts withdrawn from the Coverage Stabilization Account shall increase Revenue of the System for the period in which they are withdrawn, and amounts deposited in the Coverage Stabilization Account shall reduce Revenue of the System for the period during which they are deposited for purposes of measuring compliance with the Rate Covenant. Credits to or from the Coverage Stabilization Account that occur within 90 days after the end of a fiscal year may be treated as occurring within such fiscal year. Earnings on the Coverage Stabilization Account shall be credited to the Revenue Fund.

## Section 15: Payments into Revenue Bond Fund

A. *Revenue Bond Fund.* A special account of the City known as the “Water and Wastewater Fund — Bond Redemption Subaccount” (the “**Revenue Bond Fund**”) has been created for the sole purpose of paying and securing the payment of Parity Bonds.

B. *Payments into Revenue Bond Fund.* As long as the Bonds remain outstanding, the City hereby irrevocably obligates and binds itself to set aside and pay from the Revenue Fund into the Revenue Bond Fund on or before the date due those amounts necessary, together with ULID Assessments deposited and such other money as is on hand and available therefor in the Revenue Bond Fund, to pay the interest or principal and interest next coming due on the Bonds.

As long as the Parity Bonds remain outstanding, the City hereby irrevocably covenants and agrees to pay the ULID Assessments into the Revenue Bond Fund.

Notwithstanding anything in Section 15(F) hereof to the contrary, money in the Revenue Bond Fund may be used to pay arbitrage rebate, if any, to the extent the rebate is attributable to earnings on money in the Revenue Bond Fund.

C. *Payments into Reserve Account.* The City hereby agrees that a special account to be known as the “Water-Wastewater Bond Fund Reserve Account” (the “**Reserve Account**”) shall be maintained for the purpose of securing the payment of the principal of and interest on all Covered Bonds. The Bonds shall be Covered Bonds, secured by the Reserve Account, if deemed necessary and designated as such by the Designated Representative. To the extent the Bonds are designated as Covered Bonds, the City hereby covenants that the Reserve Requirement for the Bonds will be fully funded as of the date of issuance of the Bonds.

The City covenants and agrees that when the required deposits have been made into the Reserve Account, it will, at all times for so long as any Covered Bonds remain outstanding, maintain therein an amount at least equal to the Reserve Requirement except for withdrawals therefrom authorized hereinafter. Whenever there is a sufficient amount in the Revenue Bond Fund, including all accounts therein, to pay the principal of, premium, if any, and interest on all outstanding Parity Bonds, the money in the Reserve Account may be used to pay the principal of, premium, if any, and interest on the Parity Bonds secured thereby. Money in the Reserve Account may also be withdrawn to redeem and retire, and to pay the premium, if any, and interest due to such date of redemption, on the outstanding Parity Bonds, as long as the money remaining on deposit in the Reserve Account is at least equal to the Reserve Requirement determined with respect to the Covered Bonds then outstanding.

In the event there shall be a deficiency in the Revenue Bond Fund to meet maturing installments of either interest on or principal of and interest on any Parity Bonds, such deficiency shall be made up from the Reserve Account by the withdrawal of money therefrom. Cash and investments shall be drawn upon prior to any drawing upon a Credit Facility. Any deficiency created in the Reserve Account by reason of any such withdrawal shall then be made up out of Revenue of the System or ULID Assessments within one year

after making necessary provision for the payments required to be made by subparagraphs First through Fourth, inclusive, of Section 14(B) of this Ordinance.

If a Credit Event occurs, the Reserve Requirement shall be satisfied (A) within one year after the occurrence of such Credit Event with other Qualified Insurance or another Qualified Letter of Credit, or (B) within three years (in three approximately equal annual installments) after the occurrence of such Credit Event, out of Revenue of the System or ULID Assessments after making necessary provision for the payments required to be made by subparagraphs First through Fourth, inclusive, of Section 14(B) of this Ordinance.

In the event the City issues any Future Parity Bonds that are Covered Bonds, it will provide in the ordinance authorizing the issuance of the same for payment into the Reserve Account out of proceeds of such Future Parity Bonds, Revenue of the System, or ULID Assessments (or, at the option of the City, out of any other funds on hand and legally available therefor) approximately equal additional annual installments so that by three years from the date of issuance of such Future Parity Bonds there will have been paid into the Reserve Account an amount that, together with the money already on deposit therein, will be at least equal to the Reserve Requirement. Such annual payments into the Reserve Account shall be made not later than December 20 of each year.

Notwithstanding anything in this Section to the contrary, the City may fund the Reserve Requirement, in whole or in part, through a surety bond issued by a Qualified Insurer. The amount payable by the Qualified Insurer under such surety bond shall be credited against the amounts otherwise required to be accumulated and maintained in the Reserve Account.

The Reserve Requirement may be maintained by deposits of cash. As used herein, the term “cash” shall include U.S. currency, cash equivalents and evidences thereof, including demand deposits, certified or cashier’s check; and the deposit to the Reserve Account may be satisfied initially by the transfer of qualified investments to such account.

E. *Priority of Lien of Payments into the Revenue Bond Fund.* The amounts so pledged to be paid into the Revenue Bond Fund from the Revenue Fund are hereby declared to be a lien and charge upon the Revenue of the System junior in lien to the Costs of Maintenance and Operation and equal to the lien of the charges upon such Revenue of the System and ULID Assessments that may hereafter be made upon the Revenue of the System and ULID Assessments to pay and secure the payment of the principal of and interest on any Future Parity Bonds, and prior and superior to all other charges of any kind or nature whatsoever.

F. *Application and Investment of Money in the Revenue Bond Fund.* Money in the Revenue Bond Fund and the Reserve Account shall be invested in any legal investment for City funds. Investments in the Revenue Bond Fund shall mature prior to the date on which such money shall be needed for required interest or principal payments. Investments in any Reserve Account shall mature not later than the last maturity of the Parity Bonds secured thereby.

G. *Sufficiency of Revenues.* The Council hereby finds and declares that in fixing the amounts to be paid into the Revenue Bond Fund out of the Revenue of the System, it has exercised due regard for the Costs of Maintenance and Operation and has not obligated the City to set aside and pay into such Fund a greater amount of such Revenue than in its judgment will be available over and above the Costs of Maintenance and Operation.

#### **Section 16: Execution and Authorization of the Bonds**

A. *Execution of the Bonds.* The Bonds shall be executed on behalf of the City by the manual or facsimile signature of the Mayor, shall be attested by the manual or facsimile signature of the City Clerk and shall have the seal of the City impressed or imprinted thereon.

B. *Authentication of the Bonds.* The executed Bonds shall be delivered to the Registrar for authentication. The Bonds shall be numbered separately in the manner and with any additional designation as the Registrar deems necessary for purposes of identification. Only those Bonds that bear a Certificate of Authentication substantially in the form set forth in Exhibit "A" attached hereto and manually executed by an authorized representative of the Registrar shall be valid or obligatory for any purpose or entitled to the benefits of this Ordinance. Such Certificate of Authentication shall be conclusive evidence that the Bonds so authenticated have been duly executed, authenticated and delivered hereunder and are entitled to the benefits of this Ordinance.

C. *Validity of Signatures.* In case any of the officers who shall have signed or attested any of the Bonds shall cease to be such officer or officers of the City before the Bonds so signed or attested shall have been authenticated or delivered by the Registrar, or issued by the City, such Bonds may nevertheless be authenticated, delivered and issued, and, upon such authentication, delivery and issue, shall be as binding upon the City as though those who signed and attested the same had continued to be such officers of the City. Any Bond may also be signed and attested on behalf of the City by such persons as at the actual date of execution of such Bond shall be the proper officers of the City although at the original date of such Bond any such person shall not have been such officer of the City.

#### **Section 17: The Registrar**

A. *Registrar Appointed.* The Treasurer has designated the Washington State Fiscal Agent as the City's legally designated fiscal agent with respect to the Bonds. The Council hereby confirms such designation with respect to the Bonds and appoints the Washington State Fiscal Agent as Registrar, authenticating agent, paying agent and transfer agent with respect to the Bonds, subject to the terms and conditions of this Section.

B. *Delegated Duties.* The Registrar is hereby authorized and directed, on behalf of the City, to authenticate and deliver Bonds initially issued or transferred or exchanged in accordance with the provisions of the Bonds and this Ordinance and to carry out all of the Registrar's powers and duties under this Ordinance and the Agreement for Fiscal Agency Services between the Washington State Finance Committee and the Registrar (as the same may be amended or readopted from time to time).



C. *Bond Register.* The Bonds shall be issued only in registered form as to both principal and interest. The Registrar shall keep, or cause to be kept, at its designated corporate trust office the Bond Register which shall at all times be open to inspection by the City. The City hereby specifies and adopts the system of registration for the Bonds approved by the Washington State Finance Committee.

D. *Fees and Costs.* The City shall pay to the Registrar from time to time reasonable compensation for all services rendered under this Ordinance together with reasonable expenses, charges, fees of counsel, accountants and consultants and other disbursements, including those of its attorneys, agents and employees, incurred in good faith in and about the performance of their powers and duties under this Ordinance. The administrative fees provided for in this subsection D may be paid from the Revenue Bond Fund.

E. *Representations.* The Registrar shall be responsible for its representations contained in the Registrar's Certificate of Authentication on the Bonds.

F. *Ownership Rights.* The Registrar may become the Registered Owner of Bonds with the same rights it would have if it were not the Registrar, and, to the extent permitted by law, may act as depositary for and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of Registered Owners of the Bonds.

G. *Cancellation of Surrendered Bonds.* Bonds surrendered to the Registrar for payment, redemption, transfer or exchange, as well as Bonds surrendered by the City for cancellation, shall be canceled immediately by the Registrar and returned to the City. Such Bonds thereafter shall be destroyed.

### **Section 18: Book-Entry System Authorized**

A. The Bonds shall be initially issued in the form of a separate, single-certificated, fully registered Bond for each maturity set forth in the Official Notice of Sale, or, if the Bonds are sold by negotiated sale (including a private placement), the Bond Purchase Contract, as provided for in Section 4 of this Ordinance, in the aggregate principal amount of such maturity. Upon initial issuance, the ownership of each Bond may be registered in the Bond Register in the name of Cede & Co., as nominee of DTC, the securities depository for the Bonds. Except as provided in subsection D of this Section, all of the Bonds shall be registered in the Bond Register in the name of Cede & Co., as nominee of DTC.

B. With respect to Bonds registered in the Bond Register in the name of Cede & Co., as nominee of DTC, neither the City nor the Registrar shall have any responsibility or obligation to any Participant or to any person on behalf of which a Participant holds an interest in the Bonds. Without limiting the immediately preceding sentence, the City and the Registrar shall have no responsibility or obligation with respect to: (1) the accuracy of the records of DTC, Cede & Co., or any Participant with respect to any ownership interest in the Bonds; (2) the delivery to any Participant or any other person, other than a Registered Owner, of any notice with respect to the Bonds; or (3) the payment to any Participant or any

other person, other than a Registered Owner, of any amount with respect to principal of, premium, if any, or interest on the Bonds. The City and the Registrar may treat and consider the Registered Owner of each Bond as the absolute owner of such Bond for the purpose of payment of principal, premium, if any, and interest with respect to such Bond, for the purpose of giving notices of matters with respect to such Bond, for the purpose of registering transfers with respect to such Bond, and for all other purposes whatsoever. The Registrar shall pay all principal of, premium, if any, and the interest on the Bonds as provided for in the Official Notice of Sale, or, if the Bonds are sold by negotiated sale (including a private placement), Bond Purchase Contract, and as further provided in this Ordinance and all such payments shall be valid and effective to fully satisfy and discharge the City's obligations with respect to payment of principal of, premium, if any, and interest on the Bonds to the extent of the sums so paid. No person other than a Registered Owner shall receive a certificated Bond evidencing the obligation of the City to make payments of principal, premium, if any, and interest pursuant to this Ordinance. Upon delivery by DTC to the Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions herein with respect to the transfer and payment of the Bonds, the phrase "Cede & Co." in this Ordinance shall refer to such new nominee of DTC.

C. The City heretofore has delivered a Letter of Representations to the Registrar and DTC. The delivery of the Letter of Representations shall not in any way limit the provisions of subsection B of this Section or in any other way impose upon the City any obligation whatsoever with respect to persons having interests in the Bonds other than the Registered Owner. The Registrar shall take all action necessary for all representations of the City in the Letter of Representations with respect to the Registrar, to, at all times, be complied with.

D. (1) DTC may determine to discontinue providing its services with respect to the Bonds at any time by giving notice to the City and to the Registrar, and discharging its responsibilities with respect thereto under applicable law.

(2) The City, in its sole discretion and without the consent of any other person, may terminate the services of DTC with respect to the Bonds if the City determines that: (a) DTC is unable to discharge its responsibilities with respect to the Bonds; or (b) a continuation of the requirement that all of the Bonds be registered in the Bond Register in the name of Cede & Co., or any other nominee of DTC, is not in the best interest of the beneficial owners of the Bonds.

(3) Upon termination of the services of DTC with respect to the Bonds pursuant to subsection D(2)(b) of this Section, or upon the discontinuance or termination of the services of DTC with respect to the Bonds pursuant to subsection D(1) or subsection D(2)(a) of this Section, after which no substitute securities depository willing to undertake the functions of DTC hereunder can be found that, in the opinion of the City, is willing and able to undertake such functions upon reasonable and customary terms, the City shall deliver certificated Bonds at the expense of the City, as described in this Ordinance, and the Bonds shall no longer be restricted to being registered in the Bond Register in the name of Cede & Co., as nominee of DTC, but may be registered in the names that the Registered Owners

transferring or exchanging Bonds shall designate, in accordance with the provisions of this Ordinance. In the event the Bonds are transferred by the City to fully registered form, the Bonds shall be payable by the Registrar. Thereafter, the principal of the Bonds shall be payable upon due presentment and surrender thereof at the designated corporate trust office of the Registrar; interest shall be paid by check or draft of the Registrar mailed to such Registered Owner on the due date at the address appearing on the Bond Register, or at such other address as may be furnished in writing by such Registered Owner to the Registrar. Interest installments may be paid by wire transfer to a Registered Owner within the United States of at least \$1,000,000 in principal amount of the Bonds, upon written request of such Registered Owner submitted to the Registrar at least 15 days prior to the interest payment date; provided, the costs of such wire transfer shall be paid by the Registered Owner, and the Bonds shall be transferable as provided in this Ordinance.

E. Notwithstanding any other provision of this Ordinance to the contrary, so long as any Bond is registered in the name of Cede & Co., as nominee of DTC, all payments with respect to principal or premium, if any, and interest on such Bond and all notices with respect to such Bond shall be made and given, respectively, in the manner provided in the Letter of Representations.

F. If the Bonds are privately placed with a bank, the City may determine not to comply with this Section if the Designated Representative deems it to be in the best interest of the City.

#### **Section 19: Transfer and Exchange of the Bonds**

A. *Transfer of Bonds.* Each Bond shall be transferable by the Registered Owner thereof in person, or by its attorney duly authorized in writing, upon due completion of the assignment form appearing thereon and upon surrender of such Bond at the designated corporate trust office of the Registrar for cancellation and issuance of a new Bond registered in the name of the transferee, in exchange therefor.

B. *Exchange of Bonds.* Each Bond shall be exchangeable by the Registered Owner thereof in person, or by its attorney duly authorized in writing, for one or more new Bonds, upon surrender of such Bond at the designated corporate trust office of the Registrar for cancellation.

C. *Authentication and Delivery of New Bonds.* Whenever a Bond shall be surrendered for transfer or exchange, the Registrar shall authenticate and deliver to the transferee or exchangee, in exchange therefor, a new fully registered Bond or Bonds of any authorized denomination or denominations, of the same maturity and interest rate as, and for the aggregate principal amount of, the Bond being surrendered. Notwithstanding the foregoing sentence, the Registrar is not required to transfer or exchange any Bond during the 15 days preceding any principal or interest payment date.

D. *Payment of Fees and Costs.* The Registrar shall require the payment by the Registered Owner requesting such transfer or exchange of any tax, fee or governmental charge required to be paid with respect to such transfer or exchange.

## **Section 20: Mutilated, Destroyed, Lost or Stolen Bonds**

A. *Issuance of Substitute Bonds.* If any Bond shall become mutilated, lost, stolen or destroyed, the affected Registered Owner shall be entitled to the issuance of a substitute Bond only as follows:

(1) in the case of a lost, stolen or destroyed Bond, the Registered Owner shall: (a) provide notice of the loss, theft or destruction to the City and the Registrar within a reasonable time after the Registered Owner receives notice of the loss, theft or destruction; (b) request the issuance of a substitute Bond; (c) provide evidence, satisfactory to the City and the Registrar, of the ownership and the loss, theft or destruction of the affected Bond; and (d) file in the offices of the City and the Registrar a written affidavit specifically alleging on oath that such Registered Owner is the proper owner, payee or legal representative of such owner or payee of the Bond that has been lost, stolen or destroyed, giving the date the Bond was issued and the number, principal amount and series of such Bond, and stating that the Bond has been lost, stolen or destroyed, and has not been paid and has not been received by such Registered Owner;

(2) in the case of a mutilated Bond, the Registered Owner shall surrender the Bond to the Registrar for cancellation; and

(3) in all cases, the Registered Owner shall provide indemnity against any and all claims arising out of or otherwise related to the issuance of substitute Bonds pursuant to this Section satisfactory to the City and the Registrar.

Upon compliance with the foregoing, a new Bond of like tenor and denomination, bearing the same number as the mutilated, destroyed, lost or stolen Bond, and with the word "DUPLICATE" stamped or printed plainly on its face, shall be executed by the City, authenticated by the Registrar and delivered to the Registered Owner, all at the expense of the Registered Owner to whom the substitute Bond is delivered. Notwithstanding the foregoing, the Registrar shall not be required to authenticate and deliver any substitute Bond for a Bond which has been called for redemption or which has matured or is about to mature and, in any such case, the principal or redemption price and interest then due or becoming due shall be paid by the Registrar in accordance with the terms of the mutilated, destroyed, lost or stolen Bond without substitution therefor.

B. *Notation on the Bond Register.* Upon the issuance and authentication of any substitute Bond under the provisions of this Section, the Registrar shall enter upon the Bond Register a notation that the original Bond was cancelled and a substitute Bond was issued therefor.

C. *Rights of Registered Owners of Substitute Bonds.* Every substituted Bond issued pursuant to this Section shall constitute an additional contractual obligation of the City and shall be entitled to all the benefits of this Ordinance equally and proportionately with any and all other Bonds duly issued hereunder unless the Bond alleged to have been destroyed, lost or stolen shall be at any time enforceable by a bona fide purchaser for value without notice. In the event the Bond alleged to have been destroyed, lost or stolen shall be

enforceable by anyone, the City may recover the substitute Bond from the Registered Owner to whom it was issued or from anyone taking under the Registered Owner except a bona fide purchaser for value without notice.

D. *Exclusive Rights.* All Bonds shall be held and owned upon the express condition that the foregoing provisions are exclusive with respect to the replacement or payment of mutilated, destroyed, lost or stolen Bonds, and shall preclude any and all other rights or remedies, notwithstanding any law or statute existing or hereafter enacted to the contrary with respect to the replacement or payment of negotiable instruments or of investment or other securities without their surrender.

### **Section 21: Defeasance of the Bonds**

In the event that money and/or Government Obligations, maturing or having guaranteed redemption prices at the option of the owner at such times and bearing interest to be earned thereon, in such amounts as are sufficient (together with any resulting cash balances) to redeem and retire part or all of the Bonds in accordance with their terms, are hereafter irrevocably set aside in a special account and pledged to effect such redemption and retirement, then no further payments need be made into the Revenue Bond Fund or any account therein for the payment of the principal of and interest on the certain Bonds so provided for, and such Bonds and interest accrued thereon shall no longer be deemed to be Outstanding hereunder.

If the principal or redemption price of any Bonds becoming due, at maturity or otherwise, together with all interest accruing thereon to the due date, has been paid or provision therefor has been made in accordance with this Section, all interest on such Bonds shall cease to accrue on the due date and all liability of the City with respect to such Bonds shall likewise cease, except as hereinafter provided. Thereafter the Registered Owners of such Bonds shall be restricted exclusively to the funds so deposited for any claim of whatsoever nature with respect to such Bonds, and the Registrar shall hold such funds in trust for such Registered Owners uninvested and without interest.

### **Section 22: Bond Covenants**

A. *Maintenance and Operation.* The City shall at all times maintain, preserve and keep the properties of the System in good repair, working order and condition and will from time to time make all necessary and proper repairs, renewals, replacements, extensions and betterments thereto, so that at all times the business carried on in connection therewith will be properly and advantageously conducted, and the City will at all times operate or cause to be operated said properties of the System and the business in connection therewith in an efficient manner and at a reasonable cost.

B. *Rate Covenant.* The City will establish, maintain and collect such rates and charges, which shall be fair and nondiscriminatory, for service of its System as will maintain the Rate Covenant for so long as any Parity Bonds are outstanding.

C. *Maintain Revenue Fund Balance.* After making or providing for the payments from the Revenue Fund as required by Section 14 hereof, there shall be maintained in the

Revenue Fund sufficient money to enable the City to meet the Costs of Maintenance and Operation of the System on a current basis.

D. *Sale or Disposition of the System.* The City will not sell or otherwise dispose of the System in its entirety unless simultaneously with such sale or other disposition, provision is made for the payment into the Revenue Bond Fund of cash or Government Obligations sufficient together with interest to be earned thereon to pay the principal of and interest on the then-outstanding Parity Bonds, nor will it sell or otherwise dispose of any part of the useful operating properties of the System unless such facilities are replaced or provision is made for payment into the Revenue Bond Fund of the greatest of the following:

(1) An amount which will be in the same proportion to the net amount of Parity Bonds then outstanding (defined as the total amount of the Parity Bonds less the amount of cash and investments in the Revenue Bond Fund and accounts therein) that the Revenue from the portion of the System sold or disposed of for the preceding year bears to the total Net Revenue for such period; or

(2) An amount which will be in the same proportion to the net amount of Parity Bonds then outstanding (as defined above) that the Net Revenue from the portion of the System sold or disposed of for the preceding year bears to the total Net Revenue for such period; or

(3) An amount which will be in the same proportion to the net amount of Parity Bonds then outstanding (as defined above) that the depreciated cost value of the facilities sold or disposed of bears to the depreciated cost value of the entire System immediately prior to such sale or disposition.

The proceeds of any such sale or disposition of a portion of the properties of the System (to the extent required above) shall be paid into the Revenue Bond Fund.

Notwithstanding any other provision of this subsection D, the City may sell or otherwise dispose of any of the works, plant, properties and facilities of the System or any real or personal property comprising a part of the same which shall have become unserviceable, inadequate, obsolete or unfit to be used in the operation of the System, or no longer necessary, material to or useful in such operation, without making any deposit into the Revenue Bond Fund.

E. *Liens or Encumbrances.* The City will not at any time create or permit to accrue or to exist any lien or other encumbrance or indebtedness upon the System or the Revenue of the System, or any part thereof, prior or superior to the lien thereon for the payment of the Parity Bonds, and will pay and discharge, or cause to be paid and discharged, any and all lawful claims for labor, materials or supplies which, if unpaid, might become a lien or charge upon the Revenue of the System, or any part thereof, or upon any funds in the hands of the City, prior to or superior to the lien of the Parity Bonds, or which might impair the security of the Parity Bonds.

F. *Insurance.* The City will keep the works, plants and facilities comprising the System insured, and will carry such other insurance, with responsible insurers, with policies

payable to the City, against risks, accidents or casualties, at least to the extent that insurance is usually carried by private corporations operating like properties, or will implement a self-insurance program with reserves adequate, in the judgment of the Council, to protect the City and the holders of Parity Bonds against loss. In the event of any loss or damage, the City will promptly repair or replace the damaged portion of the insured property and apply the proceeds of any insurance policy for that purpose; or in the event the City should determine not to repair or reconstruct such damaged portion of the properties of the System, the proceeds of such insurance shall be paid into any Reserve Account to the extent that such transfer shall be necessary to make up any deficiency in said Reserve Account and the balance, if any, shall, at the option of the City, be used either for repairs, renewals, replacements, or capital additions to the System, for the redemption of Parity Bonds, or for deposit into the Revenue Bond Fund.

G. *Books and Accounts.* The City shall keep proper books of account in accordance with any applicable rules and regulations prescribed by the State of Washington. The City shall prepare, and any owner or holder of Parity Bonds may, upon written request, obtain copies of, balance sheets and profit and loss statements showing in reasonable detail the financial condition of the System as of the close of each year, and the income and expenses of such year, including the amounts paid into the Revenue Fund, the Revenue Bond Fund, and into any and all special funds or accounts created pursuant to the provisions of this Ordinance, and the amounts expended for maintenance, renewals, replacements, and capital additions to the System.

H. *Additions and Improvements.* The City will not expend any of the revenues derived by it from the operation of the System or the proceeds of any indebtedness payable from the Revenue of the System for any extensions, betterments or improvements to the System that are not legally required or economically sound, and that will not properly and advantageously contribute to the conduct of the business of the System in an efficient manner.

I. *Collection and Application of ULID Assessments.* As long as the Parity Bonds remain outstanding, all ULID Assessments shall be paid into the Revenue Bond Fund and shall be used to pay and secure the payment of the principal of and interest on the Parity Bonds. Nothing in this Ordinance or this section shall be construed to prohibit the City from issuing water, wastewater or water and wastewater system revenue bonds junior in lien to the Bonds and pledging as security for their payment assessments levied in any ULID which may have been specifically created to pay part of the cost of improvements to the System for which those junior lien bonds were specifically issued.

J. *Collection of Delinquent ULID Assessments.* The City will, on or before April 1 of each calendar year, determine all ULID Assessments or installments thereof that are delinquent and will take all necessary action to enforce payment of such ULID Assessments, including real property foreclosure actions pursuant to applicable law, or its successor statute, if any, against the property owners whose ULID Assessments are delinquent.

K. *No Free Service.* Unless permitted by law or City policy, the City will not furnish or supply or permit the furnishing or supplying of any commodity, service or facility

furnished by or in connection with the operation of the System, free of charge to any person, firm or corporation, public or private, so long as any Bonds are outstanding and unpaid.

### **Section 23: Tax Covenants**

A. *Compliance With the Code.* The City covenants to comply with each requirement of the Code necessary to maintain the exclusion of interest on the Bonds from gross income for federal income tax purposes. In furtherance of the covenant contained in the preceding sentence, the City covenants to comply with the provisions of the Tax Certificate executed by the City on the date of initial issuance and delivery of the Bonds, as such Tax Certificate may be amended from time to time.

B. *Necessary Payments.* The City covenants to make any and all payments required to be made to the United States Department of the Treasury in connection with the Bonds pursuant to Section 148 of the Code.

C. *Survival of Tax Covenants* Notwithstanding any other provision of this Ordinance to the contrary, so long as necessary in order to maintain the exclusion from gross income of interest on the Bonds for federal income tax purposes, the covenants contained in this Section shall survive the payment of the Bonds and the interest thereon, including any payment or defeasance thereof pursuant to Section 21 of this Ordinance.

D. *Remedies.* Notwithstanding any other provision of this Ordinance to the contrary: (1) upon the City's failure to observe or refusal to comply with the above covenants, the Registered Owners, or any trustee acting on their behalf, shall be entitled to the rights and remedies provided to the Registered Owners under this Ordinance; and (2) neither the holders or Registered Owners of bonds of any series other than Bonds, nor a trustee acting on their behalf, shall be entitled to exercise any right or remedy provided to Registered Owners under this Ordinance based upon the City's failure to observe, or refusal to comply with, the above covenants.

### **Section 24: Issuance of Future Parity Bonds**

A. *Conditions upon the Issuance of Future Parity Bonds.* The City hereby reserves the right to issue Future Parity Bonds, which shall constitute a charge and lien upon the Revenue of the System equal to the lien thereon of the Bonds. Except as provided in subsection (C) below, the City shall not issue any series of Future Parity Bonds or incur any additional indebtedness with a parity lien or charge on Net Revenues (i.e., on a parity of lien with Parity Bonds at the time outstanding) unless:

(1) the City shall not have been in default of its Rate Covenant for the immediately preceding fiscal year, without regard to transfers from the Coverage Stabilization Account;

(2) the ordinance authorizing the issuance of such Future Parity Bonds shall include the covenants provided in Section 22(B) hereof; and



(3) there shall have been filed a certificate (prepared as described in subsection (C) or (D) below) demonstrating fulfillment of the Parity Requirement, commencing with the first full fiscal year following the date on which any portion of interest on the series of Future Parity Bonds then being issued no longer will be paid from the proceeds of such series of Future Parity Bonds.

B. *No Certificate Required.* The certificate described in the foregoing subsection (A)(3) shall not be required as a condition to the issuance of Future Parity Bonds:

(1) if the Future Parity Bonds being issued are for the purpose of refunding outstanding Parity Bonds; or

(2) if the Future Parity Bonds are being issued to pay costs of construction of facilities of the System for which Future Parity Bonds have been issued previously and the principal amount of such Future Parity Bonds being issued for completion purposes does not exceed an amount equal to an aggregate of 15% of the principal amount of Future Parity Bonds theretofore issued for such facilities and reasonably allocable to the facilities to be completed as shown in a written certificate of the Designated Representative, and there is delivered a Designated Representative's certificate stating that the nature and purpose of such facilities has not materially changed.

C. *Certificate of the City Without A Consultant.* If required pursuant to the foregoing subsection (A)(3), a certificate may be delivered by the City (executed by the Designated Representative) without a Consultant if Net Revenues for the Base Period conclusively demonstrate that the Parity Requirement will be fulfilled commencing with the first full fiscal year following the date on which any portion of interest on the series of Future Parity Bonds then being issued will not be paid from the proceeds of such series of Future Parity Bonds.

D. *Certificate of a Consultant.* Unless compliance with the requirements of subsection (A)(3) have been otherwise satisfied (as provided in subsection (B) or (C) above), compliance with the Parity Requirement shall be demonstrated conclusively by a certificate of a Consultant.

In making the computations of Net Revenues for the purpose of certifying compliance with the Parity Requirement, the Consultant shall use as a basis the Net Revenues (which may be based upon unaudited financial statements of the City if the audit has not yet been completed) for the Base Period. Such Net Revenues shall be determined by adding the following:

(1) The historical net revenue of the City for the Base Period being issued as determined by a Consultant.

(2) The net revenue derived from those customers of the City that have become customers during such 12-month period or thereafter and prior to the date of such certificate, adjusted to reflect a full year's net revenue from each such customer to the extent such net revenue was not included in (1) above.

(3) The estimated annual net revenue to be derived from any person, firm, association, private or municipal corporation under any executed contract for service, which net revenue was not included in any of the sources of net revenue described in this subsection (D).

(4) The estimated annual net revenue to be derived from the operation of any additions or improvements to or extensions of the City under construction but not completed at the time of such certificate and not being paid for out of the proceeds of sale of such Future Parity Bonds being issued, and which net revenue is not otherwise included in any of the sources of net revenue described in this subsection (D).

(5) The estimated annual net revenue to be derived from the operation of any additions and improvements to or extensions of the City being paid for out of the proceeds of sale of such Future Parity Bonds being issued.

In the event the City will not derive any revenue as a result of the construction of the additions, improvements or extensions being made or to be made to the System within the provisions of subparagraphs (4) and (5) immediately above, then the estimated normal Costs of Maintenance and Operation (excluding any transfer of money to other funds of the City and license fees, taxes and payments in lieu of taxes payable to the City) of such additions, improvements and extensions shall be deducted from estimated annual net revenue.

The words “historical net revenue” or “net revenue” as used in this subsection (D) shall mean the Revenue of the System or any part or parts thereof less the normal expenses of maintenance and operation of the System or any part or parts thereof, but before depreciation. Such “historical net revenue” or “net revenue” shall be adjusted to reflect the rates and charges effective on the date of such certificate if there has been any change in such rates and charges during or after such 12-consecutive-month period.

E. *Junior Liens.* Nothing herein contained shall prevent the City from issuing revenue bonds or other obligations that are a charge upon the Revenue of the System junior or inferior to the payments required by this Ordinance to be made out of such Revenue into the Revenue Bond Fund and accounts therein to pay and secure the payment of any outstanding Parity Bonds.

F. *Refunding to Avoid Default.* Nothing herein contained shall prevent the City from issuing revenue bonds to refund maturing Parity Bonds for the payment of which money is not otherwise available.

## **Section 25: Amendments to Ordinance**

A. *Amendments Not Requiring Registered Owner Consent.* The Council may adopt at any time ordinances supplemental hereto, which ordinances thereafter shall become a part of this Ordinance, for any one or more of all of the following purposes:

(1) to add to the covenants and agreements of the City in this Ordinance, other covenants and agreements thereafter to be observed, which shall not materially

adversely affect the interests of the holders of any Parity Bonds, or to surrender any right or power herein reserved.

(2) to make such provisions for the purpose of curing any ambiguities or of curing, correcting or supplementing any defective provision contained in this Ordinance or any ordinance authorizing future Parity Bonds in regard to matters or questions arising under such ordinances as the Council may deem necessary or desirable and not inconsistent with such ordinances and which shall not adversely affect, in any material respect, the interest of the holders of Parity Bonds.

Any such supplemental ordinance may be adopted without the consent of the Registered Owners of any Parity Bonds at any time Outstanding, notwithstanding any of the provisions of subsection B of this Section.

B. *Amendments Requiring Registered Owner Consent.* With the consent of the holders of not less than 50% in aggregate principal amount of the Parity Bonds at the time outstanding, the Council may pass an ordinance or ordinances supplemental hereto for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of this Ordinance or of any supplemental ordinance; provided, however, that no such supplemental ordinance shall:

(1) extend the fixed maturity of any Parity Bonds, or reduce the rate of interest thereon, or extend the time of payment of interest from their due date, or reduce the amount of the principal thereof, or reduce any premium payable on the redemption thereof, without the consent of the holder of each bond so affected; or

(2) reduce the aforesaid percentage of bondholders required to approve any such supplemental ordinance, without the consent of the holders of all of the Parity Bonds then outstanding.

It shall not be necessary for the consent of bondholders under this subsection B to approve the particular form of any proposed supplemental ordinance, but it shall be sufficient if such consent shall approve the substance thereof.

For the purpose of consenting to amendments under this Section 25(B) except for amendments that alter the interest rate on any Parity Bonds, the maturity date, interest payment dates, purchase upon tender or redemption of any Parity Bonds, the issuer of a Credit Facility shall be deemed to be the sole Registered Owner of the Parity Bonds that are payable from such Credit Facility and that are then outstanding.

C. *Effect of Supplemental Ordinances.* Upon the passage of any supplemental ordinance pursuant to the provisions of this Section, this Ordinance shall be deemed to be modified and amended in accordance therewith, and the respective rights, duties and obligations of the City under this Ordinance and all holders of Parity Bonds outstanding hereunder shall thereafter be determined, exercised and enforced thereunder, subject in all respects to such modification and amendments, and all terms and conditions of any such supplemental ordinance shall be deemed to be part of the terms and conditions of this Ordinance for any and all purposes.

**Section 26: Sale and Delivery of the Bonds and Taking of Other Actions Authorized**

The Council hereby authorizes and directs each of the Mayor, the Chief Financial Officer, the Director of the Utilities Division, the City Clerk, the Treasurer, the Municipal Advisor and Bond Counsel, to prepare, execute and deliver the Bonds to the Underwriter, or in the case of a private placement with a bank, to the bank, and for the proper application and use of the proceeds of the sale thereof, including:

A. preparing the final official statement regarding the Bonds, if the Bonds are publicly offered; and

B. executing such certificates and receipts as may be necessary to properly document the issuance of the Bonds.

In addition, the Mayor, the Chief Financial Officer, the Director of the Utilities Division, the City Clerk, the Treasurer, the Municipal Advisor and Bond Counsel, are hereby authorized by the Council to execute and deliver such other certificates, agreements and documents, and to take such other actions on behalf of the City as may be reasonable and necessary:

A. to facilitate the issuance and sale of the Bonds;

B. to meet all provisions of the Code in order to maintain tax-exempt status of the Bonds; and

C. in connection with any matters related thereto, until the final maturity date of the Bonds or redemption, whichever occur first.

**Section 27: The Preliminary Official Statement**

If the Bonds are publicly offered, the Council hereby delegates authority to the Designated Representative to determine all acts to be undertaken by the City's officers, employees and agents with respect to the preparation and distribution of the preliminary official statement regarding the Bonds, including any action taken to deem such preliminary official statement final as of its date except for the omission of information dependent upon the pricing of the issue and the completion of the underwriting agreement, such as offering prices, interest rates, selling compensation, aggregate principal amount, principal amount per maturity, delivery dates and other terms of the Bonds dependent on the foregoing matters. The City agrees to cooperate with the Underwriter to deliver or cause to be delivered, within seven business days from the date of the sale date of the Bonds and in sufficient time to accompany any confirmation that requests payment from any customer of the Underwriter, copies of a final official statement in sufficient quantity to comply with the rules of the MSRB and paragraph (b)(4) of Securities and Exchange Commission Rule 15c2-12.

**Section 28: Covenant to Provide Continuing Disclosure**

The City covenants to execute and deliver at the time of issuance of the Bonds a Continuing Disclosure Undertaking in substantially the form set forth in Exhibit "C" attached

hereto and by this reference incorporated herein. The Designated Representative is authorized and directed to execute and deliver a Continuing Disclosure Undertaking upon the sale, issuance and delivery of the Bonds with such terms and provisions as such officer shall deem appropriate and in the best interest of the City, upon consultation with Bond Counsel. The City hereby reserves the right to comply with this Section by meeting its annual disclosure requirements through any system approved by the SEC. All required filings shall be made in an electronic format as prescribed by the MSRB.

### **Section 29: Contract; Severability**

The covenants contained in this Ordinance and in the Bonds shall constitute a contract between the City and the holder of each and every Bond. All the covenants, promises and agreements in this Ordinance contained by or on behalf of the City, or by or on behalf of the Registrar, shall bind and inure to the benefit of their respective successors and assigns, whether so expressed or not.

If any one or more of the covenants or agreements provided in this Ordinance to be performed on the part of the City shall be declared by any court of competent jurisdiction to be contrary to law, then such covenants or agreements shall be null and void and shall be deemed separable from the remaining covenants and agreements in this Ordinance and shall in no way affect the validity of the other provisions of this Ordinance or of any Bonds.

Nothing in this Ordinance, expressed or implied, is intended or shall be construed to confer upon or give to any person other than the City, the Registrar and the Registered Owners any rights, remedies or claims under or by reason of this Ordinance or any covenant, condition or stipulation thereof; and all of the covenants, stipulations, promises and agreements in this Ordinance contained by or on behalf of the City shall be for the sole and exclusive benefit of the City, the Registrar and the Registered Owners.

### **Section 30: No Personal Recourse**

No recourse shall be had for any claim based on this Ordinance or Bonds against any Council member, officer or employee, past, present or future, of the City or of any successor body as such, either directly or through the City or any such successor body, under any constitutional provision, statute or rule of law or by the enforcement of any assessment or penalty or otherwise.

### **Section 31: Ratification**

All actions not inconsistent with the provisions of this Ordinance heretofore taken by the Council and the City's employees with respect to the adoption of this Ordinance and the issuance, sale and delivery of the Bonds, are hereby in all respects ratified, approved and confirmed.

### **Section 32: Repealer**

All ordinances or resolutions or parts thereof in conflict herewith are, to the extent of such conflict, hereby repealed, and shall have no further force or effect.

### **Section 33: Effective Date**

The Council hereby finds and determines that the issuance and sale of the Bonds at this time will benefit the City by allowing the City to take advantage of current interest rates for tax-exempt bonds. In making such finding and determination, the Council has given consideration to the interest that will be payable on the Bonds through the maturity of the Bonds, the costs of issuance of the Bonds and the net present value savings due to the defeasance and/or refunding of the Refunded Bonds. In order to take advantage of current interest rates and maximum savings to the City's ratepayers, it is essential to accept the Bond Purchase Contract or accept the Approved Bid at a competitive sale, as applicable, as quickly as possible. Based upon said facts, an emergency and urgency is declared and found to exist as necessary for the immediate support of City government and its existing public institutions. Based upon said emergency and urgency, this Ordinance shall become effective immediately upon its passage.

PASSED by the City Council of the City of Spokane, Washington, at a regular meeting thereof, held on April 21, 2025.

CITY OF SPOKANE

Spokane County, Washington

\_\_\_\_\_

Betsy Wilkerson, Council President

ATTEST:

\_\_\_\_\_

Terri L. Pfister, City Clerk

\_\_\_\_\_

Lisa Brown, Mayor

( S E A L )

APPROVED AS TO FORM:

\_\_\_\_\_

City Attorney

\_\_\_\_\_

Tanya Lawless, Bond Counsel

\* \* \* \* \*

**CERTIFICATE**

I DO HEREBY CERTIFY that I am the duly chosen, qualified and acting Clerk of the City of Spokane, Washington (the “**City**”), and keeper of the records of the City Council (the “**Council**”); and

I HEREBY CERTIFY:

1. That the attached ordinance is a true and correct copy of Ordinance No. [ ] of the City (the “**Ordinance**”), as finally passed at a regular meeting of the Council held on the 21<sup>st</sup> day of April, 2025, and duly recorded in my office.

2. That said meeting was duly convened and held in all respects in accordance with law, and to the extent required by law, due and proper notice of such meeting was given; that a quorum was present throughout the meeting and a legally sufficient number of members of the Council voted in the proper manner for the passage of the Ordinance; that all other requirements and proceedings incident to the proper passage of the Ordinance have been duly fulfilled, carried out and otherwise observed, and that I am authorized to execute this certificate.

IN WITNESS WHEREOF, I have hereunto set my hand this 21<sup>st</sup> day of April 2025.

\_\_\_\_\_

City Clerk



**EXHIBIT “A”**

[Form of Bond]

*Unless this certificate is presented by an authorized representative of The Depository Trust Company, a New York corporation (“DTC”), to the issuer or its agent for registration of transfer, exchange, or payment, and any certificate issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.*

**NO. R-[ ]**

**\$( )**

**UNITED STATES OF AMERICA  
STATE OF WASHINGTON  
COUNTY OF SPOKANE**

**CITY OF SPOKANE**

**WATER AND WASTEWATER SYSTEM REVENUE REFUNDING BOND, SERIES  
2025**

<u>INTEREST RATE</u>	<u>MATURITY DATE</u>	<u>ORIGINAL ISSUE DATE</u>	<u>CUSIP</u>
_____ %	December 1, 20__	_____, 2025	___

**REGISTERED OWNER: CEDE & CO.**

**PRINCIPAL AMOUNT: [ ] AND NO/100 DOLLARS**

THE CITY OF SPOKANE, Spokane County, Washington (the “City”), a municipal corporation and first-class charter city duly organized and existing under the laws of the State of Washington (the “State”) now in force, acknowledges itself to owe and, for value received, promises to pay from the City’s “Water-Wastewater Revenue Bond Fund” (the “**Revenue Bond Fund**”), referred to in Ordinance No. [ ], adopted by the City Council of the City (the “**Council**”) on April 21, 2025 (the “**Ordinance**”), to the Registered Owner identified above, or registered assigns, on the Maturity Date identified above, the Principal Amount identified above and to pay interest thereon from the Revenue Bond Fund from \_\_\_\_\_, 2025, or from the most recent date to which interest has been paid or duly provided for, whichever is later, at the Interest Rate per annum identified above, payable commencing on \_\_\_\_\_ 1, 20[25], and semiannually thereafter on each December 1 and June 1 to the Maturity Date set forth above or to the date of prior redemption of this Bond, whichever occurs first. Interest shall be calculated on the basis of [a 360-day year consisting of twelve 30-day months]. Capitalized terms used herein shall have the meanings given to them in the Ordinance.

The principal of and interest on this Bond are payable in lawful money of the United States of America to the Registered Owner hereof, whose name and address shall appear on the registration books of the City (the “**Bond Register**”) maintained by the Washington State Fiscal Agent (the “**Registrar**”). Interest shall be paid to the Registered Owner whose name appears on the Bond Register at the close of business on the fifteenth day of the calendar month preceding the interest payment date, and shall be paid by check or draft of the Registrar mailed to such Registered Owner on the due date at the address appearing on the Bond Register, or at such other address as may be furnished in writing by such Registered Owner to the Registrar. Interest installments may be paid by wire transfer to a Registered Owner within the United States of at least \$1,000,000 in principal amount of the Bonds, upon written request of such Registered Owner submitted to the Registrar at least 15 days prior to the interest payment date; provided, the costs of such wire transfer shall be paid by the Registered Owner. Principal of this Bond shall be paid to the Registered Owner upon presentation and surrender of this Bond on or after the Maturity Date set forth above or date of prior redemption of this Bond, whichever occurs first, at the designated corporate trust office of the Registrar.

This Bond is one of a duly authorized series of Bonds aggregating \$[\_\_\_\_\_] par value, all of like date, tenor and effect, issued by the City pursuant to and in full compliance with the Constitution and laws of the state of Washington now in force, particularly chapters 35.41, 39.46 and 39.53 RCW, and proceedings duly adopted and authorized by the Council, more particularly the Ordinance, for the purpose of providing money to pay, redeem and retire the Refunded Bonds, to fund the Reserve Requirement, if any, and to pay certain expenses incurred in connection with the issuance of the Bonds, as more particularly described in the Ordinance.

The Bonds are subject to redemption prior to their stated maturity as stated in the [Bond Purchase Contract] [Official Notice of Sale and Approved Bid].

The Bonds of this issue are not general obligations of the City. The City hereby covenants and agrees with the owner and holder of this bond that it will keep and perform all the covenants of this Bond and the Bond Ordinance.

[The Bonds of this issue are not “private activity bonds” as such term is defined in the Internal Revenue Code of 1986, as amended (the “Code”). The Bonds of this issue have not been designated by the City as “qualified tax-exempt obligations” for investment by financial institutions under Section 265(b) of the Code.]

The City does hereby pledge and bind itself to set aside from the Revenue Fund out of the Revenue of the System and to pay into the Revenue Bond Fund and the Reserve Account the various amounts required by the Ordinance to be paid into and maintained in such fund and account, all within the times provided by the Ordinance. To the extent more particularly provided by the Ordinance, the amounts so pledged to be paid from the Revenue Fund out of the Revenue of the System into the Revenue Bond Fund and the account therein shall be a lien and charge thereon equal in rank to the lien and charge upon said revenue of the amounts required to pay and secure the payment of any revenue bonds of the City hereafter issued on

a parity with the bonds of this issue and superior to all other liens and charges of any kind or nature except the Costs of Maintenance and Operation of the System.

The City has further bound itself to maintain the System in good repair, working order and condition, to operate the same in an efficient manner and at a reasonable cost, and to establish, maintain and collect rates and charges for as long as any of the bonds of this issue are outstanding that will make available, for the payment of the principal thereof and interest thereon as the same shall become due, Net Revenue will be at least equal to the Rate Covenant, as described in the Ordinance.

So long as the Bonds are in book-entry only form, the Registrar will notify DTC of a redemption, not less than 20 days and not more than 60 days prior to the date fixed for redemption, and will provide such information as required by the operational arrangements of DTC referenced in the Blanket Letter of Representations from the City to DTC.

During any period in which the Bonds are not in book-entry only form, unless waived by any Registered Owner of the Bonds to be redeemed, notice of any redemption of Bonds will be given by the Registrar on behalf of the City by mailing a copy of a redemption notice by first-class mail, postage prepaid, not less than 20 days nor more than 60 days prior to the date fixed for redemption, to the Registered Owners of each Bond to be redeemed at the address shown on the Bond Register or at such other address as is furnished in writing by such Registered Owners to the Registrar.

Such requirements shall be deemed to be complied with when notice is mailed as herein provided, regardless of whether or not it is actually received by the Registered Owner of any Bond to be redeemed. Interest on any Bond so called for redemption shall cease to accrue on the date fixed for redemption, and the Bonds shall not be deemed to be Outstanding as of such redemption date, provided funds for redemption are on deposit at the place of payment at that time. Any notice of redemption given may be rescinded by written notice from the City to the Registrar prior to the date specified for redemption. The Registrar shall give notice of such rescission as soon thereafter as practicable, and to the same Registered Owners, as notice of such redemption was given. Any notice of redemption that is so rescinded shall be of no effect, and the Bonds for which the notice of redemption has been rescinded shall remain Outstanding.

The City has reserved the right to purchase any or all of the Bonds on the open market at any time and at any price. To the extent the City purchases Term Bonds on the open market, the City may reduce, at its discretion, the amount of any mandatory sinking fund deposit or deposits by an aggregate principal amount equal to the principal amount of the Term Bonds so purchased. Any Bonds so purchased or redeemed shall be canceled.

The City and the Registrar may deem and treat the Registered Owner of this Bond as the absolute owner of this Bond for the purpose of receiving payments of principal and interest due on this Bond and for all other purposes, and neither the City nor the Registrar shall be affected by any notice to the contrary.

This Bond is transferable or exchangeable by the Registered Owner hereof in person, or by its attorney duly authorized in writing, upon due completion of the Assignment appearing hereon and upon presentation and surrender of this Bond at the designated corporate trust office of the Registrar. Upon such transfer or exchange, a new Bond or Bonds of any authorized denomination, of the same maturity and interest rate, and for the same aggregate principal amount of the Bond being surrendered will be issued to the transferee or exchangee, in exchange therefor. The Registrar is not required to transfer or exchange any Bond during the 15 days preceding any principal or interest payment date.

Reference is hereby made to the Ordinance for the covenants and declarations of the City and other terms and conditions under which this Bond and the Bonds of this series have been issued. The covenants contained herein and in the Ordinance, as such may pertain to this Bond, may be discharged by making provision, at any time, for the payment of the principal of and interest on this Bond in the manner provided in the Ordinance.

Notwithstanding any other provision of this Bond to the contrary, so long as this Bond is registered in the name of Cede & Co., as nominee of DTC, all payments with respect to principal of or premium, if any, and interest on this Bond shall be made in the manner provided in the Letter of Representations.

This Bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Ordinance until the Certificate of Authentication hereon is manually signed by the Registrar.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things essential to the validity of this Bond and the Bonds of this series do exist, have happened, been done and been performed and that every requirement of the Constitution and the laws of the State now in force and the ordinances and resolutions of the City, particularly the Ordinance, affecting the issue hereof has been duly complied with; and that the Net Revenue to be derived from the operation of the System, including any future improvements, additions or extensions thereto, have been pledged and will be set aside into the Revenue Bond Fund to be used for the payment of principal of and interest on this Bond in the order of priority provided in the Ordinance.

*[Remainder of page intentionally left blank.]*

IN WITNESS WHEREOF, City of Spokane, Washington, has caused this Bond to be executed by the manual or facsimile signature of the Mayor, attested by the manual or facsimile signature of its City Clerk and impressed with its seal on \_\_\_\_\_, 2025.

CITY OF SPOKANE, WASHINGTON

By \_\_\_\_\_  
Mayor

ATTEST:

\_\_\_\_\_  
City Clerk

[SEAL]

**CERTIFICATE OF AUTHENTICATION**

Date of Authentication:

This Bond is one of the City of Spokane Water and Wastewater System Revenue Refunding Bonds, Series 2025, dated \_\_\_\_\_, 2025, and described in the within-mentioned Ordinance.

WASHINGTON STATE FISCAL AGENT, as  
Registrar

By \_\_\_\_\_  
Authorized Signatory

**ASSIGNMENT**

FOR VALUE RECEIVED, the undersigned sells, assigns, and transfers unto

Name and address of Assignee:

Social Security or Federal Employer  
Identification Number of Assignee:

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

\_\_\_\_\_

the within Bond and does hereby irrevocably constitute and appoint \_\_\_\_\_,  
attorney, to transfer said Bond on the books kept for registration thereof with full power of  
substitution in the premises.

Dated: \_\_\_\_\_

Signature of Registered Owner:

\_\_\_\_\_  
NOTICE: The signature to this assignment  
must correspond with the name of the  
registered owner as it appears upon the face  
of the within Bond in every particular,  
without alteration or enlargement or any  
change whatever.

Signature guaranteed:

\_\_\_\_\_  
(Bank, Trust Company, or Firm)

[End of Form of Bond]

**EXHIBIT “B”**

**CITY OF SPOKANE  
SPOKANE COUNTY, WASHINGTON**

**WATER AND WASTEWATER SYSTEM REVENUE REFUNDING BONDS, SERIES  
2025**

**FORM OF ESCROW AGREEMENT**

This **ESCROW AGREEMENT** is made and entered into as of \_\_\_\_\_, 2025, by and between the City of Spokane, Washington (the “**City**”), a municipal corporation and first-class charter city duly organized and existing under the laws of the State of Washington (the “**State**”), and [U.S. Bank Trust Company National Association, Seattle, Washington] (the “**Refunding Trustee**”), with respect to the redemption of certain bonds, as provided for in Ordinance No. [\_\_\_\_\_] adopted by the City Council of the City on April 21, 2025 (the “**Ordinance**”). Unless otherwise defined in this Escrow Agreement, all capitalized terms shall have the meanings set forth in Section 1 of the Ordinance.

**WITNESSETH**

**WHEREAS**, the City Council of the City (the “**Council**”) authorized this Escrow Agreement to be executed pursuant to Section 9 of the Ordinance; and

**WHEREAS**, the City reserved the right and option to redeem the outstanding 2014 Bonds maturing on or after December 1, 2025, prior to their stated maturity dates at any time on or after December 1, 20[24], in whole or in part (maturities to be selected by the City and within a maturity in such manner as DTC shall determine), at par plus accrued interest to the date fixed for redemption; and

**WHEREAS**, after due consideration, the Council has determined that it will be advantageous to the City to pay, redeem and retire [all] [or a portion] of the 2014 Bonds maturing on December 1 in the years 20[25] through 20[34], inclusive (the “**Refunded Bonds**”), by the sale, issuance and delivery of refunding bonds and to execute the refunding plan as detailed in the Ordinance; and

**WHEREAS**, in order to effect such refunding plan in the manner that will be most advantageous to the City, the Council has determined to [acquire certain government obligations from a portion of bond proceeds] and other available money that bear interest and mature at such times as necessary to pay interest, when due, on the Refunded Bonds, up to and including [REDEMPTION DATE], 2025, and redeem the Refunded Bonds on [REDEMPTION DATE], 2025, at a price equal to 100% of the principal to be redeemed plus accrued interest to the date of redemption; and

**NOW, THEREFORE, in consideration of the premises and the mutual covenants hereinafter contained, the parties hereto covenant, agree and bind themselves as follows:**

**Section 1.** *Acceptance of Refunding Trustee Duties.* [U.S. Bank Trust Company National Association, Seattle, Washington], hereby accepts its appointment by the Designated Representative of the City as the Refunding Trustee with respect to the Refunded Bonds.

**Section 2.** *City Representations.* The City represents to the Refunding Trustee that: (a) the City is a municipal corporation and first-class charter city duly organized and existing under the laws of the State; and (b) the City is authorized to enter into this Escrow Agreement.

**Section 3.** *Refunding Trustee Representations.* The Refunding Trustee represents to the City that: (a) the Refunding Trustee is a trust company or state or national bank having the powers of a trust company within or without the State; and (b) the Refunding Trustee is authorized to enter into this Escrow Agreement.

**Section 4.** *The Escrow Account.* The Refunding Trustee hereby agrees to establish, hold, invest and otherwise administer the Escrow Account in the manner provided by the Ordinance. In the furtherance of the foregoing, the Refunding Trustee will, on behalf of the City, use the Net Bond Proceeds and other money, if any, deposited with the Refunding Trustee to purchase Government Obligations in the amounts, of the type, bearing interest and maturing as set forth in the following schedule:

<u>Type of Obligation</u>	<u>Par Amount</u>	<u>Interest Rate</u>	<u>Delivery Date</u>	<u>Maturity Date</u>
			___/___/2025	

**Section 5.** *Receipt of Certain Money.* Execution of this Escrow Agreement by the Refunding Trustee shall constitute written acknowledgment by the Refunding Trustee of its receipt from the City of \$\_\_\_\_\_, \$\_\_\_\_\_ of which will be invested in Government Obligations, \$\_\_\_\_\_ of which will be held as an initial cash balance and the balance of \$\_\_\_\_\_ will be used to pay costs of issuance of the Bonds at the direction of the Designated Representative.

**Section 6.** *Sufficiency of Government Obligations.* Based on the escrow verification report of [VERIFICATION AGENT], the City represents that the Government Obligations and the maturing principal thereof and the interest thereon, if paid when due, together with a beginning cash balance of \$\_\_\_\_\_, will be sufficient to make the payments described in Section 7 hereof.



**Section 7.** *Payments on the Refunded Bonds.* The Refunding Trustee will transfer money from the Escrow Account to the Washington State Fiscal Agent in the amounts, and at the times, necessary to enable the Washington State Fiscal Agent to make the payments described in the following schedule:

<u>Payment Date</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
*	\$	\$	\$

\* Redemption Date.

**Section 8.** *The Government Obligations.* The Refunding Trustee will purchase the Government Obligations described in Section 4 above, on behalf of the City, from the Bond proceeds and other money, if any, deposited with the Refunding Trustee on the date the Bonds are issued. The Refunding Trustee will use such Government Obligations, and the earnings thereon, for the sole purpose of making the transfers to the Washington State Fiscal Agent described in Section 7 hereof. The Refunding Trustee will not allow any Government Obligations to be liquidated prior to maturity without: (a) the City’s written consent; (b) receiving a supplemental verification addressed to the City and the Refunding Trustee of an independent firm of certified public accountants or a nationally recognized financial advisor, which shall be satisfactory to nationally recognized bond counsel, that the money and Government Obligations on deposit after such liquidation will be sufficient to effect the defeasance and/or refunding of the Refunded Bonds; and (c) receiving the written opinion of nationally recognized bond counsel that such redemption would not cause the interest on the Refunded Bonds or the Bonds to become includable in gross income for federal income tax purposes.

**Section 9.** *Safekeeping of Money and Investments.* All Government Obligations, money and investment income deposited with or received by the Refunding Trustee pursuant to this Escrow Agreement shall be subject to the trust created by this Escrow Agreement, and the Refunding Trustee shall be liable for the safekeeping thereof. All money deposited with the Refunding Trustee or received by the Refunding Trustee as maturing principal or interest on the Government Obligations prior to the times the Refunding Trustee is required to make the payments described in Section 7 of this Escrow Agreement shall be held uninvested, in cash, by the Refunding Trustee.

**Section 10.** *Substitution of the Government Obligations.* The Refunding Trustee acknowledges the City’s right to substitute Government Obligations for investments in the Escrow Account. The Refunding Trustee will cooperate with the City in making any such substitution, so long as prior to each such substitution, the City obtains: (1) a supplemental verification addressed to the City and the Refunding Trustee from a nationally recognized firm of independent certified public accountants or from a nationally recognized financial advisor, which shall be satisfactory to nationally recognized bond counsel, that the money and Government Obligations on deposit in the Escrow Account after such substitution will be sufficient to effect the defeasance and/or refunding of the Refunded Bonds and that such substitute Government Obligations are noncallable; and (2) a written opinion addressed to the City from nationally

recognized bond counsel that such substitution will not cause the interest on the Refunded Bonds or the Bonds to become includable in gross income for federal income tax purposes.

**Section 11.** *Transfer of Surplus Money Prior to Full Redemption.* The Refunding Trustee will transfer to the City any money remaining on deposit in the Escrow Account prior to the payment in full of the Refunded Bonds if the City furnishes to the Refunding Trustee: (a) a supplemental verification addressed to the City and the Refunding Trustee of an independent firm of certified public accountants or a nationally recognized financial advisor, which shall be satisfactory to nationally recognized bond counsel, that the money and Government Obligations on deposit after such transfer will be sufficient to effect the defeasance and/or refunding of the Refunded Bonds; and (b) an opinion addressed to the City and to the Refunding Trustee from nationally recognized bond counsel that such transfer will not cause the interest on the Refunded Bonds or the Bonds to become includable in gross income for federal income tax purposes.

**Section 12.** *Transfer of Surplus Money After Full Redemption.* The Refunding Trustee will transfer to the City any money remaining on deposit in the Escrow Account after the payment, redemption and retirement in full of all of the Refunded Bonds.

**Section 13.** *Notices of [Defeasance and Redemption].* [The Refunding Trustee will cause notice of the defeasance of the Refunded Bonds to be given, substantially in the form set forth in Attachment I hereto, not later than [10] days after the Bonds are delivered to the Underwriter by the City. The notice of defeasance shall be given to the Municipal Securities Rulemaking Board.] [The Refunding Trustee will direct the Washington State Fiscal Agent to give notice, or cause notice to be given, at the expense of the City, of the redemption of the Refunded Bonds in the form and manner required by the 2014 Bond Ordinance. Such notice of redemption shall be substantially in the form set forth in Attachment II hereto, and shall be given not less than 20 nor more than 60 days prior to the redemption date.]

**Section 14.** *Limitation of Refunding Trustee's Duties.* The duties and obligations of the Refunding Trustee shall be prescribed by the provisions of this Escrow Agreement and the Ordinance, and the Refunding Trustee shall not be liable except for the performance of its duties and obligations as specifically set forth herein or therein and the duty to act in good faith in the performance thereof and no implied duties or obligations shall be incurred by such Refunding Trustee other than those specified herein and therein. Nothing contained herein shall require the Refunding Trustee to advance its own money or otherwise to incur any financial liability to carry out its obligations hereunder. The Refunding Trustee shall not be responsible or liable for: (a) the sufficiency, correctness, genuineness or validity of the Government Obligations; (b) the performance or compliance by any party other than the Refunding Trustee with the terms or conditions of any such instruments; or (c) any loss which may occur by reason of forgeries, false representations or the exercise of the Refunding Trustee's discretion in any particular manner, unless such exercise is negligent or constitutes willful misconduct.

**Section 15.** *Interpleader.* If any controversy arises between the City and any third person, the Refunding Trustee shall not be required to determine the same or to take any action in the premises, but it may institute, in its discretion, an interpleader or other proceedings in connection therewith as it may deem proper, and in following either course, it shall not be liable.

**Section 16.** *Reporting Requirements.* For as long as any of the Refunded Bonds are outstanding, the Refunding Trustee shall render a statement as of the last day of the month on a semi-annual basis commencing December 1, 2025, to the Chief Financial Officer setting forth: (a) the Government Obligations which have matured and the amounts received by the Refunding Trustee by reason of such maturity; (b) the amounts paid to the Washington State Fiscal Agent pursuant to Section 7 of this Escrow Agreement and the dates of such payments, for payments on the Refunded Bonds; and (c) any other transactions of the Refunding Trustee pertaining to its duties and obligations as set forth herein.

**Section 17.** *Compensation of the Refunding Trustee.* The Refunding Trustee hereby acknowledges payment for services rendered and to be rendered by it pursuant to the provisions of this Escrow Agreement of all fees, compensation and expenses of the Refunding Trustee. The Refunding Trustee hereby agrees that such compensation has been made to the satisfaction of the Refunding Trustee. Such amount does not take into consideration any extraordinary fees and expenses of the Refunding Trustee. The Refunding Trustee represents that it has incurred no extraordinary fees and expenses pertaining to this Escrow Agreement. The Refunding Trustee shall comply with the requirements of the following paragraph before incurring any extraordinary fees and costs to be billed to the City. The Refunding Trustee acknowledges that it is not entitled to a lien on any Government Obligations or other obligations or money of the City held by it pursuant to this Escrow Agreement or any other agreement.

The Refunding Trustee shall provide the City with a good faith estimate of its fees and costs if and when it is requested by the City to: (a) render any service that is not provided for in this Escrow Agreement; (b) amend this Escrow Agreement; or (c) substitute securities under this Escrow Agreement. The City will pay the Refunding Trustee reasonable compensation for such unanticipated services, provided the City is first provided with such estimate and approves thereof in writing.

**Section 18.** *Amendments to this Escrow Agreement.* The Refunding Trustee and the City recognize that the owners of the Refunded Bonds have a beneficial interest in the money and the Government Obligations to be held in trust by the Refunding Trustee pursuant to this Escrow Agreement. Therefore, this Escrow Agreement shall be subject to amendment only in writing executed by the City and the Refunding Trustee for the purposes of: (a) clarifying an ambiguity in the duties and obligations set forth hereunder; or (b) altering the reporting or other ministerial obligations of the Refunding Trustee to the City. The parties will not amend this Escrow Agreement in such a manner as to permit the Refunding Trustee to invest in or deposit in the Escrow Account any obligations other than noncallable, nonprepayable obligations of, or obligations unconditionally guaranteed by, the United States of America. Each amendment to this Escrow Agreement shall be accompanied by an opinion addressed to the City and to the Refunding Trustee from nationally recognized bond counsel that such amendment will not cause the interest on the Refunded Bonds or the Bonds to become includable in gross income for federal income tax purposes. In addition, if such amendment results in any change of the maturities, interest earnings or redemption features of the Government Obligations, then such amendment shall also be accompanied by a supplemental verification addressed to the City and to the Refunding Trustee from an independent firm of certified public accountants or a nationally recognized financial advisor, which shall be satisfactory to nationally recognized bond counsel,

that the money and Government Obligations on deposit after the amendment will be sufficient to effect the defeasance and/or refunding of the Refunded Bonds.

**Section 19.** *Notification of Deficiency.* The Refunding Trustee will give the City prompt notice if the Refunding Trustee shall determine there are or will be insufficient money or Government Obligations to make the payments specified in Section 7 of this Escrow Agreement, and the City shall promptly deposit with the Refunding Trustee additional sums of money required to correct such deficiencies. This Section 19 is not intended to create an obligation on the part of the Refunding Trustee to calculate or in any way verify the sufficiency or projected future sufficiency of the maturing principal of and interest on the Government Obligations and other money held by the Refunding Trustee pursuant to this Escrow Agreement to pay the debt service on the Refunding Bonds.

**Section 20.** *Successor Refunding Trustee.* The Refunding Trustee shall, upon receiving a written request from the City, or may, upon providing 30 days prior written notice to the City, be removed as Refunding Trustee hereunder; provided, the Refunding Trustee will not relinquish its duties hereunder until a qualified successor accepts its appointment. The City shall promptly appoint a successor Refunding Trustee upon the removal of the Refunding Trustee; *provided*, the Refunding Trustee may petition a court of competent jurisdiction for the appointment of a successor Refunding Trustee if the successor Refunding Trustee appointed by the City does not accept its appointment within 45 days after the giving of notice described in the preceding sentence. Any successor Refunding Trustee shall meet the requirements of RCW 39.53.070, as now in effect or hereafter amended, and shall assume all the obligations of the Refunding Trustee under this Escrow Agreement. All the Government Obligations and money then held by the Refunding Trustee pursuant to this Escrow Agreement shall thereafter be transferred to such successor.

Any corporation or association into which the Refunding Trustee may be merged or with which it may be consolidated, or any corporation or association resulting from any merger, consolidation or reorganization to which the Refunding Trustee may be a party, or any corporation or association to which the Refunding Trustee may sell or transfer all or substantially all of its corporate trust business, shall be the successor to the Refunding Trustee without the execution or filing of any paper or any further act on the part of the City or the Refunding Trustee.

**Section 21.** *Receipt of Statements.* The Refunding Trustee hereby acknowledges receipt from the City of statements setting forth the interest payment schedules and maturity schedules of the Refunded Bonds by number, amount, date of maturity and interest rates, the amount of interest to be paid on each semiannual interest payment date of such bonds, if any, and the amount of the principal to be paid on the date that the Refunded Bonds are to be redeemed.

**Section 22.** *Holidays.* If the date for making any payment or the last date for performance of any act or the exercising of any right or duty, as provided in this Escrow Agreement, shall be a legal holiday, a day on which banking institutions in Seattle, Washington, and New York, New York, are authorized by law to remain closed, or a day on which the New York Stock Exchange is closed, such payment may be made, such act performed, or such right

exercised on the next succeeding day, with the same force and effect as if done on the nominal date provided in this Escrow Agreement.

**Section 23.** *Term.* The term of this Escrow Agreement shall commence on the date the Bonds are delivered to the Underwriter and shall expire on the later of: (a) the date the final payment is made pursuant to Section 7 hereof; (b) the date any surplus money remaining in the Escrow Account is transferred to the City pursuant to Section 12 hereof; and (c) the date the final statement required by Section 16 hereof is received by the City. Notwithstanding the expiration of this Escrow Agreement, the Refunding Trustee shall not be relieved of any liability for a breach of this Escrow Agreement occurring during the term hereof.

**Section 24.** *Writings Required.* Any notice, authorization, request or demand required or permitted to be given in accordance with the terms of this Escrow Agreement shall be in writing.

**Section 25.** *Governing Law.* This Escrow Agreement shall be governed by and construed in accordance with the laws of the State, without regard to conflict of law principles.

**Section 26.** *Severability.* In the event any one or more of the provisions contained in this Escrow Agreement shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision of this Escrow Agreement, and this Escrow Agreement shall be construed as if such invalid or illegal or unenforceable provision had never been contained herein. If any portion of this Escrow Agreement is amended, severed or revoked, the City agrees to notify any rating agency with a current rating on the Bonds prior to such action.

**Section 27.** *Counterparts.* This Escrow Agreement may be executed in several counterparts, each of which shall be regarded as the original and all of which shall constitute one and the same Escrow Agreement.

CITY OF SPOKANE  
Spokane County, Washington

( S E A L )

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Matthew Boston, Designated Representative

ATTEST:

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Terri L. Pfister, City Clerk

[U.S. BANK TRUST COMPANY NATIONAL  
ASSOCIATION, Seattle, Washington], as Refunding  
Trustee

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[Aaron Fong, Vice President]

ATTACHMENT "I"

NOTICE OF DEFEASANCE

**CITY OF SPOKANE  
SPOKANE COUNTY, WASHINGTON  
WATER AND WASTEWATER SYSTEM REVENUE BONDS, SERIES 2014 (GREEN BONDS)**

NOTICE IS HEREBY GIVEN that pursuant to the provisions of Section 13 of Ordinance No. C35170, passed on October 27, 2014 by the City Council of the City of Spokane, Washington (the "City"), the City has defeased [all] [a portion of] its outstanding Water and Wastewater System Revenue Bonds, Series 2014 (Green Bonds) (the "**Refunded Bonds**"), as set forth below, by depositing certain Government Obligations, together with other legally available money of the City, in an escrow account held by [U.S. Bank Trust Company National Association of Seattle, Washington], as Refunding Trustee.

**[Refunded Bonds**

<u>Years (December 1)</u>	<u>Amounts</u>	<u>Interest Rates</u>	<u>CUSIP Nos.</u>
2025	\$ 9,185,000	5.00%	849103 AL0
2026	9,645,000	3.00	849103 AM8
2027	9,935,000	3.15	849103 AN6
2028	10,250,000	4.50	849103 AP1
2029	10,710,000	4.50	849103 AQ9
2030	11,190,000	4.00	849103 AR7
2031	11,640,000	4.00	849103 AS5
2032	12,105,000	4.00	849103 AT3
2033	12,590,000	3.75	849103 AU0
2034	13,060,000	3.75	849103 AV8]

The Refunded Bonds will become due and will be redeemed and paid on [REDEMPTION DATE], 2025, at the redemption price of par, together with interest accrued to such date. Interest on the Refunded Bonds shall cease to accrue on and after [REDEMPTION DATE], 2025, whether or not such Refunded Bonds are presented for redemption.

[U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION, Seattle, Washington], as Refunding Trustee

By: \_\_\_\_\_  
Trust Officer

Dated: \_\_\_\_\_, 2025.

ATTACHMENT "II"

NOTICE OF REDEMPTION

CITY OF SPOKANE  
SPOKANE COUNTY, WASHINGTON  
WATER AND WASTEWATER SYSTEM REVENUE BONDS, SERIES 2014 (GREEN BONDS)

NOTICE IS HEREBY GIVEN that pursuant to the provisions of Section 5 of Ordinance No. C35170, passed on October 27, 2014 by the City Council of the City of Spokane, Washington (the "City"), the City has called for redemption on [REDEMPTION DATE], 2025, the outstanding \$[110,310,000] principal amount of its Water and Wastewater System Revenue Bonds, Series 2014 (Green Bonds), dated December 2, 2014, that mature on December 1 in the years 20[25] through 20[34], inclusive, (the "Bonds"), as set forth below:

<b>[Refunded Bonds]</b>			
<u>Years</u> (December 1)	<u>Amounts</u>	<u>Interest</u> Rates	<u>CUSIP Nos.</u>
2025	\$ 9,185,000	5.00%	849103 AL0
2026	9,645,000	3.00	849103 AM8
2027	9,935,000	3.15	849103 AN6
2028	10,250,000	4.50	849103 AP1
2029	10,710,000	4.50	849103 AQ9
2030	11,190,000	4.00	849103 AR7
2031	11,640,000	4.00	849103 AS5
2032	12,105,000	4.00	849103 AT3
2033	12,590,000	3.75	849103 AU0
2034	13,060,000	3.75	849103 AV8]

The Refunded Bonds will become due and will be redeemed and paid on [REDEMPTION DATE], 2025, at the redemption price of 100% of the principal to be redeemed, together with interest accrued to such date. Interest on the Refunded Bonds shall cease to accrue on and after [REDEMPTION DATE], 2025, whether or not such Refunded Bonds are presented for redemption.

On [REDEMPTION DATE], 2025, the Refunded Bonds designated will become due and payable at the specified redemption price at the following address:

In Person or By Mail: [Washington State Fiscal Agent]  
[address]  
[ZIP Code]

U.S. Bank Trust Company National Association, as Refunding Trustee, shall not be held responsible for the selection or use of the CUSIP number, nor is any representation made as to its correctness indicated in this Redemption Notice. It is included solely for convenience of the Registered Owners.

[insert relevant federal and state law tax consequences of redemption payments]

No representation is made as to the correctness of the number either as printed on the Refunded Bonds or as contained in any notice of redemption and reliance may be placed only on the identification numbers printed on the Refunded Bonds.

Dated: \_\_\_\_\_, 2025.

WASHINGTON STATE FISCAL AGENT



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

**EXHIBIT “C”**

**CITY OF SPOKANE, WASHINGTON**

**WATER AND WASTEWATER SYSTEM REVENUE BONDS, SERIES 2025  
PRINCIPAL AMOUNT OF \$[\_\_\_\_\_]**

**FORM OF CONTINUING DISCLOSURE UNDERTAKING**

This Continuing Disclosure Undertaking (this “**Undertaking**”) is executed and delivered by the City of Spokane, Washington (the “**City**”) in connection with the issuance of \$ \_\_\_\_\_ Water and Wastewater System Revenue Bonds, Series 2025 (the “**Bonds**”) of the City. The Bonds are being issued pursuant to Ordinance No. [\_\_\_\_], adopted by the City Council of the City (the “**Council**”) on April 21, 2025 (the “**Ordinance**”). Capitalized terms not otherwise defined herein shall have the meanings given in the Ordinance.

A. *Limitation of Rights.* The City intends that this Undertaking constitutes the City’s undertaking to provide the information and notices described by Rule 15c2-12 (as defined below) with respect solely to the Bonds (the “**Undertaking**”). Notwithstanding any other provision of the Ordinance to the contrary, neither the Registered Owner or holder of bonds of any series other than the above-referenced bonds (the “**Bonds**”), nor any trustee acting on their behalf, shall be entitled to any right or to exercise any remedy provided to the Holders under this Undertaking based upon the City’s failure to observe, or refusal to comply with, the covenants contained in this Undertaking.

B. *Definitions for Purposes of this Undertaking.*

Solely for the purposes of this Undertaking, the following terms shall have the following meanings unless the context otherwise requires:

“*Annual Financial Information*” shall mean: (i) annual financial statements for the System prepared (except as noted in the financial statements) in accordance with applicable generally accepted accounting principles applicable to Washington state local governmental units, as such principles may be changed from time to time, which statements shall not be audited, except, however, that if and when audited financial statements are otherwise prepared and available to the City they will be provided; (ii) information generally of the type included in the Official Statement for the Bonds under the heading [“**FINANCIAL INFORMATION – Historical Operating Results**”] and showing debt service coverage; (iii) the outstanding principal amount of Parity Bonds; (iv) number of water and wastewater customers of the System. Items (ii) – (iv) shall be required only to the extent that such information is not included in the annual financial statements provided pursuant to (i).

“*Audited Financial Statements*” means, with respect to the City, financial statements for the System prepared and audited pursuant to the laws of the State (presently RCW 43.09.200 through 43.09.285), as such laws may be amended from time to time, and with respect to Obligated Persons, financial statements prepared and audited in such manner as is

described in the Annual Financial Information regarding the Obligated Person, if such Obligated Person exists in the future. Presently, there are no Obligated Persons (other the City) with respect to the Bonds.

“*Debt Obligation*” includes: (1) any short-term or long-term debt obligation of the City or Obligated Person under the terms of an indenture, loan agreement, lease or similar contract; (2) a direct purchase of municipal securities by an investor; (3) a direct loan by a bank; and (4) generally, lease arrangements entered into by the City and Obligated Persons that operate as vehicles to borrow money.

“*EMMA*” means the Electronic Municipal Market Access facility for municipal securities disclosure of the MSRB.

“*Financial Obligation*” means a (i) Debt Obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term “Financial Obligation” does not include municipal securities as to which a final official statement has been provided to the MSRB consistent with Rule 15c2-12.

“*Holder*” means any Registered Owner of a Bond and any person who, directly or indirectly, through any contract, arrangement, understanding, relationship or otherwise, has or shares: voting power which includes the power to vote, or to direct the voting of, any such bond; and/or investment power which includes the power to dispose, or direct the disposition of, any such bond.

“*MSRB*” means the Municipal Securities Rulemaking Board or any successor in functions thereto.

“*Obligated Person*” shall have the meaning specified in Rule 15c2-12.

“*Official Statement*” means the City’s official statement relating to the Bonds, together with any amendments thereto.

“*Required Filings*” means any filing made pursuant to Sections this Undertaking.

“*Rule 15c2-12*” means Rule 15c2-12 of the SEC, as amended.

“*SEC*” means the Securities and Exchange Commission or any successor in functions thereto.

C. *Annual Financial Information.* The City will provide to EMMA not later than the last day of the ninth month of each fiscal year of the City, commencing on or before September 30, 20[25], Annual Financial Information for the City. Presently, the City’s fiscal year commences on January 1. All or any portion of the Annual Financial Information may be incorporated in the Annual Financial Information by cross reference to any other documents which have been filed with: (i) EMMA; (ii) the SEC; or (iii) if the document is a final official statement, with the MSRB.

Annual Financial Information for any fiscal year containing any modified operating data or financial information for such fiscal year shall explain, in narrative form, the reasons for such modification and the effect of such modification on the Annual Financial Information being provided for such fiscal year. If a change in accounting principles is included in any such modification, the initial Annual Financial Information after such modification shall present a comparison between the financial statements or information prepared on the basis of the modified accounting principles and those prepared on the basis of the former accounting principles. The City will provide notice of the modification of operating data or financial information or change in accounting principles to EMMA.

D. *Audited Financial Statements.* To the extent the City's Audited Financial Statements are not submitted as part of the Annual Financial Information under Paragraph C, the City will provide to EMMA the Audited Financial Statements of the City (commencing with the audited financial statements for the fiscal year ending December 31, 2024), when and if such Audited Financial Statements are available. Although the City may submit an annual comprehensive financial report (an "ACFR") together with such Audited Financial Statements, there is no requirement to do so hereunder, and the dissemination of an ACFR in any year shall not be construed as a requirement to disseminate an ACFR in any subsequent year.

E. *Listed Event Notices*

The City will provide to EMMA, within 10 business days of the occurrence, notice of any of the following events with respect to the Bonds:

1. Principal and interest payment delinquencies;
2. Non-payment related defaults, if material;
3. Unscheduled draws on debt service reserves reflecting financial difficulties;
4. Unscheduled draws on credit enhancements reflecting financial difficulties;
5. Substitution of credit or liquidity providers, or their failure to perform;
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701 TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security;
7. Modifications to rights of security holders, if material;
8. Bond calls, if material, and tender offers;
9. Defeasances;

10. Release, substitution or sale of property securing repayment of the securities, if material;
11. Rating changes;
12. Bankruptcy, insolvency, receivership or similar event of the City;<sup>1</sup>
13. The consummation of a merger, consolidation or acquisition involving the City or the sale of all or substantially all of the assets of the City, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
14. Appointment of a successor or additional trustee or the change of name of a trustee, if material;
15. Incurrence of a Financial Obligation of the City, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Obligated Person, any of which affect security holders, if material; and
16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the City, any of which reflect financial difficulties.

F. *Notice of Late Filing*

The City will provide to EMMA in a timely manner, not in excess of 10 business days after the occurrence of the event, notice of a failure of the City to provide the required Annual Financial Information on or before the date specified in this Section.

G. *Term of this Undertaking*

The term of this Undertaking shall commence on the date of closing and initial delivery of the Bonds to the Registered Owners, and shall terminate when the Bonds shall have been paid in full or defeased in accordance with the Ordinance. The City shall provide notice of such defeasance to EMMA; provided, such notice shall not be a condition to such defeasance.

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<sup>1</sup> This event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the City in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the City, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the City.

H. *Amendments*

Notwithstanding any provision of the Ordinance to the contrary, the City may amend this Undertaking in conformity with Rule 15c2-12, as interpreted from time to time by the courts of competent jurisdiction, the SEC, or the SEC staff. Upon the adoption of any amendment to the Rule, this Undertaking shall be deemed to be modified and amended in accordance therewith, and the respective rights, duties and obligations of the City and all Holders under this Undertaking shall thereafter be determined, exercised and enforced thereunder, subject in all respects to such modification and amendments, and all terms and conditions of any such amendment shall be deemed to be part of the terms and conditions of this Undertaking for any and all purposes. If the consent of Holders is necessary for such amendment, only the Holders of the Bonds shall be considered for purposes of determining whether such consent has been rendered.

I. *Additional Information*

Nothing in this Undertaking shall be deemed to prevent the City from disseminating any other information, using the means of dissemination set forth in this Undertaking or any other means of communication, or including any other information in any Required Filing, in addition to that which is required by this Undertaking. If the City chooses to include any information in any Required Filing in addition to that which is specifically required by this Undertaking, the City shall have no obligation under this Undertaking to update such information or include it in any future Required Filing.

J. *Defaults of this Undertaking*

If the City shall fail to comply with any provision of this Undertaking, then any Holder may enforce, for the equal benefit and protection of all Holders similarly situated, by mandamus or other suit or proceeding at law or in equity, such provision against the City and any of the officers, agents and employees of the City, and may compel the City or any such officers, agents or employees to perform and carry out their duties under this Undertaking; provided, that the sole and exclusive remedy for breach of this Undertaking shall be an action to compel specific performance of the obligations of the City hereunder and no person or entity shall be entitled to recover monetary damages hereunder under any circumstances.

K. *Rescission Rights*

The City hereby reserves the right to rescind this Undertaking without the consent of the Holders in the event Rule 15c2-12 is repealed by the SEC or is ruled to be invalid by a federal court and the time to appeal from such decision has expired. In the event of a partial repeal or invalidation of Rule 15c2-12, the City hereby reserves the right to rescind those provisions of this Undertaking that were required by those parts of Rule 15c2-12 that are so repealed or invalidated.

L. *Dissemination Agent.*

The City may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Agreement, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent.

M. *EMMA*

Any filing under this Undertaking may be made solely by transmitting such filing to EMMA as provided at <http://emma.msrb.org>.

CITY OF SPOKANE  
Spokane County, Washington

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Matthew Boston, Designated Representative

**Agenda Sheet for City Council:****Committee:** Finance & Administration **Date:** 03/24/2025**Committee Agenda type:** Information Only**Date Rec'd**

3/17/2025

**Clerk's File #****Cross Ref #****Project #****Council Meeting Date:****Submitting Dept**

CONTRACTS &amp; PURCHASING

**Bid #****Contact Name/Phone**

JASON 625-6031

**Requisition #****Contact E-Mail**

JSANDBAL@SPOKANECITY.ORG

**Agenda Item Type**

Information Only - Committee

**Council Sponsor(s)**

PDILLON MCATHCART

**Sponsoring at Administrators Request**

NO

**Lease?** NO**Grant Related?** NO**Public Works?****Agenda Item Name**

5500 ANNUAL REPORT APPRENTICE UTILIZATION PROGRAM 2024

**Agenda Wording**

Annual Report for City of Spokane's Apprentice Utilization Program 2024

**Summary (Background)**

Annual Report for City of Spokane's Apprentice Utilization Program 2024



**What impacts would the proposal have on historically excluded communities?**

NA

**How will data be collected, analyzed, and reported concerning the effect of the program/policy by racial, ethnic, gender identity, national origin, income level, disability, sexual orientation, or other existing disparities?**

NA

**How will data be collected regarding the effectiveness of this program, policy, or product to ensure it is the right solution?**

NA

**Describe how this proposal aligns with current City Policies, including the Comprehensive Plan, Sustainability Action Plan, Capital Improvement Program, Neighborhood Master Plans, Council Resolutions, and others?**

NA

**Council Subcommittee Review**

<b>Fiscal Impact</b>	
Approved in Current Year Budget?	N/A
Total Cost	\$
Current Year Cost	\$
Subsequent Year(s) Cost	\$
<b><u>Narrative</u></b>	
<b>Amount</b>	<b>Budget Account</b>
Select \$	#
Select \$	#
Select \$	#
Select \$	#
Select \$	#
Select \$	#
<b>Funding Source</b>	N/A
<b>Funding Source Type</b>	Select
<b>Is this funding source sustainable for future years, months, etc?</b>	
<b>Expense Occurrence</b>	N/A
<b>Other budget impacts (revenue generating, match requirements, etc.)</b>	
<b>Approvals</b>	<b>Additional Approvals</b>
<u>Dept Head</u>	
<u>Division Director</u>	
<u>Accounting Manager</u>	
<u>Legal</u>	
<u>For the Mayor</u>	
<b>Distribution List</b>	

**Agenda Sheet for City Council:****Committee:** Finance & Administration **Date:** 03/24/2025**Committee Agenda type:** Information Only**Date Rec'd**

3/19/2025

**Clerk's File #****Cross Ref #****Project #****Council Meeting Date:****Submitting Dept**

PMO

**Bid #****Contact Name/Phone**

DUSTY 625-6585

**Requisition #****Contact E-Mail**

DFREDRICKSON@SPOKANECITY.ORG

**Agenda Item Type**

Information Only - Committee

**Council Sponsor(s)**

PDILLON

**Sponsoring at Administrators Request**

NO

**Lease?** NO**Grant Related?** NO**Public Works?****Agenda Item Name**

PROJECT MANAGEMENT OFFICE OVERVIEW

**Agenda Wording**

This is an educational presentation about the Project Management Office and what they do for the City.

**Summary (Background)**

This is an educational presentation about the Project Management Office and what they do for the City.

**What impacts would the proposal have on historically excluded communities?**

N/A

**How will data be collected, analyzed, and reported concerning the effect of the program/policy by racial, ethnic, gender identity, national origin, income level, disability, sexual orientation, or other existing disparities?**

N/A

**How will data be collected regarding the effectiveness of this program, policy, or product to ensure it is the right solution?**

N/A

**Describe how this proposal aligns with current City Policies, including the Comprehensive Plan, Sustainability Action Plan, Capital Improvement Program, Neighborhood Master Plans, Council Resolutions, and others?**

N/A

**Council Subcommittee Review**

N/A

<b>Fiscal Impact</b>	
Approved in Current Year Budget?	
Total Cost	\$
Current Year Cost	\$
Subsequent Year(s) Cost	\$
<b><u>Narrative</u></b>	
<b>Amount</b>	<b>Budget Account</b>
Select \$	#
Select \$	#
Select \$	#
Select \$	#
Select \$	#
Select \$	#
<b>Funding Source</b>	
<b>Funding Source Type</b>	Select
<b>Is this funding source sustainable for future years, months, etc?</b>	
<b>Expense Occurrence</b>	
<b>Other budget impacts (revenue generating, match requirements, etc.)</b>	
<b>Approvals</b>	<b>Additional Approvals</b>
<u>Dept Head</u>	
<u>Division Director</u>	
<u>Accounting Manager</u>	
<u>Legal</u>	
<u>For the Mayor</u>	
<b>Distribution List</b>	

# Project Management Office (PMO) Overview

11/08/2024

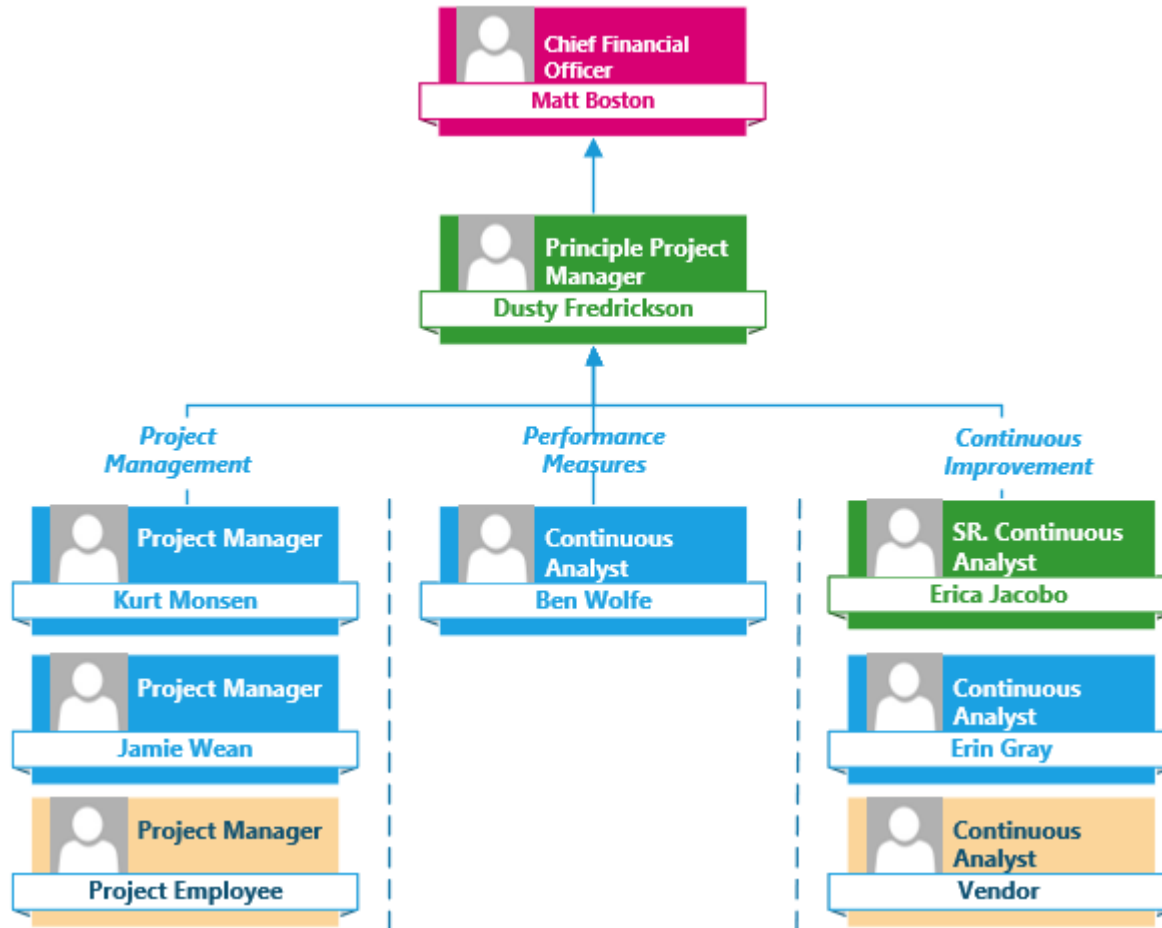


# PMO Overview - Agenda

- 1) PMO Team Structure
- 2) History
- 3) Mission, Goals & Objectives
- 4) Work Categorization
- 5) Solution Delivery Roles
- 6) Cost/Benefit Example
- 7) Training Delivery
- 8) 2024 Allocation
- 9) 2023 Allocation
- 10) 2025/2026 Forecast
- 11) Highlights/Customer Feedback



# Project Management Office – Team Structure



**Bargaining Unit:** M&P B

## **Job Class, Job Titles & Pay Grades**

- 354 Principle Project Manager (52)
- 353 SR Project Manager (48)
- 352 Project Manager (45)
- 037 SR Continuous Improvement Analyst (47)
- 036 Continuous Improvement Analyst (42)

Non-FTE Staff added to meet 2023 & 2024 Work Demand pending filling of vacancies

## **Vacancies closed for 2025/2026 Budget:**

- Project Manager (131003)
- Continuous Improvement Analyst (161001)



# Project Management Office – History

## ***2016 – PMO formed in Information Technology***

- Project Management (PM) Only
- IT Project Focus – Application Implementation, Network, Infrastructure, etc

## ***2019 – PMO Moved Into Finance & Administration***

- Driven by City Administrator and CITO
- Expanded skill-sets and scope of work
- Report to CFO
- Introduced PMO Governance Committee Concept
- Added Continuous Improvement (CI) & Performance Measures (PerfM) team members
- Positioned as the “City” Project Management Office, not the “IT” PMO

**2019 – Present:** Develop and execute PMO Mission, Goals and Objectives



# Project Management Office – Mission, Goals & Objectives

## *Mission:*

*Support City Divisions, Departments and teams in creating comprehensive solutions to solving problems or taking advantage of opportunities that optimize operational outcomes.*

### **Goal 1: Deliver projects on-time, within budget and with quality**

- Develop and continuously improve PMO best practices (Skill Sets, Methodology & Tools)
  - Project Management (PM)
  - Continuous Improvement (CI)
  - Performance Measures (PerfM)
  - Business Analysis (BA)
- Cross-train PMO team members on all practice areas

### **Goal 2: Support Operational Improvements City-Wide**

- Conduct desktop-level process improvement exercises
- Develop operational Performance Measures/Metrics

### **Goal 3: Expand the use of PMO best practice City-Wide**

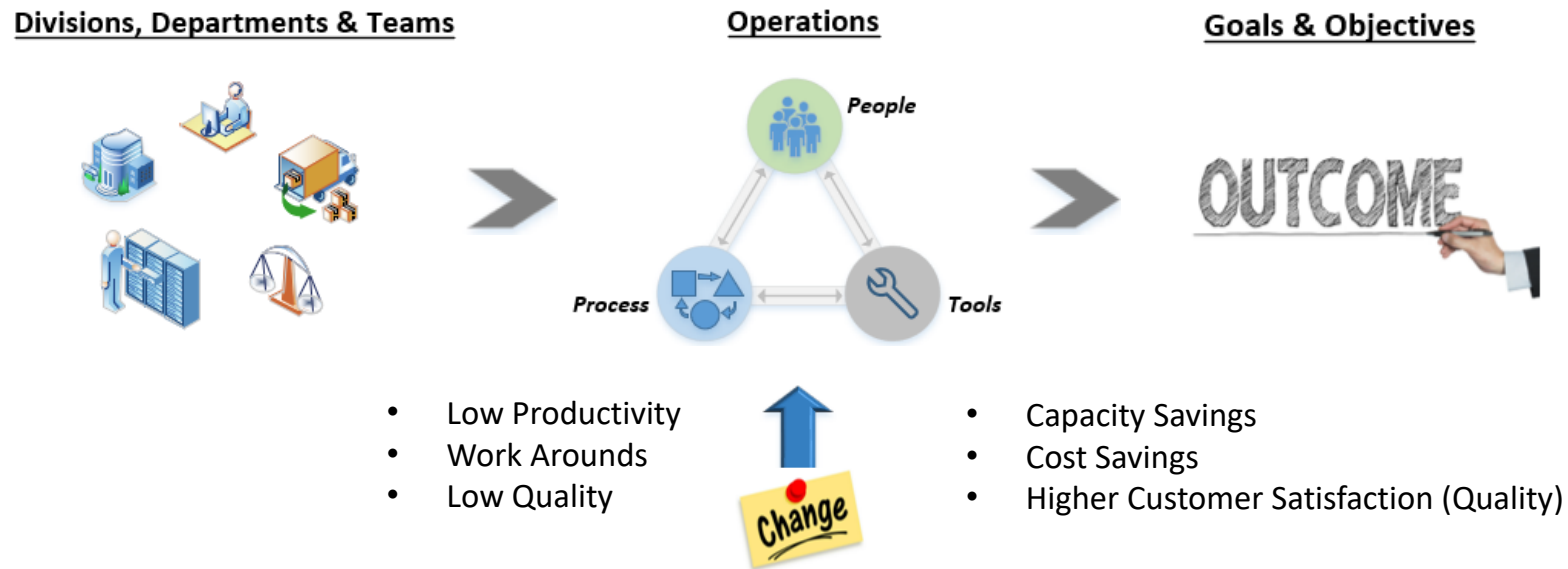
- Deliver training on PMO best practice (Project Management, Continuous Improvement, etc)
- Develop operational Performance Measures/Metrics



# Project Management Office – Work Categorization

**PMO work generally falls into two buckets: Project vs Non-Project**

- **Project:** > 80 Hours, Involves multiple PMO resources, High Complexity
- **Non-Project:** Lower Complexity, Fewer Stakeholders



**Solution Focus Areas:**

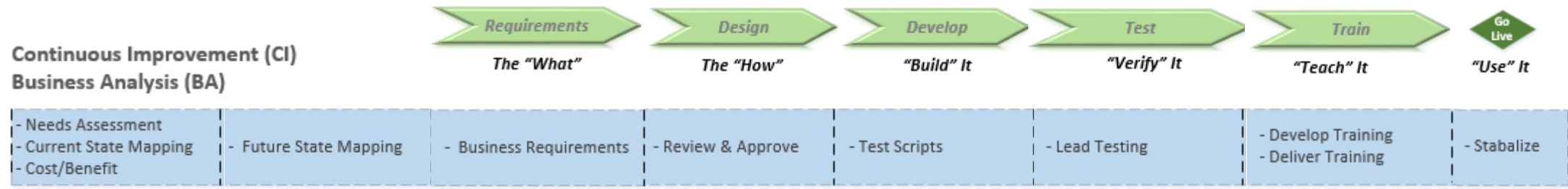
- **Process:** Modernize/Streamline Process – Eliminate Waste
- **Tools:** Update/Develop to facilitate enhanced process
- **People:** Focus training on performing job duties by following updated process using tool features

# Project Management Office – Solution Delivery

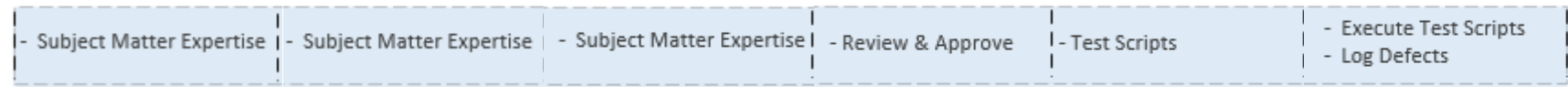
## Project Management (PM)



## Continuous Improvement (CI) Business Analysis (BA)



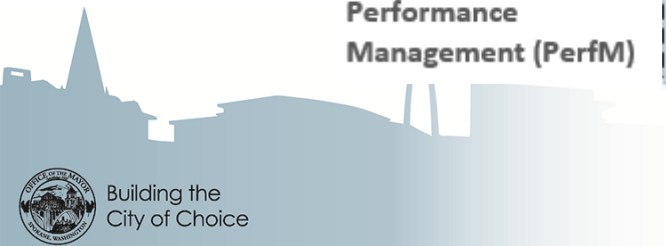
## Business Customer



## Vendor and/or IT SME\*\*



## Performance Management (PerfM)



# Discovery Phase: Cost/Benefit - TCO

## ***Weighmaster to Paradigm Total Cost of Ownership Analysis***

Confidence Level: +/- 50%    Discovery Phase

### **Project & Operational Costs**

Cost Category	Operational Cost Projections					
	2024	2025	2026	2027	2028	Total
Paradigm Implementation Costs (One Time)	\$ 103,723	\$ 31,380				\$ 135,103
Unattended Lanes	\$ 485	\$ 20,619				\$ 21,104
NSLF	\$ 7,118	\$ 5,715				\$ 12,833
Paradigm Support Costs		\$ 17,478	\$ 18,002	\$ 18,542	\$ 19,099	\$ 73,121
System Integration: UIS	\$ 10,000					\$ 10,000
PMO - Project Management	\$ 70,000	\$ 35,000				\$ 105,000
PMO - Business Analyst	\$ 70,000	\$ 50,000				\$ 120,000
IT Support Costs	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 10,000
Infrastructure - Network Costs	\$ 2,500					\$ 2,500
End User Hardware/Software Costs	\$ 17,230					\$ 17,230
<b>Cost Totals:</b>	<b>\$ 283,056</b>	<b>\$ 162,192</b>	<b>\$ 20,002</b>	<b>\$ 20,542</b>	<b>\$ 21,099</b>	<b>\$ 506,891</b>

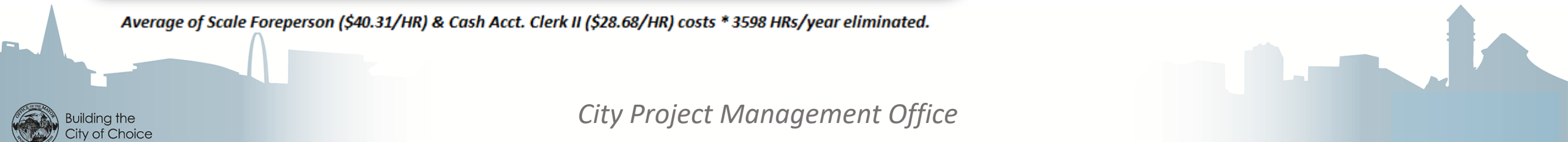
### **Estimated Financial Benefits**

Benefit Category	2024	2025	2026	2027	2028	Total
Software Replacement Savings	\$ -	\$ 3,950	\$ 4,069	\$ 4,191	\$ 4,316	\$ 16,525
Department Capacity Savings	\$ -	\$ 124,113	\$ 127,836	\$ 131,671	\$ 135,622	\$ 519,242
<b>Benefit Totals:</b>	<b>\$ -</b>	<b>\$ 128,063</b>	<b>\$ 131,905</b>	<b>\$ 135,862</b>	<b>\$ 139,938</b>	<b>\$ 535,768</b>

**Cost vs. Benefit:** \$ (283,056) \$ (34,129) **\$ 111,903** \$ 115,320 \$ 118,839 \$ 28,876

(Break Even)

*Average of Scale Foreperson (\$40.31/HR) & Cash Acct. Clerk II (\$28.68/HR) costs \* 3598 HRs/year eliminated.*



# Project Management Office – Goal 3: Training

To drive toward the PMO’s goal of “Expand the use of PMO best practice City-Wide,” we have developed two training courses:

- *Change Agent*
- *Practical Project Management*

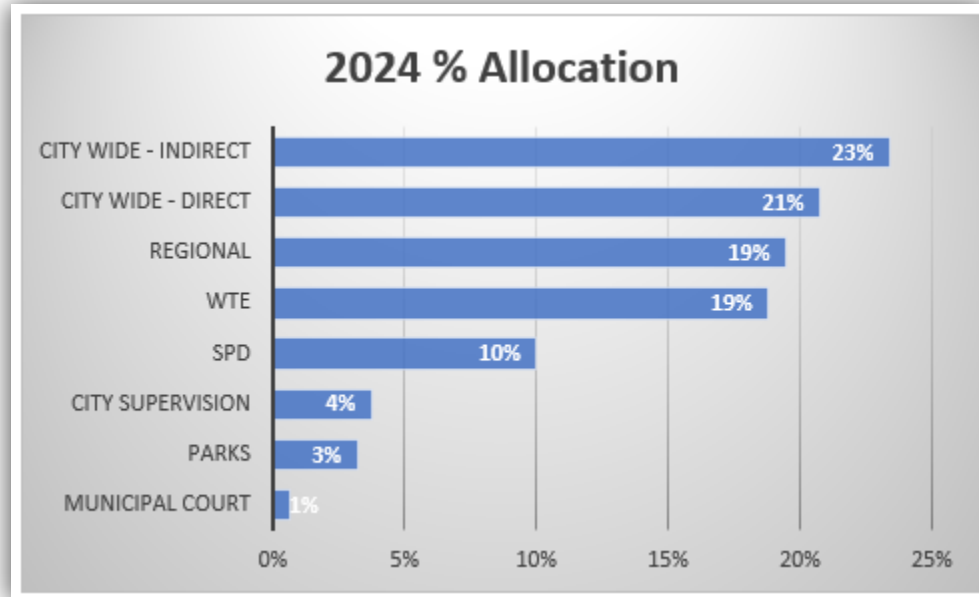
Business Analysis is the next course of training to be developed.

<b>Change Agent Training (7 Cohorts)</b>
Accounting
Civil Service
Community Housing & Human Services
Environmental Services
Fire
Fleet
Information Technology
Library
MySpokane 311
Neighborhood & Business Services
Parking Services
Parks
Planning & Development Services Center
Purchasing
RPWRF
Sewer Maintenance
Solid Waste Disposal
SPD
Street Department
Utility Billing

<b>Practical Project Management (2 Classes)</b>
Accounting
City Council
Environmental Programs
Facilities
Finance & Administration
Information Technology
Mayor's Office
Parking Services
Planning & Development Services Center
PMO



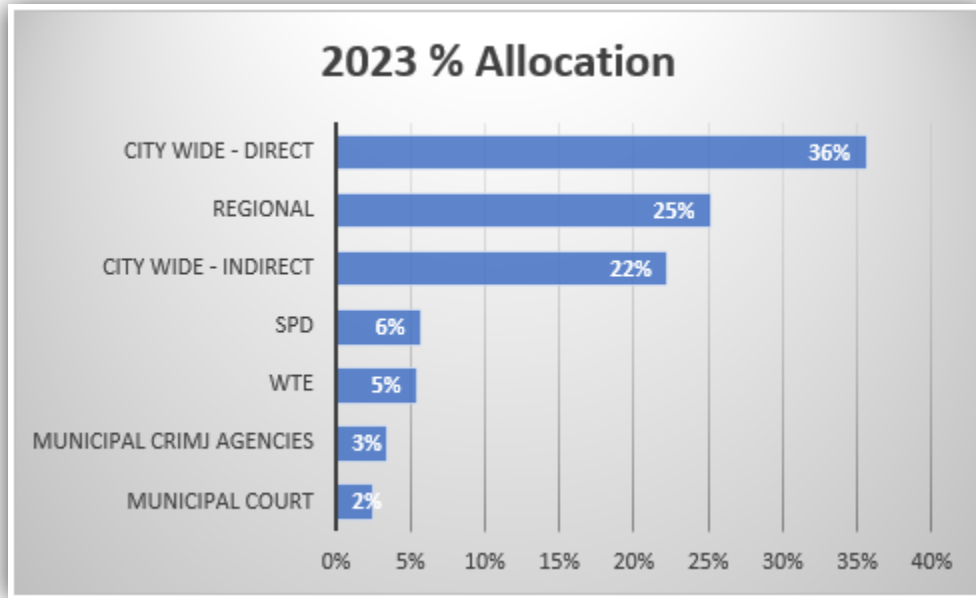
# Project Management Office Utilization - 2024



Allocation	2024 Work Items	%
<b>City Wide - Indirect</b>		<b>28%</b>
	BA Practice	
	CI Practice	
	Department Management	
	PerfM Practice	
	PM Practice	
<b>City Wide - Direct</b>		<b>21%</b>
	Accounts Payable CI	
	Bank Change Risk/Impact Assessment	
	Helix RLM Solution	
	Legislative Agenda Management CI	
	Overtime Dashboard	
	Payment Gateway Assessment	
	Procure-to-Pay CI	
	Prop 1 Dashboard	
	Public Records Request Audit	
	SMC Recodification	
<b>Regional</b>		<b>19%</b>
	Axon Solution - LE	
	Eceptionist Solution - Supervision	
<b>WTE</b>	Paradigm Solution	<b>19%</b>
<b>SPD</b>		<b>10%</b>
	Asset Panda Inventory	
	Axon Interview Rooms	
	SPD Conference Room Upgrades	
	SPD Network Hardening	
<b>City Supervision</b>	Public Defender Assessment CI	<b>4%</b>
<b>Parks</b>	Golf Revenue Dashboards	<b>3%</b>
<b>Municipal Court</b>	Court PRR Process Improvement	<b>1%</b>



# Project Management Office Utilization - 2023

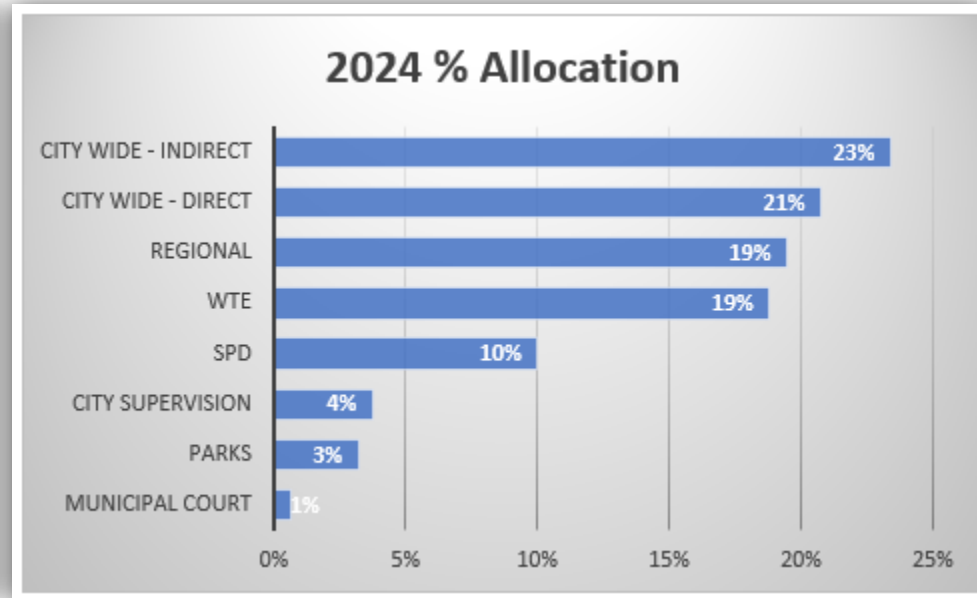
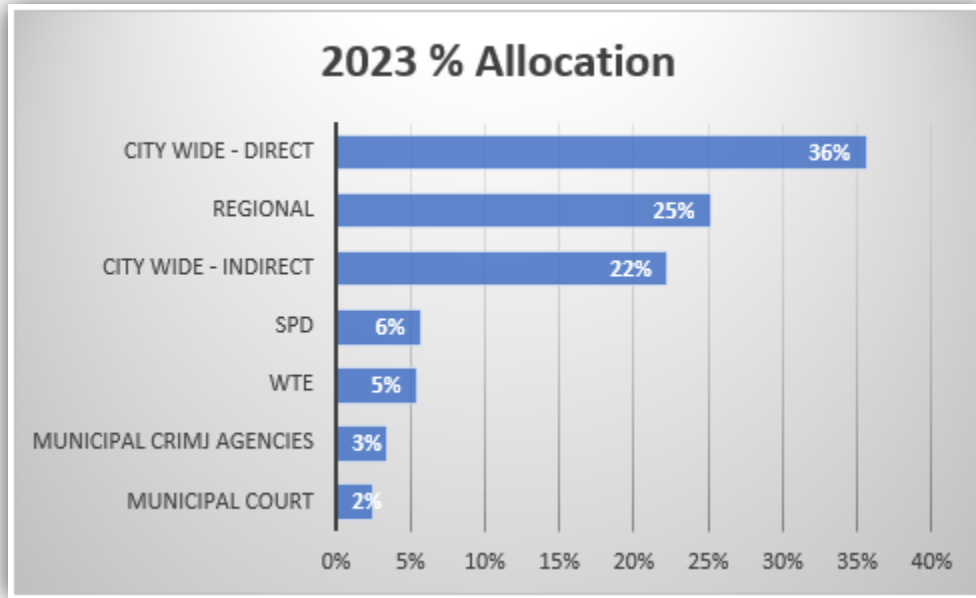


Allocation	2023 Work Items	%
<b>City Wide - Direct</b>		<b>36%</b>
	Legislative Agenda Management CI	
	Community Safety Initiative	
	Behavioral Health Assessment	
	Payment Collection Process/System Mapping	
	Payment Gateway RFI	
	Procure-to-Pay CI	
	Virtual Card Implementation	
	Overtime Dashboard	
	SMC Recodification RFP	
	Helix RLM RFP	
<b>City Wide - Indirect</b>		<b>22%</b>
	PM Practice	
	CI Practice	
	BA Practice	
	PerfM Practice	
	Department Management	
<b>Regional</b>		<b>25%</b>
	Eceptionist RFP	
	Axon Solution	
	Beast/LIMs Evidence Management	
<b>SPD</b>		<b>6%</b>
	Gunshot Detection	
	SPD Conference Room Upgrades	
	SPD Network Hardening	
	SPD AXON Interview Rooms	
<b>WTE</b>		<b>5%</b>
	Paradigm RFP	
<b>Municipal CrimJ Agencies</b>		<b>3%</b>
	1st Appearance CI	
<b>Municipal Court</b>		<b>2%</b>
	AOC Integration Time Study	
	Munic Court PRR CI	





# Project Management Office Utilization



# Work Forecast – 2025/2026

Allocation	2025				2026			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
<b>Regional</b>								
Axon Solution - LE	█							
Eceptionist - Supervision	█							
<b>SPD</b>								
Asset Panda	█							
SPD Infrastructure								
<b>WTE</b>								
WTE Scalehouse - Paradigm	█							
<b>City Wide - Direct</b>								
SMC Recodification	█				█			
Budget Dashboards	█	█						
Bank Change Needs Assessment & RFP		█						
Bank Change Solution					█			
Payment Gateway Needs Assessment RFP		█						
Payment Gateway Solution					█			
<b>City Wide - Indirect</b>								
PM Practice	█				█			
CI Practice	█				█			
BA Practice	█				█			
PerfM Practice	█				█			
Department Management	█				█			
<b>Parks</b>								
Recreation Revenue	█							
RFP Revenue		█						
<b>F&amp;A Division</b>								
Division Maturity Roadmap	█							

<b>Work to be Forecasted</b>
Contract Process Improvement
Grant Process Improvement
ERP Readiness Assessment
ERP Readiness Execution
ERP Implementation
Mayor's Office Projects***



# PMO Highlights

## **Municipal Legal Case Management Solution**

- 1<sup>st</sup> fully agency integration case management solution
- Automation of over 100 daily, weekly, monthly x-agency business processes

## **Solid Waste Collection Route Management**

- Eliminated paper collection routes
- Created real-time transparency into day-to-day operations

## **Fire Fleet Maintenance Automation (Records & Inventory)**

- L&I Finding Compliance Driven
- Eliminated Manual Fleet Maintenance & Inventory Tracking

## **City Fleet Management Optimization M5 Utilization**

- Optimize Fleet business processes leveraging existing tool features
- Reduced manual Stock Orders from 2 days/week to 2 hours/week

## **“For Hire Driver” Licensing**

- Covid and License Expiration Driven
- Moved For-Hire Driver, Operator and vehicle licensing from in-person/paper to online automation using existing tool



# Customer Feedback

PMO office



Conley, Jason K.

To Fredrickson, Dusty

You replied to this message on 10/23/2024 10:23 AM.



Wed 10/23/2024 10:00 AM

Dusty,

I wanted to thank the PMO office, for your design and development of the golf revenue dashboard. Golf, as an Enterprise Fund, cannot wait for monthly FMS financials to finalize, before invoking key business strategies to bolster the health of the fund. The dashboard allows timely monitoring of our bottom line and allows the Parks Golf Manger to make subtle adjustments day—over--day. I compare this to driving a car at highway speed—a slight adjustment in steering is all that is needed to maintain lane control. Golf is having a record season of play—and I attribute our success to many variables, including the revenue dashboard. I am equally excited to see how we replicate this effort for Recreation programs and Riverfront Park events and attractions.

I will also mention, the past efforts of PMO office to automate our Park Facility reservations, continues to pay dividends with our improved the customer experience for park reservations.

I can't thank you and the team enough for your on-gong efforts to support Parks and Recreation.

Sincerely,

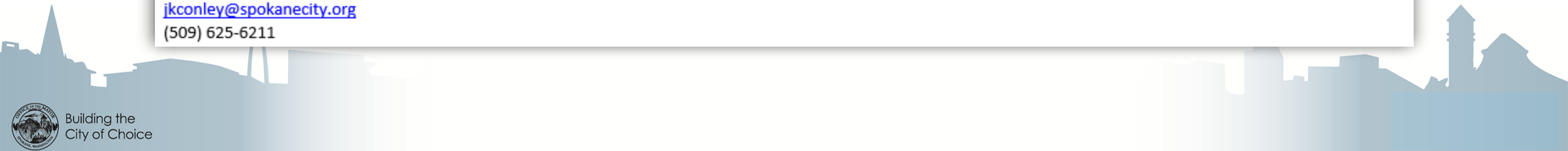
Jason Conley

Interim Director of Parks and Recreation

Spokane Parks and Recreation

[jkconley@spokanecity.org](mailto:jconley@spokanecity.org)

(509) 625-6211



# Customer Feedback

On Oct 30, 2024, at 9:31 AM, Arnold, Danielle L. <[dlarnold@spokanecity.org](mailto:dlarnold@spokanecity.org)> wrote:

Dusty,

I'd be happy to sing your praises!

*Performance Management Office (PMO) team members, Erica, Ben, and Dusty provided invaluable support to the Internal Audit Office (IAO) on the Public Record Requests (PRR) Performance Audit. The team was able utilize their skills in data analytics and performance improvement to assist in analyzing the request data and provide potential improvements that City departments can implement into the process. Additionally, their assistance was vital in gathering interview and statistical data that was used to develop the audit report and the recommendations. PMO naturally seeks ways to improve the City and works well with other departments to find those answers by encouraging all employees to have a voice in the improvement process. The IAO could not have excelled in compiling and reviewing the necessary information for the PRR Performance Audit without their support.*

Please let me know if you have any questions or if something needs to be tweaked. 😊 I hope you are successful in the creation of a necessary department within the City. Working towards continued improvement is the only way to ensure the City moves forward in a meaningful and impactful manner.

Thanks,

**DANIELLE L. ARNOLD** | CITY OF SPOKANE | COMPLIANCE/TAX AUDITOR


509.625.6389 office | 509.954.2087 cell | [dlarnold@spokanecity.org](mailto:dlarnold@spokanecity.org) | [spokanecity.org](http://spokanecity.org)




City Project Management Office

# Customer Feedback

RE: PMO Reference





 Tagnani, Angela  
To  Jacobo, Erica  
Cc  Fredrickson, Dusty

 2024-10-25 Change Agent Training Reference.docx  
24 KB

Good Morning, Erica!

Attached is a write-up per your request. I hope this is what you had in mind. Please let me know if you have any suggested edits. I'm happy to adjust the language to fit your needs. Please feel free to also just take what you need from this (it might be too long).

Warm regards,  
Angie

  Reply  Reply All  Forward  

Fri 10/25/2024 8:37 AM

Several years ago, I attended the Change Agent training led by Erica Jacobo and Amy Rose. This workshop provided me with the tools and training I needed to improve a process in my department. The handouts and innovation worksheet were incredibly practical, providing needed structure to an otherwise overwhelming and time-consuming project.

The Change Agent training was a stellar professional development opportunity, teaching me skills that I would not have gained in my normal routine at work. The process also brought us together as a team in new ways, empowering us to think outside the box, brainstorm, and problem solve using techniques such as the “5 whys” and root cause analysis.

With expert guidance from Erica and Amy every step of the way, we completely streamlined our cumbersome septic hauler paperwork process for tracking and billing.

- Half of the steps in our process were eliminated
- Time to complete the process was also halved.
- We went from 9 different forms to complete the process, to only 2 forms
- The potential for errors dropped dramatically with elimination of duplicate data entries
- A module added to our existing software allowed us to have a direct connection to utilities billing
- Moving our tracking software to a hosted environment was a big cost savings
- Yearly savings is estimated at around \$30,000

The positive impact of this continuous improvement process on the treatment plant was both measurable and significant. We are still realizing the benefits of it every day.

*City Project Management Office*



# Customer Feedback



## Spokane Municipal Court

Public Safety Building  
1100 W Mallon  
Spokane, WA 99260  
(509) 625-4400

Howard F. Delaney  
Court Administrator



October 24, 2024

Re: City of Spokane Project Management Office

To Whom it May Concern:

Please accept this correspondence as a reference from the Spokane Municipal Court in support of the Project Management Office (PMO) and its truly excellent team members.

The Municipal Court was first introduced to effective project management when Dusty Fredrickson, now the PMO's Principal Project Manager, was first assigned to the implementation of a new criminal justice electronic case management/information system known as eSeries.

The implementation project was already in progress when Dusty joined the team and the progress had been unsatisfactory to date. Dusty took the time to understand the sometimes complex and amorphous city criminal justice system, along with the processes, vocabulary, and acronyms that are associated with the operations of the Court, Community Justice Services, Prosecutors' Office, and Public Defenders' Office.

Once Dusty had completed his observations and analysis of the agencies' business requirements and the software implementation plan, he proposed a phased implementation plan for the participating agencies. Once the schedule proposed by Dusty was adopted and he recruited some outside IT expertise from Volt to supplement City IT staff, the project turned around in fairly short order.

I am of the firm opinion that without the skill and expertise Dusty brought to the project, the eSeries implementation would have ultimately failed in an epic fashion. Instead, the City has now fielded the most integrated/advanced criminal justice case management system in the United States, if not the world.

Once the City made the decision to form the Project Management Office and bring Dusty on board, the Court has reaped the continuing benefits of topflight project management.

PMO Recommendation  
Page 2

Dusty assigned PMO team member Erica Jacobo to assist the Court in reviewing its public records production systems and processes. She assisted the Court's records division in documenting and analyzing its processes. Her recommendations helped streamline the entire process, reduce staff time, and increase the margin of existing staff in the office.

The PMO has also assisted with some CJS and court case intake/build function, which yielded positive operational benefits for our business units.

All in all, I would say that establishing the PMO within the City is one of the best administrative decisions I have seen the City make in the 22 years I have worked here. I would encourage the City decisionmakers to make every effort to assure it maintains this valuable resource as an independent center of project advice/expertise, unfettered by any other department's internal issues, budgetary woes, and/or internal "politics".

Sincerely,

*Howard F. Delaney*

HOWARD F. DELANEY  
Administrative Court Commissioner/Court Administrator

HFD/mfs

cc: file

# Customer Feedback

RE: PMO Reference - Maggie



Yates, Maggie

To Fredrickson, Dusty

You replied to this message on 10/28/2024 1:45 PM.

Reply Reply All Forward

Mon 10/28/2024 12:42 PM

*I have worked with the PMO several times since joining the Administration on projects including but not limited to behavioral health and Municipal Court. Most recently, I worked closely with Ben Wolfe to construct and launch the Code Enforcement Metrics page. Ben compiled information from multiple stakeholders, extracted data and constructed the dashboard under an accelerated timeline. This project would not have been completed without the leadership and effort of the PMO. In each of my experiences with the PMO, the office, creates additional capacity, maintains consistent communication, and delivers a quality product on time.*





**Agenda Sheet for City Council:****Committee:** Finance & Administration **Date:** 03/24/2025**Committee Agenda type:** Discussion**Date Rec'd**

3/13/2025

**Clerk's File #**

ORD C36661

**Cross Ref #****Project #****Council Meeting Date:** 04/21/2025**Submitting Dept**

MAYOR

**Bid #****Contact Name/Phone**

MAGGIE YATES 6753

**Requisition #****Contact E-Mail**

MYATES@SPOKANECITY.ORG

**Agenda Item Type**

Special Budget Ordinance

**Council Sponsor(s)**

PDILLON MCATHCART

**Sponsoring at Administrators Request**

NO

**Lease?** NO**Grant Related?** NO**Public Works?** NO**Agenda Item Name**

0520 - SBO OPIOID RESPONSE ALLOCATION

**Agenda Wording**

Appropriation adjustments to the Biennial Budget of the City of Spokane Ordinance No. C36626 for Opioid Response Allocation.

**Summary (Background)**

The opioid crisis continues to acutely impact the City of Spokane and the broader region. Since 2019, the number of annual opioid drug overdoses have doubled in the State and Spokane County's opioid deaths are higher than the state's average. In 2024, 346 individuals died of opioid-related overdose deaths; fentanyl accounting for roughly two thirds of those deaths. The City of Spokane has opioid settlement dollars currently available, and after an in depth mapping process has identified gaps and solutions to mitigate the opioid crisis. In order to save lives and reduce the human and fiscal cost of addiction and overdose, the City should not wait for the mid-biennium to allocate the funds.

**What impacts would the proposal have on historically excluded communities?**

N/A

**How will data be collected, analyzed, and reported concerning the effect of the program/policy by racial, ethnic, gender identity, national origin, income level, disability, sexual orientation, or other existing disparities?**

N/A

**How will data be collected regarding the effectiveness of this program, policy, or product to ensure it is the right solution?**

N/A

**Describe how this proposal aligns with current City Policies, including the Comprehensive Plan, Sustainability Action Plan, Capital Improvement Program, Neighborhood Master Plans, Council Resolutions, and others?**

N/A

**Council Subcommittee Review**

N/A

<b>Fiscal Impact</b>	
Approved in Current Year Budget? NO	
Total Cost	\$ 1,489,388
Current Year Cost	\$
Subsequent Year(s) Cost	\$
<b><u>Narrative</u></b>	
One project employee in the Mayor's Office.	
<b>Amount</b>	
<b>Budget Account</b>	
Expense \$ 1,350,000	# 1555-19100-65410-54201
Expense \$ 139,388	# 1555-19100-97101-80101
Revenue \$ 139,388	# 0520-36200-99999-39773
Expense \$ 139,388	# 0520-36200-13100-51003
Select \$	#
Select \$	#
<b>Funding Source</b> Recurring	
<b>Funding Source Type</b> Reserves	
<b>Is this funding source sustainable for future years, months, etc?</b>	
For the foreseeable future as settlement dollars are collected.	
<b>Expense Occurrence</b>	Recurring
<b>Other budget impacts (revenue generating, match requirements, etc.)</b>	
<b>Approvals</b>	
<b>Additional Approvals</b>	
<b>Dept Head</b>	SCOTT, ALEXANDER
<b>MANAGEMENT &amp;</b>	STRATTON, JESSICA
<b>Division Director</b>	
<b>Accounting Manager</b>	BROWN, SKYLER
<b>Legal</b>	SCHOEDEL, ELIZABETH
<b>For the Mayor</b>	PICCOLO, MIKE
<b>Distribution List</b>	
	myates@spokanecity.org

ORDINANCE NO C36661

AN ORDINANCE AMENDING ORDINANCE NO. C36626, PASSED BY THE CITY COUNCIL ON DECEMBER 9, 2024, AND ENTITLED IN PART "AN ORDINANCE ADOPTING A BIENNIAL BUDGET FOR THE CITY OF SPOKANE", MAKING APPROPRIATION ADJUSTMENTS FOR YEAR 2025, AND DECLARING AN EMERGENCY.

WHEREAS, subsequent to the adoption of the biennial budget Ordinance No. C36626, as above entitled in part, and which passed the City Council December 9, 2024, it is necessary to make changes in the appropriations of the Opioid Response Fund and the General 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 Council of Spokane does ordain:

Section 1. That in the budget of the Opioid Response Fund, and the budget annexed thereto with reference to the Fund, the following changes be made:

- 1) Increase appropriation by \$1,489,388.
- A) Of the increased appropriation, \$1,350,000 is provided solely for contractual services.
- B) Of the increased appropriation, \$139,388 is provided solely for an operating transfer-out to the General Fund.

Section 2. That in the budget of the General Fund, and the budget annexed thereto with reference to the Fund, the following changes be made:

- 1) Increase revenue by \$139,388.
  - A) Of the increased revenue, \$139,388 is provided solely for an operating transfer-in from the Opioid Response Fund to the Mayor's Office.
- 1) Increase appropriation by \$139,388.
  - A) Of the increased appropriation, \$139,388 is provided solely for project employee wages in the Mayor's Office.

Section 3. 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 resolve gaps in the region's response to the opioid crisis, 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 by the City Council on \_\_\_\_\_

\_\_\_\_\_  
Council President

Attest:

Approved as to form:

\_\_\_\_\_  
City Clerk

\_\_\_\_\_  
City Attorney

\_\_\_\_\_  
Mayor

\_\_\_\_\_  
Date

\_\_\_\_\_  
Effective Date

SBO – Opioid settlement dollars

<b>Investment</b>	<b>Description</b>	<b>Amount</b>
County ILA SRHD MAT Expansion	<p>Increase access to treatment for patients from 8-5pm to 8-10pm. The clinic would expand operations to absorb walk-ins (roughly 30/month) and serve as a drop off point for first responders. The facility would not conduct medical clearance but will work with emergency departments to coordinate transportation to and from in cases requiring clearance.</p> <p>The County would match the City’s opioid dollars for the expansion.</p>	\$350,000
STARS Sobering Beds	<p>12 additional sobering beds at STARS</p> <p>The County would match the city’s opioid dollars for the expansion.</p>	\$500,000
Data Analyst	A project employee to track performance of opioid settlement dollars. The analyst will strengthen data collection and reporting of OUD metrics, including but not limited to overdoses and overdose deaths in the City of Spokane in a manner that will guide future investments.	\$139,388 <sup>1</sup>
Culturally Specific Treatment RFP	The City should issue a NOFA to support the planning and launch of culturally specific, behavioral health treatment. Despite similar rates of OUD across race, Black patients across the country are less likely to receive a prescription than their White counterparts for buprenorphine following a doctor’s visit. Locally, community providers stress the dearth of culturally specific treatment for patients of color.	\$500,000
<b>Total</b>		<b>1,489,388</b>

<sup>1</sup> Estimated based on salary of Business Systems Analyst I, Business Systems Analyst II

**Agenda Sheet for City Council:****Committee:** Finance & Administration **Date:** 03/24/2025**Committee Agenda type:** Discussion**Council Meeting Date:** 04/21/2025

		<b>Date Rec'd</b>	3/18/2025
		<b>Clerk's File #</b>	OPR 2022-0133
		<b>Cross Ref #</b>	
		<b>Project #</b>	
<b>Submitting Dept</b>	HUMAN RESOURCES	<b>Bid #</b>	IRFP 5539-21
<b>Contact Name/Phone</b>	ALLISON ADAM 625-6383	<b>Requisition #</b>	MASTER
<b>Contact E-Mail</b>	AADAM@SPOKANECITY.ORG		
<b>Agenda Item Type</b>	Contract Item		
<b>Council Sponsor(s)</b>	PDILLON		
<b>Sponsoring at Administrators Request</b>	NO		
<b>Lease?</b> NO	<b>Grant Related?</b> NO	<b>Public Works?</b> NO	
<b>Agenda Item Name</b>	0620 SPOKANE TESTING SOLUTIONS CONTRACT AMEDMENT		

**Agenda Wording**

Contract Amendment for OPR 2022-0133 with Spokane Testing Solutions

**Summary (Background)**

Master contract amendment for OPR 2022-0133 with Spokane Testing Solutions (Spokane, WA) for professional medical services and drug screening services between Jan 1, 2025 through Feb 28, 2027 for an amount of \$200,000 not exceed for the remained of the contract.

**What impacts would the proposal have on historically excluded communities?**

N/A

**How will data be collected, analyzed, and reported concerning the effect of the program/policy by racial, ethnic, gender identity, national origin, income level, disability, sexual orientation, or other existing disparities?**

N/A

**How will data be collected regarding the effectiveness of this program, policy, or product to ensure it is the right solution?**

N/A

**Describe how this proposal aligns with current City Policies, including the Comprehensive Plan, Sustainability Action Plan, Capital Improvement Program, Neighborhood Master Plans, Council Resolutions, and others?**

N/A

**Council Subcommittee Review**

N/A



<b>Fiscal Impact</b>	
Approved in Current Year Budget? YES	
Total Cost	\$ 200,000.00
Current Year Cost	\$ 200,000.00
Subsequent Year(s) Cost	\$ N/A
<b><u>Narrative</u></b>	
Increase threshold of contract for an amount not to exceed \$200,000.00 for the remaining life of the contract	
<b>Amount</b>	
Select	\$
Select	\$
Select	\$
Select	\$
Select	\$
Select	\$
<b>Budget Account</b>	
	#
	#
	#
	#
	#
	#
<b>Funding Source</b> One-Time	
<b>Funding Source Type</b> Select	
<b>Is this funding source sustainable for future years, months, etc?</b>	
Various	
<b>Expense Occurrence</b>	Recurring
<b>Other budget impacts (revenue generating, match requirements, etc.)</b>	
Various	
<b>Approvals</b>	
<b>Dept Head</b>	ADAM, ALLISON
<b>Division Director</b>	ADAM, ALLISON
<b>Accounting Manager</b>	BAIRD, CHRISTI
<b>Legal</b>	SCHOEDEL, ELIZABETH
<b>For the Mayor</b>	PICCOLO, MIKE
<b>Additional Approvals</b>	
<b>PURCHASING</b>	NECHANICKY, JASON
<b>Distribution List</b>	
Doug Thayer - dthayer@spokanetestingsolutions.com	aadam@spokanecity.org
ddaniels@spokanecity.org	tcollins@spokanecity.org
mdean@spokanecity.org	



**CITY OF SPOKANE**  
**CONTRACT AMENDMENT**  
Title: **PROFESSIONAL MEDICAL SERVICES AND  
DRUG SCREENING SERVICES – OPTION A & B**

This Contract Amendment is made and entered into by and between the **CITY OF SPOKANE** as (“City”), a Washington municipal corporation, and **SPOKANE TESTING SOLUTIONS**, whose address is 357 East 3<sup>rd</sup> Avenue, Spokane, Washington, 99202, as (“Company”), individually hereafter referenced as a “party”, and together as the “parties”.

*WHEREAS, the parties entered into a Contract wherein the Company agreed to provide Professional Medical Services and Drug Screening Services, Option B – Drug Screens, Random DOT Program and Hearing Examinations; and*

*WHEREAS, additional funds are required, thus, the original Contract needs to be formally Amended by this written document; and*

*NOW, THEREFORE, in consideration of these terms, the parties mutually agree as follows:*

**1. CONTRACT DOCUMENTS.**

The Contract, dated March 3, 2022 and March 4, 2022, 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. EFFECTIVE DATE.**

This Contract Amendment shall become effective on January 1, 2025 and shall run through February 28, 2027.

**3. COMPENSATION.**

The City shall pay an additional amount not to exceed **TWO HUNDRED THOUSAND AND NO/100 DOLLARS (\$200,000.00)**, plus applicable tax, for everything furnished and done under this Contract Amendment. This is the maximum amount to be paid under this Amendment, and shall not be exceeded without the prior written authorization of the City, memorialized with the same formality as the original Contract and this document.

IN WITNESS WHEREOF, in consideration of the terms, conditions and covenants contained, or attached and incorporated and made a part, the parties have executed this Contract Amendment by having legally-binding representatives affix their signatures below.

**SPOKANE TESTING SOLUTIONS**

**CITY OF SPOKANE**

By \_\_\_\_\_  
Signature Date

By \_\_\_\_\_  
Signature Date

\_\_\_\_\_  
Type or Print Name

\_\_\_\_\_  
Type or Print Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Title

Attest:

Approved as to form:

\_\_\_\_\_  
City Clerk

\_\_\_\_\_  
Assistant City Attorney



STATE OF WASHINGTON

# BUSINESS LICENSE

Limited Liability Company

DGT ENTERPRISES, LLC  
357 E 3RD AVE  
SPOKANE WA 99202-1412

UNEMPLOYMENT INSURANCE - ACTIVE  
TAX REGISTRATION - ACTIVE

INDUSTRIAL INSURANCE - ACTIVE

CITY/COUNTY ENDORSEMENTS:  
SPOKANE GENERAL BUSINESS - ACTIVE

LICENSING RESTRICTIONS:  
Not licensed to hire minors without a Minor Work Permit.

REGISTERED TRADE NAMES:  
SPOKANE TESTING SOLUTIONS

Issue Date: Mar 14, 2025

Unified Business ID #: 603381797

Business ID #: 001

Location: 0001

Expires: Mar 31, 2026

This document lists the registrations, endorsements, and licenses authorized for the business named above. By accepting this document, the licensee certifies the information on the application was complete, true, and accurate to the best of his or her knowledge, and that business will be conducted in compliance with all applicable Washington state, county, and city regulations.

Director, Department of Revenue

UBI: 603381797 001 0001

DGT ENTERPRISES, LLC  
357 E 3RD AVE  
SPOKANE WA 99202-1412

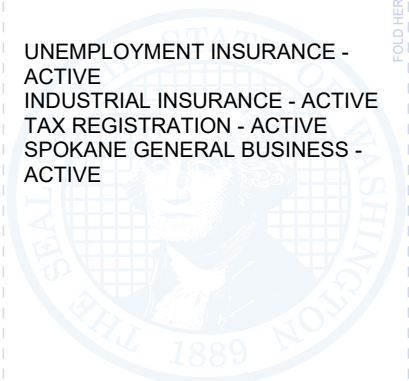
FOLD HERE

UNEMPLOYMENT INSURANCE - ACTIVE  
INDUSTRIAL INSURANCE - ACTIVE  
TAX REGISTRATION - ACTIVE  
SPOKANE GENERAL BUSINESS - ACTIVE

FOLD HERE

STATE OF WASHINGTON

Expires: Mar 31, 2026



Director, Department of Revenue

## IMPORTANT!

### PLEASE READ THE FOLLOWING INFORMATION CAREFULLY BEFORE POSTING THIS LICENSE

#### General Information

Post this Business License in a visible location at your place of business.

If you were issued a Business License previously, **destroy the old one and post this one in its place.**

Login to My DOR at [dor.wa.gov](http://dor.wa.gov) if you need to make changes to your business name, location, mailing address, telephone number, or business ownership.

Telephone: 360-705-6741

#### Endorsements

All endorsements should be renewed by the expiration date that appears on the front of this license to avoid any late fees.

If there is no expiration date, the endorsements remain active as long as you continue required reporting. Tax Registration, Unemployment Insurance, and Industrial Insurance endorsements require you to submit periodic reports. Each agency will send you the necessary reporting forms and instructions.

For assistance or to request this document in an alternate format, visit <http://business.wa.gov/BLS> or call (360) 705-6741. Teletype (TTY) users may use the Washington Relay Service by calling 711.

BLS-700-107 (07/27/20)



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STATE OF WASHINGTON

Department of Labor & Industries

# Certificate of Workers' Compensation Coverage

March 20, 2025

WA UBI No.	603 381 797
L&I Account ID	309,817-00
Legal Business Name	DGT ENTERPRISES LLC
Doing Business As	ARCPOINT LABS OF SPOKANE
Workers' Comp Premium Status:	Account is current.
Estimated Workers Reported (See Description Below)	Quarter 4 of Year 2024 "1 to 3 Workers"
Account Representative	Employer Services Help Line, (360) 902-4817
Licensed Contractor?	No

## What does "Estimated Workers Reported" mean?

Estimated workers reported represents the number of full time position requiring at least 480 hours of work per calendar quarter. A single 480 hour position may be filled by one person, or several part time workers.

## Industrial Insurance Information

Employers report and pay premiums each quarter based on hours of employee work already performed, and are liable for premiums found later to be due.

**Industrial insurance accounts have no policy periods, cancellation dates, limitations of coverage or waiver of subrogation** (See [RCW 51.12.050](#) and [51.16.190](#)).



**Agenda Sheet for City Council:****Committee:** Finance & Administration **Date:** 03/24/2025**Committee Agenda type:** Discussion**Date Rec'd**

3/19/2025

**Clerk's File #**

ORD C36662

**Cross Ref #****Project #****Council Meeting Date:** 04/14/2025**Submitting Dept**

COMMUNITY, HOUSING &amp; HUMAN

**Bid #****Contact Name/Phone**

ARIELLE 509-564-5278

**Requisition #****Contact E-Mail**

ARIELLEANDERSON@SPOKANECITY.

**Agenda Item Type**

Special Budget Ordinance

**Council Sponsor(s)**

ZZAPPONE JBINGLE LNAVARRETE

**Sponsoring at Administrators Request**

NO

**Lease?** NO**Grant Related?** YES**Public Works?** NO**Agenda Item Name**

1680- SBO- COORDINATING LOW-INCOME HOUSING GRANT

**Agenda Wording**

Funding for the Coordinating Low-Income Housing Planning (CLIHP) Grant with the WA State Department of Commerce. The award is for \$35,000 and the funding deadline is during the calendar year.

**Summary (Background)**

This is funding for the Coordinating Low-Income Housing Planning (CLIHP) Grant with the Washington State Department of Commerce. The Award is for \$35,000 and was awarded through the Department of Commerce and the City of Spokane's Low-Income Housing Consortium (SLIHC). Using this award SLIHC will coordinate conversations and resources sharing between counties and cities on affordable housing and homeless planning. SLIHC will meet with the Continuum of Care (CoC) Board, and work on overlapping elements of the 5-year homeless plan and the comprehensive plan. The grant is a deliverable-based grant and runs through June 2025. It cannot wait as it is a grant funding with a deadline that occurs during the current calendar year.

**What impacts would the proposal have on historically excluded communities?**

**How will data be collected, analyzed, and reported concerning the effect of the program/policy by racial, ethnic, gender identity, national origin, income level, disability, sexual orientation, or other existing disparities?**

**How will data be collected regarding the effectiveness of this program, policy, or product to ensure it is the right solution?**

**Describe how this proposal aligns with current City Policies, including the Comprehensive Plan, Sustainability Action Plan, Capital Improvement Program, Neighborhood Master Plans, Council Resolutions, and others?**

**Council Subcommittee Review**

<b>Fiscal Impact</b>			
Approved in Current Year Budget? NO			
Total Cost		\$ 35,000	
Current Year Cost		\$ 35,000	
Subsequent Year(s) Cost		\$	
<b><u>Narrative</u></b>			
<b>Amount</b>		<b>Budget Account</b>	
Revenue	\$ 35,000	#	1700-95856-99999-33442-99999
Expense	\$ 35,000	#	1700-95856-65410-54201-99999
Select	\$	#	
Select	\$	#	
Select	\$	#	
Select	\$	#	
<b>Funding Source</b> One-Time			
<b>Funding Source Type</b> Grant			
<b>Is this funding source sustainable for future years, months, etc?</b>			
<b>Expense Occurrence</b>		One-Time	
<b>Other budget impacts (revenue generating, match requirements, etc.)</b>			
<b>Approvals</b>		<b>Additional Approvals</b>	
<b>Dept Head</b>	ANDERSON, ARIELLE M.	<b>MANAGEMENT &amp;</b>	STRATTON, JESSICA
<b>Division Director</b>	KINDER, DAWN	<b>ACCOUNTING -</b>	BAIRD, CHRISTI
<b>Accounting Manager</b>			
<b>Legal</b>			
<b>For the Mayor</b>			
<b>Distribution List</b>			
chhsaccounting@spokanecity.org		chhscontracts@spokanecity.org	
jstratton@spokanecity.org		jmiller@spokanecity.org	

ORDINANCE NO C36662

AN ORDINANCE AMENDING ORDINANCE NO. C36626, PASSED BY THE CITY COUNCIL ON DECEMBER 9, 2024, AND ENTITLED IN PART "AN ORDINANCE ADOPTING A BIENNIAL BUDGET FOR THE CITY OF SPOKANE", MAKING APPROPRIATION ADJUSTMENTS FOR YEAR 2025, AND DECLARING AN EMERGENCY.

WHEREAS, subsequent to the adoption of the biennial budget Ordinance No. C36626, as above entitled in part, and which passed the City Council December 9, 2024, it is necessary to make changes in the appropriations of the Miscellaneous Community Development Grants 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 Council of Spokane does ordain:

Section 1. That in the budget of the Miscellaneous Community Development Grants Fund, and the budget annexed thereto with reference to the Fund, the following changes be made:

- 1) Increase revenue by \$35,000.
  - A) Of the increased revenue, \$35,000 is provided by the Washington State Department of Commerce.
- 2) Increase appropriation by \$35,000.
  - A) Of the increased appropriation, \$35,000 is provided solely for contractual services.

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 to accept the Washington State Department of Commerce Coordinating Low-Income Housing Planning (CLIHP) grant, 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 by the City Council on \_\_\_\_\_

\_\_\_\_\_  
Council President

Attest:

Approved as to form:

\_\_\_\_\_  
City Clerk

\_\_\_\_\_  
City Attorney

\_\_\_\_\_  
Mayor

\_\_\_\_\_  
Date

\_\_\_\_\_  
Effective Date

**Agenda Sheet for City Council:****Committee:** Finance & Administration **Date:** 03/24/2025**Committee Agenda type:** Discussion**Date Rec'd**

3/13/2025

**Clerk's File #**

RES 2025-0024

**Cross Ref #****Project #****Council Meeting Date:** 04/21/2025**Submitting Dept**

MAYOR

**Bid #****Contact Name/Phone**

ADAM 6779

**Requisition #****Contact E-Mail**

AMCDANIEL@SPOKANECITY.ORG

**Agenda Item Type**

Resolutions

**Council Sponsor(s)**

BWILKERSON

**Sponsoring at Administrators Request**

NO

**Lease?** NO**Grant Related?** NO**Public Works?** NO**Agenda Item Name**

RESOLUTION TO UPDATE BOARD &amp; COMMISSION ADMINISTRATIVE POLICY

**Agenda Wording**

This resolution approves an updated Board and Commission Administrative Policy last amended in 2007.

**Summary (Background)**

Administrative Policy 0320-07-06 was last revised in 2007 and requires updating to reflect current operating procedures.

**What impacts would the proposal have on historically excluded communities?**

N/A

**How will data be collected, analyzed, and reported concerning the effect of the program/policy by racial, ethnic, gender identity, national origin, income level, disability, sexual orientation, or other existing disparities?**

N/A

**How will data be collected regarding the effectiveness of this program, policy, or product to ensure it is the right solution?**

N/A

**Describe how this proposal aligns with current City Policies, including the Comprehensive Plan, Sustainability Action Plan, Capital Improvement Program, Neighborhood Master Plans, Council Resolutions, and others?**

N/A

**Council Subcommittee Review**

N/A

<b>Fiscal Impact</b>	
Approved in Current Year Budget?	N/A
Total Cost	\$
Current Year Cost	\$
Subsequent Year(s) Cost	\$
<b><u>Narrative</u></b>	
<b>Amount</b>	<b>Budget Account</b>
Select \$	#
Select \$	#
Select \$	#
Select \$	#
Select \$	#
Select \$	#
<b>Funding Source</b>	N/A
<b>Funding Source Type</b>	Select
<b>Is this funding source sustainable for future years, months, etc?</b>	
<b>Expense Occurrence</b>	N/A
<b>Other budget impacts (revenue generating, match requirements, etc.)</b>	
<b>Approvals</b>	
<b>Dept Head</b>	SCOTT, ALEXANDER
<b>Division Director</b>	
<b>Accounting Manager</b>	
<b>Legal</b>	SCHOEDEL, ELIZABETH
<b>For the Mayor</b>	
<b>Distribution List</b>	
	amcdaniel@spokanecity.org

**RESOLUTION 2025 – 0024**

A resolution approving the Boards and Commissions Administrative Policy for the City of Spokane.

WHEREAS, Section 24 of the City Charter reads: *“Whenever the city council shall be required to appoint any member of a board, commission, or other body, unless the appointee is a council member, it shall be the duty of the mayor to nominate a suitable person for such appointment.* and

WHEREAS, the City Council and Mayor’s Office have specific procedures and timelines for the nomination and appointment process outlined in Administrative Policy 0320-07-06; and

WHEREAS, Administrative Policy 0320-07-06 was last revised in 2007 and requires updating to reflect current operating procedures.

NOW, THEREFORE, BE IT RESOLVED by the City Council for the City of Spokane that it hereby approves the updates to Administrative Policy 0320-07-06.

ADOPTED BY THE CITY COUNCIL ON \_\_\_\_\_, 2025.

\_\_\_\_\_  
City Clerk

Approved as to form:

\_\_\_\_\_  
Assistant City Attorney



CITY OF SPOKANE  
ADMINISTRATIVE POLICY AND PROCEDURE

CITY OF SPOKANE ADMINISTRATIVE POLICY AND PROCEDURE	ADMIN 0320-07-06 LGL 2007-28
TITLE <b>City Council Board/Commission Appointment Process</b>	
EFFECTIVE DATE xxxx, 2025	
REVISION DATE xxxx, 2025	

1.0 GENERAL

1.1 This document provides procedures for the City Council appointment of Mayoral nominations of board and commission members.

1.2 TABLE OF CONTENTS

- 1.0 GENERAL
- 2.0 DEPARTMENTS/DIVISIONS AFFECTED
- 3.0 REFERENCES
- 4.0 DEFINITIONS
- 5.0 POLICY
- 6.0 PROCEDURE
- 7.0 RESPONSIBILITIES
- 8.0 APPENDICES

2.0 DEPARTMENTS/DIVISIONS AFFECTED

This policy shall apply to all ((City)) boards and commissions when the Mayor nominates and the City Council is required to appoint the board or commission member.

3.0 REFERENCES

City Charter section 24 (8)

Spokane City Council Rules of Procedure Rule 2.10

Spokane Municipal Code 04.32.150 (C)

4.0 DEFINITIONS

None

5.0 POLICY

- 5.1 It is the policy of the City Council to be well informed in carrying out its obligation under Section 24 (8) of the City Charter regarding appointment of individuals nominated by the Mayor for appointments to City boards and commissions. Furthermore, it is the City Council's policy to implement an efficient and fair appointment process.

## 6.0 PROCEDURE

- 6.1 The Spokane City Council wants the opportunity to interview prospective board and commission appointees prior to confirmation of appointment at a regular legislative meeting.
- 6.2 ~~((It is requested that when the Mayor's Office submits a nomination or re-nomination to a board or commission, it forwards a memorandum to the City Council Office setting forth the request. The memorandum should include the appointment / reappointment names, terms, representation requirements (if applicable) and the appointee's application.))~~ The Mayor's Office will submit a nomination or re-nomination to a board or commission into OnBase no later than 12:00pm on the Wednesday occurring twenty (20) calendar days before the desired legislative meeting.
- ~~((6.3))~~ ~~((The City Council shall place the nomination on the City Council's legislative agenda for consideration no less than three (3) weeks after the request for approval))~~
- ~~((6.4))~~ 6.3 The ((City Council)) Mayor's Office will contact ((the)) a new nominee to schedule an interview to be conducted at a Council briefing session. A nominee's interview may also be conducted at ((either)) a standing committee ((;)) or study session if a nominee is unable to attend the Council's agenda review meeting ((or prior to the Council's legislative session)). The Mayor's Office shall forward a memorandum to the City Council setting forth the interview request along with the nominee's name, term, any representation requirements met by the nominee, and the nominee's application. Nominees for reappointment do not need to be interviewed unless requested by a City Council member.
- ~~((6.5))~~ 6.4 ((Any appointment)) All board and commission appointments made by the City Council will be in an open public meeting.
- 6.5 This policy does not apply to appointments made solely by the City Council without mayoral nomination, including, but not limited to, appointments pursuant to Spokane Municipal Code 04.32.

## 7.0 RESPONSIBILITIES

The City Council Office and the Mayor's Office ((is)) are responsible for administering this policy.

8.0 APPENDICES

None

APPROVED BY:

\_\_\_\_\_  
City Attorney

\_\_\_\_\_  
Date

\_\_\_\_\_  
City Administrator

\_\_\_\_\_  
Date

\_\_\_\_\_  
Director, City Council Office

\_\_\_\_\_  
Date

DRAFT

**Agenda Sheet for City Council:****Committee:** Finance & Administration **Date:** 03/24/2025**Committee Agenda type:** Discussion**Date Rec'd**

3/17/2025

**Clerk's File #**

OPR 2025-0262

**Cross Ref #****Project #****Council Meeting Date:** 04/21/2025**Submitting Dept**

MAYOR

**Bid #****Contact Name/Phone**

ADAM 6779

**Requisition #****Contact E-Mail**

AMCDANIEL@SPOKANECITY.ORG

**Agenda Item Type**

Contract Item

**Council Sponsor(s)**

PDILLON

**Sponsoring at Administrators Request**

NO

**Lease?** NO**Grant Related?** NO**Public Works?** NO**Agenda Item Name**

2025 FEDERAL LOBBYING CONTRACT

**Agenda Wording**

Contract for federal lobbying and advocacy services for the City of Spokane.

**Summary (Background)**

The City of Spokane, through its City Council, (hereinafter "City") is initiating this Informal Request for Proposals (IRFP) to solicit Proposals from Firms interested in participating on a project to provide federal lobbying services for the City of Spokane. The City has budgeted an amount not to exceed \$80,000 for this project. The period of performance of this contract is scheduled to begin on April 1, 2025 and to end March 31, 2026.

**What impacts would the proposal have on historically excluded communities?**

N/A

**How will data be collected, analyzed, and reported concerning the effect of the program/policy by racial, ethnic, gender identity, national origin, income level, disability, sexual orientation, or other existing disparities?**

N/A

**How will data be collected regarding the effectiveness of this program, policy, or product to ensure it is the right solution?**

N/A

**Describe how this proposal aligns with current City Policies, including the Comprehensive Plan, Sustainability Action Plan, Capital Improvement Program, Neighborhood Master Plans, Council Resolutions, and others?**

N/A

**Council Subcommittee Review**

N/A

<b>Fiscal Impact</b>	
Approved in Current Year Budget? YES	
Total Cost	\$ 80,000
Current Year Cost	\$ 80,000
Subsequent Year(s) Cost	\$
<b><u>Narrative</u></b>	
<b>Amount</b>	<b>Budget Account</b>
Select \$	#
Select \$	#
Select \$	#
Select \$	#
Select \$	#
Select \$	#
<b>Funding Source</b>	One-Time
<b>Funding Source Type</b>	Select
<b>Is this funding source sustainable for future years, months, etc?</b>	
<b>Expense Occurrence</b>	One-Time
<b>Other budget impacts (revenue generating, match requirements, etc.)</b>	
<b>Approvals</b>	
<b>Dept Head</b>	SCOTT, ALEXANDER
<b>Division Director</b>	
<b>Accounting Manager</b>	
<b>Legal</b>	HARRINGTON,
<b>For the Mayor</b>	
<b>Distribution List</b>	
	amcdaniel@spokanecity.org



**City of Spokane**  
**PERSONAL SERVICES AGREEMENT**  
Title: **FEDERAL LOBBYING SERVICES**

This Agreement is made and entered into by and between the **City of Spokane** as (“City”), a Washington municipal corporation, and **DESIMONE CONSULTING, LLC**, whose address is 307 29<sup>th</sup> Street, NW, Suite 104, Puyallup, Washington 98372, as (“Company”), individually hereafter referenced as a “Party”, and together as the “Parties”.

The parties agree as follows:

**1. PERFORMANCE.**

The Company shall provide Federal Lobbying Services, in accordance with RFP No. 6297-25, and Company’s Response to RFP attached as Exhibit B.

**2. TERM OF AGREEMENT.**

The term of this Agreement begins on April 1, 2025, and shall run through March 31, 2026, unless amended by written agreement or terminated earlier under the provisions. This Agreement may be extended by written agreement of the parties not to exceed four (4) additional one year contract periods.

**3. COMPENSATION / PAYMENT.**

Total compensation for Company’s services under this Agreement shall not exceed **EIGHTY THOUSAND AND NO/100 DOLLARS (\$80,000.00)**, plus tax, for everything furnished and done under this Contract. This is the maximum amount to be paid under this Contract for the work described in Section 1 above and shall not be exceeded without the prior written authorization of the City in the form of an executed amendment to this Contract.

The Company shall submit its applications for payment to Office of the Mayor, 7<sup>th</sup> Floor – City Hall, 808 West Spokane Falls Boulevard, Spokane, Washington 99201. Payment will be made via direct deposit/ACH within thirty (30) days after receipt of the Company’s application except as provided by state law. If the City objects to all or any portion of the invoice, it shall notify the Company and reserves the right to only pay that portion of the invoice not in dispute. In that event, the parties shall immediately make every effort to settle the disputed amount.

**4. TAXES, FEES AND LICENSES.**

- A. Company shall pay and maintain in current status, all necessary licenses, fees, assessments, permit charges, etc. necessary to conduct the work included under this Agreement. It is the Company’s sole responsibility to monitor and determine changes or the enactment of any subsequent requirements for said fees, assessments, or changes and to immediately comply.

- B. The cost of any permits, licenses, fees, etc. arising as a result of the projects included in this Agreement shall be included in the project budgets.

## **5. CITY OF SPOKANE BUSINESS LICENSE.**

Section 8.01.070 of the Spokane Municipal Code states that no person may engage in business with the City without first having obtained a valid annual business registration. The Agency shall be responsible for contacting the State of Washington Business License Services at [www.dor.wa.gov](http://www.dor.wa.gov) or 360-705-6741 to obtain a business registration. If the Agency does not believe it is required to obtain a business registration, it may contact the City's Taxes and Licenses Division at (509) 625-6070 to request an exemption status determination.

## **6. SOCIAL EQUITY REQUIREMENTS / NON-DISCRIMINATION.**

No individual shall be excluded from participation in, denied the benefit of, subjected to discrimination under, or denied employment in the administration of or in connection with this Agreement because of age, sex, race, color, religion, creed, marital status, familial status, sexual orientation including gender expression or gender identity, national origin, honorably discharged veteran or military status, the presence of any sensory, mental or physical disability, or use of a service animal by a person with disabilities. The Company agrees to comply with, and to require that all subcontractors comply with, federal, state and local nondiscrimination laws, including but not limited to: the Civil Rights Act of 1964, the Rehabilitation Act of 1973, the Age Discrimination in Employment Act, and the American's With Disabilities Act, to the extent those laws are applicable.

## **7. INDEMNIFICATION.**

The Company shall defend, indemnify, and hold the City and its officers and employees harmless from all claims, demands, or suits at law or equity asserted by third parties for bodily injury (including death) and/or property damage which arise from the Company's negligence or willful misconduct under this Agreement, including attorneys' fees and litigation costs; provided that nothing herein shall require a Company to indemnify the City against and hold harmless the City from claims, demands or suits based solely upon the negligence of the City, its agents, officers, and employees. If a claim or suit is caused by or results from the concurrent negligence of the Company's agents or employees and the City, its agents, officers and employees, this indemnity provision shall be valid and enforceable to the extent of the negligence of the Company, its agents or employees. The Company specifically assumes liability and agrees to defend, indemnify, and hold the City harmless for actions brought by the Company's own employees against the City and, solely for the purpose of this indemnification and defense, the Company specifically waives any immunity under the Washington State industrial insurance law, or Title 51 RCW. The Company recognizes that this waiver was specifically entered into pursuant to the provisions of RCW 4.24.115 and was the subject of mutual negotiation. The indemnity and agreement to defend and hold the City harmless provided for in this section shall survive any termination or expiration of this agreement.

## **8. INSURANCE.**

During the period of the Agreement, the Company shall maintain in force at its own expense, each insurance noted below with companies or through sources approved by the State Insurance Commissioner pursuant to Title 48 RCW:

- A. **Worker's Compensation Insurance** in compliance with RCW 51, which requires subject employers to provide workers' compensation coverage for all their subject workers and Employer's Liability Insurance in the amount of \$1,000,000.



B. **General Liability Insurance** on an occurrence basis, with a combined single limit of not less than \$1,000,000 each occurrence for bodily injury and property damage. It shall include contractual liability coverage for the indemnity provided under this Agreement. It shall provide that the City, its officers and employees are additional insureds but only with respect to the Agency's services to be provided under this Agreement.

- i. Acceptable **supplementary Umbrella insurance** coverage combined with Company's General Liability insurance policy must be a minimum of \$2,000,000, in order to meet the insurance coverage limits required in this Agreement; and

C. **Automobile Liability Insurance** with a combined single limit, or the equivalent of not less than \$1,000,000 each accident for bodily injury and property damage, including coverage for owned, hired and non-owned vehicles.

There shall be no cancellation, material change, reduction of limits or intent not to renew the insurance coverage(s) without thirty (30) days written notice from the Agency or its insurer(s) to the City. As evidence of the insurance coverage(s) required by this Agreement, the Agency shall furnish acceptable Certificates of Insurance (COI). The certificate shall specify the City of Spokane as "Additional Insured" specifically for Agency's services under this Agreement, as well as all of the parties who are additional insureds, and include applicable policy endorsements, the thirty (30) day cancellation clause, and the deduction or retention level. The Agency shall be financially responsible for all pertinent deductibles, self-insured retentions, and/or self-insurance

#### **10. DEBARMENT AND SUSPENSION.**

The Company has provided 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.

#### **11. AUDIT.**

The Company and its sub-contractor shall maintain for a minimum of three (3) years following final payment all records related to its performance of the Agreement. The Company and its sub-contractors shall provide access to authorized City representatives, at reasonable times and in a reasonable manner to inspect and copy any such record. In the event of conflict between this provision and related auditing provisions required under federal law applicable to the Agreement, the federal law shall prevail.

#### **12. ASSIGNMENT AND SUBCONTRACTING.**

The Company shall not assign or subcontract its obligations under this Agreement without the City's written consent, which may be granted or withheld in the City's sole discretion. Any subcontract made by the Company shall incorporate by reference this Agreement, except as otherwise provided. The Company shall ensure that all subcontractors comply with the obligations and requirements of the subcontract. The City's consent to any assignment or subcontract does not release the Company from liability or any obligation within this Agreement, whether before or after City consent, assignment or subcontract.

#### **13. TERMINATION.**

Either party may terminate this Agreement, with or without cause, by thirty (30) days written notice to the other party. In the event of such termination, the City shall pay the Company for all work previously authorized and performed prior to the termination date.

#### **14. STANDARD OF PERFORMANCE.**

The standard of performance applicable to Company's services will be the degree of skill and diligence normally employed by professional Companies performing the same or similar services at the time the services under this Agreement are performed.

#### **15. OWNERSHIP AND USE OF RECORDS AND DOCUMENTS.**

Original documents, drawings, designs, reports, or any other records developed or created under this Agreement shall belong to and become the property of the City. All records submitted by the City to the Company shall be safeguarded by the Company. The Company shall make such data, documents and files available to the City upon the City's request. If the City's use of the Company's records or data is not related to this project, it shall be without liability or legal exposure to the Company.

Under Washington State Law (reference RCW Chapter 42.56, the *Public Records Act* [PRA]) all materials received or created by the City of Spokane are **public records** and are available to the public for viewing via the City Clerk's Records (online) or a valid Public Records Request (PRR).

#### **16. ANTI KICK-BACK.**

No officer or employee of the City of Spokane, having the power or duty to perform an official act or action related to this Agreement shall have or acquire any interest in the Agreement, or have solicited, accepted or granted a present or future gift, favor, service or other thing of value from or to any person involved in this Agreement.

#### **17. MISCELLANEOUS PROVISIONS.**

- A. **Amendments/Modifications:** This Agreement may be modified by the City in writing when necessary, and no modification or Amendment of this Agreement shall be effective unless signed by an authorized representative of each of the parties hereto.
- B. The Company, at no expense to the City, shall comply with all laws of the United States and Washington, the Charter and ordinances of the City of Spokane; and rules, regulations, orders and directives of their administrative agencies and officers. Without limiting the generality of this paragraph, the Company shall comply with the requirements of this Section.
- C. This Agreement shall be construed and interpreted under the laws of Washington. The venue of any action brought shall be in a court of competent jurisdiction, located in Spokane County, Washington.
- D. **Captions:** The titles of sections or subsections are for convenience only and do not define or limit the contents.
- E. **Severability:** If any term or provision is determined by a court of competent jurisdiction to be invalid or unenforceable, the remainder of this Agreement shall not be affected, and each term and provision shall be valid and enforceable to the fullest extent permitted by law.
- F. **Waiver:** No covenant, term or condition or the breach shall be deemed waived, except by written consent of the party against whom the waiver is claimed, and any waiver of the breach of any covenant, term or condition shall not be deemed a waiver of any preceding or succeeding breach of the same or any other covenant, term of condition. Neither the acceptance by the City of any performance by the Company after the time the same shall have become due nor payment to the Company for any portion of the Work shall constitute a waiver by the City of the breach or default of any covenant, term or condition unless otherwise expressly agreed to by the City in writing.
- G. **Entire Agreement:** This document along with any exhibits and all attachments, and subsequently issued addenda, comprises the entire agreement between the City and the

Company. If conflict occurs between Agreement documents and applicable laws, codes, ordinances or regulations, the most stringent or legally binding requirement shall govern and be considered a part of this Agreement to afford the City the maximum benefits.

- H. **No personal liability:** No officer, agent or authorized employee of the City shall be personally responsible for any liability arising under this Agreement, whether expressed or implied, nor for any statement or representation made or in any connection with this Agreement.

IN WITNESS WHEREOF, in consideration of the terms, conditions and covenants contained, or attached and incorporated and made a part, the parties have executed this Agreement by having legally-binding representatives affix their signatures below.

**DESIMONE CONSULTING, LLC**

**CITY OF SPOKANE**

By \_\_\_\_\_  
Signature Date

By \_\_\_\_\_  
Signature Date

\_\_\_\_\_  
Type or Print Name

\_\_\_\_\_  
Type or Print Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Title

Attest:

Approved as to form:

\_\_\_\_\_  
City Clerk

\_\_\_\_\_  
Assistant City Attorney

**Attachments that are part of this Agreement:**

Exhibit A – Certificate Regarding Debarment

Exhibit B – Company’s Response to RFP

**EXHIBIT A**

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

1. The undersigned (i.e., signatory for the Subrecipient / Contractor / Consultant) 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.
  
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.
  
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 certifies, 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. I understand that a false statement of this certification may be grounds for termination of the contract.

<hr/> <p>Name of Subrecipient / Contractor / Consultant (Type or Print)</p>	<hr/> <p>Program Title (Type or Print)</p>
<hr/> <p>Name of Certifying Official (Type or Print)</p>	<hr/> <p>Signature</p>
<hr/> <p>Title of Certifying Official (Type or Print)</p>	<hr/> <p>Date (Type or Print)</p>

EXHIBIT B

## Bid Response Summary

**Bid Number** IRFP 6297-25  
**Bid Title** Federal Lobbying Services  
**Due Date** Monday, February 3, 2025 3:00:00 PM [(UTC-08:00) Pacific Time (US & Canada)]  
**Bid Status** Closed to Bidding  
**Company** Desimone Consulting Group  
**Submitted By** brian@desimonecg.com brian@desimonecg.com - Sunday, February 2, 2025 12:25:00 PM [(UTC-08:00) Pacific Time (US & Canada)]  
 brian@desimonecg.com

**Comments**

**Question Responses**

Group	Reference Number	Question	Response
PROPOSER ACKNOWLEDGMENTS:			
	1	Proposer Acknowledges receipt of Addenda by entering quantity of Addenda here (enter 0 if none have been issued):	1
	2	Proposer agrees and acknowledges that Request for Proposals document(s) and all related information has been read and understood.	AGREED AND ACKNOWLEDGED
	3	Proposer confirms meeting the minimum qualifications as identified in Paragraph 1.3 "Minimum Qualifications".	AGREED AND ACKNOWLEDGED
	4	Proposer acknowledges and agrees with Paragraph 4.4 Award/Rejection of Proposal/Contract.	AGREED AND ACKNOWLEDGED
	5	Proposer agrees and acknowledges compliance with Terms and Conditions document in the document(s) section. If answer is "AGREED WITH EXCEPTION IDENTIFIED", include requested exception in proposal submittal on separate page and title as "Exception to Terms and Conditions". The City will consider and determine if exception will be accepted.	AGREED AND ACKNOWLEDGED
	6	Proposer agrees and acknowledges that proprietary information must be included in Proposal submittal on separate page(s) and clearly identified as "Proprietary". See "Proprietary Information/Public Disclosure" Paragraph for public record requirements.	AGREED AND ACKNOWLEDGED
	7	Proposer has included Letter of Submittal with Proposal combined in one document per Section 3 "Proposal Content" instructions.	AGREED AND ACKNOWLEDGED
	8	Provide the name, phone number and email address for point of contact person regarding this Proposal.	Brian Kristjansson brian@desimonecg.com 206-550-7389

9	Provide the name, phone number, and email address for the person in your Firm that would potentially sign a contract through the DocuSign process used by the City.	Rick Desimone rick@desimonecg.com 253-441-7275
DOCUMENTS TO UPLOAD:		
1	Upload Request for Proposals Response (Proposal). Combine documents as needed. Only one document can be uploaded in this line item.	City of Spokane Federal Lobbying Services DCG Proposal Final.pdf
2	Upload Addenda documents if applicable and if not combined with uploaded Proposal response. Combine documents as needed. Only one document can be uploaded in this line item.	
3	Upload any other documents required or desired. Combine documents as needed. Only one document can be uploaded in this line item.	
4	Upload any other documents required or desired. Combine documents as needed. Only one document can be uploaded in this line item.	



## LETTER OF SUBMITTAL

Dear Mayor Brown, City Councilmembers, and Staff,

Desimone Consulting Group (DCG) is pleased to submit the following proposal to provide federal lobbying and advocacy services for the City of Spokane (City). DCG has been honored to represent the City of Spokane with federal elected officials and agencies since 2020. We would appreciate the opportunity to continue building relationships – and advancing projects and initiatives – that benefit the people of Spokane.

DCG ([www.desimoneconsultinggroup.com](http://www.desimoneconsultinggroup.com)) is a government relations and public affairs firm that supports its clients on diverse issues and projects in Washington, DC, and across the Pacific Northwest. We help our clients set priorities, develop strategies, and then get to work building partnerships on a bipartisan basis to accomplish their objectives regardless of the political and policy environment.

Below is the information requested in the Letter of Submittal:

A. Contact or legal entity/individual with whom contract would be written.

Richard Desimone  
Managing Director  
Desimone Consulting Group  
Address & Principal Place of Business:  
307 - 29<sup>th</sup> Street NE  
Suite 104  
Puyallup, WA 98372  
(253) 441-7275  
[rick@desimonecg.com](mailto:rick@desimonecg.com)

B. Legal status of the Consultant and location of the facility from which the Consultant would operate.

Desimone Consulting Group is a Washington State registered LLC and has a business license to operate in the City of Spokane. DCG's federal affairs work is based at its Washington, DC, office located at 800 North Capitol Street, Suite 800, Washington, DC 20002.

C. Identification of any current or former employees from the participating Agencies employed by or on the Consultant's governing board as of the date of the Proposal or during the previous 12 months.

Desimone Consulting Group does not employ – nor does it have as part of its governance structure – any current or former employees of the City of Spokane.



D. Desimone Consulting Group confirms that it meets the minimum qualifications as identified in Paragraph 1.3 "Minimum Qualifications." DCG is licensed to do business in the State of Washington. DCG's UBI number is 603162296.

E. Desimone Consulting Group acknowledges that it will comply with all terms and conditions set forth in the Informal Request for Proposals, unless otherwise agreed by the Agencies.

Thank you for the opportunity to submit this proposal. Please let me know if we can answer any questions or provide any clarifications. We look forward to discussing our ideas and approach in more detail.

Sincerely,

*Rick Desimone 2/2/2025*

Rick Desimone  
Managing Director  
Desimone Consulting Group

## TECHNICAL PROPOSAL

DCG's technical proposal describes our understanding of the requirements along with a comprehensive proposed approach, methodology, and work plan. Section A discusses the scope of work and our approach and methodology, including recommendations to improve current processes. Section B includes a detailed work plan and schedule.

In the Informal Request for Proposals (in both the technical and management proposal sections), the City asks how the Consultant will respond proactively to issues and scope changes. We would like to address this question first as it relates to the technical and management proposals.

Regular proactive communication with the City on its existing priorities, new opportunities, and emerging challenges is essential. The City's elected officials and staff are managing dynamic issues and key long-term projects and initiatives in a constantly changing environment. Our goal is to continue working to understand the City's changing landscape and to adapt to circumstances in real-time. In some cases that requires us to reevaluate with a client whether to shift priorities and scope. Our firm is committed to being flexible and creative with all its clients; we focus on the most urgent, emerging issues while also working to advance long-term objectives. If at any time, the City feels we are not being proactive in responding to its real-time issues, we will address that concern immediately. That said, this has not been an issue during our firm's almost five-year relationship with the City.

### **A. Project Requirements & Proposed Approach/Methodology to Complete Scope Successfully**

The scope of work in Section 2 of the Informal Request for Proposals lists 13 activities (or groups of activities) that the Consultant will perform. DCG has grouped these activities into five (5) categories (federal agenda development, client-consultant communication, strategy, thought leadership and coalition building, and relationship-building and advocacy) to best and succinctly describe our understanding of what is expected and the approach we would take to achieve success.

#### **1. Federal Agenda Development (scope item #1).**

We understand the Consultant will be responsible for working closely with the City to develop an annual federal agenda that includes specific priorities and action items. We also understand the Consultant will be expected to engage in advocating for the totality of the federal agenda, while recognizing that the City's priorities will shift over time due to its changing needs and the evolution of the local and federal policymaking process.

*Past Work and Process.* When we were initially onboarded to support the City's federal advocacy in 2020, DCG worked with and supported the City in developing a comprehensive federal agenda. We helped the City refine and revise its agenda in 2024. We worked with the City annually from 2021 to today to identify specific priorities for the new calendar year and next federal fiscal year. This included, but was not limited to, developing congressionally directed spending (CDS)/community project funding (CPF) requests (commonly referred to as earmarks) for submission to the Washington congressional delegation. In these processes, DCG engaged with the City's elected officials and staff to identify broad interests and priorities, researched and outlined proposals for the City to consider, tested ideas with the congressional delegation, helped secure community support, and worked with the City to finalize and submit its requests.

*Current Efforts.* For calendar year 2025 and federal FY26, we are working with the City to develop specific priorities following the 2024 election recognizing that the FY25 appropriations process (and the City's SMART initiative earmark) is still pending. During February 2025, we will review the City's updated federal agenda and recommend areas where it can engage with the federal government on the reconciliation process, FY26 appropriations process, and issues such as immigration, economic development, transportation, water and wastewater infrastructure, and other issues. As 2025 will be an especially dynamic year, the City will likely want to revisit the last federal agenda adopted in 2024 as a result of the new Administration and Congress.

*Recommendations Moving Forward.* DCG recommends the City establish a federal agenda process that more closely aligns with the cadence of federal policymaking and that reflects the flexibility the City embraces in its state lobbying approach. For example, the City may want to consider a deeper reboot of its federal agenda every two years following federal elections and a simple update at the end of non-election years. Additionally, there is typically a timing disconnect between the desire to finalize a federal agenda going into the next calendar year and the fact that CDS/CPF requests are still being developed January-March. We can work with the City to determine an agenda development schedule that meets your internal and external needs.

## 2. Client-Consultant Communication (scope items #5, 8, 11, 12, and 13)

Five (5) of the City's 13 scope activities involve or relate to communication between the Consultant and the City. These scope items can be summarized as:

- Initiate regular contact with the City to ascertain direction and report on the status of City priorities.
- Monitor, report, advise, and provide recommendations on the budget/appropriations process, new funding opportunities or emerging funding proposals, long-standing policy proposals, emerging policy proposals, and regulatory announcements that could affect the City and region.
- At a cadence determined by the City, provide regular oral and written reports to the Mayor and City Council, including through regular participation in legislative team meetings.

*Approach and Recommendations.* DCG would recommend establishing a regular cadence of communication with its federal lobbying team with meeting agendas that facilitate information sharing and strategizing around its federal affairs workplan. We believe this communication should be separate and distinct from the current legislative team call as that engagement is focused on state level advocacy and does not occur with as much regularity outside of the state legislative session as we think would benefit the City in executing its federal agenda workplan. We welcome the opportunity to continue to participate in the state level calls, and vice versa, as it provides valuable information and ideas. We would recommend the following approach:

- DCG would continue to attend the state legislative team calls because the information is helpful and there are issues with a federal nexus.
- Establish monthly federal meetings with an agenda that is based on a federal policy and funding tracker, like the process the City uses during the state session. The scope of that tracker would tie into the City's federal agenda and appropriations requests, and over time would help establish a specific list of issues, programs, regulations, authorizing bills, funding opportunities, and appropriations bills that DCG can track and advise the City on in real-time.

- Generate weekly email updates that briefly capture what is happening in DC in the coming week and flag new grant opportunities.
- As it does now, DCG would engage with City staff multiple times a week to share time-sensitive information, meet on specific topics, respond to questions, coordinate scheduling, and meet deadlines related to the appropriations process.

### 3. Strategy and Positioning (scope items #2, 3, 6 and 8)

Four (4) of the City's 13 scope activities involve or relate to providing strategic advice to the City. These scope items can be summarized as:

- Advise the City on, position it to benefit from, and create access to current or proposed federal legislation, initiatives and funding that advance its priorities related to economic development, transportation and infrastructure, housing, public safety, sustainability, and other specific issues/projects identified as priorities.
- Advise the City on emerging legislation, regulations, and other federal activities that may affect the City and region.

*Approach and Recommendations.* The approach and recommendations described in the Client-Consultant Communication section establish the foundation for advising the City on potential opportunities and challenges. This structure will allow us to collectively develop strategies that best position the City to secure the benefits of federal policy and funding while also mitigating or avoiding the consequences of adverse federal decisions. Without the consistent and organized communication structure envisioned in the section above, it will be difficult to proactively influence federal decisions. Larger cities inherently have myriad policy and funding priorities and we need a process that organizes and prioritizes engagement in a way that can influence federal decision making. We would recommend the following approach:

- Establish monthly federal meetings would serve as a clearinghouse for updates and discussion on federal opportunities and threats.
- As needed, DCG would use these monthly federal meetings as an informal study session on upcoming legislation or proposed regulations. For example, as Congress considers cuts to safety net programs or ramps up to the next transportation reauthorization bill, DCG could organize an informal study session for the legislative team on issues of particular interest. Additionally, DCG could help organize federal topics that could be presented at council study sessions.
- The City and DCG should establish working groups on specific high priority issues. These working groups would communicate as needed outside the monthly meetings and report back to the larger group. Working groups could also include non-city stakeholders as needed related to a specific project or issue.

### 4. Thought Leadership and Informal Coalition Building (scope items #7 and 10)

Two (2) of the City's 13 scope activities involve or relate to thought leadership and collaboration and informal coalition building with other stakeholders. These activities are:

- Identify opportunities to position the City as a regional and national leader on strategic initiatives developed by the City.

- Advise and assist the City in identifying and developing working relationships with associations, stakeholder groups, organized coalitions, and interest groups that interact in legislative and policy areas that affect issues important to the City and region.

*Approach and Recommendations.* DCG is experienced at developing and implementing public affairs efforts that support client policy objectives including a focus on community, stakeholder and regional engagement and input. We would welcome the opportunity to raise the City's profile through thought leadership on key initiatives and engaging with other advocates on issues of mutual interest. Due to the breadth of activities that the City's elected officials, staff, and consultants could potentially engage on in this space, we believe it will be important to clearly define the issues and engagements that would provide the City with the greatest value. We would recommend the following approach:

- Identify issues and initiatives that the City would like position itself as a regional and national leader on, and develop a stakeholder engagement, government relations, and public affairs effort in coordination with the City team. Without prejudging what an effort would look like, tactics could include:
  - Using U.S. Conference of Mayors and/or National League of Cities leadership roles, resolutions, or conference events.
  - Testifying at Congressional hearings or participating in forums sponsored by regional or national associations or think tanks.
  - As directed by the City, we can support engagement with regional or national media outlets or reporters, including DC-based organizations/individuals, that are focused on the policy initiatives and/or outcomes the City is creating.
- Participate once or twice a year in U.S. Conference of Mayors meetings and identify leadership roles or committees the Mayor would like to prioritize in the near- or long-term.
- Engage in a more intentional way with the National League of Cities. Spokane City Councilmembers periodically participate in the NLC fly-in to DC. However, we recommend greater coordination between the City and DCG to maximize opportunities to promote the City's federal agenda and establish the City as a leader within NLC.
- Create greater coordination between the City staff who are deeply engaged with national associations and DCG. The City is a member of several national associations and we would welcome the opportunity to engage in more robust information-sharing with City staff so that we can more effectively support the City. In some cases, such as issues related to water infrastructure, the City and DCG should form a working group that meets periodically to advance the City's goals on this complex and multi-faceted component of its federal agenda.

#### 5. Relationship-Building and Advocacy (scope items #4 and 9)

Two (2) of the City's 13 scope activities involve or relate to relationship-building and advocacy at the federal level. These activities are:

- Work with the Washington congressional delegation, and other state delegations, as the issues require on behalf of the City.
- Assist the City in developing and sustaining long-term, substantive relationships with federal elected officials, members of the Washington state congressional delegation, their staffs, and appointed officials, both in Washington DC and in Federal Region 10. This may also include developing relationships with other state delegations.

*Approach and Recommendations.* No one will advocate for you as fiercely as your own U.S. Senators and Representative. Therefore, all federal relationship-building and advocacy for the City begins with Senators Patty Murray and Maria Cantwell and Representative Michael Baumgartner. DCG would use its other relationships – and those of the City – to help advance the City’s priorities outside of its own representatives. That said, your Senators and Representative can frequently facilitate and accelerate relationship-building and actions the City needs to protect its interests and advance its objectives. We would recommend the following approach:

- Build a strong relationship with Representative Baumgartner and his DC and district teams. Rep. Baumgartner has been appointed to the House Education and Workforce, Judiciary, and Foreign Affairs Committees. The City should look for opportunities to collaborate with Rep. Baumgartner on issues related to his Education and Workforce and Judiciary assignments. Issues could include tech workforce, civil rights, and immigration. Rep. Baumgartner is also a potential ally for the City’s appropriations requests related to public safety and other key priorities.
- Continue to work with Senators Murray and Cantwell on the City’s appropriations priorities, including public safety, behavioral health, and housing, as well as health care and entitlement issues like Medicaid.
- Build relationships with other members such as Rep. Suzan DelBene (D-WA) (taxes and entitlements like Medicaid; New Markets Tax Credits), Senator Mike Crapo (R-ID) (taxes and entitlements; New Markets Tax Credits), and Senator Ron Wyden (D-OR) (taxes and entitlements like Medicaid; New Market Tax Credits).
- When the timing is right, introduce City officials to Region 10 appointees, including those leading FEMA, SBA, HUD, and EPA.
- Identify and prioritize relationship-building with new Administration officials in agencies such as FEMA, SBA, HUD, USDOT, EPA, and others.
- Use the City’s engagements through the U.S. Conference of Mayors, National League of Cities, and other national stakeholder groups to advance federal relationships.

## **B. Work Plan and Schedule**

Below is a work plan and schedule. For clarity, our timeline begins next month since DCG currently provides federal services.

DCG will not use subconsultants on this project. DCG appreciates the involvement and participation of City staff to successfully plan and implement the City’s federal agenda, and key points of engagement are noted in the work plan below.

### **Q1 2025**

DCG will engage in the following activities during Q1:

- Advocate for the City’s SMART initiative earmark as the FY25 process wraps up.
- Identify the City’s priorities in the context of the new Administration and Congress and in consideration of the updated federal agenda the City approved in 2024. (\*City staff engagement required.)
- Begin creating federal tracker for priority issues, legislation, funding, & etc.
- Provide legislative team briefing or study session on reconciliation process.
- Develop the City’s FY26 CDS/CPF request(s), with a specific emphasis on behavioral health and public safety and other priorities as identified by the City. (\*City staff engagement required.)

- Socialize the City's FY26 CDS/CPF request(s) with the Washington congressional delegation.
- Set up meetings for the City with the Washington congressional delegation and others to discuss permanent authorization and expansion of the New Markets Tax Credit program. (\*City staff coordination required.)
- Support the City's participation in the National League of Cities' March DC fly-in, as directed. (\*City council and staff coordination required.)
- Report federal updates weekly via email and during the state legislative team meetings. These updates will include a brief DC update for the week, new grant opportunities, and other flags related to the City's federal priorities.
- Identify dates and agenda and execute a trip to DC for the Mayor in March or potentially April. (\*City staff coordination required.)

### Q2 2025

DCG will:

- Depending on the congressional appropriations process (timelines and eligible accounts), submit the City's FY26 CDS/CPF request(s) to Senators Murray and Cantwell and Rep. Baumgartner.
- Advocate for the City's appropriations priorities, including providing in-person briefings for state/district congressional staff and engaging allies to join us in those advocacy efforts. (\*City staff coordination needed.)
- If the Mayor does not travel to DC in March, coordinate and execute her DC trip in April. (\*City staff coordination required.)
- Report federal updates weekly via email and during the state legislative team meetings.
- Develop federal agenda monthly meeting schedule with the City. (\*City staff coordination required.)
- Begin conducting monthly federal calls and identify and execute next steps with help of tracking document.
- Begin defining the City's thought leadership priorities and collaboration approach with associations and stakeholder groups. (\*City staff collaboration required.)
- Define future federal agenda development process for the City with timelines. (\*City staff coordination required.)
- If necessary, support the Mayor's engagement with the U.S. Conference of Mayors' summer meeting in June. (\*City staff coordination required.)

### Q3 2025

DCG will:

- Advocate for the City's appropriations priorities.
- Begin engagement with targeted associations and stakeholder groups to advance Spokane's thought leadership and coalition building interests.
- Host congressional delegation members and staff in Spokane during the August state/district work periods and identify opportunities for potential press events. (\*City staff coordination needed.)
- Begin meeting with Region 10 appointees, to the extent they are on board.
- Plan and execute a potential trip by the Mayor to DC in September to meet with federal policymakers, including Administration officials. (\*City staff coordination needed.)
- Conduct monthly federal calls and identify and execute next steps with help of tracking document.

#### Q4 2025

DCG will:

- Begin developing the calendar year 2026/FY27 federal agenda. (\*City staff collaboration needed.)
- Conduct monthly federal calls and identify and execute next steps with help of tracking document.
- Plan the Mayor's January trip to DC for the U.S. Conference of Mayors winter meeting. (\*City staff collaboration needed.)

#### Q1 2026

DCG will:

- Finalize calendar year 2026/FY27 federal agenda. (\*City staff collaboration needed.)
- Execute the Mayor's January trip to the U.S. Conference of Mayors winter meeting.



## MANAGEMENT PROPOSAL

DCG's management proposal is divided into three parts: background and structure of the project team, information regarding relevant contracts and references, and notice and background of any contracts for default (of which DCG has had none).

### A. Project Team and Structure

The DCG federal team (Rick Desimone, Liz Fortunato, Justin LeBlanc, Brian Kristjansson, Max Brown, and Charlie Gottlieb) have worked in the federal government or represented federal-facing clients for a combined 120 years. Nearly all that time has involved either working for members of the Washington congressional delegation or advocating on behalf of clients that have business with Senators and Representatives, on a bipartisan basis, across the Pacific Northwest.

Collectively and individually, the DCG team has worked on issues as diverse as affordable and middle-income housing, homelessness, human services, behavioral health, public safety, criminal justice, civil rights, transportation infrastructure, water and wastewater infrastructure, energy, environmental protection, climate, public lands, agriculture, higher education, health, homeland security, and defense. We have deep experience working the appropriations processes, advancing authorizing legislation, and engaging with agencies to secure federal funding.

The DCG team has a long history working with and representing cities, counties, ports, PUDs, and state agencies. We understand how public entities develop and advocate for their federal priorities and are prepared to continue to assist the City of Spokane with its federal efforts.

DCG has served as the City's contract federal lobbying firm since 2020. In that capacity the firm helped the City develop an independent federal agenda in 2020, navigate the pandemic including advocating for assistance for local governments, and maximize federal earmark opportunities during federal fiscal years 2022-2025. On the last item, DCG has helped the City secure congressional earmarks for transportation priorities (Monroe Street Bridge, Palouse-Freya roundabout, Wellesley Avenue) and key public safety and behavioral health initiatives (domestic violence intervention program and SMART teams).

If DCG was awarded the contract with the City, our firm would structure its support in the following way. DCG commits that the staff, as identified, will perform the assigned work, and acknowledges that any staff substitution must have the prior approval of the City.

Brian Kristjansson **would remain the City's primary contact for all work under the contract.** Brian has served in this capacity for the City since 2020. **He would manage DCG's workflow and help facilitate communication between the City and DCG, including addressing any coordination challenges in real-time and proactively resolving any issues and project scope changes.** He would perform 50 percent of the work for the City.

Justin LeBlanc, Liz Fortunato, and Rick Desimone would serve as strategic advisors, helping advise and position the City on future policy and funding opportunities. Justin, Liz, and Rick would perform 15, 5, and 5 percent, respectively, of the work for the City.

Charlie Gottlieb would serve in a research and organizing role, helping ensure the proposed federal tracking document is up to date and next steps are documented. Charlie would perform 25 percent of the work for the City.

Brian Kristjansson, Justin LeBlanc, and Charlie Gottlieb **would participate regularly in meetings and communicate regularly with the City.**

## **Bios**

### Brian Kristjansson, Senior Vice President

Brian helps public, nonprofit, and private sector clients achieve their project and policy goals through engagement with federal, state, and local policymakers and community stakeholders. Brian has extensive federal experience. He joined DCG in 2014 after 18 years in the public sector. From 1996-2003, he served on Senator Patty Murray's legislative team in Washington, DC. In 2003, he joined the City of Seattle as its in-house federal lobbyist where he developed and advocated for the City's federal agenda. In 2005, he rejoined Senator Murray's team where he served as her outreach and state director. Brian brings nearly three decades of experience to the City.

### Justin LeBlanc, Senior Vice President

Justin is D.C.-based and began lobbying in 1998 at the National Fisheries Institute before working for several Pacific Northwest-focused firms. Justin focuses on association, municipal, maritime, marine affairs, and transportation-based clients from the Pacific Northwest. Justin began his career as a Sea Grant Fellow and then Legislative Assistant for Senator Patty Murray. Justin holds an M.A. in Marine Ecology (Biology) from Harvard University.

### Liz Fortunato, Senior Vice President

Liz joined DCG with ten years of prior federal public affairs experience after working on Capitol Hill for both Representative Doc Hastings and Senator Slade Gorton. Liz focuses on association, municipal, port, energy, agriculture, and higher education clients and issues. A fourth generation Washingtonian, Liz is a graduate of Gonzaga University.

### Rick Desimone, Managing Partner

Rick has spent the past three decades working in government, politics, and public affairs. Prior to entering private practice, Rick spent eight years serving as Senator Patty Murray's chief of staff. Rick is a graduate of Seattle University.

### Charlie Gottlieb, Legislative Aide

Charlie joined DCG full-time as a Washington, DC based Legislative Aide focusing on federal policy development and research. He is a graduate of the University of Wisconsin-Madison, where he received degrees in political science and journalism. Charlie is originally from Seattle and is a proud Washingtonian.

## **B. Relevant Contracts and References**

Below are examples of relevant contracts. **References are in bold.**

### City of Spokane

Contract Period: 2020-present

Erik Poulsen, [epoulsen@spokanecity.org](mailto:epoulsen@spokanecity.org), (509) 808-5890

### City of Fife

Contract Period:

Derek Matheson, [dmatheson@cityoffife.org](mailto:dmatheson@cityoffife.org), (253) 896-8603

### Catholic Charities Eastern Washington

Contract Period: 2019-present

**Susan Foster-Dow, [susan.foster-dow@cceasternwa.org](mailto:susan.foster-dow@cceasternwa.org), (509) 232-1118**

Accomplishments: DCG provides federal and state government affairs services to Catholic Charities. At the federal level, DCG has helped secure funding for the River Family Haven affordable housing community and the new home for the Salish School in Spokane.

### Port of Whitman County

Current Contract Period: 2023-present

**Kara Riebold, [kara@portwhitman.com](mailto:kara@portwhitman.com), (509) 397-3791**

Accomplishments: DCG currently provides federal, state and local policymaker engagement for the Port, with a specific focus on the Port's proposed technology transfer and commercialization center, which we are working to secure federal and state funding for. Previously, DCG supported the Port of Whitman and other ports in Washington state on federal advocacy related to open access broadband infrastructure.

### Port of Lewiston

Contract Period: 2015-present

Scott Corbitt, [scott@portoflewiston.com](mailto:scott@portoflewiston.com), (208) 743-5531

### Port of Skagit

Current Contract Period: 2024-present

**Sara Young, [sara@portofskagit.com](mailto:sara@portofskagit.com), (360) 757-0011**

Accomplishments: DCG supports the Port of Skagit with its federal advocacy and funding strategies for key capital projects. DCG helped the Port secure FY25 CDS funding for its Ag Innovation Center.

## **C. Contracts History**

DCG has not had any contracts terminated for default in the last five (5) years.

## **COST PROPOSAL**

The City's current contract for federal lobbying services with Desimone Consulting Group is \$80,000 per year. We propose continuing to provide federal advocacy services to the City of Spokane at the same rate.



THE HARTFORD  
BUSINESS SERVICE CENTER  
3600 WISEMAN BLVD  
SAN ANTONIO TX 78251

March 16, 2025

City of Spokane  
808 W SPOKANE FALLS BLVD  
SPOKANE WA 99201

**Account Information:**

<b>Policy Holder Details :</b>	<b>DESIMONE CONSULTING LLC</b>
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**Contact Us**

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**Need Help?**

Chat online or call us at  
(866) 467-8730.

We're here Monday - Friday.

Enclosed please find a Certificate Of Insurance for the above referenced Policyholder. Please contact us if you have any questions or concerns.

Sincerely,

Your Hartford Service Team



# CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)  
03/16/2025

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

**IMPORTANT:** If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

<b>PRODUCER</b> HOWARD INSURANCE AGENCY INC 42620132 3140 CHAPARRAL DR BLD C 101 ROANOKE VA 24018	<b>CONTACT NAME:</b>	
	<b>PHONE</b> (301) 652-2500 (A/C, No, Ext):	<b>FAX</b> (301) 655-2530 (A/C, No):
	<b>E-MAIL ADDRESS:</b>	
	<b>INSURER(S) AFFORDING COVERAGE</b>	
	INSURER A : Hartford Underwriters Insurance Company	NAIC# 30104
<b>INSURED</b> DESIMONE CONSULTING LLC 78 ORCHARD RD TACOMA WA 98406-7618	INSURER B :	
	INSURER C :	
	INSURER D :	
	INSURER E :	
	INSURER F :	

**COVERAGES****CERTIFICATE NUMBER:****REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/Y YY)	LIMITS	
A	COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR <input checked="" type="checkbox"/> General Liability			42 SBA AZ2YCF	02/14/2025	02/14/2026	EACH OCCURRENCE	\$1,000,000
			DAMAGE TO RENTED PREMISES (Ea occurrence)				\$1,000,000	
			MED EXP (Any one person)				\$10,000	
			PERSONAL & ADV INJURY				\$1,000,000	
	GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER:						GENERAL AGGREGATE	\$2,000,000
							PRODUCTS - COMP/OP AGG	\$2,000,000
	<b>AUTOMOBILE LIABILITY</b> <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> NON-OWNED AUTOS						COMBINED SINGLE LIMIT (Ea accident)	
							BODILY INJURY (Per person)	
							BODILY INJURY (Per accident)	
							PROPERTY DAMAGE (Per accident)	
A	<input checked="" type="checkbox"/> UMBRELLA LIAB EXCESS LIAB <input checked="" type="checkbox"/> OCCUR CLAIMS-MADE <input type="checkbox"/> DED RETENTION \$ 10,000			42 SBA AZ2YCF	02/14/2025	02/14/2026	EACH OCCURRENCE	\$1,000,000
							AGGREGATE	\$1,000,000
	<b>WORKERS COMPENSATION AND EMPLOYERS' LIABILITY</b> ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below						PER STATUTE	OTH-ER
							E.L. EACH ACCIDENT	
							E.L. DISEASE -EA EMPLOYEE	
							E.L. DISEASE - POLICY LIMIT	
A	Employment Practices Liability Insurance			42 SBA AZ2YCF	02/14/2025	02/14/2026	Each Claim Limit	\$25,000
							Annual Aggregate Limit	\$25,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

Those usual to the Insured's Operations.

**CERTIFICATE HOLDER**

City of Spokane  
 808 W SPOKANE FALLS BLVD  
 SPOKANE WA 99201

**CANCELLATION**

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

*Susan L. Castaneda*

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STATE OF WASHINGTON

# BUSINESS LICENSE

Limited Liability Company

DESIMONE CONSULTING LLC  
DESIMONE CONSULTING, LLC  
STE 1400  
701 PIKE ST  
SEATTLE WA 98101-3927

UNEMPLOYMENT INSURANCE - ACTIVE  
TAX REGISTRATION - ACTIVE

INDUSTRIAL INSURANCE - ACTIVE

Issue Date: Aug 16, 2024

Unified Business ID #: 603162296

Business ID #: 001

Location: 0001

Expires: Nov 30, 2025

CITY/COUNTY ENDORSEMENTS:

OLYMPIA GENERAL BUSINESS - NON-RESIDENT #49885 - ACTIVE

SPOKANE GENERAL BUSINESS - NON-RESIDENT (EXPIRES 11/30/2024) - ACTIVE

LICENSING RESTRICTIONS:

Not licensed to hire minors without a Minor Work Permit.

REGISTERED TRADE NAMES:

DESIMONE CONSULTING GROUP

This document lists the registrations, endorsements, and licenses authorized for the business named above. By accepting this document, the licensee certifies the information on the application was complete, true, and accurate to the best of his or her knowledge, and that business will be conducted in compliance with all applicable Washington state, county, and city regulations.

Director, Department of Revenue

UBI: 603162296 001 0001

DESIMONE CONSULTING LLC  
DESIMONE CONSULTING, LLC  
STE 1400  
701 PIKE ST  
SEATTLE WA 98101-3927

STATE OF WASHINGTON

FOLD HERE

FOLD HERE

UNEMPLOYMENT INSURANCE - ACTIVE  
INDUSTRIAL INSURANCE - ACTIVE  
TAX REGISTRATION - ACTIVE  
OLYMPIA GENERAL BUSINESS - NON-RESIDENT #49885 - ACTIVE  
SPOKANE GENERAL BUSINESS - NON-RESIDENT (EXPIRES 11/30/2024) - ACTIVE

Expires: Nov 30, 2025

Director, Department of Revenue

## IMPORTANT!

### PLEASE READ THE FOLLOWING INFORMATION CAREFULLY BEFORE POSTING THIS LICENSE

#### General Information

Post this Business License in a visible location at your place of business.

If you were issued a Business License previously, **destroy the old one and post this one in its place.**

Login to My DOR at [dor.wa.gov](http://dor.wa.gov) if you need to make changes to your business name, location, mailing address, telephone number, or business ownership.

Telephone: 360-705-6741

#### Endorsements

All endorsements should be renewed by the expiration date that appears on the front of this license to avoid any late fees.

If there is no expiration date, the endorsements remain active as long as you continue required reporting. Tax Registration, Unemployment Insurance, and Industrial Insurance endorsements require you to submit periodic reports. Each agency will send you the necessary reporting forms and instructions.

For assistance or to request this document in an alternate format, visit <http://business.wa.gov/BLS> or call (360) 705-6741. Teletype (TTY) users may use the Washington Relay Service by calling 711.

BLS-700-107 (07/27/20)



**Agenda Sheet for City Council:****Committee:** Finance & Administration **Date:** 03/24/2025**Committee Agenda type:** Discussion**Date Rec'd**

3/12/2025

**Clerk's File #**

ORD C36660

**Cross Ref #****Project #****Council Meeting Date:** 04/21/2025**Submitting Dept**

MAYOR

**Bid #****Contact Name/Phone**

ADAM 6779

**Requisition #****Contact E-Mail**

AMCDANIEL@SPOKANECITY.ORG

**Agenda Item Type**

Special Budget Ordinance

**Council Sponsor(s)**

PDILLON MCATHCART

**Sponsoring at Administrators Request**

NO

**Lease?** NO**Grant Related?** YES**Public Works?** NO**Agenda Item Name**

0520 - SBO FOR USCM DOLLARWISE GRANT

**Agenda Wording**

The City of Spokane's Mayor's Office has been awarded \$10,000 as part of the 2025 DollarWise Innovation Grant program which was awarded by the United States Conference of Mayors (USCM), an organization founded by the Bank of America Charitable Foundation.

**Summary (Background)**

The DollarWise grant is intended to be used in support of local economic mobility efforts to help disadvantaged communities improve their economic health and success. Mayor Lisa Brown is using the grant to support the Spokane Post-Conviction Relief Pilot program. This program will help low-income residents with criminal convictions overcome barriers to employment, housing, and job training. The program is expected to assist as many as 100 constituents by addressing legal financial obligations, restoring driving privileges, expunging records, and providing services such as healthcare, substance abuse treatment, and family preservation programs.

**What impacts would the proposal have on historically excluded communities?**

N/A

**How will data be collected, analyzed, and reported concerning the effect of the program/policy by racial, ethnic, gender identity, national origin, income level, disability, sexual orientation, or other existing disparities?**

N/A

**How will data be collected regarding the effectiveness of this program, policy, or product to ensure it is the right solution?**

N/A

**Describe how this proposal aligns with current City Policies, including the Comprehensive Plan, Sustainability Action Plan, Capital Improvement Program, Neighborhood Master Plans, Council Resolutions, and others?**

N/A

**Council Subcommittee Review**

N/A

<b>Fiscal Impact</b>			
Approved in Current Year Budget? NO			
Total Cost		\$ 10,000	
Current Year Cost		\$ 10,000	
Subsequent Year(s) Cost		\$	
<b><u>Narrative</u></b>			
<b>Amount</b>		<b>Budget Account</b>	
Revenue	\$ 10,000	#	1700-95866-99999-36720-99999
Expense	\$ 10,000	#	1700-95866-65410-54201-99999
Select	\$	#	
Select	\$	#	
Select	\$	#	
Select	\$	#	
<b>Funding Source</b>		One-Time	
<b>Funding Source Type</b>		Grant	
<b>Is this funding source sustainable for future years, months, etc?</b>			
N/A			
<b>Expense Occurrence</b>		One-Time	
<b>Other budget impacts (revenue generating, match requirements, etc.)</b>			
<b>Approvals</b>		<b>Additional Approvals</b>	
<b>Dept Head</b>	SCOTT, ALEXANDER	<b>MANAGEMENT &amp;</b>	STRATTON, JESSICA
<b>Division Director</b>		<b>ACCOUNTING -</b>	BROWN, SKYLER
<b>Accounting Manager</b>	BROWN, SKYLER		
<b>Legal</b>	SCHOEDEL, ELIZABETH		
<b>For the Mayor</b>	PICCOLO, MIKE		
<b>Distribution List</b>			
		amcdaniel@spokanecity.org	
jstratton@spokanecity.org			

ORDINANCE NO C36660

AN ORDINANCE AMENDING ORDINANCE NO. C36626, PASSED BY THE CITY COUNCIL ON DECEMBER 9, 2024, AND ENTITLED IN PART "AN ORDINANCE ADOPTING A BIENNIAL BUDGET FOR THE CITY OF SPOKANE", MAKING APPROPRIATION ADJUSTMENTS FOR YEAR 2025, AND DECLARING AN EMERGENCY.

WHEREAS, subsequent to the adoption of the biennial budget Ordinance No. C36626, as above entitled in part, and which passed the City Council December 9, 2024, it is necessary to make changes in the appropriations of the Miscellaneous Community Development Grants 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 Council of Spokane does ordain:

Section 1. That in the budget of the Miscellaneous Community Development Grants Fund, and the budget annexed thereto with reference to the Fund, the following changes be made:

- 1) Increase revenue by \$10,000.
  - A) Of the increased revenue, \$10,000 is provided solely for grant revenue from the United States Conference of Mayors (USCM).
- 2) Increase appropriation by \$10,000.
  - A) Of the increased appropriation, \$10,000 is provided solely for contractual services.

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 award and acceptance of the USCM Innovation Grant funds, 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 by the City Council on \_\_\_\_\_

\_\_\_\_\_  
Council President

Attest:

Approved as to form:

\_\_\_\_\_  
City Clerk

\_\_\_\_\_  
City Attorney

\_\_\_\_\_  
Mayor

\_\_\_\_\_  
Date

\_\_\_\_\_  
Effective Date

**Agenda Sheet for City Council:****Committee:** Finance & Administration **Date:** 03/24/2025**Committee Agenda type:** Discussion**Date Rec'd**

3/20/2025

**Clerk's File #****Cross Ref #****Project #****Council Meeting Date:** 04/14/2025**Submitting Dept**

CITY COUNCIL

**Bid #****Contact Name/Phone**

VIRGINIA 625-6714

**Requisition #****Contact E-Mail**

VRAMOS@SPOKANECITY.ORG

**Agenda Item Type**

Final Reading Ordinance

**Council Sponsor(s)**

PDILLON MCATHCART LNAVARRETE

**Sponsoring at Administrators Request**

NO

**Lease?** NO**Grant Related?** NO**Public Works?** NO**Agenda Item Name**

0620 - ORDINANCE EXPANDING FAIR CHANCE HIRING PRACTICES

**Agenda Wording**

An ordinance titled "Ban The Address" and expanding fair chance hiring practices, and amending sections 9.02.010 through 9.02.050 and sections 9.03.010 and 9.03.020 of the Spokane Municipal Code.

**Summary (Background)**

This ordinance expands fair chance hiring practices, ensuring that qualified job applicants are not excluded from an applicant pool due to not having a brick-and-mortar address, or as a result of housing status. Houseless job applicants have confronted discrimination when they provide the address of a shelter or a PO box. Banning the address would discourage employers from inquiring about an applicant's address or residency history until after granting a provisional offer of employment.

**What impacts would the proposal have on historically excluded communities?**

This ordinance would add protections for historically excluded communities by ensuring they have unfettered access to job applications as it relates to housing status.

**How will data be collected, analyzed, and reported concerning the effect of the program/policy by racial, ethnic, gender identity, national origin, income level, disability, sexual orientation, or other existing disparities?**

Not applicable

**How will data be collected regarding the effectiveness of this program, policy, or product to ensure it is the right solution?**

This ordinance will become a part of the Spokane Municipal Code if it is adopted. Data will be collected through reports from city citizens that employers are mandating they report housing status or address.

**Describe how this proposal aligns with current City Policies, including the Comprehensive Plan, Sustainability Action Plan, Capital Improvement Program, Neighborhood Master Plans, Council Resolutions, and others?**

In Spokane We All Belong. This ordinance provides an equal opportunity for all citizens of the City of Spokane to apply for a job.

**Council Subcommittee Review**

Not reviewed by any subcommittee. Not applicable.

<b>Fiscal Impact</b>	
Approved in Current Year Budget?	N/A
Total Cost	\$
Current Year Cost	\$
Subsequent Year(s) Cost	\$
<b><u>Narrative</u></b>	
No fiscal impacts are anticipated under the ordinance	
<b>Amount</b>	<b>Budget Account</b>
Select \$	#
Select \$	#
Select \$	#
Select \$	#
Select \$	#
Select \$	#
<b>Funding Source</b> N/A	
<b>Funding Source Type</b> Select	
<b>Is this funding source sustainable for future years, months, etc?</b>	
N/A	
<b>Expense Occurrence</b>	
<b>Other budget impacts (revenue generating, match requirements, etc.)</b>	
<b>Approvals</b>	<b>Additional Approvals</b>
<u>Dept Head</u>	
<u>Division Director</u>	
<u>Accounting Manager</u>	
<u>Legal</u>	
<u>For the Mayor</u>	
<b>Distribution List</b>	

## Committee Briefing Paper

### Finance & Administration Committee

<b>Committee Date</b>	March 24, 2025
<b>Submitting Department</b>	City Council
<b>Contact Name</b>	Paul Dillon
<b>Contact Email &amp; Phone</b>	pdillon@spokanecity.org
<b>Council Sponsor(s)</b>	Dillon, Cathcart, Navarrete
<b>Select Agenda Item Type</b>	<input type="checkbox"/> Consent <input checked="" type="checkbox"/> Discussion    Time Requested: 10
<b>Agenda Item Name</b>	
<b>Proposed Council Action</b>	<input type="checkbox"/> Approval to proceed to Legislative Agenda <input type="checkbox"/> Information Only
<b>Summary (Background)</b>  *use the Fiscal Impact box below for relevant financial information	This ordinance expands fair chance hiring practices, ensuring that qualified job applicants are not excluded from an applicant pool due to not having a brick-and-mortar address, or as a result of housing status. Houseless job applicants have confronted discrimination when they provide the address of a shelter or a PO box. Banning the address would discourage employers from inquiring about an applicant's address or residency history until after granting a provisional offer of employment.
<b>Fiscal Impact</b> <b>Approved in current year budget?</b> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A Total Cost: <a href="#">Click or tap here to enter text.</a> Current year cost: 0 Subsequent year(s) cost: 0  <b>Narrative:</b> <u>There is no identified costs as a result of this ordinance.</u>  <b>Funding Source</b> <input type="checkbox"/> One-time <input type="checkbox"/> Recurring <input checked="" type="checkbox"/> N/A Specify funding source: Select Funding Source* Is this funding source sustainable for future years, months, etc? <a href="#">Click or tap here to enter text.</a>  <b>Expense Occurrence</b> <input type="checkbox"/> One-time <input type="checkbox"/> Recurring <input checked="" type="checkbox"/> N/A  Other budget impacts: (revenue generating, match requirements, etc.)	
<b>Operations Impacts (If N/A, please give a brief description as to why)</b> <ul style="list-style-type: none"> <li>• What impacts would the proposal have on historically excluded communities?              This ordinance would add protections for historically excluded communities by ensuring they have unfettered access to job applications as it relates to housing status.</li> </ul>	



- How will data be collected, analyzed, and reported concerning the effect of the program/policy by racial, ethnic, gender identity, national origin, income level, disability, sexual orientation, or other existing disparities?

N/A

- How will data be collected regarding the effectiveness of this program, policy, or product to ensure it is the right solution?

This ordinance will become a part of the Spokane Municipal Code if it is adopted. Data will be collected through reports from city citizens that employers are mandating they report housing status or address.

- Describe how this proposal aligns with current City Policies, including the Comprehensive Plan, Sustainability Action Plan, Capital Improvement Program, Neighborhood Master Plans, Council Resolutions, and others?

In Spokane We All Belong. This ordinance provides an equal opportunity for all citizens of the City of Spokane to apply for a job.

### **Council Subcommittee Review**

- Please provide a summary of council subcommittee review. If not reviewed by a council subcommittee, please explain why not.

This ordinance will be introduced to the Finance and Administration Committee.

**ORDINANCE NO. C-XXXXX**

An ordinance titled “Ban The Address” and expanding fair chance hiring practices and amending sections 9.02.010 through 9.02.050 and sections 9.03.010 and 9.03.020 of the Spokane Municipal Code.

**WHEREAS**, the City of Spokane knows the issue of homelessness is one of the most pressing and complex situations encountered by our society; and

**WHEREAS**, in developing public policy to address homelessness, emphasis should be given to attending to the basic needs of the unhoused while preserving the dignity of these individuals and their circumstances; and

**WHEREAS**, unhoused and homeless individuals represent a diverse range of ages, education and backgrounds, and vary in their unmet basic needs, talents and dreams, but all are possessed of inner and outer strengths that can be harnessed to improve their situation and benefit society as a whole; and

**WHEREAS**, respect for the dignity of human beings and equality before the law are principles which are fundamental and nonexpendable to guarantee the common good and healthy community living as people; and

**WHEREAS**, research consistently reveals that one of the primary cause of homelessness includes unemployment; and

**WHEREAS**, many people experiencing homelessness desire to have a job and are often disqualified because of their housing status, leading to the outcome that people experiencing homelessness are unemployed or underemployed at disproportionately high rates; and

**WHEREAS** people experiencing homelessness are typically at a disadvantage when applying for employment due to the stigma of being unhoused; and

**WHEREAS**, some questions on job applications often disqualify or deter job seekers that are houseless, and;

**WHEREAS**, there are local organizations in the City of Spokane that provide assistance by allowing people who are unhoused to use their address or P.O. box for the purpose of gaining employment; and

**WHEREAS**, the City of Spokane should reassert its commitment to the constitutional principle that all people are equal before the law and that there must be no employment discrimination whatsoever on the basis of protected status as recognized in state and federal law, and in the Spokane Municipal Code; and

**WHEREAS**, the City of Spokane wishes to remove unfair barriers to employment of homeless individuals and expand protections for people who are unhoused, and allow for a more expansive opportunity for gainful employment.

**NOW THEREFORE**, the City of Spokane does ordain:

**Section 1.** That section 9.02.010 of the Spokane Municipal Code is amended to read as follows:

Section 09.02.010 Findings

The City of Spokane finds that many qualified job applicants who have some kind of criminal record simply cannot obtain employment due to early screening or advertising which excludes them from the applicant pool. Many individuals who have criminal records could show themselves to be both highly qualified and well-suited for employment in an interview, yet many do not even reach that stage due to screening criteria which make those with criminal records immediately disqualified for work. People with criminal records who cannot find work are forced to rely on public assistance and may be more likely than those who can secure work to re-offend.

The City of Spokane further finds that some individuals experiencing homelessness have faced barriers in seeking employment that arise from their housing status. It is a priority that the City invest and commits to reducing the impacts of homelessness in the community and also consider that the greatest way out of homelessness is a job, dignity, and purpose. The city has determined that employment discrimination solely based on housing status cannot be allowed.

**Section 2.** That section 9.02.020 of the Spokane Municipal Code is amended to read as follows:

Section 09.02.020 Purpose

- A. The City of Spokane intends to ensure that people who have completed a sentence for a past criminal conviction are not forever branded as unworthy or unable to participate in the life of the community, a central part of which is the ability to compete for employment in Spokane.
- B. The City of Spokane intends to also ensure that housing status does not brand individuals as unworthy or unable to participate in the life of the community, a central part of which is the ability to compete for employment in Spokane.
- ~~((B))~~ C. The City intends to ensure that all employers have clear guidance on when they can inquire about criminal records of job applicants, in an effort to provide predictability, certainty, and fairness to both employers and job applicants.
- ~~((C))~~ D. The City intends to assure employers that they may still conduct criminal background checks necessary for their specific employment purposes, and to set certain minimum and non-intrusive standards for doing so.
- E. Nothing contained in this chapter is intended to be nor shall be construed to create or form the basis for any liability on the part of the City, or its officers, employees or agents for any injury or damage resulting from or by reason of any act or omission in connection with the implementation or enforcement of this chapter on the part of the City by its officers, employees or agents.

~~((E))~~ F. Nothing in this chapter shall constitute or be construed to create a private right of action under state law or form a basis for relief in the state courts. It is the intent of this chapter that all causes of action for violations of the chapter shall lie with the City of Spokane municipal court.

~~((F))~~ G. Nothing in this chapter shall be deemed to deny any person the right to institute any action or to pursue any civil or criminal remedy for the violation of such person's civil rights.

**Section 3.** That section 9.02.030 of the Spokane Municipal Code is amended to read as follows:

Section 09.02.030 Definitions

- A. "Arrest or Conviction Record" means any record or information about a citation or arrest for criminal conduct, including records relating to probable cause to arrest, and includes any record about a criminal or juvenile case filed with any court, whether or not such a case resulted in a finding of guilt, has been vacated, or overturned on appeal.
- B. "Employment" means any individual occupation, vocation, job, or work for pay, including temporary or seasonal work, and work through the services of a temporary or other employment agency.
- C. "Employer" means any individual, partnership, association, corporation, business trust, contractor, temporary staffing agency, training and apprenticeship program, job placement, referral and employment agency, or any person or group of persons acting directly or indirectly and within the city limits of Spokane, in the interest of an employer in relation to an employee; provided, however, that the term "employer" does not include: (i) the City of Spokane (which is covered under chapter 09.03, SMC); (ii) the United States, any agency or instrumentality of the United States, or any corporation wholly owned by the government of the United States; (iii) the State of Washington; (iv) Spokane County; or (v) any federally-recognized Indian tribe.
- D. "Homelessness" means not having a fixed or regular residence, including the state of being homeless or unhoused, living on the streets, in a shelter, or in a temporary residence.
- E. "Housing status" means the question whether a specific individual is experiencing homelessness.
- ~~((D))~~ F. "Otherwise qualified" means that the applicant meets the basic criteria for the position as set out in the advertisement or job description without taking into account housing status or the existence or absence of a criminal conviction or arrest record.

**Section 4.** That section 9.02.040 of the Spokane Municipal Code is amended to read as follows:

Section 09.02.040 Applicability

- A. This chapter does not apply:
  - 1. to any employer hiring an employee who will have unsupervised access to children under the age of eighteen, a vulnerable adult as defined in RCW 74.34.020(21), or a vulnerable person as defined in RCW 9.96A.060;

2. to employers who are expressly permitted or required under any federal or Washington state law to inquire into, consider, or rely on information about an applicant's arrest or conviction record for employment purposes;
  3. to any General Authority Washington law enforcement agency as defined in RCW 10.93.020(1); or
  4. where criminal background checks are specifically permitted or required under state or federal law.
- B. Nothing in this chapter shall be construed to protect criminal conduct.
- C. Nothing in this chapter shall be interpreted or applied as imposing an obligation on the part of an employer to provide accommodations or job modifications in order to facilitate the employment or continued employment of an applicant with an arrest or conviction record or who is facing pending criminal charges.
- ~~(C)~~ D. Nothing in this chapter prohibits an employer from declining to hire an applicant with a criminal record or from terminating the employment of an employee with a criminal record.
- E. Nothing in this chapter shall be interpreted or applied as imposing an obligation on the part of an employer to provide accommodations or job modifications in order to facilitate the employment or continued employment of an individual experiencing homelessness.
- F. Nothing in this chapter prohibits an employer from declining to hire an applicant experiencing homelessness or from terminating the employment of an employee experiencing homelessness, if the termination or refusal to hire an applicant is not solely based on housing status.

**Section 5.** That section 9.02.050 of the Spokane Municipal Code is amended to read as follows:

**Section 09.02.050 Prohibition**

- A. No employer shall:
1. advertise applicable employment openings in a way that excludes people with arrest or conviction records from applying, such as using advertisements which state "no felons," "no criminal background," or which otherwise convey similar messages; provided, employers may advertise the requirement for a criminal history inquiry and/or background check during or after the interview process as long as such advertisement does not state that an arrest or conviction record will automatically preclude the applicant from consideration for employment;
  2. include any question in an application for applicable employment, inquire orally or in writing, receive information through a criminal history background check, or otherwise obtain information about an applicant's arrest or conviction record prior to an in-person, telephonic, or video interview or received a conditional offer of employment;

3. use, distribute, or disseminate an applicant's or employee's arrest or conviction record except as required or otherwise allowed by law;
4. disqualify an applicant from applicable employment prior to an in-person, telephonic, or video interview solely because of a prior arrest or conviction unless the conviction is related to significant duties of the job or disqualification is otherwise allowed by this chapter; or
5. reject or disqualify an applicant for failure to disclose a criminal record prior to initially determining the applicant is otherwise qualified for the position; or
6. require an applicant to provide an address or residence history until after granting a provisional offer of employment, nor shall an employer reject or disqualify an applicant solely because the individual does not have a fixed or regular residence, or because the individual is homeless or unhoused, or because the individual lives on the street, in a shelter, or in a temporary residence, unless the individual's housing status has a bona fide and legitimate relation to the primary duties of the job and such rejection or disqualification would also violate state or federal employment laws or regulations; or
7. include any question in an application or inquire orally or in writing any question related to housing status; provided it shall not be a violation of this section for an employer to include an opportunity for an applicant to provide a mailing address or other means of contacting an applicant as part of the application process.

B. Nothing in this chapter prohibits an employer from inquiring into or obtaining information about a job applicant's criminal conviction or arrest record or background, and considering the information received regarding such record during an in-person, telephonic, or video interview, or after the conclusion of such a job interview, or after a conditional offer of employment, and using such information in a hiring decision.

**Section 6.** That section 9.03.010 of the Spokane Municipal Code is amended to read as follows:

**Section 09.03.010 Purpose and Intent**

The City of Spokane intends to ensure that its hiring practices for City employment provide applicants who are experiencing homelessness or who have criminal arrest or conviction records an equal opportunity to obtain employment with the City. ~~((This chapter is intended to implement guidance first published by the Equal Employment Opportunity Commission ("EEOC") over two decades ago and last updated in 2012, to ensure that the City of Spokane fully complies with federal law.))~~

**Section 7.** That section 09.03.020 of the Spokane Municipal Code is amended to read as follows:

**Section 09.03.020 Statement of Policy**

A. No person may be disqualified from employment with the City due solely, or in part, to the existence of a prior criminal arrest or conviction, or prior felony conviction that occurred within the past ten (10) years, unless the crime for which the individual was convicted directly relates to the job position sought.

B. No person may be disqualified from employment with the City due solely, or in part, to their housing status unless it directly relates to the job position sought.

((B)) C. The City of Spokane’s use of applicant criminal arrest and conviction information will be based solely on the relationship between the past felony conviction and the potential risk to the City and its employees, residents, customers, and contractors.

D. The City of Spokane will at all times comply with any federal or state law or regulation pertaining to background checks.

**Section 8. Severability.** If any section, subsection, sentence, clause, phrase or word of this ordinance should be held to be invalid or unconstitutional by a court of competent jurisdiction, such invalidity or unconstitutionality thereof shall not affect the validity or constitutionality of any other section, subsection, sentence, clause, phrase or word of this ordinance.

**Section 9. Clerical Errors.** Upon approval by the city attorney, the city clerk is authorized to make necessary corrections to this ordinance, including scrivener’s errors or clerical mistakes; references to other local, state, or federal laws, rules, or regulations; or numbering or referencing of ordinances or their sections and subsections.

**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:****Committee:** Finance & Administration **Date:** 03/24/2025**Committee Agenda type:** Discussion**Date Rec'd**

3/20/2025

**Clerk's File #****Cross Ref #****Project #****Council Meeting Date:** 04/14/2025**Submitting Dept**

CITY COUNCIL

**Bid #****Contact Name/Phone**

VIRGINIA 625-6714

**Requisition #****Contact E-Mail**

VRAMOS@SPOKANECITY.ORG

**Agenda Item Type**

First Reading Ordinance

**Council Sponsor(s)**

PDILLON LNAVARRETE ZZAPPONE

**Sponsoring at Administrators Request**

NO

**Lease?** NO**Grant Related?** NO**Public Works?** NO**Agenda Item Name**

0320 -AN ORDINANCE RELATING TO PROTECTION OF LGBTQIA2S+

**Agenda Wording**

An Ordinance relating to protection of LGBTQIA2S+ Communities in Spokane, amending Sections 18.01.020 and 18.01.030, 18.02.030 of Title 18 of the Spokane Municipal Code; creating a new section 03.07.340 in Chapter 03.07 of the Spokane Municipal Code; and establishing an effective date.

**Summary (Background)**

This ordinance ensures equitable protections for LGBTQIA2S+ where it concerns discrimination, affirming the right to seek gender affirming care, ensuring that all of Spokane's residents feel safe and supported, periodic policy review to ensure inclusivity, equity and affirmation; defining "Gender Affirming Care", and "LGBTQIA2S+"; resource allocation related to an individuals sex or gender; and adding a new section that city provided health care shall extend coverage for the rights of individuals to seek health care services and gender-affirming treatment that is legal in Washington State.



**What impacts would the proposal have on historically excluded communities?**

This ordinance would add protections for historically excluded communities by ensuring they have equitable rights and access to services.

**How will data be collected, analyzed, and reported concerning the effect of the program/policy by racial, ethnic, gender identity, national origin, income level, disability, sexual orientation, or other existing disparities?**

Not applicable

**How will data be collected regarding the effectiveness of this program, policy, or product to ensure it is the right solution?**

This ordinance will become a part of the Spokane Municipal Code if it is adopted. Data will be collected through city departments collection of information, and health benefits that are provided through the human resources department.

**Describe how this proposal aligns with current City Policies, including the Comprehensive Plan, Sustainability Action Plan, Capital Improvement Program, Neighborhood Master Plans, Council Resolutions, and others?**

The official City motto is "In Spokane We All Belong." Consistent with the motto and the stated principle of city, this ordinance provides an equal opportunity for all citizens of the City of Spokane to access all services available.

**Council Subcommittee Review**

No subcommittee review.

<b>Fiscal Impact</b>	
Approved in Current Year Budget? N/A	
Total Cost	\$
Current Year Cost	\$
Subsequent Year(s) Cost	\$
<b><u>Narrative</u></b>	
Fiscal impact has not been identified, although it is possible that assuring gender-affirming health care for City employees could result in additional employee coverage costs.	
<b>Amount</b>	<b>Budget Account</b>
Select \$	#
Select \$	#
Select \$	#
Select \$	#
Select \$	#
Select \$	#
<b>Funding Source</b> N/A	
<b>Funding Source Type</b> Select	
<b>Is this funding source sustainable for future years, months, etc?</b>	
<b>Expense Occurrence</b>	
<b>Other budget impacts (revenue generating, match requirements, etc.)</b>	
<b>Approvals</b>	
<b>Dept Head</b>	<b>Additional Approvals</b>
<b>Division Director</b>	
<b>Accounting Manager</b>	
<b>Legal</b>	SCHOEDEL, ELIZABETH
<b>For the Mayor</b>	
<b>Distribution List</b>	

## Committee Briefing Paper

### Finance & Administration Committee

<b>Committee Date</b>	March 24, 2025
<b>Submitting Department</b>	City Council
<b>Contact Name</b>	Paul Dillon
<b>Contact Email &amp; Phone</b>	pdillon@spokanecity.org
<b>Council Sponsor(s)</b>	Dillon, Zappone, Navarrete
<b>Select Agenda Item Type</b>	<input type="checkbox"/> Consent <input checked="" type="checkbox"/> Discussion    Time Requested: 10
<b>Agenda Item Name</b>	
<b>Proposed Council Action</b>	<input type="checkbox"/> Approval to proceed to Legislative Agenda <input type="checkbox"/> Information Only
<b>Summary (Background)</b>  *use the Fiscal Impact box below for relevant financial information	This ordinance ensures equitable protections for LGBTQIA2S+ where it concerns discrimination, affirming the right to seek gender affirming care, ensuring that all of Spokane’s residents feel safe and supported, periodic policy review to ensure inclusivity, equity and affirmation; defining “Gender Affirming Care”, and “LGBTQIA2S+”; resource allocation related to an individuals sex or gender; and adding a new section that city provided health care shall extend coverage for the rights of individuals to seek health care services and gender-affirming treatment that is legal in Washington State.
<b>Fiscal Impact</b> <b>Approved in current year budget?</b> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A Total Cost: <a href="#">Click or tap here to enter text.</a> Current year cost: 0 Subsequent year(s) cost: 0  <b>Narrative:</b> <u>There is no identified costs as a result of this ordinance.</u>  <b>Funding Source</b> <input type="checkbox"/> One-time <input type="checkbox"/> Recurring <input checked="" type="checkbox"/> N/A Specify funding source: Select Funding Source* Is this funding source sustainable for future years, months, etc? <a href="#">Click or tap here to enter text.</a>  <b>Expense Occurrence</b> <input type="checkbox"/> One-time <input type="checkbox"/> Recurring <input checked="" type="checkbox"/> N/A  Other budget impacts: (revenue generating, match requirements, etc.)	
<b>Operations Impacts (If N/A, please give a brief description as to why)</b> <ul style="list-style-type: none"> <li>• What impacts would the proposal have on historically excluded communities?              This ordinance would add protections for historically excluded communities by ensuring they have equitable rights and access to services.</li> </ul>	

- How will data be collected, analyzed, and reported concerning the effect of the program/policy by racial, ethnic, gender identity, national origin, income level, disability, sexual orientation, or other existing disparities?

N/A

- How will data be collected regarding the effectiveness of this program, policy, or product to ensure it is the right solution?

This ordinance will become a part of the Spokane Municipal Code if it is adopted. Data will be collected through city departments collection of information, and health benefits that are provided through the human resources department.

- Describe how this proposal aligns with current City Policies, including the Comprehensive Plan, Sustainability Action Plan, Capital Improvement Program, Neighborhood Master Plans, Council Resolutions, and others?

In Spokane We All Belong. This ordinance provides an equal opportunity for all citizens of the City of Spokane to access all services available.

### **Council Subcommittee Review**

- Please provide a summary of council subcommittee review. If not reviewed by a council subcommittee, please explain why not.

This ordinance will be introduced to the Finance and Administration Committee.

## Ordinance C-\_\_\_\_\_

An Ordinance relating to protection of LGBTQIA2S+ Communities in Spokane, amending Sections 18.01.020 and 18.01.030, 18.02.030 of Title 18 of the Spokane Municipal Code; creating a new section 03.07.340 in Chapter 03.07 of the Spokane Municipal Code; and establishing an effective date.

**WHEREAS**, the City of Spokane is committed to fostering a community where all individuals are treated with dignity, equity, and respect, regardless of sexual orientation, gender identity, or gender expression; and

**WHEREAS**, LGBTQIA2S+ individuals face ongoing discrimination, violence, and systemic barriers that threaten their safety, well-being, and human rights; and

**WHEREAS**, transgender and gender expansive people in particular have been vilified in political advertisements; and, across the country, there continues to be legislation enacted that targets LGBTQIA2S+ communities, threatening access to healthcare, education, and basic protections under the law; and

**WHEREAS**, as of August 2024, 39.4% of trans youth aged 13-17, amounting to 118,300 individuals, are living in the 26 states that have passed bans on gender-affirming care; and

**WHEREAS**, by preventing doctors from providing this care or threatening to take children away from parents who support their child in their transition, these bills prevent transgender, non-binary, and gender-expansive youth from accessing medically necessary, safe health care backed by decades of research and supported by every major medical association, which collectively represent over 1.3 million US doctors; and

**WHEREAS**, the City of Spokane recognizes the inherent worth and equal rights of all people, including LGBTQIA2S+ individuals, and seeks to provide a safe and welcoming environment for those who reside in or visit our city; and

**WHEREAS**, Spokane Municipal Code Title 18 and state law currently offer protections for the LGBTQIA2S+ community against discrimination, including protections against discrimination based on gender identity and sexual orientation, and Spokane has continuously committed to protecting and advocating for the rights of LGBTQIA2S+ individuals by rejecting policies and actions that promote discrimination, harm, or inequality; and

**WHEREAS**, it is necessary to further revise Spokane Municipal Code to recognize the inherent risk to the LGBTQIA2S+ community in Spokane both from federal policies and from interjurisdictional legal processes emanating from states that do not recognize

LGBTQIA2S+ rights or which are working to deny such individuals access to essential medical care, including gender-affirming care;

**NOW, THEREFORE**, the City of Spokane does ordain as follows:

**Section 1.** That section 18.01.020 of Chapter 18.01 of the Spokane Municipal Code is amended as follows:

**SMC 18.01.020 Purpose and Intent**

- A. The City values the dignity and worth of all human beings and is committed to promoting justice, equity and an inclusive environment for all by respecting cultural and individual diversity and fostering mutual understanding among all people regardless of race, religion, creed, color, sex, national origin, marital status, familial status, domestic violence victim status, age, sexual orientation, gender identity, honorably discharged veteran or military status, refugee status, the presence of any sensory, mental or physical disability as defined by the Americans with Disabilities Act and/or the Washington State Law Against Discrimination, or the receipt of, or eligibility for the receipt of, funds from any housing choice or other subsidy program or alternative source of income. The City of Spokane expands its welcoming city commitment to include LGBTQIA2S+ people; affirming its commitment to ensuring that all individuals, regardless of the federal government's targeted oppression of LGBTQIA2S+ people, feel safe and supported.
- B. It is the intent of the City that all people have an equal opportunity to participate fully in the life of the City and that discriminatory barriers to equal participation in employment, housing, and public accommodations be removed. The City has a compelling interest in eradicating and preventing such discrimination and in ensuring equal opportunity in employment, housing, and public accommodations. This Title 18 represents the least restrictive means of achieving the City's objectives.
- C. The City of Spokane strongly believes in and affirms the right of individuals to seek, obtain, provide, or facilitate gender-affirming care that is legal in Washington State or in other states where it would be legal had it occurred in Washington State.
- D. To further combat discrimination in the Spokane community, it is necessary to direct that the City shall conduct regular reviews of its policies, practices, and public services to ensure they are inclusive, equitable, and affirming for LGBTQIA2S+ individuals.
- ((G)) E. The provisions of this Title 18 are to be broadly and liberally construed to effectuate this Title's remedial purpose and the City's legislative intent.

((D)) F. These sections are not intended to establish or require affirmative action or quotas of any kind, or to infringe upon the authority vested in the civil service commission and City departments pursuant to the City Charter.

((E)) G. By enacting this title, the City expresses its intent to ensure that Spokane generally, as well as the City itself, is free from bias or discrimination on the basis of race, religion, creed, color, sex, national origin, marital status, familial status, domestic violence victim status, age, sexual orientation, gender identity, honorably discharged veteran or military status, refugee status, the presence of any sensory, mental or physical disability as defined by the Americans with Disabilities Act and/or the Washington State Law Against Discrimination, and free from sexual harassment.

((F)) H. Nothing in this chapter shall constitute a cause of action under state law or form a basis for relief in the state courts. It is the intent of this chapter that all causes of action for violations of the chapter shall lie with the City of Spokane's Hearing Examiner, Municipal Court, or Superior Court, as specified in this Title 18.

((G)) I. Nothing in this Title 18 shall be deemed to deny any person the right to institute any action or to pursue any civil or criminal remedy for the violation of such person's civil rights. Nothing in this Title 18 shall limit or expand any cause of action available to any person under federal or state law.

**Section 2.** That section 18.01.030 of Chapter 18.01 of the Spokane Municipal Code is amended as follows:

**SMC 18.01.030 Definitions.**

For purposes of this Title 18, the terms listed below have the specific meaning stated, unless the context clearly indicates another meaning.

- A. "Commission" means the Spokane Human Rights Commission.
- B. "Data management protocols" means the procedures governing how data collected by surveillance equipment will be retained, stored, indexed and accessed. Information comprising data management protocols includes, at a minimum, the information required in SMC 18.04.020.
- C. "Disability" means the presence of a sensory, mental, or physical impairment that, whether temporary or permanent, common or uncommon, mitigated or unmitigated, a limitation or not on the ability to work generally or work at a particular job, or a limitation or not on the ability to engage in any other activity within the scope of this Title 18:
  - 1. is medically cognizable or diagnosable; or
  - 2. exists as a record or history; or

3. is perceived to exist whether or not it exists in fact.
  4. For the purposes of reasonable accommodation in employment, an impairment must be known or shown through an interactive process to exist in fact and:
    - a. The impairment must have a substantially limiting effect upon the individual's ability to perform his or her job, the individual's ability to apply or be considered for a job, or the individual's access to equal benefits, privileges, or terms or conditions of employment; or
    - b. The employee must have put the employer on notice of the existence of an impairment, and medical documentation must establish a reasonable likelihood that engaging in job functions without an accommodation would aggravate the impairment to the extent that it would create a substantially limiting effect.
  5. For purposes of this definition, a limitation is not substantial if it has only a trivial effect.
  6. For purposes of housing, a "reasonable accommodation" is an adjustment to a rule, policy, practice, or service that may be necessary for a person with a disability to have an equal opportunity to use and enjoy a dwelling, including public and common use spaces, where there is an identifiable relationship or nexus between the requested accommodation and the person's disability.
- D. "Discrimination" means different or unequal treatment because of race, religion, creed, color, sex, national origin, marital status, familial status, domestic violence victim status, age, sexual orientation, gender identity, honorably discharged veteran or military status, refugee status, disability, the use of a guide dog or service animal, or the use or eligibility for the use of housing choice or other subsidy program or alternative source of income. "Discriminate" means to treat differently or unequally because of race, religion, creed, color, sex, national origin, marital status, familial status, domestic violence victim status, age, sexual orientation, gender identity, honorably discharged veteran or military status, refugee status, the presence of any sensory, mental or physical disability as defined by the Americans with Disabilities Act and/or the Washington State Law Against Discrimination, or the use or eligibility for the use of housing choice or other subsidy program or alternative source of income. For purposes of this definition, it is discriminatory to fail to offer reasonable accommodation in housing or employment to an otherwise qualified applicant or employee with a disability, absent a showing that the accommodation would impose an undue hardship.



- E. "Dog guide" means a dog that is specifically trained for the purpose of guiding persons who are blind or a dog trained for the purpose of assisting persons with disabilities.
- F. "Domestic Violence Victim Status" means a family or household member, as defined in RCW 10.99.020 (3), who has been subjected to domestic violence as defined in RCW 10.99.020 (5) or who is a victim of sexual assault as defined in RCW 70.125.030.
- G. "Employee" means an individual who works for wages, salary or commission, or a combination thereof, in the service of an employer, but does not include a person employed by a parent, grandparent, brother, sister, spouse or child. The term includes an individual who is seeking or applying for employment. This definition does not include independent contractors.
- H. "Employer" means any person acting in the interest of an employer, directly or indirectly, who employs employees within the City, or who solicits individuals within the City to apply for employment within the City, including the City of Spokane and all its boards, commissions and authorities.
- I. "Entities under common ownership" means two or more legal entities, such as corporations, limited liability companies, partnerships, and the like which are: owned by the same person(s); in which the same person(s) serve as officers and/or directors; or the majority of one of which is owned by one or more of the others. For example, if a single person owns controlling interests in several limited liability companies, all of those limited liability companies are entities under common ownership.
- J. "Family with children status" means one or more individuals who have not attained the age of eighteen years being domiciled with a parent or another person having legal custody of such individual or individuals, or with the designee of such parent or other person having such legal custody, with the written permission of such parent or other person. Families with children status also applies to any person who is pregnant or is in the process of securing legal custody of any individual who has not attained the age of eighteen years.
- K. "Federally-recognized tribe" means an entity listed on the Department of the Interior's list under the Federally Recognized Indian Tribe List Act of 1994, which the Secretary currently acknowledges as an Indian tribe and with which the United States maintains a government-to-government relationship.
- L. "Gender-affirming care" means a service or product that a health care provider, as defined in RCW 70.02.010, provides to an individual to support and affirm the individual's gender identity. "Gender-affirming care" includes, but is not limited to, treatment for gender dysphoria, gender-affirming hormone therapy, and gender-

affirming surgical procedures. "Gender-affirming care" can be provided to two spirit, transgender, nonbinary, and other gender diverse individuals.

((L)) M. "Gender Identity" means having or being perceived as having a gender identity, self-image, appearance, behavior, or expression, whether or not that gender identity, self-image, appearance, behavior, or expression is different from that traditionally associated with the sex assigned to that person at birth.

((M)) N. "Housing choice or other subsidy program(( or alternative source of income))" means, without limitation: (i) any short or long term federal, state or local government, private nonprofit, or other assistance program in which a tenant's rent is paid either partially by the program (through a direct arrangement between the program and the owner or lessor of the real property), and partially by the tenant or completely by the program; or (ii) HUD-Veteran Affairs Supportive Housing (VASH) vouchers, Housing and Essential Needs (HEN) funds, and short-term rental assistance provided by Rapid Rehousing subsidies.

((N)) O. "Impairment" includes, without limitation, any:

1. physiological disorder, or condition, cosmetic disfigurement, or anatomical loss affecting one or more of the following body systems: Neurological, musculoskeletal, special sense organs, respiratory, including speech organs, cardiovascular, reproductive, digestive, genitor-urinary, hemic and lymphatic, skin and endocrine; or
2. mental, developmental, traumatic, or psychological disorder, including but not limited to cognitive limitation, organic brain syndrome, emotional or mental illness, and specific learning disabilities.

((O)) P. "Income" means lawful, verifiable income derived from all sources, including without limitation wages, salaries or other compensation for employment; Social Security benefits; supplemental security income; unemployment benefits; retirement programs; child support; payments from the Aged, Blind or Disabled Cash Assistance Program; Refugee Cash Assistance; any federal, state, local government, private, or nonprofit-administered benefit program, including without limitation payments from any housing choice or other subsidy program as defined in this chapter; financial aid for college students; and per capita payments or distributions received from a federally-recognized tribe.

((P)) Q. "Labor organization" means an organization which is constituted for the purpose, in whole or in part, of collective bargaining or for dealing with an employer concerning grievances, terms or conditions of employment, or for other mutual aid or protection in connection with an employer.

R. “LGBTQIA2S+” means and includes Lesbian, Gay, Bisexual, Transgender, Queer/Questioning, Intersex, Asexual/Aromantic, Two Spirit people and any other term which refers to one's gender identity or sexual orientation.

((Q)) S. “Marital status” means the status of being married, single, separated, divorced or widowed.

((R)) T. “National origin” includes ancestry.

((S)) U. “Operational protocols” means the procedures governing how and when surveillance equipment may be used and by whom and includes, at a minimum, the information required in SMC 18.04.010.

((T)) V. “Person” includes:

1. A natural individual, partnership, association, organization, corporation, cooperative, legal representative, trustee and receiver, and any group of persons acting in concert;
2. an owner, lessee, proprietor, manager, agent or employee, of a person, whether consisting of one or more natural persons;
3. entities under common ownership; and
4. any political or civil subdivisions of the City and any agency or instrumentality of the City or of any political or civil subdivision thereof.

This definition does not include the federal government or any federally-recognized tribe.

((U)) W. “Place of public resort, accommodation, assemblage or amusement” includes, but is not limited to, any place, licensed or unlicensed, kept for gain, hire or reward, or where charges are made for admission, service, occupancy, or use of any property or facilities, whether conducted for the entertainment, housing, or lodging of transient guests, or for the benefit, use, or accommodation of those seeking health, recreation, or rest, or for the burial or other disposition of human remains, or for the sale of goods, merchandise, services, or personal property, or for the rendering of personal services, or for public conveyance or transportation on land, water or in the air, including the stations and terminals thereof and the garaging of vehicles, or where food or beverages of any kind are sold for consumption on the premises, or where public amusement, entertainment, sports, or recreation of any kind is offered with or without charge, or where medical service or care is made available, or where the public gathers, congregates, or assembles for amusement, recreation, or public purposes, or public halls, public elevators, and public washrooms of buildings and structures occupied by two or more tenants, or by the owner and one or more tenants, or any public library or educational institution, or schools of special instruction, or nursery schools, or day care centers or children’s camps, provided that nothing

contained in this definition shall be construed to include or apply to any institute, bona fide club, or place of accommodation, which is by its nature distinctly private, including fraternal organizations, though where public use is permitted that use shall be covered by this section; nor shall anything contained in this definition apply to any educational facility, columbarium, crematory, mausoleum, or cemetery operated or maintained by a bona fide religious or sectarian institution.

~~((V))~~ X. "Profiling" means actions of the Spokane Police Department, its members, or officers commissioned by the Spokane Police Department to rely on actual or perceived race, religion, national origin, color, creed, age, citizenship status, immigration status, refugee status, gender, sexual orientation, gender identity, disability, socio-economic status, housing status, or membership in any protected class under federal, state or local law as the determinative factor in initiating law enforcement action against an individual, rather than an individual's behavior or other information or circumstances that links a person or persons to suspected unlawful activity.

~~((W))~~ Y. "Refugee status" means the status of a person who, under the provisions of 8 USC 1101(a)(42), is outside a country of that person's nationality or, in the case of a person having no nationality, is outside any country in which that person last habitually resided, and who is unable or unwilling to return to, and is unable or unwilling to avail himself or herself of the protection of, that country because of persecution or a well-founded fear of persecution on account of race, religion, nationality, membership in a particular social group, or political opinion.

~~((X))~~ Z. "Service animal" means an animal that is trained for the purposes of assisting or accommodating a person with a disability.

~~((Y))~~ AA. "Sex" means gender.

~~((Z))~~ BB. "Sexual orientation" means heterosexuality, homosexuality, bisexuality and gender expression or identity. As used in this definition, "gender expression or identity" means having or being perceived as having a gender identity, self-image, appearance, behavior, or expression, whether or not that gender identity, self-image, appearance, behavior, or expression is different from that traditionally associated with the sex assigned to that person at birth.

~~((AA))~~ CC. "Surveillance equipment" means equipment capable of capturing or recording data, including images, videos, photographs or audio operated by or at the direction of a City department that may deliberately or inadvertently capture activities of individuals on public or private property, regardless of whether "masking" or other technology might be used to obscure or prevent the equipment from capturing certain views. "Surveillance equipment" includes drones or unmanned aircraft and any

attached equipment used to collect data. "Surveillance equipment" does not include the following equipment which are in use by the City of Spokane as of March 1, 2017:

1. handheld or body-worn devices (e.g., "bodycams") used by law enforcement;
2. cameras installed in or on a police vehicle (e.g., "dashcams");
3. cameras installed in or on any City-owned vehicle, including without limitation fire trucks, emergency vehicles, utility vehicles and street maintenance vehicles, which are intended to ensure the safe operation of the vehicle;
4. cameras installed along a public right-of-way to record traffic patterns and/or traffic violations;
5. cameras intended to record activity inside or at the entrances to City buildings for security purposes; or
6. cameras installed to monitor and protect the physical integrity of City infrastructure, including without limitation fire stations and utility service facilities.

**Section 3.** That section 18.02.030 of Chapter 18.02 of the Spokane Municipal Code is amended as follows:

**SMC 18.02.030 Prohibition Against Assisting ((in)) Discrimination**

- A. No person shall, with the knowledge or assent of an employer, to assist, induce, compel or coerce the doing of any acts of discrimination, or to attempt to do so.
- B. No City of Spokane resources, including, but not limited to, City property or time spent while on duty by a City employee or official, shall be used for investigation, assisting an investigation, or detention of an individual based on exercising their rights against discrimination set forth in this title.
- C. Whenever the City collects or disseminates information about an individual or individual's sex or gender, it will be without regard to sex assigned at birth. The City will not collect or disseminate information about sex assigned at birth, unless related to a criminal investigation of a violation of Washington State law.
- D. The City shall actively work to combat discrimination prohibited by this title by ensuring the City's public safety programs:
  - a. Maintain LGBTQIA2S+ liaison officers within the police department to act as points of contact, advocate for community members, and build trust; and

- b. Collaborate with local LGBTQIA2S+ community and cultural leaders, working closely with LGBTQIA2S+ event organizers to ensure public safety while prioritizing the needs and well-being of participants and attendees.

E. The City shall conduct regular reviews of its policies, rules, practices, and public services to ensure they are inclusive, equitable, and affirming for LGBTQIA2S+ individuals.

**Section 4.** That there is adopted a new section SMC 03.07.340 of Chapter 03.07 of the Spokane Municipal Code as follows:

**03.07.340 Employee Access to Health Care**

City-provided health care policies shall extend coverage for the rights of individuals to seek, obtain, provide, or facilitate reproductive health care services and gender-affirming care that is legal in Washington State. “Gender-affirming care” shall have the meaning set forth in Section 18.01.030 of the Spokane Municipal Code.

**Section 5.** Effective Date. This ordinance shall go into effect on \_\_\_\_\_, 2025 or the effective date set by Section 19 of the City Charter, whichever is later.

**Section 6.** Severability. If a section, subsection, paragraph, sentence, clause, or phrase of this ordinance is declared unconstitutional or invalid for any reason, the decision shall not affect the validity of the remaining portions of this ordinance.

**Section 7.** Upon approval by the city attorney, the city clerk is authorized to make necessary corrections to this ordinance, including scrivener’s errors or clerical mistakes; references to other local, state, or federal laws, rules, or regulations; or numbering or referencing of ordinances or their sections and subsections.

PASSED by the City Council on \_\_\_\_\_

\_\_\_\_\_  
Council President

Attest:

Approved as to form:

\_\_\_\_\_  
City Clerk

\_\_\_\_\_  
Assistant City Attorney

---

Mayor

---

Date

---

Effective Date

DRAFT

## Committee Briefing Paper

### Finance & Administration Committee

<b>Committee Date</b>	March 24, 2025
<b>Submitting Department</b>	City Council
<b>Contact Name</b>	Paul Dillon
<b>Contact Email &amp; Phone</b>	pdillon@spokanecity.org
<b>Council Sponsor(s)</b>	Dillon, Cathcart, Navarrete
<b>Select Agenda Item Type</b>	<input type="checkbox"/> Consent <input checked="" type="checkbox"/> Discussion    Time Requested: 10
<b>Agenda Item Name</b>	
<b>Proposed Council Action</b>	<input type="checkbox"/> Approval to proceed to Legislative Agenda <input type="checkbox"/> Information Only
<b>Summary (Background)</b>  *use the Fiscal Impact box below for relevant financial information	<p>This Resolution expresses opposition to proposed federal and state cuts to Medicaid. Medicaid is utilized by over 1.8 million people in Washington, and in the 5<sup>th</sup> District, 54% of children and 22% of adults are insured by Medicaid. Cutting funding for Medicaid would have a troubling effect on citizens of Spokane that rely on that funding to access necessary medical care, dental care, mental health care, as well as funding for shelters and services for the unhoused populations.</p>
<b>Fiscal Impact</b> <b>Approved in current year budget?</b> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A Total Cost: <a href="#">Click or tap here to enter text.</a> Current year cost: 0 Subsequent year(s) cost: 0  <b>Narrative:</b> <u>There is no identified costs as a result of this ordinance.</u>  <b>Funding Source</b> <input type="checkbox"/> One-time <input type="checkbox"/> Recurring <input checked="" type="checkbox"/> N/A Specify funding source: Select Funding Source* Is this funding source sustainable for future years, months, etc? <a href="#">Click or tap here to enter text.</a>  <b>Expense Occurrence</b> <input type="checkbox"/> One-time <input type="checkbox"/> Recurring <input checked="" type="checkbox"/> N/A  Other budget impacts: (revenue generating, match requirements, etc.)	
<b>Operations Impacts (If N/A, please give a brief description as to why)</b> <ul style="list-style-type: none"> <li>• What impacts would the proposal have on historically excluded communities?              Many historically excluded community members receive Medicaid.</li> </ul>	



- How will data be collected, analyzed, and reported concerning the effect of the program/policy by racial, ethnic, gender identity, national origin, income level, disability, sexual orientation, or other existing disparities?

N/A

- How will data be collected regarding the effectiveness of this program, policy, or product to ensure it is the right solution?

N/A

- Describe how this proposal aligns with current City Policies, including the Comprehensive Plan, Sustainability Action Plan, Capital Improvement Program, Neighborhood Master Plans, Council Resolutions, and others?

In Spokane We All Belong. This Resolution is supportive of the low-income Spokane citizens that rely on Medicaid for health care and other essential services.

### **Council Subcommittee Review**

- Please provide a summary of council subcommittee review. If not reviewed by a council subcommittee, please explain why not.

This ordinance will be introduced to the Finance and Administration Committee.

## RESOLUTION NO. 2025-

### Resolution Expressing Opposition to Any Proposed Federal or State Cuts to Medicaid.

**WHEREAS**, nearly 80 million Americans rely on Medicaid and the Children's Health Insurance Program for their health coverage and access to care, including over 1.8 million people in Washington state who are enrolled in Apple Health, Washington state's Medicaid program, and according to the Census Bureau, 25.5 percent of Spokane residents are insured through Medicaid; and

**WHEREAS**, In Washington state, 38 percent of children, one in six adults, three in five nursing home residents, and three in eight people with disabilities are covered by Apple Health; and 59 percent of adults in Washington that use Medicaid are employed; and

**WHEREAS**, according to the Spokesman- Review, in just the 5th Congressional District, 54% of children and 22% of adults are insured by Medicaid; and

**WHEREAS**, in Washington, the federal government pays 50 percent of the cost of traditional Medicaid and 90% of the cost of the Medicaid expansion; and

**WHEREAS**, Congress has proposed cuts of at least \$880 billion to Medicaid and other health care programs, which would have devastating consequences for Washington state's health care system and everyone who relies on it; and

**WHEREAS**, Governor Bob Ferguson has proposed Medicaid reimbursement rate cuts of \$153 million that would roll back expected increases that were approved by the legislature for primary care, pediatrics and maternity care according to the Washington State Medical Association; and

**WHEREAS**, many of our city's jobs are created through small businesses, hospitals, therapists, behavioral health care professional, housing navigators and other professionals that bill Medicaid; and

**WHEREAS**, Medicaid is a critical funding source in the City of Spokane for homeless response; and

**WHEREAS**, Spokane's population is aging and more seniors will require care and services in the future while Medicaid programs are the only places older adults and people with disabilities can get the long-term support and health care they need; and

**WHEREAS**, Medicaid serves a diverse population of the city's residents including veterans, older adults with dementia, foster kids, people with mental illness, unpaid

caregivers who have had to leave the workforce to provide care and low-wage paid caregivers; and

**WHEREAS**, Medicaid improves the health, well-being, and productivity of thousands of residents in the areas of preventive services, prenatal care, opioid and other drug treatment, behavioral health, crisis intervention, treatment of chronic disease, dental health, and support for the elderly and people with disabilities thus providing for a healthier population and more productive workforce;

**NOW, THEREFORE, BE IT RESOLVED**, that the City of Spokane formally opposes any proposed federal or state cuts to Medicaid; and

**BE IT FURTHER RESOLVED** that the City Clerk is directed to send copies of this resolution to the Governor of Washington State and the City of Spokane's state and federal legislative representatives, urging them to protect Medicaid funding for the well-being of our residents.

Passed by the City Council this \_\_\_\_ day of \_\_\_\_\_, 2025.

\_\_\_\_\_  
City Clerk

Approved as to form:

\_\_\_\_\_  
Assistant City Attorney

**Agenda Sheet for City Council:****Committee:** Finance & Administration **Date:** 03/24/2025**Committee Agenda type:** Consent**Council Meeting Date:** 04/21/2025

		<b>Date Rec'd</b>	2/27/2025
		<b>Clerk's File #</b>	OPR 2019-0293
		<b>Cross Ref #</b>	
		<b>Project #</b>	
<b>Submitting Dept</b>	INFORMATION TECHNOLOGY	<b>Bid #</b>	RFP 4481-18
<b>Contact Name/Phone</b>	PEGGY LUND 6954	<b>Requisition #</b>	CR27335
<b>Contact E-Mail</b>	KLUND@SPOKANECITY.ORG		
<b>Agenda Item Type</b>	Contract Item		
<b>Council Sponsor(s)</b>	PDILLON MCATHCART		
<b>Sponsoring at Administrators Request</b>	NO		
<b>Lease?</b> NO	<b>Grant Related?</b> NO	<b>Public Works?</b> NO	
<b>Agenda Item Name</b>	5300 CARAHSOFT – SALESFORCE LICENSES & ANNUAL SUPPORT		

**Agenda Wording**

Contract Renewal with Carahsoft for SALESFORCE LICENSES & ANNUAL SUPPORT for the City's Customer Relationship Management system from May 1, 2025 through April 30, 2026. Contract amount is \$133,760.70 plus tax.

**Summary (Background)**

The Customer Relationship Management (CRM) system is the application used to track citizen engagement, through multiple city entities, including My Spokane-311, Utility Billing, Mayor's Office, Solid Waste Management, City Council and Streets Departments. Carahsoft supplies the Salesforce licensing in support of the City's Customer Relationship Management (CRM). Salesforce was selected and implemented in 2019. Contract term of 5/1/24 - 4/30/25 for \$133,760.70 plus tax. 2024 contract amount was \$127, 864.35 plus tax. The difference from 2024 to 2025 is the contractual CPI.

**What impacts would the proposal have on historically excluded communities?**

Not applicable – annual software maintenance

**How will data be collected, analyzed, and reported concerning the effect of the program/policy by racial, ethnic, gender identity, national origin, income level, disability, sexual orientation, or other existing disparities?**

Not applicable – annual software maintenance

**How will data be collected regarding the effectiveness of this program, policy, or product to ensure it is the right solution?**

Not applicable – annual software maintenance

**Describe how this proposal aligns with current City Policies, including the Comprehensive Plan, Sustainability Action Plan, Capital Improvement Program, Neighborhood Master Plans, Council Resolutions, and others?**

This service aligns with the Sustainable Resources strategic initiative based on sound financial objectives, and quality customer service for our contract with CARAHSOFT, Inc.

**Council Subcommittee Review**

<b>Fiscal Impact</b>	
Approved in Current Year Budget? YES	
Total Cost	\$ 133,760.70
Current Year Cost	\$ 133,760.70
Subsequent Year(s) Cost	\$
<b><u>Narrative</u></b>	
This request is for software maintenance and support which is contractually required by the software vendor.	
<b>Amount</b>	
Expense	\$ 133,760.70
Select	\$
Select	\$
Select	\$
Select	\$
Select	\$
<b>Budget Account</b>	
	# 5300-73300-18850-54820
	#
	#
	#
	#
	#
<b>Funding Source</b>	N/A
<b>Funding Source Type</b>	Select
<b>Is this funding source sustainable for future years, months, etc?</b>	
<b>Expense Occurrence</b>	N/A
<b>Other budget impacts (revenue generating, match requirements, etc.)</b>	
<b>Approvals</b>	
<b>Dept Head</b>	MARTINEZ, LAZ
<b>Division Director</b>	
<b>Accounting Manager</b>	BAIRD, CHRISTI
<b>Legal</b>	HARRINGTON,
<b>For the Mayor</b>	PICCOLO, MIKE
<b>Additional Approvals</b>	
<b>PURCHASING</b>	NECHANICKY, JASON
<b>Distribution List</b>	
Kristian Gaddis - Kristian.gaddis@carahsoft.com	Accounting - ywang@spokanecity.org
Contract Accounting - ddaniels@spokanecity.org	Legal - mharrington@spokanecity.org
Purchasing - cwahl@spokanecity.org	IT - itadmin@spokanecity.org
Tax & Licenses	khougen@spokanecity.org



**City of Spokane**  
**CONTRACT RENEWAL**  
**Title: PURCHASE AND CONTRACT FOR ANNUAL  
SUPPORT OF SALESFORCE CRM LICENSES**

This Contract Renewal is made and entered into by and between the **CITY OF SPOKANE** as ("City"), a Washington municipal corporation, and **CARASOFT TECHNOLOGY CORPORATION** whose address is 11493 Sunset Hills Road, Suite 100, Reston, Virginia 20190 as ("Company"), individually hereafter referenced as a "party", and together as the "parties".

*WHEREAS, the parties entered into a Contract wherein the Company agreed to provide Purchase and Contract for Annual Support of Salesforce CRM Licenses for the City; and*

*WHEREAS, the original Contract needs to be formally renewed by this written Contract Renewal document; and*

*NOW, THEREFORE, in consideration of these terms, the parties mutually agree as follows:*

**1. CONTRACT DOCUMENTS.**

The original Contract, dated April 26, 2019, any previous amendments, renewals and / or extensions / 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 Contract Renewal shall become effective on May 1, 2025 and end on April 30, 2026.

**3. COMPENSATION.**

The City shall pay an estimated maximum annual cost not to exceed **ONE HUNDRED THIRTY-THREE THOUSAND SEVEN HUNDRED SIXTY AND 70/100 DOLLARS (\$133,760.70)**, plus tax, in accordance with Company's Quote No. 52210996, for everything furnished and done under this Contract Renewal. This is the maximum amount to be paid under this Renewal, and shall not be exceeded without the prior written authorization of the City, memorialized with the same formality as the original Contract and this Renewal document.

**4. DEBARMENT AND SUSPENSION.**

The Company has provided 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.

IN WITNESS WHEREOF, in consideration of the terms, conditions and covenants contained, or attached and incorporated and made a part, the parties have executed this Contract Renewal by having legally-binding representatives affix their signatures below.

**CARASOFT TECHNOLOGY CORP.**

**CITY OF SPOKANE**

By \_\_\_\_\_  
Signature                      Date

By \_\_\_\_\_  
Signature                      Date

\_\_\_\_\_  
Type or Print Name

\_\_\_\_\_  
Type or Print Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Title

Attest:

Approved as to form:

\_\_\_\_\_  
City Clerk

\_\_\_\_\_  
Assistant City Attorney

**Attachments that are part of this Agreement:**

- Exhibit A - Certificate of Debarment
- Exhibit B – Carahsoft Technology Corp. Quote No. 52210996



# GOVERNMENT PRICE QUOTATION

## SALESFORCE.COM GOVERNMENT at CARAHSOFT



CARAHSOFT TECHNOLOGY CORP.  
 11493 SUNSET HILLS ROAD | SUITE 100 | RESTON, VIRGINIA 20190  
 PHONE (703) 871-8500 | FAX (703) 871-8505 | TOLL FREE (888) 662-2724  
 www.carahsoft.com | sales@carahsoft.com



**TO:** IT Admin  
 City Of Spokane-Purchasing  
 City Of Spokane  
 808 W Spokane Falls Blvd  
 Spokane, WA 99201 USA

**FROM:** Kristian Gaddis  
 Carahsoft Technology Corp.  
 11493 Sunset Hills Road  
 Suite 100  
 Reston, Virginia 20190

**EMAIL:** itadmin@spokanecity.org

**EMAIL:** Kristian.Gaddis@carahsoft.com

**PHONE:** (509) 625-6400

**PHONE:** (571) 662-3423      **FAX:** (703) 871-8505

**TERMS:** FTIN: 52-2189693  
 Shipping Point: FOB Destination  
 Remit To: Same as Above  
 Payment Terms: Net 30 (On Approved Credit)  
 Cage Code: 1P3C5  
 DUNS No: 088365767  
 UEI: DT8KJHZXVJH5  
 Credit Cards: VISA/MasterCard/AMEX  
 Sales Tax May Apply

<b>QUOTE NO:</b>	52210996
<b>QUOTE DATE:</b>	01/14/2025
<b>QUOTE EXPIRES:</b>	04/25/2025
<b>RFQ NO:</b>	
<b>SHIPPING:</b>	ESD
<b>TOTAL PRICE:</b>	\$133,760.70
<b>WA Tax</b>	\$12,038.46
<b>TOTAL QUOTE:</b>	\$145,799.16

LINE NO.	PART NO.	DESCRIPTION	QUOTE PRICE	QTY	EXTENDED PRICE
1	200012637	Service Cloud - Enterprise Edition Start Date: 05/01/2025 End Date: 04/30/2026	\$1,863.53	OM 55	\$102,494.15
2	200005833	Customer Community - Enterprise Edition - Logins (Per Month) Start Date: 05/01/2025 End Date: 04/30/2026	\$10.8697	OM 1,001	\$10,880.57
3	200000008	Knowledge Start Date: 05/01/2025 End Date: 04/30/2026	\$847.06	OM 2	\$1,694.12
4	200000147	Heroku - 1 Dyno Unit (Per Month) Start Date: 05/01/2025 End Date: 04/30/2026	\$320.86	OM 22	\$7,058.92
5	200005046	Data Storage (10GB) Start Date: 05/01/2025 End Date: 04/30/2026	\$11,294.12	OM 1	\$11,294.12
6	200005838	Customer Community Plus - Enterprise Edition - Members Start Date: 05/01/2025 End Date: 04/30/2026	\$169.41	OM 2	\$338.82
<b>SUBTOTAL:</b>					\$133,760.70
<b>TOTAL PRICE:</b>					<b>\$133,760.70</b>
<b>WA Tax</b>					<b>\$12,038.46</b>
<b>TOTAL QUOTE:</b>					<b>\$145,799.16</b>



# GOVERNMENT PRICE QUOTATION

## SALESFORCE.COM GOVERNMENT at CARAHSOFT

CARAHSOFT TECHNOLOGY CORP  
11493 SUNSET HILLS ROAD | SUITE 100 | RESTON, VIRGINIA 20190  
PHONE (703) 871-8500 | FAX (703) 871-8505 | TOLL FREE (888) 662-2724  
www.carahsoft.com | sales@carahsoft.com



**\*\*ATTENTION\*\* PO MUST INCLUDE ALL ITEMS LISTED BELOW FOR PROCESSING\*\***

Quote #52210996

Unless otherwise provided in the applicable Agreement, any increase in subscription pricing for the first renewal term will not exceed 7% over the then-current subscription pricing, provided that (a) Customer renews its entire then-current subscription volume under this Order Form combined with any associated add-on Order Forms, and (b) the first renewal term is the same duration as the Order Term of this Order Form or one year (whichever is longer). Thereafter, any increase in subscription and support pricing will be in accordance with SFDC's pricing and policies in effect at the time of the renewal or as otherwise agreed to by the parties. Notwithstanding the foregoing, any consumption-based Services which are subject to a rate card as set forth in the product terms for the applicable Services and any support or resource-based Services are not subject to any price increase limitations.

### Heroku - 1 Dyno

Each Heroku - 1 Dyno Unit (Per Month) subscription includes 750 Dyno hours per month. Customer understands that the above limitation is contractual in nature (i.e., this limitation is not enforced in the Services as a technical matter) and therefore agrees to strictly review its Users' use of such subscriptions and enforce such limitation. SFDC may review Customer's use of such subscriptions at any time through the Services. If in any calendar month, Customer exceeds its permitted number of Dyno hours, SFDC reserves the right to charge Customer list price for as many additional Heroku - 1 Dyno Unit (Per Month) needed to cover all Dyno hours consumed in excess of the permitted number of Dyno hours. Such additional fees will be charged to Customer monthly in arrears via the billing or payment method specified above.

Customer must reference Quote number and Contract # on Purchase Order.

Should Customer purchase via Reseller all terms of Carahsoft Quote must be incorporated in Reseller quote and Customer Purchase Order to Reseller.

Any increase in subscription pricing (excluding support and resource-based Services) for the first renewal term will be in accordance with SFDC's pricing and policies in effect at the time of the renewal or as otherwise agreed to by the parties or noted in these quote terms or contract.

For renewals: Any requested changes to this quote must be communicated 30 days before renewal start date to ensure timely processing and avoid delays in your renewal. Requests after this deadline may not be accommodated.

Licensee agrees that any order for Salesforce Services will be governed by the terms and conditions of the Carahsoft Salesforce Service Terms, copies of which are found at <https://carah.io/SFDC-TOU> and all Schedules and Documentation referenced by the Terms are made a part hereof. The parties agree that any term or condition stated in a Customer purchase order or in any other Customer order documentation (excluding Quotes) is void. In the event of any conflict or inconsistency among the following documents, the order of precedence shall be: (1) the applicable Quotes (and their Contract Vehicle), (2) the SFDC Terms of Use, and (3) the Documentation. Licensee acknowledges it has had the opportunity to review the Terms, prior to executing an order.

Product Terms Directory: <http://carah.io/Product-Terms-Directory>

Help & Training: <http://carah.io/Help>

Government Cloud Plus: <http://www.carahsoft.com/government-cloud-terms>

A list of currently available FedRAMP/IL4 Authorized Salesforce products can be found here: [https://help.salesforce.com/articleView?id=000270080&language=en\\_US&type=](https://help.salesforce.com/articleView?id=000270080&language=en_US&type=)

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

1. The undersigned (i.e., signatory for the Subrecipient / Contractor / Consultant) 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.
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.
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. I understand that a false statement of this certification may be grounds for termination of the contract.

<hr/> Name of Subrecipient / Contractor / Consultant (Type or Print)	<hr/> Program Title (Type or Print)
<hr/> Name of Certifying Official (Type or Print)	<hr/> Signature
<hr/> Title of Certifying Official (Type or Print)	<hr/> Date (Type or Print)

**EXHIBIT B**



# CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

1/9/2025

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

**IMPORTANT:** If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

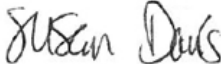
<b>PRODUCER</b> Marsh & McLennan Agency LLC 1751 Pinnacle Drive, Suite 1800 McLean VA 22102	<b>CONTACT NAME:</b> PHONE (A/C. No. Ext): 800-274-0268		<b>FAX (A/C. No):</b>
	<b>E-MAIL ADDRESS:</b> macertificates@marshmma.com		
<b>INSURER(S) AFFORDING COVERAGE</b>			<b>NAIC #</b>
<b>INSURER A :</b> The Cincinnati Insurance Company			10677
<b>INSURER B :</b> Endurance Assurance Corporation			11551
<b>INSURER C :</b> National Union Fire Ins Co PittsburghPA			19445
<b>INSURER D :</b> Continental Casualty Company			20443
<b>INSURER E :</b>			
<b>INSURER F :</b>			

**COVERAGES** **CERTIFICATE NUMBER:** 482275799 **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input checked="" type="checkbox"/> LOC OTHER:	Y		ENP0651059	4/19/2024	4/19/2025	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 500,000 MED EXP (Any one person) \$ 10,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/OP AGG \$ 2,000,000 \$
A	<input checked="" type="checkbox"/> AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS ONLY <input checked="" type="checkbox"/> NON-OWNED AUTOS ONLY	Y		EBA0651059	4/19/2024	4/19/2025	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
A	<input checked="" type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED RETENTION \$			ENP0651059	4/19/2024	4/19/2025	EACH OCCURRENCE \$ 5,000,000 AGGREGATE \$ 5,000,000 \$
	<b>WORKERS COMPENSATION AND EMPLOYERS' LIABILITY</b> ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N	N/A				<input type="checkbox"/> PER STATUTE <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT \$ E.L. DISEASE - EA EMPLOYEE \$ E.L. DISEASE - POLICY LIMIT \$
B C D	Tech Prof & Cyber Liab Crime Excess Tech Prof & Cyber Liab			NRO30043701400 024159114 768765766	8/27/2023 2/5/2024 1/1/2024	4/19/2025 4/19/2025 4/19/2025	\$10,000,000 \$5,000,000 Limit \$10,000,000 Limit \$50,000 Ded Limit

**DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)**  
 City of Spokane and its subsidiaries are Additional Insured with regard to General Liability ATIMA.

<b>CERTIFICATE HOLDER</b>  City of Spokane 808 W Spokane Falls Blvd Spokane WA 99201	<b>CANCELLATION</b>  SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.  AUTHORIZED REPRESENTATIVE 
--	--

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**License Information:**

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**Entity name:** CARAHSOFT CORPORATION

**Business name:** CARAHSOFT TECHNOLOGY CORPORATION

**Entity type:** [Profit Corporation](#)

**UBI #:** 603-053-226

**Business ID:** 001

**Location ID:** 0002

**Location:** Active

**Location address:** 113 TAZEWELL AVE  
CAPE CHARLES VA 23310-3129

**Mailing address:** 11493 SUNSET HILLS RD  
STE 100  
RESTON VA 20190-5230

**Excise tax and reseller permit status:** [Click here](#)

**Secretary of State status:** [Click here](#)

**Endorsements**

Endorsements held at this loca	License #	Count	Details	Status	Expiration date	First issuance c
<a href="#">Spokane General Business - Non-Resident</a>				Active	Oct-31-2025	Jun-26-2018

**Governing People** May include governing people not registered with Secretary of State

Governing people	Title
ABOD, CRAIG	
MOORE, ROBERT	
SMITH, KRISTINA	
SZCZEPANEK, JILLIAN	

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**Agenda Sheet for City Council:****Committee:** Finance & Administration **Date:** 03/24/2025**Committee Agenda type:** Consent**Council Meeting Date:** 04/21/2025

<b>Date Rec'd</b>		3/12/2025	
<b>Clerk's File #</b>		OPR 2021-0406	
<b>Cross Ref #</b>		RES 2018-0040	
<b>Project #</b>			
<b>Submitting Dept</b>	INFORMATION TECHNOLOGY	<b>Bid #</b>	
<b>Contact Name/Phone</b>	PEGGY LUND X6954	<b>Requisition #</b>	CR27367
<b>Contact E-Mail</b>	KLUND@SPOKANECITY.ORG		
<b>Agenda Item Type</b>	Contract Item		
<b>Council Sponsor(s)</b>	PDILLON MCATHCART		
<b>Sponsoring at Administrators Request</b>	NO		
<b>Lease?</b> NO	<b>Grant Related?</b> NO	<b>Public Works?</b> NO	
<b>Agenda Item Name</b>	5300 MITCHELL HUMPHREY FMS ANNUAL SOFTWARE MAINTENANCE AND		

**Agenda Wording**

Contract Renewal No. 4 of 4 with Mitchell Humphrey & Company for annual maintenance & support of City's Financial Management System from July 1, 2025 through June 30, 2026. Total cost is \$99,905 plus sales tax.

**Summary (Background)**

This contract is necessary to obtain software upgrades for all modules and receive Mitchell Humphrey Help Desk support. Mitchell Humphrey is the only authorized firm to provide maintenance services on this software system. Included in this support are General Ledger, Fixed Assets, Accounts Payable, Accounts Receivable, Purchasing, FMS-EXEC, Test Account, FMS Productivity Suite and AP ACH Wire Transfer. Total cost \$99,905.00 plus tax. 2024 amount was \$96,995.00. The difference in cost is due to contractual CPI increase.



**What impacts would the proposal have on historically excluded communities?**

Not applicable – annual software maintenance

**How will data be collected, analyzed, and reported concerning the effect of the program/policy by racial, ethnic, gender identity, national origin, income level, disability, sexual orientation, or other existing disparities?**

Not applicable – annual software maintenance

**How will data be collected regarding the effectiveness of this program, policy, or product to ensure it is the right solution?**

Not applicable – annual software maintenance

**Describe how this proposal aligns with current City Policies, including the Comprehensive Plan, Sustainability Action Plan, Capital Improvement Program, Neighborhood Master Plans, Council Resolutions, and others?**

This service aligns with the Sustainable Resources strategic initiative based on sound financial objectives, and quality customer service for our contract with Mitchell Humphrey.

**Council Subcommittee Review**

<b>Fiscal Impact</b>	
Approved in Current Year Budget? YES	
Total Cost	\$ 99,905.00 plus tax
Current Year Cost	\$ 99,905.00 plus tax
Subsequent Year(s) Cost	\$
<b><u>Narrative</u></b>	
<b>Amount</b>	<b>Budget Account</b>
Expense \$ 108,996.36	# 5300-73300-18850-54820-99999
Select \$	#
Select \$	#
Select \$	#
Select \$	#
Select \$	#
<b>Funding Source</b>	
<b>Funding Source Type</b> Select	
<b>Is this funding source sustainable for future years, months, etc?</b>	
<b>Expense Occurrence</b>	
<b>Other budget impacts (revenue generating, match requirements, etc.)</b>	
<b>Approvals</b>	
<b>Dept Head</b>	MARTINEZ, LAZ
<b>Division Director</b>	
<b>Accounting Manager</b>	BUSTOS, KIM
<b>Legal</b>	HARRINGTON,
<b>For the Mayor</b>	PICCOLO, MIKE
<b>Additional Approvals</b>	
<b>PURCHASING</b>	NECHANICKY, JASON
<b>Distribution List</b>	
Cindy Bari - CBari@mitchellhumphrey.com	Accounting - ywang@spokanecity.org
Contract Accounting - ddaniels@spokanecity.org	Legal - mharrington@spokanecity.org
Purchasing - cwahl@spokanecity.org	IT - itadmin@spokanecity.org
Tax & Licenses	



**City of Spokane**  
**CONTRACT RENEWAL**  
**4 of 4**  
**Title: ANNUAL MAINTENANCE AND SUPPORT**  
**OF FINANCIAL MANAGEMENT SYSTEM**

This Contract Renewal is made and entered into by and between the **CITY OF SPOKANE** as ("City"), a Washington municipal corporation, and **MITCHELL HUMPHREY & COMPANY**, whose address is 1285 Fern Ridge Parkway, Suite 140, St. Louis, Missouri 63141-4022, as ("Company"), individually hereafter referenced as a "party", and together as the "parties".

*WHEREAS, the parties entered into an agreement wherein the Company agreed to provide Annual Maintenance and Support of the City of Spokane's Financial Management System (FMS); and*

*WHEREAS, the original Contract provided for four (4) additional one-year extensions, with this being the last of those renewals.*

*NOW, THEREFORE, in consideration of these terms, the parties mutually agree as follows:*

**1. CONTRACT DOCUMENTS.**

The original Contract dated June 24, 2021, and any previous amendments, renewals and / or extensions / 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. TERM.**

This Contract Renewal shall become effective on July 1, 2025, and end on June 30, 2026, unless amended by written agreement or terminated earlier under the provisions.

**3. COMPENSATION.**

The City shall pay an estimated amount not to exceed **NINETY-NINE THOUSAND NINE HUNDRED -FIVE AND NO/100 DOLLARS (\$99,905.00)**, plus applicable tax, in accordance with Company's March 6, 2025 Invoice, for everything furnished and done under this Contract Renewal. This is the maximum amount to be paid under this Renewal, and shall not be exceeded without the prior written authorization of the City, memorialized with the same formality as the Original Contract and this Renewal document.

**4. DEBARMENT AND SUSPENSION.**

The Company has provided 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.

IN WITNESS WHEREOF, in consideration of the terms, conditions and covenants contained, or attached and incorporated and made a part, the parties have executed this Contract Renewal by having legally-binding representatives affix their signatures below.

**MITCHELL HUMPHREY & COMPANY**

**CITY OF SPOKANE**

By \_\_\_\_\_  
Signature                      Date

By \_\_\_\_\_  
Signature                      Date

\_\_\_\_\_  
Type or Print Name

\_\_\_\_\_  
Type or Print Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Title

Attest:

Approved as to form:

\_\_\_\_\_  
City Clerk

\_\_\_\_\_  
Assistant City Attorney

**Attachments that are part of this Agreement:**

- Certificate Regarding Debarment
- Company’s March 6, 2025 Invoice

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

1. The undersigned (i.e., signatory for the Subrecipient / Contractor / Consultant) 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.
  
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.
  
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. I understand that a false statement of this certification may be grounds for termination of the contract.

_____ Name of Subrecipient / Contractor / Consultant (Type or Print)	_____ Program Title (Type or Print)
_____ Name of Certifying Official (Type or Print)	_____ Signature
_____ Title of Certifying Official (Type or Print)	_____ Date (Type or Print)



## < Business Lookup

### License Information:

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<b>Entity name:</b>	MITCHELL HUMPHREY & CO.
<b>Business name:</b>	MITCHELL HUMPHREY & CO
<b>Entity type:</b>	<a href="#">Profit Corporation</a>
<b>UBI #:</b>	603-237-502
<b>Business ID:</b>	001
<b>Location ID:</b>	0001
<b>Location:</b>	Active
<b>Location address:</b>	1285 FERN RIDGE PKWY STE 140 SAINT LOUIS MO 63141-4409
<b>Mailing address:</b>	1285 FERN RIDGE PKWY STE 140 SAINT LOUIS MO 63141-4409

**Excise tax and reseller permit status:**

[Click here](#)

**Secretary of State information:**

[Click here](#)

## Endorsements

Endorsements held at this lo	License #	Count	Details	Status	Expiration da	First issuance
<a href="#">Spokane General Business - Non-Resident</a>	T12010792BL			Active	Nov-30-2025	Oct-15-2012

## Owners and officers on file with the Department of Revenue

Owners and officers	Title
HUMPHREY, KATHLEEN A.	
HUMPHREY, MATTHEW	
WOLPERT, THOMAS M.	

The Business Lookup information is updated nightly. Search date and time:  
3/12/2025 2:15:57 PM

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1285 Fern Ridge Parkway  
St. Louis, Missouri 63141-4402

800 237-0028 • 314 991-2440  
[www.mitchellhumphrey.com](http://www.mitchellhumphrey.com)

March 6, 2025

Ms. Peggy Lund  
City of Spokane  
West 808 Spokane Falls Boulevard  
Spokane, Washington 99201-3344

Dear Peggy:

Below is the breakdown for the FMS annual maintenance and support fee for the period July 1, 2025 through June 30, 2026.

General Ledger and related modules	\$24,885.00
Accounts Payable	10,580.00
Accounts Receivable-Invoicing	13,660.00
Purchasing and related modules	24,635.00
FMS-EXEC	3,150.00
Test Account	10,430.00
FMS Productivity Suite	4,785.00
AP ACH Wire Transfer	935.00
Fixed Assets	4,920.00
Credit Card Processing	<u>1,925.00</u>
Total Maintenance	\$99,905.00

Sincerely,

A handwritten signature in dark ink that reads 'Cindy Bari'.

Cindy Bari  
Secretary-Treasurer

**Agenda Sheet for City Council:****Committee:** Finance & Administration **Date:** 03/24/2025**Committee Agenda type:** Consent**Council Meeting Date:** 04/21/2025

		<b>Date Rec'd</b>	3/12/2025
		<b>Clerk's File #</b>	OPR 2020-0723
		<b>Cross Ref #</b>	
		<b>Project #</b>	
<b>Submitting Dept</b>	INFORMATION TECHNOLOGY	<b>Bid #</b>	GS-35F-249DA
<b>Contact Name/Phone</b>	PEGGY LUND X6954	<b>Requisition #</b>	CR27366
<b>Contact E-Mail</b>	KLUND@SPOKANECITY.ORG		
<b>Agenda Item Type</b>	Contract Item		
<b>Council Sponsor(s)</b>	PDILLON MCATHCART		
<b>Sponsoring at Administrators Request</b>	NO		
<b>Lease?</b> NO	<b>Grant Related?</b> NO	<b>Public Works?</b> NO	
<b>Agenda Item Name</b>	5300 HYLAND ANNUAL SOFTWARE SUBSCRIPTION AND SUPPORT		

**Agenda Wording**

Contract with Hyland for software supporting On Base document imaging system from April 1, 2025 through March 31, 2026. Cost \$71,142.74, plus applicable tax. Utilizing GSA Advantage contract GS-35F-249DA

**Summary (Background)**

Hyland Software supports the City's OnBase document imaging system, which is utilized by various City Departments. Hyland Software was selected and implemented in 2009 for the City of Spokane's Enterprise Document Imaging & Management System. Hyland Software is the only supplier of OnBase licensing. This contract includes software assurance for Hyland Software. The 2025 annual maintenance is \$71,142.74. The 2024 contracted amount was \$70,182.52. Typically, the annual CPI increase is 7.5%. This year we eliminated two products from ongoing maintenance creating a savings of \$4,303.46. Without these reductions, the contract amount would have been \$75,446.20.

**What impacts would the proposal have on historically excluded communities?**

Not applicable – annual software maintenance

**How will data be collected, analyzed, and reported concerning the effect of the program/policy by racial, ethnic, gender identity, national origin, income level, disability, sexual orientation, or other existing disparities?**

Not applicable – annual software maintenance

**How will data be collected regarding the effectiveness of this program, policy, or product to ensure it is the right solution?**

Not applicable – annual software maintenance

**Describe how this proposal aligns with current City Policies, including the Comprehensive Plan, Sustainability Action Plan, Capital Improvement Program, Neighborhood Master Plans, Council Resolutions, and others?**

This service aligns with the Sustainable Resources strategic initiative based on sound financial objectives, and quality customer service for our contract with Hyland Software.

**Council Subcommittee Review**

<b>Fiscal Impact</b>			
Approved in Current Year Budget? YES			
Total Cost	\$ 71,142.74 plus tax		
Current Year Cost	\$ 71,142.74 plus tax		
Subsequent Year(s) Cost	\$		
<b><u>Narrative</u></b>			
This request is for software maintenance and support which is contractually required by the software vendor.			
<b>Amount</b>			
<b>Budget Account</b>			
Expense	\$ 77,616.73	# 5300-73300-18850-54820-99999	
Select	\$	#	
Select	\$	#	
Select	\$	#	
Select	\$	#	
Select	\$	#	
<b>Funding Source</b>			
<b>Funding Source Type</b> Select			
<b>Is this funding source sustainable for future years, months, etc?</b>			
<b>Expense Occurrence</b> One-Time			
<b>Other budget impacts (revenue generating, match requirements, etc.)</b>			
<b>Approvals</b>		<b>Additional Approvals</b>	
<b>Dept Head</b>	MARTINEZ, LAZ	<b><u>PURCHASING</u></b>	NECHANICKY, JASON
<b><u>Division Director</u></b>			
<b><u>Accounting Manager</u></b>	BUSTOS, KIM		
<b><u>Legal</u></b>	HARRINGTON,		
<b><u>For the Mayor</u></b>	PICCOLO, MIKE		
<b>Distribution List</b>			
Noreen Kilbane - Noreen.kilbane@hyland.com		Accounting - ywang@spokanecity.org	
Contract Accounting - ddaniels@spokanecity.org		Legal - mharrington@spokanecity.org	
Purchasing - cwahl@spokanecity.org		IT - itadmin@spokanecity.org	
Tax & Licenses			



**City of Spokane**  
**CONTRACT**  
**Title: ONBASE SOFTWARE SUPPORT**

This Contract is made and entered into by and between the CITY OF SPOKANE as ("City"), a Washington municipal corporation, and **HYLAND SOFTWARE, INC.**, whose address is, 28500 Clemens Road, Westlake, Ohio 44145, as ("Company"). Individually hereafter referenced as a "party", and together as the "parties".

The parties agree as follows:

1. **PERFORMANCE**. The Company will provide Software Support and Maintenance for OnBase Software, the City's Document Management System, in accordance with Company's Maintenance Invoice No. LE01-384588, attached as Exhibit B. In the event of a discrepancy between the documents this City Contract controls.
2. **CONTRACT TERMS**. The Contract shall begin April 1, 2025, and run through March 31, 2026, unless amended by written agreement or terminated earlier under the provisions
3. **COMPENSATION**. Total compensation under this Contract shall not exceed **SEVENTY-ONE THOUSAND ONE HUNDRED FORTY-TWO AND 74/100 (\$71,142.74)**, plus tax, for everything furnished and done under this Contract. This is the maximum amount to be paid under this Contract for the work described in Section 1 above and shall not be exceeded without the prior written authorization of the City in the form of an executed amendment to this Contract.
4. **PAYMENT**. The Company shall send its application for payment to Innovation and Technology Services Division, Administration Office, Seventh Floor, City Hall, 808 West Spokane Falls Boulevard, Spokane, Washington 99201. **Payment will be made via direct deposit/ACH** within thirty (30) days after receipt of the Company's application except as provided by state law.
5. **COMPLIANCE WITH LAWS**. Each party shall comply with all applicable federal, state, and local laws and regulations.
6. **ASSIGNMENTS**. This Contract is binding on the parties and their heirs, successors, and assigns. Neither party may assign, transfer or subcontract its interest, in whole or in part, without the other party's prior written consent.

7. AMENDMENTS. This Contract may be amended at any time by mutual written agreement.

8. ANTI-KICKBACK. No officer or employee of the City of Spokane, having the power or duty to perform an official act or action related to this Contract shall have or acquire any interest in the Contract, or have solicited, accepted or granted a present or future gift, favor, service or other thing of value from or to any person involved in this Contract.

9. TERMINATION. Either party may terminate this Contract by thirty (30) days' written notice to the other party. In the event of such termination, the City shall pay the Company for all work previously authorized and performed prior to the termination date.

10. INSURANCE. During the period of the Agreement, the Company shall maintain in force at its own expense, each insurance noted below with companies or through sources approved by the State Insurance Commissioner pursuant to Title 48 RCW:

- A. **Worker's Compensation Insurance** in compliance with RCW 51, which requires subject employers to provide workers' compensation coverage for all their subject workers and Employer's Liability Insurance in the amount of \$1,000,000.
- B. **General Liability Insurance** on an occurrence basis, with a combined single limit of not less than \$1,000,000 each occurrence for bodily injury and property damage. It shall include contractual liability coverage for the indemnity provided under this Agreement. It shall provide that the City, its officers and employees are additional insureds but only with respect to the Company's services to be provided under this Agreement.
  - i. Acceptable **supplementary Umbrella insurance** coverage combined with Company's General Liability insurance policy must be a minimum of \$2,000,000, in order to meet the insurance coverage limits required in this Agreement; and
- C. **Automobile Liability Insurance** with a combined single limit, or the equivalent of not less than \$1,000,000 each accident for bodily injury and property damage, including coverage for owned, hired and non-owned vehicles.

There shall be no cancellation, material change, reduction of limits or intent not to renew the insurance coverage(s) without thirty (30) days written notice from the Company or its insurer(s) to the City. As evidence of the insurance coverage(s) required by this Agreement, the Company shall furnish acceptable Certificates of Insurance (COI) upon request by the City. The certificate shall specify the City of Spokane as "Additional Insured" specifically for Company's services under this Agreement, as well as all of the parties who are additional insureds, and include applicable policy endorsements, the thirty (30) day cancellation clause, and the deduction or retention level. The Company shall be financially responsible for all pertinent deductibles, self-insured retentions, and/or self-insurance.

11. INDEMNIFICATION. The Company shall defend, indemnify, and hold the City and its officers and employees harmless from all claims, demands, or suits at law or equity asserted by third parties for bodily injury (including death) and/or property damage which arise from the Company's negligence or willful misconduct under this Agreement, including attorneys' fees and litigation costs; provided that nothing herein shall require a Company to indemnify the City against

and hold harmless the City from claims, demands or suits based solely upon the negligence of the City, its agents, officers, and employees. If a claim or suit is caused by or results from the concurrent negligence of the Company's agents or employees and the City, its agents, officers and employees, this indemnity provision shall be valid and enforceable to the extent of the negligence of the Company, its agents or employees. The Company specifically assumes liability and agrees to defend, indemnify, and hold the City harmless for actions brought by the Company's own employees against the City and, solely for the purpose of this indemnification and defense, the Company specifically waives any immunity under the Washington State industrial insurance law, or Title 51 RCW. The Company recognizes that this waiver was specifically entered into pursuant to the provisions of RCW 4.24.115 and was the subject of mutual negotiation. The indemnity and agreement to defend and hold the City harmless provided for in this section shall survive any termination or expiration of this agreement.

12. DEBARMENT AND SUSPENSION. The Company has provided 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.

13. SEVERABILITY. In the event any provision of this Contract should become invalid, the rest of the Contract shall remain in full force and effect.

14. STANDARD OF PERFORMANCE. The silence or omission in the Contract regarding any detail required for the proper performance of the work, means that the Company shall perform the best general practice.

15. NONDISCRIMINATION. No individual shall be excluded from participation in, denied the benefit of, subjected to discrimination under, or denied employment in the administration of or in connection with this Contract because of age, sex, race, color, religion, creed, marital status, familial status, sexual orientation including gender expression or gender identity, national origin, honorably discharged veteran or military status, the presence of any sensory, mental or physical disability, or use of a service animal by a person with disabilities. The Company agrees to comply with, and to require that all subcontractors comply with, Section 504 of the Rehabilitation Act of 1973 and the Americans with Disabilities Act, as applicable to the Company.

16. BUSINESS REGISTRATION REQUIREMENT. Section 8.01.070 of the Spokane Municipal Code states that no person may engage in business with the City without first having obtained a valid annual business registration. The Company shall be responsible for contacting the State of Washington Business License Services at [www.dor.wa.gov](http://www.dor.wa.gov) or 360-705-6741 to obtain a business registration. If the Company does not believe it is required to obtain a business registration, it may contact the City's Taxes and Licenses Division at (509) 625-6070 to request an exemption status determination.

17. AUDIT / RECORDS. The Company and its subcontractors shall maintain for a minimum of three (3) years following final payment all records related to its performance of the Contract. The Company and its subcontractors shall provide access to authorized City representatives, at reasonable times and in a reasonable manner to inspect and copy any such record. In the event of conflict between this provision and related auditing provisions required under federal law applicable to the Contract, the federal law shall prevail.



18. CONFIDENTIALITY/PUBLIC RECORDS. Notwithstanding anything to the contrary, City will maintain the confidentiality of Company's materials and information only to the extent that is legally allowed in the State of Washington. City is bound by the State Public Records Act, RCW Ch. 42.56. That law presumptively makes all records in the possession of the City public records which are freely available upon request by anyone. In the event that City gets a valid public records request for Company's materials or information and the City determines there are exemptions only the Company can assert, City will endeavor to give Company notice. Company, at its own expense, will be required to go to Court to get an injunction preventing the release of the requested records. In the event that Company does not get a timely injunction preventing the release of the records, the City will comply with the Public Records Act and release the records.

19. DISPUTES. This Contract shall be performed under the laws of the State of Washington. Any litigation to enforce this Contract or any of its provisions shall be brought in Spokane County, Washington.

**HYLAND SOFTWARE, INC.**

**CITY OF SPOKANE**

By \_\_\_\_\_  
Signature                      Date

By \_\_\_\_\_  
Signature                      Date

\_\_\_\_\_  
Type or Print Name

\_\_\_\_\_  
Type or Print Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Title

Attest:

Approved as to form:

\_\_\_\_\_  
City Clerk

\_\_\_\_\_  
Assistant City Attorney

**Attachments that are part of this Agreement:**

Certificate Regarding Debarment  
Hyland Invoice No. LE01-384588

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

1. The undersigned (i.e., signatory for the Subrecipient / Contractor / Consultant) 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.
  
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.
  
3. Intentionally Blank.
  
4. I understand that a false statement of this certification may be grounds for termination of the contract.

<hr style="border: none; border-top: 1px solid black; margin-bottom: 5px;"/> Name of Subrecipient / Contractor / Consultant (Type or Print)	<hr style="border: none; border-top: 1px solid black; margin-bottom: 5px;"/> Program Title (Type or Print)
<hr style="border: none; border-top: 1px solid black; margin-bottom: 5px;"/> Name of Certifying Official (Type or Print)	<hr style="border: none; border-top: 1px solid black; margin-bottom: 5px;"/> Signature
<hr style="border: none; border-top: 1px solid black; margin-bottom: 5px;"/> Title of Certifying Official (Type or Print)	<hr style="border: none; border-top: 1px solid black; margin-bottom: 5px;"/> Date (Type or Print)





< Business Lookup

### License Information:

[New search](#) [Back to results](#)

**Entity name:** HYLAND SOFTWARE INC

**Business name:** HYLAND SOFTWARE INC.

**Entity type:** [Profit Corporation](#)

**UBI #:** 602-207-254

**Business ID:** 001

**Location ID:** 0002

**Location:** Active

**Location address:** 28105 CLEMENS RD  
WESTLAKE OH 44145-1100

**Mailing address:** 28500 CLEMENS RD  
WESTLAKE OH 44145-1145

**Excise tax and reseller permit status:** [Click here](#)

**Secretary of State status:** [Click here](#)

### Endorsements

Endorsements held at this locati	License #	Count	Details	Status	Expiration date	First issuance d
<a href="#">Bellingham General Business</a>	052133			Active		Aug-01-2013
<a href="#">Issaquah General Business - Non-Resident</a>				Pending	Jul-31-2025	
<a href="#">Lynnwood General Business - Non-Resident</a>				Active	Jul-31-2025	Jul-22-2024
<a href="#">Puyallup General Business - Non-Resident</a>				Pending	Jul-31-2025	
<a href="#">Spokane General Business - Non-Resident</a>				Active	Jul-31-2025	May-07-2015
<a href="#">Vancouver General Business - Non-Resident</a>				Pending	Jul-31-2025	

### Governing People May include governing people not registered with Secretary of State

Governing people	Title
------------------	-------

Governing people	Title
AKOPIANTZ, ERIK	
ALMEIDA, ANDREW	
BERNARD, MARCEL	
BORO, SETH	
BRAVO, ORLANDO	
GOODMAN, J. CHARLES	
HYLAND, A.J.	
LINES, JAMES	
MOSKOVITZ, ABBY	
PERSON, NANCY	
POSKOCHIL, RODNEY	
PRIEMER, BILL	
ZUBIZARRETA, MIGUEL	

### Registered Trade Names

Registered trade names	Status	First issued
HYLAND SOFTWARE, INC.	Active	Aug-01-2013

[View Additional Locations](#)

The Business Lookup information is updated nightly. Search date and time: 7/23/2024 10:01:10 AM

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**Take our survey!**

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**Check if your browser is supported**



HYLASOF-01

NRCRISWELL

# CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

3/6/2025

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

**IMPORTANT:** If the certificate holder is an **ADDITIONAL INSURED**, the policy(ies) must have **ADDITIONAL INSURED** provisions or be endorsed. If **SUBROGATION IS WAIVED**, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

<b>PRODUCER</b> Henderson Brothers Inc 920 Ft. Duquesne Blvd. Pittsburgh, PA 15222	<b>CONTACT NAME:</b> PHONE (A/C, No, Ext): <b>(412) 261-1842</b> FAX (A/C, No): <b>(412) 261-4149</b> E-MAIL ADDRESS: <b>mailroom@hendersonbrothers.com</b>
<b>INSURER(S) AFFORDING COVERAGE</b>	
<b>INSURED</b>	<b>NAIC #</b>
Hyland Software, Inc.; HSI Holdings I, Inc. 28105 Clemens Road Westlake, OH 44145-1145	<b>INSURER A : Federal Insurance Company</b> <b>20281</b> <b>INSURER B : Great Northern Insurance</b> <b>20303</b> <b>INSURER C : Pacific Employers Insurance Company</b> <b>22748</b> <b>INSURER D : Allied World Assurance Co.</b> <b>19489</b> <b>INSURER E :</b> <b>INSURER F :</b>

**COVERAGES****CERTIFICATE NUMBER:****REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
<b>A</b>	<input checked="" type="checkbox"/> <b>COMMERCIAL GENERAL LIABILITY</b> <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR  GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER:	<b>X</b>		<b>3578-33-25</b>	<b>12/31/2024</b>	<b>12/31/2025</b>	EACH OCCURRENCE \$ <b>1,000,000</b> DAMAGE TO RENTED PREMISES (Ea occurrence) \$ <b>1,000,000</b> MED EXP (Any one person) \$ <b>10,000</b> PERSONAL & ADV INJURY \$ <b>1,000,000</b> GENERAL AGGREGATE \$ <b>2,000,000</b> PRODUCTS - COMP/OP AGG \$ <b>2,000,000</b> <b>EMPLOYEE BENEFIT</b> \$ <b>1,000,000</b>
<b>B</b>	<input checked="" type="checkbox"/> <b>AUTOMOBILE LIABILITY</b> <input checked="" type="checkbox"/> ANY AUTO OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS ONLY <input type="checkbox"/> NON-OWNED AUTOS ONLY	<b>X</b>		<b>7352-28-83</b>	<b>12/31/2024</b>	<b>12/31/2025</b>	COMBINED SINGLE LIMIT (Ea accident) \$ <b>1,000,000</b> BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
<b>A</b>	<input type="checkbox"/> <b>UMBRELLA LIAB</b> <input checked="" type="checkbox"/> OCCUR <input checked="" type="checkbox"/> <b>EXCESS LIAB</b> <input type="checkbox"/> CLAIMS-MADE DED    RETENTION \$			<b>7988-20-68</b>	<b>12/31/2024</b>	<b>12/31/2025</b>	EACH OCCURRENCE \$ <b>25,000,000</b> AGGREGATE \$ <b>25,000,000</b> \$
<b>C</b>	<b>WORKERS COMPENSATION AND EMPLOYERS' LIABILITY</b> ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) <input type="checkbox"/> Y / N If yes, describe under DESCRIPTION OF OPERATIONS below		<b>N / A</b>	<b>7174-81-77</b>	<b>12/31/2024</b>	<b>12/31/2025</b>	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT \$ <b>1,000,000</b> E.L. DISEASE - EA EMPLOYEE \$ <b>1,000,000</b> E.L. DISEASE - POLICY LIMIT \$ <b>1,000,000</b>
<b>D</b>	<b>Primary Cyber/E&amp;O</b>			<b>0312-7231</b>	<b>3/2/2025</b>	<b>3/2/2026</b>	<b>Cyber/Tech E&amp;O</b> <b>5,000,000</b>

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

**HSI #10294**

The City of Spokane is included as Additional Insured with respect to General Liability and Auto Liability as required by written contract. A written 30-Day Notice of Cancellation applies with respect to General Liability on behalf of the Additional Insured as provided by endorsement.

**CERTIFICATE HOLDER****CANCELLATION**

City of Spokane 808 W. Spokane Falls Blvd. Spokane, WA 99201	<p>SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.</p> <p>AUTHORIZED REPRESENTATIVE  </p>
--	--



Hyland Software, Inc.  
 28105 Clemens Road  
 Westlake, OH 44145  
 United States of America

**MAINTENANCE INVOICE** LE01-384588

**BILL TO** City of Spokane, WA  
 808 W. Spokane Falls Blvd.  
 Spokane, WA 99201  
 United States of America

**SHIP TO** City of Spokane, WA  
 808 W. Spokane Falls Blvd.  
 Spokane, WA 99201  
 United States of America

<b>INVOICE DATE</b>	02/28/2025
<b>CONTRACT NUMBER</b>	GS35F249DA
<b>QUOTE NUMBER</b>	Q-359535
<b>PAYMENT TERMS</b>	Net 30
<b>DUE DATE</b>	03/31/2025
<b>BILL TO CUSTOMER NO.</b>	10294
<b>FEDERAL TAX ID</b>	34-1699247

<b>CUSTOMER NO.</b>	<b>Customer Name</b>
10294	City of Spokane, WA

*Billing Period: 04/01/2025 - 03/31/2026*

	<b>Product Code</b>	<b>Description</b>	<b>Quantity</b>	<b>Unit Price</b>	<b>Extended Price</b>
1	UNMPI1	Unity Client Server Maintenance	1.00	1,956.12	1,956.12
2	UIMPI1	Unity Integration Toolkit Maintenance	1.00	1,956.12	1,956.12
3	UFMPI1	Unity Forms Maintenance	1.00	0.00	0.00
4	STMPI1	StatusView Maintenance	1.00	0.00	0.00
5	OMMPW1-IPAD	Mobile Access for iPad Maintenance	1.00	978.06	978.06
6	OBMPW1	Multi-User Server Maintenance	1.00	1,564.90	1,564.90
7	ISMPW2	Production Document Imaging (ISIS or TWAIN) (2+) Maintenance	6.00	489.03	2,934.18
8	ISMPW1	Production Document Imaging (ISIS or TWAIN) (1) Maintenance	1.00	1,222.58	1,222.58
9	IDMPI1	Full-Text Indexing Server for Autonomy IDOL Maintenance	1.00	1,956.12	1,956.12
10	IDMPC1	Full-Text Indexing Concurrent Client for Autonomy IDOL Maintenance	1.00	58.68	58.68
11	WTMPI1	Conversion From Microsoft Office To Image Framework Maintenance	1.00	586.84	586.84
12	APMPQ3	Query API (Initial 500 queries/hour) (OnBase Unity/Core) Maintenance	1.00	1,956.12	1,956.12
13	AMMPW1	Agenda Management Maintenance	1.00	978.07	978.07
14	AIMPW3	Desktop Document Imaging (Unlimited) Maintenance	5.00	293.42	1,467.10
15	AEMPI2	Enterprise Application Enabler Maintenance	1.00	9,780.61	9,780.61
16	DSMPI1	Distributed Disk Services Maintenance	1.00	978.06	978.06
17	DPMPW1	Document Import Processor Maintenance	1.00	978.06	978.06
18	DMMPI1	EDM Services Maintenance	1.00	978.06	978.06

This proforma invoice is for maintenance fees which cover technical support and the latest software updates and enhancements for the billing period. If you have any questions regarding this invoice or you elect to discontinue maintenance coverage please contact your account manager or email [accountsreceivable@hyland.com](mailto:accountsreceivable@hyland.com). To continue maintenance coverage, please process this invoice for payment.

\*A 10% reinstatement fee will be charged for maintenance fees received after the due date.

These items are controlled by the U.S. government and authorized for export only to the country of ultimate destination for use by the ultimate consignee or end-user(s) herein identified. They may not be resold, transferred, or otherwise disposed of, to any other country or to any person other than the authorized ultimate consignee or end-user(s), either in their original form or after being incorporated into other items, without first obtaining approval from the U.S. government or as otherwise authorized by U.S. law and regulations.

Further, if you are located in a European Union Member State, Norway or Switzerland, The software is also subject to Council Regulation (EC) No 428/2009. The software must not be transmitted outside of the European Union, Norway or Switzerland without a licence or authorisation being issued by the export control authority of the relevant Member State or the applicable authorities in Norway or Switzerland or as otherwise authorized by law or regulations in the relevant Member State or applicable authorities in Norway or Switzerland.



Hyland Software, Inc.  
 28105 Clemens Road  
 Westlake, OH 44145  
 United States of America

**MAINTENANCE INVOICE**

LE01-384588

19	WTMPW1	Web Server Maintenance	1.00	1,956.12	1,956.12
20	PTMPC1	Virtual Print Driver Maintenance	1.00	978.06	978.06
21	WLMPC	Workflow Concurrent Client SL (Maintenance)	20.00	430.35	8,606.93
22	AIMPW3	Desktop Document Imaging (Unlimited) Maintenance	1.00	293.42	293.42
23	DIMPW2	Production Document Imaging (Kofax or Twain) (2+) Maintenance	1.00	586.84	586.84
24	AIMPW3	Desktop Document Imaging (Unlimited) Maintenance	1.00	293.42	293.42
25	CTMPC	Concurrent Client Maintenance	5.00	273.85	1,369.27
26	DIMPW2	Production Document Imaging (Kofax or Twain) (2+) Maintenance	1.00	586.84	586.84
27	PDFMPI1	PDF Framework Maintenance	1.00	586.84	586.84
28	WTMPI1-AS	Conversion From Microsoft Office To Image Framework (Aspose) Maintenance	1.00	586.84	586.84
29	CTMPC	Concurrent Client Maintenance	1.00	273.86	273.86
30	AIMPW2	Desktop Document Imaging (30 ppm max) Maintenance	1.00	195.62	195.62
31	OMMPI1-IPHN	Mobile Access for iPhone Maintenance	1.00	978.06	978.06
32	VLMPC	WorkView Concurrent Client SL (Maintenance)	3.00	293.41	880.24
33	DXMPI1	Integration for DocuSign eSignature Maintenance	1.00	2,934.18	2,934.18
34	CMMPI1	Configuration Migration Utility Maintenance	1.00	0.00	0.00
35	WLMPC	Workflow Concurrent Client SL (Maintenance)	1.00	352.11	352.11
36	GWMPI1	Public Sector Constituency Web Access Maintenance	204,400.00	0.00	399.80
37	CLMPW1	COLD/ERM Maintenance	1.00	1,956.12	1,956.12
38	AIMPW3	Desktop Document Imaging (Unlimited) Maintenance	1.00	293.42	293.42
39	CTMPC	Concurrent Client Maintenance	61.00	273.85	16,705.07

Electronic Remittance Information	
Mail Checks to: Hyland Software, Inc. PO Box 846261 Dallas, TX 75284-6261  Overnight Address: Bank of America Lockbox Services Lockbox 846261 1950 N. Stemmons Freeway Suite 5010	Wire/ACH Payments: Bank Name: Bank of America SWIFT BOFAUS3N Account No: 8670616576 ACH 071000039 Routing No Wire 026009593 Routing No

Subtotal	71,142.74 USD
Tax	6,402.79 USD
Total Invoice Amount	77,545.53 USD
<b>Balance Due</b>	<b>77,545.53 USD</b>
<i>Amount Due After 03/31/2025*</i>	<i>84,659.80 USD</i>

This proforma invoice is for maintenance fees which cover technical support and the latest software updates and enhancements for the billing period. If you have any questions regarding this invoice or you elect to discontinue maintenance coverage please contact your account manager or email [accountsreceivable@hyland.com](mailto:accountsreceivable@hyland.com). To continue maintenance coverage, please process this invoice for payment.

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Hyland Software, Inc.  
 28105 Clemens Road  
 Westlake, OH 44145  
 United States of America

Electronic Remittance Information	
Dallas, TX 75207	Account Name: Hyland Software, Inc.

For billing inquiries, please email [maintenance@hyland.com](mailto:maintenance@hyland.com).  
 For payment inquiries, please email [accountsreceivable@hyland.com](mailto:accountsreceivable@hyland.com).  
 To pay your invoices online, please visit our [invoice portal](#). If you do not have an account, please contact [collections@hyland.com](mailto:collections@hyland.com) for assistance.  
 This is a quote for your maintenance renewal. To receive an invoice, send a purchase order to [purchaseorders@onbase.com](mailto:purchaseorders@onbase.com) and [maintenance@onbase.com](mailto:maintenance@onbase.com).

This proforma invoice is for maintenance fees which cover technical support and the latest software updates and enhancements for the billing period. If you have any questions regarding this invoice or you elect to discontinue maintenance coverage please contact your account manager or email [accountsreceivable@hyland.com](mailto:accountsreceivable@hyland.com). To continue maintenance coverage, please process this invoice for payment.  
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**Agenda Sheet for City Council:****Committee:** Finance & Administration **Date:** 03/24/2025**Committee Agenda type:** Consent**Council Meeting Date:** 04/14/2025

<b>Date Rec'd</b>		3/17/2025
<b>Clerk's File #</b>		OPR 2025-0189
<b>Cross Ref #</b>		
<b>Project #</b>		
<b>Submitting Dept</b>	FLEET SERVICES	<b>Bid #</b>
<b>Contact Name/Phone</b>	RICK GIDDINGS 625-7706	<b>Requisition #</b>
<b>Contact E-Mail</b>	RGIDDINGS@SPOKANECITY.ORG	
<b>Agenda Item Type</b>	Purchase w/o Contract	
<b>Council Sponsor(s)</b>	PDILLON MCATHCART	
<b>Sponsoring at Administrators Request</b>	NO	
<b>Lease?</b> NO	<b>Grant Related?</b> NO	<b>Public Works?</b> NO
<b>Agenda Item Name</b>	5100 - PURCHASE OF SPRINTER 2500 VAN FOR WATER DEPARTMENT	

**Agenda Wording**

Fleet Services would like to purchase one additional Mercedes 2500 Sprinter Van for the Water Department from Mercedes Benz of Spokane. Vehicle is to be used as an Electrical Maintenance Vehicle. Total cost including tax is \$71,329.44.

**Summary (Background)**

Vehicle is an addition to the recent vehicle pre-approval agenda item. Suitable AWD EV options are not available for this vehicle type, so we have chosen a fuel-efficient diesel power train that will utilize renewable diesel. Unit will replace an older vehicle that has surpassed its economic lifecycle.

**What impacts would the proposal have on historically excluded communities?**

None identified.

**How will data be collected, analyzed, and reported concerning the effect of the program/policy by racial, ethnic, gender identity, national origin, income level, disability, sexual orientation, or other existing disparities?**

Data will not be collected.

**How will data be collected regarding the effectiveness of this program, policy, or product to ensure it is the right solution?**

Data is collected by Fleet Services for future lifecycle analysis.

**Describe how this proposal aligns with current City Policies, including the Comprehensive Plan, Sustainability Action Plan, Capital Improvement Program, Neighborhood Master Plans, Council Resolutions, and others?**

Aligns with CIP and Centralized Fleet Management Policy.

**Council Subcommittee Review**

No subcommittee for this topic.

<b>Fiscal Impact</b>	
Approved in Current Year Budget? YES	
Total Cost	\$ 71,329.44
Current Year Cost	\$ 71,329.44
Subsequent Year(s) Cost	\$ \$0
<b><u>Narrative</u></b>	
Vehicle will be purchased using the Washington State Department of Enterprise Services Contract following all City competitive purchasing rules and regulations.	
<b>Amount</b>	
<b>Budget Account</b>	
Expense	\$ 71,329.44
Select	\$
Select	\$
Select	\$
Select	\$
Select	\$
Select	\$
# 4100-42490-94340-56404-11004	
#	
#	
#	
#	
#	
<b>Funding Source</b> One-Time	
<b>Funding Source Type</b> Program Revenue	
<b>Is this funding source sustainable for future years, months, etc?</b>	
Yes	
<b>Expense Occurrence</b> One-Time	
<b>Other budget impacts (revenue generating, match requirements, etc.)</b>	
<b>Approvals</b>	
<b>Additional Approvals</b>	
<b>Dept Head</b>	GIDDINGS, RICHARD
<b>Division Director</b>	STRATTON, JESSICA
<b>Accounting Manager</b>	ALBIN-MOORE, ANGELA
<b>Legal</b>	HARRINGTON,
<b>For the Mayor</b>	PICCOLO, MIKE
<b>Distribution List</b>	
	rgiddings@spokanecity.org
Tprince@spokanecity.org	

## Paschal, Brandon

---

**From:** Giddings, Richard  
**Sent:** Monday, March 17, 2025 9:05 AM  
**To:** Paschal, Brandon  
**Cc:** Russell, Adam T.  
**Subject:** FW: Vehicle Quote - 2025-3-461 - SPOKANE, CITY OF - 23210

Quote to Attach to OnBase submission for Water Department Sprinter Van.

**RICK GIDDINGS** | CITY OF SPOKANE | DIRECTOR, FLEET SERVICES DEPARTMENT  
509.625.7706 office | 509.710-5500 cell | [rgiddings@spokanecity.org](mailto:rgiddings@spokanecity.org) | [spokanecity.org](http://spokanecity.org)

---

**From:** NOREPLY@des.wa.gov <NOREPLY@des.wa.gov>  
**Sent:** Friday, March 14, 2025 7:10 AM  
**To:** Giddings, Richard <rgiddings@spokanecity.org>  
**Cc:** descarsystem@des.wa.gov  
**Subject:** Vehicle Quote - 2025-3-461 - SPOKANE, CITY OF - 23210

[CAUTION - EXTERNAL EMAIL - Verify Sender]

**Vehicle Quote Number: 2025-3-461**      [Create Purchase Request](#)      [View organization purchase requests](#)

This is a **quote** only. You must create a purchase request to order this vehicle(s)

### Contract & Dealer Information

Contract #: 28423	Dealer Contact: Derek Law
Dealer: Mercedes Benz of Spokane (W42721)	Dealer Phone: (509) 455-9100
21802 E George Gee Ave	Dealer Email: <a href="mailto:dlaw@mbofspokane.com">dlaw@mbofspokane.com</a>
Liberty Lake WA 99019	

### Organization Information

Organization: SPOKANE, CITY OF - 23210
Email: <a href="mailto:rgiddings@spokanecity.org">rgiddings@spokanecity.org</a>
Quote Notes: Water Department Electrician Van
Vehicle Location: SPOKANE CITY

### Color Options & Qty

147 Arctic White - 1
----------------------

Tax Exempt: N
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### Vehicle Options

Order Code	Option Description	Qty	Unit Price	Ext. Price
2025-04045-0001	2025 M-B Sprinter 2500 Cargo 9050 GVWR RWD 2.0L 4Cyl Standard HP Turbo diesel W/9spd Auto Trans 144 WB (M2CA4S) MSRP \$53,263.00 5% Discount	1	\$50,599.00	\$50,599.00
2025-04045-0003	2025 M-B Sprinter 2500 AWD Cargo 9050 GVWR 2.0L 4-Cyl High HP Turbo diesel W/9spd Auto Trans 144 WB (M2CA4A) \$62,933.00 5% Discount	1	\$9,187.00	\$9,187.00
2025-04045-0012	Delivery to customer location East Of The Mountains Eastern Washington (All Counties)	1	\$400.00	\$400.00
2025-04045-0017	(B01) ESP for increased Center of Gravity above 39.4 Ensuring safety and driving comfort with vehicles experiencing a high center of gravity (above 39.4?from the ground). Vehicles with a raised center of gravity due to installed bodies or larger modifications can still enjoy safety and comfort on the road in many different driving situations. MUST HAVE CB4/CB8/X55 NOT WITH RH0/CB7	1	\$0.00	\$0.00
2025-04045-0025	(CB7) The code CB7 provides enhanced roll stabilization, particularly when carrying heavier loads. Compared to the base suspension, a stiffer spring is added on to the front axle and a ride height increase of 0.5?/12.5mm is seen. A torsion bar is also added to the rear axle. In addition, shock absorbers that have adapted characteristic are mounted NOT With CB8	1	\$349.00	\$349.00
2025-04045-0032	(D03) High roof 144WHEELBASE ONLY The High roof includes high sidewalls and higher rear doors, giving an interior height in the load/passenger compartment of approx. 79.5? (2020 mm) (short wheelbase approx. 79.1? (2010 mm)). Compared to the standard roof, this is approx. 11.5? (292) mm higher. This provides increased load space and room for stand up. The door apertures are higher both rear and sliding compartment doors. The maximum load capacity is 330 Ibs (150 kg) evenly distributed over the whole area of the roof.	1	\$3,550.00	\$3,550.00
2025-04045-0035	(D51) Cargo partition with 1 window must have T77; not with D50/SR8/SR9/T74/D17 The Full-Width Partition D51 with one window located on the B-pillar is designed as one-piece for normal height roof and two-pieces for high roof versions. These options now have a 0.59? (15 mm) deeper contouring at back rest height. This allows for the front seats to be better adjusted to the driver?s and co-driver?s comfort. The window aperture for Full-Width Partition with one window has the dimensions of 9.84 x 34.06? (250 mm x 865 mm). The window is glued to the partition wall.	1	\$381.00	\$381.00
2025-04045-0064	(FR8) Rear view camera (HEAD UNIT DISPLAY) Must have C02; Not With FR3/JB7/JB6	1	\$382.00	\$382.00
2025-04045-0094	(JW0)Backup Alarm When reverse gear is selected with the ignition switched on, an audible signal is activated. If reverse gear is engaged twice within five seconds, the volume of the reversing warning signal switches to the quieter setting. This procedure must be repeated every time a reversing operation is to be performed with reduced signal volume. The reversing warning system cannot be switched off. Switching off the ignition reactivates the default setting. The horn for the reversing warning system is normally fitted on the inside of the end cross member. A sticker stating "Engage reverse gear twice in quick succession to set the reversing beeper to the quieter nighttime setting" is enclosed with the vehicle document wallet.	1	\$113.00	\$113.00
2025-04045-0107	Cruise control (MS1) (STD 2021)must have C6L The Cruise control accelerates and brakes the vehicle automatically in order to maintain a previously stored speed above 15 mph (24 km/h). The cruise control is operated using the left HH buttons. A limiter function is not available. If the cruise control is activated and the optimal available Traffic Sign Assist has detected a speed restriction sign, the maximum permissible speed displayed in the instru-ment display can be stored and the vehicles maintains or does not exceed this speed.	1	\$0.00	\$0.00
2025-04045-0111	(Q24) Trailer Hitch, 5,000 lbs. Available on 2500 and 3500/3500XD/4500 170EXT; not with W73/QA2 The trailer cross-member code Q24 has a towing capacity of 5.000 lbs. (2.268 kg) and a maximum trailer load of 500 lbs. (227 kg). A trailer plug socket 7-poles and a trailer connection unit (AAG) which also supports the LED lights on a trailer is included with the code E40. A permanent power supply is on the trailer socket pin 4 and allows to connect accessories up to a maximum of 240 W. Do not use the power supply to charge the trailer battery. Charging the trailer battery using the power supply of the trailer can damage the battery.	1	\$166.00	\$166.00
2025-04045-0120	(RM1) M+S winter tires Must have RD9/RF1; not with RF8/RH0/RH6 The Mud and Snow tires feature a compound and tread design, which ensures good traction and lateral stability in the cold, snow and slush, as well as in similar adverse road conditions.	1	\$193.00	\$193.00

**Quote Totals**

**Total Vehicles:** 1

**Sub Total:** \$65,320.00

**9.2 % Sales Tax:** \$6,009.44

**Quote Total:** \$71,329.44

**Agenda Sheet for City Council:****Committee:** Finance & Administration **Date:** 03/24/2025**Committee Agenda type:** Consent**Council Meeting Date:** 04/14/2025

<b>Date Rec'd</b>		3/18/2025	
<b>Clerk's File #</b>		OPR 2025-0054	
<b>Cross Ref #</b>			
<b>Project #</b>			
<b>Submitting Dept</b>	CITY ATTORNEY	<b>Bid #</b>	
<b>Contact Name/Phone</b>	NATE ODLE 6288	<b>Requisition #</b>	PAID THRU
<b>Contact E-Mail</b>	NODLE@SPOKANECITY.ORG		
<b>Agenda Item Type</b>	Contract Item		
<b>Council Sponsor(s)</b>	PDILLON MCATHCART		
<b>Sponsoring at Administrators Request</b>	NO		
<b>Lease?</b> NO	<b>Grant Related?</b> NO	<b>Public Works?</b> NO	
<b>Agenda Item Name</b>	0500 OUTSIDE COUNSEL CONTRACT AMENDMENT		

**Agenda Wording**

The City has an existing contract with Zach Pekelis of PACIFICA LAW GROUP to provide outside counsel services and advice in the legal matter of Matthew Shea v. City of Spokane, et al. This amendment will increase the contract by \$100,000 for a total contract amount of \$150,000.

**Summary (Background)**

This lawsuit is brought against three current and three former City Councilmembers wherein the plaintiff, Matt Shea, alleges a resolution passed by City Council in 2023 that censured former-Mayor Woodward violated various constitutional rights, including his right to free speech and practice his religion.



**What impacts would the proposal have on historically excluded communities?**

**How will data be collected, analyzed, and reported concerning the effect of the program/policy by racial, ethnic, gender identity, national origin, income level, disability, sexual orientation, or other existing disparities?**

**How will data be collected regarding the effectiveness of this program, policy, or product to ensure it is the right solution?**

**Describe how this proposal aligns with current City Policies, including the Comprehensive Plan, Sustainability Action Plan, Capital Improvement Program, Neighborhood Master Plans, Council Resolutions, and others?**

**Council Subcommittee Review**

<b>Fiscal Impact</b>			
Approved in Current Year Budget?			
Total Cost	\$ 100,000		
Current Year Cost	\$		
Subsequent Year(s) Cost	\$		
<b><u>Narrative</u></b>			
<b>Amount</b>	<b>Budget Account</b>		
Expense \$ 100,000	# From Claims		
Select \$	#		
Select \$	#		
Select \$	#		
Select \$	#		
Select \$	#		
<b>Funding Source</b> One-Time			
<b>Funding Source Type</b> Select			
<b>Is this funding source sustainable for future years, months, etc?</b>			
<b>Expense Occurrence</b>	One-Time		
<b>Other budget impacts (revenue generating, match requirements, etc.)</b>			
<b>Approvals</b>		<b>Additional Approvals</b>	
<b>Dept Head</b>	PICCOLO, MIKE	<b><u>PURCHASING</u></b>	NECHANICKY, JASON
<b><u>Division Director</u></b>			
<b><u>Accounting Manager</u></b>	BUSTOS, KIM		
<b><u>Legal</u></b>	HARRINGTON,		
<b><u>For the Mayor</u></b>	PICCOLO, MIKE		
<b>Distribution List</b>			
Zach.Pekelis@pacificalawgroup.com		nodle@spokanecity.org	
sdhansen@spokanecity.org		dstragier@spokanecity.org	
Zach.Ray@us.davies-group.com		mdean@spokanecity.org	
ddaniels@spokanecity.org			



**CITY OF SPOKANE**  
**CONTRACT AMENDMENT**  
Title: **OUTSIDE COUNSEL CONTRACT**

This Contract Amendment is made and entered into by and between the **CITY OF SPOKANE** as (“City”), a Washington municipal corporation, and **PACIFICA LAW GROUP**, whose address is 1191 Second Avenue, Suite 2000, Seattle, Washington 98101, as (“Firm”), individually hereafter referenced as a “party”, and together as the “parties”.

WHEREAS, the parties entered into a Contract wherein the firm agreed to act as Outside Counsel providing legal services and advice to the City regarding the matter of **Shea v. Spokane, Washington, et. al.**, United States District Court Eastern District of Washington, Cause No Cause No. 2:25-cv-00031-JAG, and

WHEREAS, additional funds are necessary to defend this case, thus, the original Contract needs to be formally Amended by this written document; and

NOW, THEREFORE, in consideration of these terms, the parties mutually agree as follows:

**1. CONTRACT DOCUMENTS.**

The Contract, dated January 16, 2025, 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. EFFECTIVE DATE.**

This Contract Amendment shall become effective on March 1, 2025.

**3. COMPENSATION.**

The City shall pay an additional amount not to exceed **ONE HUNDRED THOUSAND AND NO/100 DOLLARS (\$100,000.00)**, for everything furnished and done under this Contract Amendment. The total amount under the original contract, all previous amendments and this Amendment is **ONE HUNDRED FIFTY THOUSAND AND NO/100 DOLLARS (\$150,000.00)**. This is the maximum amount to be paid under this Amendment and shall not be exceeded without the prior written authorization of the City, memorialized with the same formality as the original Contract and this document.





**City of Spokane**  
**MASTER CONTRACT**  
**Title: COPIERS AND MANAGED PRINT SERVICES**

This Master Contract is made and entered into by and between the **CITY OF SPOKANE** as ("City"), a Washington municipal corporation, and **COPIERS NORTHWEST, INC.**, whose address is 615 South Alaska Street, Seattle, Washington 98108, as ("Company"). Individually hereafter referenced as a "party", and together as the "parties".

The parties agree as follows:

1. **PERFORMANCE.** The Company will provide Purchasing, Leasing, Service, Software and Support for the City of Spokane's Copier and Printer Purchases, in accordance Washington State Master Contract No. 187646/26723, attached as Exhibit B. In the event of a discrepancy between the documents this City Contract controls.
2. **CONTRACT TERMS.** The Contract shall begin April 1, 2025, and run through March 31, 2030, unless amended by written agreement or terminated earlier under the provisions
3. **COMPENSATION.** Total compensation under this Contract shall not exceed **THREE HUNDRED THOUSAND AND NO/100 DOLLARS (\$300,000.00)**, plus tax, for everything furnished and done under this Contract. This is the maximum amount to be paid under this Contract for the work described in Section 1 above and shall not be exceeded without the prior written authorization of the City in the form of an executed amendment to this Contract.
4. **PAYMENT.** The Company shall send its application for payment to Innovation and Technology Services Division, Administration Office, Seventh Floor, City Hall, 808 West Spokane Falls Boulevard, Spokane, Washington 99201. **Payment will be made via direct deposit/ACH** within thirty (30) days after receipt of the Company's application except as provided by state law.
5. **COMPLIANCE WITH LAWS.** Each party shall comply with all applicable federal, state, and local laws and regulations.
6. **ASSIGNMENTS.** This Contract is binding on the parties and their heirs, successors, and assigns. Neither party may assign, transfer or subcontract its interest, in whole or in part, without the other party's prior written consent.

7. AMENDMENTS. This Contract may be amended at any time by mutual written agreement.

8. ANTI-KICKBACK. No officer or employee of the City of Spokane, having the power or duty to perform an official act or action related to this Contract shall have or acquire any interest in the Contract, or have solicited, accepted or granted a present or future gift, favor, service or other thing of value from or to any person involved in this Contract.

9. TERMINATION. Either party may terminate this Contract by thirty (30) days' written notice to the other party. In the event of such termination, the City shall pay the Company for all work previously authorized and performed prior to the termination date.

10. INSURANCE. During the period of the Agreement, the Company shall maintain in force at its own expense, each insurance noted below with companies or through sources approved by the State Insurance Commissioner pursuant to Title 48 RCW:

- A. **Worker's Compensation Insurance** in compliance with RCW 51, which requires subject employers to provide workers' compensation coverage for all their subject workers and Employer's Liability Insurance in the amount of \$1,000,000.
- B. **General Liability Insurance** on an occurrence basis, with a combined single limit of not less than \$1,000,000 each occurrence for bodily injury and property damage. It shall include contractual liability coverage for the indemnity provided under this Agreement. It shall provide that the City, its officers and employees are additional insureds but only with respect to the Company's services to be provided under this Agreement.
  - i. Acceptable **supplementary Umbrella insurance** coverage combined with Company's General Liability insurance policy must be a minimum of \$2,000,000, in order to meet the insurance coverage limits required in this Agreement; and
- C. **Automobile Liability Insurance** with a combined single limit, or the equivalent of not less than \$1,000,000 each accident for bodily injury and property damage, including coverage for owned, hired and non-owned vehicles.

There shall be no cancellation, material change, reduction of limits or intent not to renew the insurance coverage(s) without thirty (30) days written notice from the Company or its insurer(s) to the City. As evidence of the insurance coverage(s) required by this Agreement, the Company shall furnish acceptable Certificates of Insurance (COI) upon request by the City. The certificate shall specify the City of Spokane as "Additional Insured" specifically for Company's services under this Agreement, as well as all of the parties who are additional insureds, and include applicable policy endorsements, the thirty (30) day cancellation clause, and the deduction or retention level. The Company shall be financially responsible for all pertinent deductibles, self-insured retentions, and/or self-insurance.

11. INDEMNIFICATION. The Company shall defend, indemnify, and hold the City and its officers and employees harmless from all claims, demands, or suits at law or equity asserted by third parties for bodily injury (including death) and/or property damage which arise from the Company's negligence or willful misconduct under this Agreement, including attorneys' fees and litigation costs; provided that nothing herein shall require a Company to indemnify the City against

and hold harmless the City from claims, demands or suits based solely upon the negligence of the City, its agents, officers, and employees. If a claim or suit is caused by or results from the concurrent negligence of the Company's agents or employees and the City, its agents, officers and employees, this indemnity provision shall be valid and enforceable to the extent of the negligence of the Company, its agents or employees. The Company specifically assumes liability and agrees to defend, indemnify, and hold the City harmless for actions brought by the Company's own employees against the City and, solely for the purpose of this indemnification and defense, the Company specifically waives any immunity under the Washington State industrial insurance law, or Title 51 RCW. The Company recognizes that this waiver was specifically entered into pursuant to the provisions of RCW 4.24.115 and was the subject of mutual negotiation. The indemnity and agreement to defend and hold the City harmless provided for in this section shall survive any termination or expiration of this agreement.

12. DEBARMENT AND SUSPENSION. The Company has provided 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.

13. SEVERABILITY. In the event any provision of this Contract should become invalid, the rest of the Contract shall remain in full force and effect.

14. STANDARD OF PERFORMANCE. The silence or omission in the Contract regarding any detail required for the proper performance of the work, means that the Company shall perform the best general practice.

15. NONDISCRIMINATION. No individual shall be excluded from participation in, denied the benefit of, subjected to discrimination under, or denied employment in the administration of or in connection with this Contract because of age, sex, race, color, religion, creed, marital status, familial status, sexual orientation including gender expression or gender identity, national origin, honorably discharged veteran or military status, the presence of any sensory, mental or physical disability, or use of a service animal by a person with disabilities. The Company agrees to comply with, and to require that all subcontractors comply with, Section 504 of the Rehabilitation Act of 1973 and the Americans with Disabilities Act, as applicable to the Company.

16. BUSINESS REGISTRATION REQUIREMENT. Section 8.01.070 of the Spokane Municipal Code states that no person may engage in business with the City without first having obtained a valid annual business registration. The Company shall be responsible for contacting the State of Washington Business License Services at [www.dor.wa.gov](http://www.dor.wa.gov) or 360-705-6741 to obtain a business registration. If the Company does not believe it is required to obtain a business registration, it may contact the City's Taxes and Licenses Division at (509) 625-6070 to request an exemption status determination.

17. AUDIT / RECORDS. The Company and its subcontractors shall maintain for a minimum of three (3) years following final payment all records related to its performance of the Contract. The Company and its subcontractors shall provide access to authorized City representatives, at reasonable times and in a reasonable manner to inspect and copy any such record. In the event of conflict between this provision and related auditing provisions required under federal law applicable to the Contract, the federal law shall prevail.

18. CONFIDENTIALITY/PUBLIC RECORDS. Notwithstanding anything to the contrary, City will maintain the confidentiality of Company's materials and information only to the extent that is legally allowed in the State of Washington. City is bound by the State Public Records Act, RCW Ch. 42.56. That law presumptively makes all records in the possession of the City public records which are freely available upon request by anyone. In the event that City gets a valid public records request for Company's materials or information and the City determines there are exemptions only the Company can assert, City will endeavor to give Company notice. Company, at its own expense, will be required to go to Court to get an injunction preventing the release of the requested records. In the event that Company does not get a timely injunction preventing the release of the records, the City will comply with the Public Records Act and release the records.

19. DISPUTES. This Contract shall be performed under the laws of the State of Washington. Any litigation to enforce this Contract or any of its provisions shall be brought in Spokane County, Washington.

**COPIERS NORTHWEST, INC.**

**CITY OF SPOKANE**

By \_\_\_\_\_  
Signature                      Date

By \_\_\_\_\_  
Signature                      Date

\_\_\_\_\_  
Type or Print Name

\_\_\_\_\_  
Type or Print Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Title

Attest:

Approved as to form:

\_\_\_\_\_  
City Clerk

\_\_\_\_\_  
Assistant City Attorney

**Attachments that are part of this Agreement:**  
Certificate Regarding Debarment  
Washington State Master Contract No. 187646/26723

25-056



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

1. The undersigned (i.e., signatory for the Subrecipient / Contractor / Consultant) 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.
  
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.
  
3. Intentionally Blank.
  
4. I understand that a false statement of this certification may be grounds for termination of the contract.

<hr style="border: none; border-top: 1px solid black; margin-bottom: 5px;"/> Name of Subrecipient / Contractor / Consultant (Type or Print)	<hr style="border: none; border-top: 1px solid black; margin-bottom: 5px;"/> Program Title (Type or Print)
<hr style="border: none; border-top: 1px solid black; margin-bottom: 5px;"/> Name of Certifying Official (Type or Print)	<hr style="border: none; border-top: 1px solid black; margin-bottom: 5px;"/> Signature
<hr style="border: none; border-top: 1px solid black; margin-bottom: 5px;"/> Title of Certifying Official (Type or Print)	<hr style="border: none; border-top: 1px solid black; margin-bottom: 5px;"/> Date (Type or Print)





< Business Lookup

**License Information:**

[New search](#) [Back to results](#)

**Entity name:** COPIERS NORTHWEST, INC.  
**Business name:** COPIERS NORTHWEST INC  
**Entity type:** [Profit Corporation](#)  
**UBI #:** 600-628-310  
**Business ID:** 001  
**Location ID:** 0001  
**Location:** Active  
**Location address:** 615 S ALASKA ST  
 SEATTLE WA 98108-1728  
**Mailing address:** 615 S ALASKA ST  
 SEATTLE WA 98108-1728

**Excise tax and reseller permit status:** [Click here](#)

**Secretary of State status:** [Click here](#)

< Page 2 of 3 >

**Endorsements**

Endorsements held at this locati	License #	Count	Details	Status	Expiration date	First issuance d
<a href="#">Longview General Business - Non-Resident</a>	062151			Active	Jun-30-2025	Jun-07-2012
<a href="#">Lynnwood General Business - Non-Resident</a>	012945-07-200			Active	Jun-30-2025	Jan-03-2019
<a href="#">Marysville General Business - Non-Resident</a>	1200RET609			Active	Jun-30-2025	Oct-02-2009
<a href="#">Mercer Island General Business - Non-Resident</a>	80482			Active	Jun-30-2025	Oct-09-2019
<a href="#">Minor Work Permit</a>				Active	Jun-30-2025	Jun-28-2018
<a href="#">Mukilteo General Business - Non-Resident</a>				Active	Jun-30-2025	Sep-28-2012
<a href="#">Olympia General Business - Non-Resident</a>	14294			Active	Jun-30-2025	Sep-23-2003

Endorsements held at this locati	License #	Count	Details	Status	Expiration date	First issuance d:
Pacific General Business - Non-Resident	2125			Active	Jun-30-2025	Oct-27-2021
Puyallup General Business - Non-Resident	2008026			Active	Jun-30-2025	Mar-12-2010
Redmond General Business - Non-Resident	RED09-000279			Active	Jun-30-2025	Oct-14-2009
Richland Retail & Wholesale Business	C18000			Active	Jun-30-2025	Sep-09-2009
Shelton General Business	8003990			Active	Jun-30-2025	Sep-12-2018
Snoqualmie General Business - Non-Resident				Active	Jun-30-2025	Sep-18-2023
Spokane General Business - Non-Resident	T12056119BUS			Active	Jun-30-2025	Oct-15-2012
Spokane Valley General Business - Non-Resident				Active	Jun-30-2025	Feb-20-2009

## Governing People May include governing people not registered with Secretary of State

Governing people	Title
PETRIE, GREGG	
PETRIE, MARK	

## Registered Trade Names

Registered trade names	Status	First issued
BLUZEBRA TECHNOLOGIES	Active	Apr-19-2012
WATERSMART COOLERS	Active	Mar-31-2008

[View Additional Locations](#)

The Business Lookup information is updated nightly. Search date and time: 6/27/2024 9:32:21 AM

[Contact us](#)

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## Certificate of Insurance Notice

Due to the 2012 changes to the **Washington Administrative Code (WAC 284-30-355)**, which strictly regulates the use of Certificates of Insurance and similar insurance forms we are required by the State of Washington to use the most recent Certificate ACORD® form. **We have attached a copy for your reference.**

We no longer add primary, additional insured, waiver of subrogation **verbiage or specific endorsement or form numbers in the description of operations section.** The only information intended to go in this section is job/project/location/vehicle related.

When applicable, the certificate will have the **additional insured and/or waiver of subrogation box checked next to the affected coverage and any related endorsements will be attached to the certificate.** A copy of the underlying insurance policy may also be available upon request.

In addition, we cannot amend the cancellation section of a certificate. In the event of cancellation, the company will abide by the cancellation provisions of the policy. The insurance policy provisions regarding notice of cancellation are afforded to the First Named Insured. These provisions do not extend to Certificate Holders, Additional Insureds, or any other third party, unless they are the mortgagee or loss payee.

We appreciate your understanding of the limitations imposed on our agency by these regulatory requirements. Please contact us at [113.certRequest@bbrown.com](mailto:113.certRequest@bbrown.com) if you have any questions about the Certificate of Insurance that you have been provided.

## WAC 284-30-355 Certificates of Insurance.

(1) The following definitions apply to this section.

(a) "Certificate" or "certificate of insurance" means any document, without regard to title or description, that is issued by an insurer, insurance producer, or surplus line broker as evidence of property or casualty insurance coverage. Certificate or certificate of insurance as used in this section does not include an insurance policy, insurance binder, an automobile insurance identification or information card, or a certificate issued to a person or entity that has purchased coverage under a group master policy.

(b) "Certificate holder" means any person, other than a policyholder, that requests, obtains, or possesses a certificate.

(c) "Property" means the insurance coverages described in RCW 48.11.040.

(d) "Casualty" means the insurance coverages described in RCW 48.11.070.

(e) "Insurance binder" means a temporary document that serves as evidence of insurance until the insurance policy is issued.

(f) "Insurance policy" means the executed insurance policy issued to the named insured as part of an insurance transaction as defined in RCW 48.01.060.

(2) This section applies to all:

(a) Certificate holders, policyholders, insurers, insurance producers, surplus line brokers; and

(b) Certificates issued as evidence of insurance coverage for risks located in this state without regard to where a certificate holder, policyholder, insurer, insurance producer, or surplus line broker is located.

(3) (a) If a certificate holder is named within the policy or endorsement and the policy or endorsement requires notice to be provided to the certificate holder, a certificate holder only possesses a right to notice of:

- (i) Cancellation;
- (ii) Nonrenewal; or

( ) A material change, or any similar notice concerning the insurance policy.

(b) The insurance policy governs the terms and conditions of the notice, including the timing of the notice.

**(4) No person may knowingly demand or require an insurer, insurance producer, surplus line broker, or policyholder to issue a certificate that contains any false or misleading information or that purports to alter, amend, or extend the coverage provided by the insurance policy.**

**(5) No person may knowingly issue or circulate a certificate that contains any false or misleading information or that purports to alter, amend, or extend the coverage provided by the insurance policy.**

**(6) No person may issue, demand, or require, either in addition to or in lieu of a certificate, a document that contains any false or misleading information or that purports to alter, amend, or extend the coverage provided by the insurance policy.**

(7) (a) Nothing in this section affects or excuses a person's obligation to obtain an insurance policy for the benefit of a third party that conforms to specific contractual or legal requirements.

(b) Notwithstanding any requirement, term, or condition of any contract, the insurance coverage provided by the referenced policy of insurance is subject to all the terms, exclusions, and conditions of

the policy. A certificate of insurance does not confer new or additional rights beyond what the referenced policy of insurance provides.

[Statutory Authority: RCW 48.02.060. WSR 12-09-052 (Matter No. R 2011-30), § 284-30-355, filed 4/16/12, effective 5/17/12.]





AGENCY CUSTOMER ID: 00398459

LOC #: \_\_\_\_\_



# ADDITIONAL REMARKS SCHEDULE

Page \_\_\_\_ of \_\_\_\_

AGENCY Brown & Brown Insurance Services, Inc.		NAMED INSURED Copiers Northwest, Inc	
POLICY NUMBER			
CARRIER	NAIC CODE	EFFECTIVE DATE:	

## ADDITIONAL REMARKS

**THIS ADDITIONAL REMARKS FORM IS A SCHEDULE TO ACORD FORM,**  
**FORM NUMBER:** 25      **FORM TITLE:** Certificate of Liability Insurance: Notes

Certificate Holder:  
The City of Spokane



STATE OF WASHINGTON

Department of Labor & Industries

# Certificate of Workers' Compensation Coverage

July 30, 2024

WA UBI No.	600 628 310
L&I Account ID	507,156-01
Legal Business Name	COPIERS NORTHWEST INC
Doing Business As	COPIERS NORTHWEST INC
Workers' Comp Premium Status:	Account is current.
Estimated Workers Reported (See Description Below)	Quarter 2 of Year 2024 "Greater than 100 Workers"
Account Representative	Employer Services Help Line, (360) 902-4817
Licensed Contractor?	No

## What does "Estimated Workers Reported" mean?

Estimated workers reported represents the number of full time position requiring at least 480 hours of work per calendar quarter. A single 480 hour position may be filled by one person, or several part time workers.

## Industrial Insurance Information

Employers report and pay premiums each quarter based on hours of employee work already performed, and are liable for premiums found later to be due.

**Industrial insurance accounts have no policy periods, cancellation dates, limitations of coverage or waiver of subrogation** (See [RCW 51.12.050](#) and [51.16.190](#)).

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **COMMERCIAL AUTOMOBILE BROAD FORM ENDORSEMENT**

This endorsement modifies insurance provided under the following:

### **BUSINESS AUTO COVERAGE FORM**

To the extent that the provisions of this endorsement provide broader benefits to the "insured" than other provisions of the Coverage Form, the provisions of this endorsement apply.

#### **1. BROAD FORM INSURED**

**Paragraph .1. - WHO IS AN INSURED - of Section II - Liability Coverage is amended to add the following:**

##### **d. Subsidiaries and Newly Acquired or Formed Organizations**

The Named Insured shown in the Declarations is amended to include:

- (1) Any legal business entity other than a partnership or joint venture, formed as a subsidiary in which you have an ownership interest of more than 50% on the effective date of the Coverage Form. However, the Named Insured does not include any subsidiary that is an "insured" under any other automobile policy or would be an "insured" under such a policy but for its termination or the exhaustion of its Limit of Insurance.
- (2) Any organization that is acquired or formed by you and over which you maintain majority ownership. However, the Named Insured does not include any newly formed or acquired organization:
  - (a) That is a partnership or joint venture,
  - (b) That is an "insured" under any other policy,
  - (c) That has exhausted its Limit of Insurance under any other policy, or
  - (d) 180 days or more after its acquisition or formation by you, unless you have given us notice of the acquisition or formation.

Coverage does not apply to "bodily injury" or "property damage" that results from an "accident" that occurred before you formed or acquired the organization.

##### **e. Employees as Insureds**

- (1). Any "employee" of yours while using a covered "auto" you don't own, hire or borrow in your business or your personal affairs.

##### **f. Lessors as Insureds**

- (1). The lessor of a covered "auto" while the "auto" is leased to you under a written agreement if:
  - (a) The agreement requires you to provide direct primary insurance for the lessor and
  - (b) The "auto" is leased without a driver.

Such a leased "auto" will be considered a covered "auto" you own and not a covered "auto" you hire.

##### **g. Additional Insured if Required by Contract**

- (1) When you have agreed, in a written contract or written agreement, that a person or organization be added as an additional insured on your business auto policy, such person or organization is an "insured", but only to the extent such person or organization is liable for "bodily injury" or "property damage" caused by the conduct of an "insured" under paragraphs a. or b. of Who Is An Insured with regard to the ownership, maintenance or use of a covered "auto."

The insurance afforded to any such additional insured applies only if the "bodily injury" or "property damage" occurs:

- (a) During the policy period, and
- (b) Subsequent to the execution of such written contract, and

- (c) Prior to the expiration of the period of time that the written contract requires such insurance be provided to the additional insured.

(2) How Limits Apply

If you have agreed in a written contract or written agreement that another person or organization be added as an additional insured on your policy, the most we will pay on behalf of such additional insured is the lesser of:

- (a) The limits of insurance specified in the written contract or written agreement; or
- (b) The Limits of Insurance shown in the Declarations.

Such amount shall be a part of and not in addition to Limits of Insurance shown in the Declarations and described in this Section.

(3) Additional Insureds Other Insurance

If we cover a claim or "suit" under this Coverage Part that may also be covered by other insurance available to an additional insured, such additional insured must submit such claim or "suit" to the other insurer for defense and indemnity.

However, this provision does not apply to the extent that you have agreed in a written contract or written agreement that this insurance is primary and non-contributory with the additional insured's own insurance.

(4) Duties in The Event Of Accident, Claim, Suit or Loss

If you have agreed in a written contract or written agreement that another person or organization be added as an additional insured on your policy, the additional insured shall be required to comply with the provisions in LOSS CONDITIONS 2. - DUTIES IN THE EVENT OF ACCIDENT, CLAIM, SUIT OR LOSS – OF SECTION IV – BUSINESS AUTO CONDITIONS, in the same manner as the Named Insured.

**2. Primary and Non-Contributory if Required by Contract**

Only with respect to insurance provided to an additional insured in A.1.g. - Additional Insured If Required by Contract, the following provisions apply:

- (1) Primary Insurance When Required By Contract

This insurance is primary if you have agreed in a written contract or written agreement that this insurance be primary. If other insurance is also primary, we will share with all that other insurance by the method described in Other Insurance 5.d.

(2) Primary And Non-Contributory To Other Insurance When Required By Contract

If you have agreed in a written contract or written agreement that this insurance is primary and non-contributory with the additional insured's own insurance, this insurance is primary and we will not seek contribution from that other insurance.

Paragraphs (1) and (2) do not apply to other insurance to which the additional insured has been added as an additional insured.

When this insurance is excess, we will have no duty to defend the insured against any "suit" if any other insurer has a duty to defend the insured against that "suit". If no other insurer defends, we will undertake to do so, but we will be entitled to the insured's rights against all those other insurers.

When this insurance is excess over other insurance, we will pay only our share of the amount of the loss, if any, that exceeds the sum of:

- (1) The total amount that all such other insurance would pay for the loss in the absence of this insurance; and
- (2) The total of all deductible and self-insured amounts under all that other insurance.

We will share the remaining loss, if any, by the method described in SECTION IV- Business Auto Conditions, B. General Conditions, Other Insurance 5.d.

**3. AUTOS RENTED BY EMPLOYEES**

Any "auto" hired or rented by your "employee" on your behalf and at your direction will be considered an "auto" you hire.

The SECTION IV- Business Auto Conditions, B. General Conditions, 5. OTHER INSURANCE Condition is amended by adding the following:

- e. If an "employee's" personal insurance also applies on an excess basis to a covered "auto" hired or rented by your "employee" on your behalf and at your direction, this insurance will be primary to the "employee's" personal insurance.

#### 4. AMENDED FELLOW EMPLOYEE EXCLUSION

EXCLUSION 5. - FELLOW EMPLOYEE - of SECTION II - LIABILITY COVERAGE does not apply if you have workers' compensation insurance in-force covering all of your "employees".

Coverage is excess over any other collectible insurance.

#### 5. HIRED AUTO PHYSICAL DAMAGE COVERAGE

If hired "autos" are covered "autos" for Liability Coverage and if Comprehensive, Specified Causes of Loss, or Collision coverages are provided under this Coverage Form for any "auto" you own, then the Physical Damage Coverages provided are extended to "autos" you hire or borrow, subject to the following limit.

The most we will pay for "loss" to any hired "auto" is:

- (1) \$100,000;
- (2) The actual cash value of the damaged or stolen property at the time of the "loss"; or
- (3) The cost of repairing or replacing the damaged or stolen property,

whichever is smallest, minus a deductible. The deductible will be equal to the largest deductible applicable to any owned "auto" for that coverage. No deductible applies to "loss" caused by fire or lightning. Hired Auto Physical Damage coverage is excess over any other collectible insurance. Subject to the above limit, deductible and excess provisions, we will provide coverage equal to the broadest coverage applicable to any covered "auto" you own.

We will also cover loss of use of the hired "auto" if it results from an "accident", you are legally liable and the lessor incurs an actual financial loss, subject to a maximum of \$1000 per "accident".

This extension of coverage does not apply to any "auto" you hire or borrow from any of your "employees", partners (if you are a partnership), members (if you are a limited liability company), or members of their households.

#### 6. PHYSICAL DAMAGE - ADDITIONAL TEMPORARY TRANSPORTATION EXPENSE COVERAGE

Paragraph A.4.a. of SECTION III - PHYSICAL DAMAGE COVERAGE is amended to provide a limit of \$50 per day and a maximum limit of \$1,000.

#### 7. LOAN/LEASE GAP COVERAGE

Under SECTION III - PHYSICAL DAMAGE COVERAGE, in the event of a total "loss" to a covered "auto", we will pay your additional legal

obligation for any difference between the actual cash value of the "auto" at the time of the "loss" and the "outstanding balance" of the loan/lease.

"Outstanding balance" means the amount you owe on the loan/lease at the time of "loss" less any amounts representing taxes; overdue payments; penalties, interest or charges resulting from overdue payments; additional mileage charges; excess wear and tear charges; lease termination fees; security deposits not returned by the lessor; costs for extended warranties, credit life Insurance, health, accident or disability insurance purchased with the loan or lease; and carry-over balances from previous loans or leases.

#### 8. AIRBAG COVERAGE

Under Paragraph B. EXCLUSIONS - of SECTION III - PHYSICAL DAMAGE COVERAGE, the following is added:

The exclusion relating to mechanical breakdown does not apply to the accidental discharge of an airbag.

#### 9. ELECTRONIC EQUIPMENT - BROADENED COVERAGE

a. The exceptions to Paragraphs B.4 - EXCLUSIONS - of SECTION III - PHYSICAL DAMAGE COVERAGE are replaced by the following:

Exclusions 4.c. and 4.d. do not apply to equipment designed to be operated solely by use of the power from the "auto's" electrical system that, at the time of "loss", is:

- (1) Permanently installed in or upon the covered "auto";
- (2) Removable from a housing unit which is permanently installed in or upon the covered "auto";
- (3) An integral part of the same unit housing any electronic equipment described in Paragraphs (1) and (2) above; or
- (4) Necessary for the normal operation of the covered "auto" or the monitoring of the covered "auto's" operating system.

b. Section III, Physical Damage Coverage, Limit of Insurance, Paragraph C.2. is amended to add the following:

\$1,500 is the most we will pay for "loss" in any one "accident" to all electronic equipment (other than equipment designed solely for the reproduction of sound, and accessories used with such equipment) that reproduces, receives or transmits audio, visual or data signals which, at the time of "loss", is:

(1) Permanently installed in or upon the covered "auto" in a housing, opening or other location that is not normally used by the "auto" manufacturer for the installation of such equipment;

(2) Removable from a permanently installed housing unit as described in Paragraph 2.a. above or is an integral part of that equipment; or

(3) An integral part of such equipment.

c. For each covered "auto", should loss be limited to electronic equipment only, our obligation to pay for, repair, return or replace damaged or stolen electronic equipment will be reduced by the applicable deductible shown in the Declarations, or \$250, whichever deductible is less.

#### **10. EXTRA EXPENSE - BROADENED COVERAGE**

Under Paragraph A. - COVERAGE - of SECTION III - PHYSICAL DAMAGE COVERAGE, we will pay for the expense of returning a stolen covered "auto" to you.

#### **11. GLASS REPAIR - WAIVER OF DEDUCTIBLE**

Under Paragraph D. - DEDUCTIBLE - of SECTION III - PHYSICAL DAMAGE COVERAGE, the following is added:

No deductible applies to glass damage if the glass is repaired rather than replaced.

#### **12. TWO OR MORE DEDUCTIBLES**

Under Paragraph D. - DEDUCTIBLE - of SECTION III - PHYSICAL DAMAGE COVERAGE, the following is added:

If another Hartford Financial Services Group, Inc. company policy or coverage form that is not an automobile policy or coverage form applies to the same "accident", the following applies:

(1) If the deductible under this Business Auto Coverage Form is the smaller (or smallest) deductible, it will be waived;

(2) If the deductible under this Business Auto Coverage Form is not the smaller (or smallest) deductible, it will be reduced by the amount of the smaller (or smallest) deductible.

#### **13. AMENDED DUTIES IN THE EVENT OF ACCIDENT, CLAIM, SUIT OR LOSS**

The requirement in LOSS CONDITIONS 2.a. - DUTIES IN THE EVENT OF ACCIDENT, CLAIM, SUIT OR LOSS - of SECTION IV - BUSINESS AUTO CONDITIONS that you must notify us of an "accident" applies only when the "accident" is known to:

(1) You, if you are an individual;

(2) A partner, if you are a partnership;

(3) A member, if you are a limited liability company; or

(4) An executive officer or insurance manager, if you are a corporation.

#### **14. UNINTENTIONAL FAILURE TO DISCLOSE HAZARDS**

If you unintentionally fail to disclose any hazards existing at the inception date of your policy, we will not deny coverage under this Coverage Form because of such failure.

#### **15. HIRED AUTO - COVERAGE TERRITORY**

SECTION IV, BUSINESS AUTO CONDITIONS, PARAGRAPH B. GENERAL CONDITIONS, 7. - POLICY PERIOD, COVERAGE TERRITORY - is added to include the following:

(6) For short-term hired "autos", the coverage territory with respect to Liability Coverage is anywhere in the world provided that if the "insured's" responsibility to pay damages for "bodily injury" or "property damage" is determined in a "suit," the "suit" is brought in the United States of America, the territories and possessions of the United States of America, Puerto Rico or Canada or in a settlement we agree to.

#### **16. WAIVER OF SUBROGATION**

Paragraph 5. TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US - of SECTION IV - BUSINESS AUTO CONDITIONS A. Loss Conditions is amended by adding the following:

We waive any right of recovery we may have against any person or organization with whom you have a written contract that requires such waiver because of payments we make for damages under this Coverage Form.

#### **17. RESULTANT MENTAL ANGUISH COVERAGE**

The definition of "bodily injury" in SECTION V-DEFINITIONS, C. is replaced by the following:

"Bodily injury" means bodily injury, sickness or disease sustained by any person, including mental anguish or death resulting from any of these.

#### **18. EXTENDED CANCELLATION CONDITION**

Paragraph 2. of the COMMON POLICY CONDITIONS - CANCELLATION - applies except as follows:

If we cancel for any reason other than nonpayment of premium, we will mail or deliver to the first Named Insured written notice of cancellation at least 60 days before the effective date of cancellation.

## **19. HYBRID, ELECTRIC, OR NATURAL GAS VEHICLE PAYMENT COVERAGE**

In the event of a total loss to a "non-hybrid" auto for which Comprehensive, Specified Causes of Loss, or Collision coverages are provided under this Coverage Form, then such Physical Damage Coverages are amended as follows:

- a. If the auto is replaced with a "hybrid" auto or an auto powered solely by electricity or natural gas, we will pay an additional 10%, to a maximum of \$2,500, of the "non-hybrid" auto's actual cash value or replacement cost, whichever is less,
- b. The auto must be replaced and a copy of a bill of sale or new lease agreement received by us within 60 calendar days of the date of "loss,"
- c. Regardless of the number of autos deemed a total loss, the most we will pay under this Hybrid, Electric, or Natural Gas Vehicle Payment Coverage provision for any one "loss" is \$10,000.

For the purposes of the coverage provision,

- a. A "non-hybrid" auto is defined as an auto that uses only an internal combustion engine to move the auto but does not include autos powered solely by electricity or natural gas.

- b. A "hybrid" auto is defined as an auto with an internal combustion engine and one or more electric motors; and that uses the internal combustion engine and one or more electric motors to move the auto, or the internal combustion engine to charge one or more electric motors, which move the auto.

## **20. VEHICLE WRAP COVERAGE**

In the event of a total loss to an "auto" for which Comprehensive, Specified Causes of Loss, or Collision coverages are provided under this Coverage Form, then such Physical Damage Coverages are amended to add the following:

In addition to the actual cash value of the "auto", we will pay up to \$1,000 for vinyl vehicle wraps which are displayed on the covered "auto" at the time of total loss. Regardless of the number of autos deemed a total loss, the most we will pay under this Vehicle Wrap Coverage provision for any one "loss" is \$5,000. For purposes of this coverage provision, signs or other graphics painted or magnetically affixed to the vehicle are not considered vehicle wraps.





**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **PER PROJECT- AMENDMENT OF GENERAL AGGREGATE SUBJECT TO MAXIMUM ANNUAL AGGREGATE LIMIT**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

### **SCHEDULE**

**LIMITS OF INSURANCE:**

The Limits of Insurance shown in the Declarations are amended by the following:

The Limits of Insurance, subject to all the terms of this policy that apply, are:

Each Occurrence Limit	\$	See Declarations Page
Personal and Advertising Injury Limit	\$	See Declarations Page
Damage to Premises Rented to You – Any One Premises	\$	See Declarations Page
Medical Expense Limit - Any One Person	\$	See Declarations Page
General Aggregate Limit	\$	2,000,000
Project General Aggregate Limit	\$	2,000,000
Maximum Annual Aggregate Limit	\$	2,000,000
Products-Completed Operations Aggregate Limit	\$	See Declarations Page

In return for the payment of the premium when due and subject to all the terms of the Commercial General Liability Coverage Part not expressly modified herein, we agree with you as follows:

**A. The LIMITS OF INSURANCE (SECTION III)** is deleted in its entirety and replaced with the following:

**1. The Most We Will Pay**

The Limits of Insurance shown in the above Schedule and the rules below fix the most we will pay regardless of the number of:

- a. Insureds;
- b. Claims made or "suits" brought; or
- c. Persons or organizations making claims or bringing "suits".

**2. Maximum Annual Aggregate**

The Maximum Annual Aggregate Limit is the most we will pay for the sum of:

- a. Damages under the General Aggregate Limit and

**b.** Damages under any one or more Project General Aggregate Limit(s), as described in paragraph **4.** below.

**3. General Aggregate Limit**

Subject to **2.** above, the General Aggregate Limit is the most we will pay for the sum of:

- a. Damages under **Coverage B Personal and Advertising Injury Liability**; and
- b. Damages under **Coverage C Medical Payments, and Coverage A Bodily Injury and Property Damage Liability**, with the following exceptions:
  - (1) "Bodily injury" or "property damage" included in the "products-completed operations hazard"; or

(2) "Bodily injury" or "property damage" attributed solely to ongoing operations at a single "project";

c. "Property damage" included as **Damage to Premises Rented to You**.

#### 4. Project General Aggregate Limit

Subject to 2. above:

a. A separate Project General Aggregate Limit applies to each single "project", in lieu of and not in addition to, the General Aggregate. Such Project General Aggregate is the most we will pay for all damages under **Coverage A Bodily Injury and Property Damage Liability**, or **Coverage C Medical Payments**, with the following exceptions:

(1) "Bodily injury" or "property damage" included in the "products-completed operations hazard"; or

(2) "Property damage" included in the Damage to Premises Rented to You coverage; or

(3) "Bodily injury", "property damage", or medical expenses under **Coverage C**, which cannot be attributed solely to the ongoing operations at a single "project". Such damages will erode the General Aggregate Limit as provided in paragraph 3. above.

b. The Project General Aggregate Limit:

(1) Applies only to "occurrences" attributed solely to ongoing operations at a single "project"; and

(2) Does not include damages for **Coverage B Personal and Advertising Injury Liability**, no matter where or in how many "projects" the offense or offenses may be committed. Such damages will erode the General Aggregate Limit as provided in paragraph 3. above.

c. Any payments made under this paragraph 4., for damages for "bodily injury", "property damage", or medical expenses under Coverage C, shall reduce the Maximum Annual Aggregate Limit and the Project General Aggregate for that "project". Such payments shall not reduce the General Aggregate Limit or the Products-Completed Operations Aggregate Limit nor shall they reduce any other Project General Aggregate Limit.

#### 5. Products-Completed Operations Aggregate Limit

The Products-Completed Operations Aggregate Limit is the most we will pay for damages under **Coverage A - Bodily Injury and Property Damage Liability** because of "bodily injury" and "property damage" included in the "products-completed operations hazard".

#### 6. Personal And Advertising Injury Limit

Subject to 3. above, the Personal and Advertising Injury Limit is the most we will pay under **Coverage B Personal and Advertising Injury Liability** for the sum of all damages because of all "personal and advertising injury" sustained by any one person or organization.

#### 7. Occurrence Limit

Subject to 3., 4., or 5. above, whichever applies, the Each Occurrence Limit is the most we will pay for damages under **Coverage A - Bodily Injury and Property Damage Liability** because of "bodily injury" or "property damage" arising out of any one "occurrence".

#### 8. Damages To Premises Rented To You Limit

Subject to 7. above, the Damage to Premises Rented to You Limit is the most we will pay for damages because of "property damage" to any one premises, while rented to you, or in the case of damage by fire, lightning or explosion, while rented to you or temporarily occupied by you with permission of the owner.

In the case of damage by fire, lightning or explosion, the Damage to Premises Rented to You Limit applies to all damage proximately caused by the same event, whether such damage results from fire, lightning or explosion or any combination of these.

The Damage to Premises Rented to You Coverage is not subject to any Project General Aggregate Limit, but will erode the General Aggregate Limit.

#### 9. Medical Expense Limit

Subject to 3. or 4. above, whichever applies, the Medical Expense Any One Person Limit is the most we will pay under **Coverage C Medical Payments** for all medical expenses because of "bodily injury" sustained by any one person.

Such Medical Payments Coverage is subject to either the Project General Aggregate Limit or the General Aggregate Limit as provided in paragraphs **3.** or **4.** above.

**10. How Limits Apply To Additional Insureds**

If you have agreed in a written contract or written agreement that another person or organization be added as an additional insured on your policy, the most we will pay on behalf of such additional insured is the lesser of:

- (1) The limits of insurance specified in the written contract or written agreement; or
- (2) The Limits of Insurance shown in the Declarations.

Such amount shall be a part of and not in addition to Limits of Insurance shown in the Declarations and described in this Section.

**11. If More Than One Limit of Insurance Applies**

If more than one limit of insurance under this Coverage Part and any endorsements attached thereto applies to any claim or "suit", the most we will pay under this Coverage Part and such endorsements is the single highest limit of liability of all coverages applicable to such claim or "suit".

However, this paragraph **11.** does not apply to the Medical Expense Limit for Coverage **C.**

The Limits of Insurance of this Coverage Part apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations, unless the policy period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limits of Insurance.

- B.** For the purposes of this endorsement, the Definitions Section is amended by the addition of the following definition:

"Project" means a jobsite including premises involving the same or connecting lots, or premises whose connection is interrupted only by a street, roadway, waterway or right of way of a railroad.

If a "project" has been abandoned, delayed, or abandoned and then restarted, or if the authorized contracting parties deviate from plans, blueprints, designs, specifications or timetables, the project will still be deemed as the same project.



# COMMERCIAL GENERAL LIABILITY COVERAGE FORM

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations, and any other person or organization qualifying as a Named Insured under this policy. The words "we", "us" and "our" refer to the stock insurance company member of The Hartford providing this insurance.

The word "insured" means any person or organization qualifying as such under Section II - Who Is An Insured.

Other words and phrases that appear in quotation marks have special meaning. Refer to Section V - Definitions.

## SECTION I - COVERAGES

### COVERAGE A BODILY INJURY AND PROPERTY DAMAGE LIABILITY

#### 1. Insuring Agreement

a. We will pay those sums that the insured becomes legally obligated to pay as damages because of "bodily injury" or "property damage" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages for "bodily injury" or "property damage" to which this insurance does not apply. We may, at our discretion, investigate any "occurrence" and settle any claim or "suit" that may result. But:

- (1) The amount we will pay for damages is limited as described in Section III - Limits Of Insurance; and
- (2) Our right and duty to defend ends when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverages A or B or medical expenses under Coverage C.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments - Coverages A and B.

b. This insurance applies to "bodily injury" and "property damage" only if:

- (1) The "bodily injury" or "property damage" is caused by an "occurrence" that takes place in the "coverage territory";
  - (2) The "bodily injury" or "property damage" occurs during the policy period; and
  - (3) Prior to the policy period, no insured listed under Paragraph 1. of Section II - Who Is An Insured and no "employee" authorized by you to give or receive notice of an "occurrence" or claim, knew that the "bodily injury" or "property damage" had occurred, in whole or in part. If such a listed insured or authorized "employee" knew, prior to the policy period, that the "bodily injury" or "property damage" occurred, then any continuation, change or resumption of such "bodily injury" or "property damage" during or after the policy period will be deemed to have been known prior to the policy period.
- c. "Bodily injury" or "property damage" will be deemed to have been known to have occurred at the earliest time when any insured listed under Paragraph 1. of Section II - Who Is An Insured or any "employee" authorized by you to give or receive notice of an "occurrence" or claim:
- (1) Reports all, or any part, of the "bodily injury" or "property damage" to us or any other insurer;
  - (2) Receives a written or verbal demand or claim for damages because of the "bodily injury" or "property damage"; or
  - (3) Becomes aware by any other means that "bodily injury" or "property damage" has occurred or has begun to occur.
- d. Damages because of "bodily injury" include damages claimed by any person or organization for care, loss of services or death resulting at any time from the "bodily injury".
- e. **Incidental Medical Malpractice And Good Samaritan Coverage**
- "Bodily injury" arising out of the rendering of or failure to render the following health care services by any "employee" or "volunteer worker" shall be deemed to be caused by an "occurrence" for:

- (1) Professional health care services such as:
  - (a) Medical, surgical, dental, laboratory, x-ray or nursing services or treatment, advice or instruction, or the related furnishing of food or beverages;
  - (b) Any health or therapeutic service, treatment, advice or instruction; or
  - (c) The furnishing or dispensing of drugs or medical, dental, or surgical supplies or appliances; or
- (2) First aid services, which include:
  - (a) Cardiopulmonary resuscitation, whether performed manually or with a defibrillator; or
  - (b) Services performed as a Good Samaritan.

For the purpose of determining the limits of insurance, any act or omission together with all related acts or omissions in the furnishing of these services to any one person will be considered one "occurrence".

However, this Incidental Medical Malpractice And Good Samaritan Coverage provision applies only if you are not engaged in the business or occupation of providing any of the services described in this provision.

## 2. Exclusions

This insurance does not apply to:

### a. Expected Or Intended Injury

"Bodily injury" or "property damage" expected or intended from the standpoint of the insured. This exclusion does not apply to "bodily injury" or "property damage" resulting from the use of reasonable force to protect persons or property.

### b. Contractual Liability

"Bodily injury" or "property damage" for which the insured is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages:

- (1) That the insured would have in the absence of the contract or agreement; or
- (2) Assumed in a contract or agreement that is an "insured contract", provided the "bodily injury" or "property damage" occurs subsequent to the execution of the contract or agreement. Solely for the purposes of liability assumed in an "insured contract", reasonable attorney fees and necessary litigation expenses incurred by or for a party other than an insured are deemed to be damages because of "bodily injury" or "property damage", provided:

- (a) Liability to such party for, or for the cost of, that party's defense has also been assumed in the same "insured contract"; and
- (b) Such attorney fees and litigation expenses are for defense of that party against a civil or alternative dispute resolution proceeding in which damages to which this insurance applies are alleged.

### c. Liquor Liability

"Bodily injury" or "property damage" for which any insured may be held liable by reason of:

- (1) Causing or contributing to the intoxication of any person;
- (2) The furnishing of alcoholic beverages to a person under the legal drinking age or under the influence of alcohol; or
- (3) Any statute, ordinance or regulation relating to the sale, gift, distribution or use of alcoholic beverages.

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in:

- (a) The supervision, hiring, employment, training or monitoring of others by that insured; or
- (b) Providing or failing to provide transportation with respect to any person that may be under the influence of alcohol;

if the "occurrence" which caused the "bodily injury" or "property damage", involved that which is described in Paragraph (1), (2) or (3) above.

However, this exclusion applies only if you are in the business of manufacturing, distributing, selling, serving or furnishing alcoholic beverages. For the purposes of this exclusion, permitting a person to bring alcoholic beverages on your premises, for consumption on your premises, whether or not a fee is charged or a license is required for such activity, is not by itself considered the business of selling, serving or furnishing alcoholic beverages.

### d. Workers' Compensation And Similar Laws

Any obligation of the insured under a workers' compensation, disability benefits or unemployment compensation law or any similar law.

### e. Employer's Liability

"Bodily injury" to:

- (1) An "employee" of the insured arising out of and in the course of:

- (a) Employment by the insured; or
- (b) Performing duties related to the conduct of the insured's business; or
- (2) The spouse, child, parent, brother or sister of that "employee" as a consequence of Paragraph (1) above.

This exclusion applies:

- (1) Whether the insured may be liable as an employer or in any other capacity; and
- (2) To any obligation to share damages with or repay someone else who must pay damages because of the injury.

This exclusion does not apply to liability assumed by the insured under an "insured contract".

#### f. Pollution

- (1) "Bodily injury" or "property damage" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants":

- (a) At or from any premises, site or location which is or was at any time owned or occupied by, or rented or loaned to, any insured. However, this subparagraph does not apply to:

- (i) "Bodily injury" if sustained within a building and caused by smoke, fumes, vapor or soot produced by or originating from equipment that is used to heat, cool or dehumidify the building, or equipment that is used to heat water for personal use, by the building's occupants or their guests;
- (ii) "Bodily injury" or "property damage" for which you may be held liable, if you are a contractor and the owner or lessee of such premises, site or location has been added to your policy as an additional insured with respect to your ongoing operations performed for that additional insured at that premises, site or location and such premises, site or location is not and never was owned or occupied by, or rented or loaned to, any insured, other than that additional insured; or
- (iii) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire";

- (b) At or from any premises, site or location which is or was at any time used by or for any insured or others for the handling, storage, disposal, processing or treatment of waste;

- (c) Which are or were at any time transported, handled, stored, treated, disposed of, or processed as waste by or for:

- (i) Any insured; or
- (ii) Any person or organization for whom you may be legally responsible;

- (d) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the "pollutants" are brought on or to the premises, site or location in connection with such operations by such insured, contractor or subcontractor. However, this subparagraph does not apply to:

- (i) "Bodily injury" or "property damage" arising out of the escape of fuels, lubricants or other operating fluids which are needed to perform the normal electrical, hydraulic or mechanical functions necessary for the operation of "mobile equipment" or its parts, if such fuels, lubricants or other operating fluids escape from a vehicle part designed to hold, store or receive them. This exception does not apply if the "bodily injury" or "property damage" arises out of the intentional discharge, dispersal or release of the fuels, lubricants or other operating fluids, or if such fuels, lubricants or other operating fluids are brought on or to the premises, site or location with the intent that they be discharged, dispersed or released as part of the operations being performed by such insured, contractor or subcontractor;

- (ii) "Bodily injury" or "property damage" sustained within a building and caused by the release of gases, fumes or vapors from materials brought into that building in connection with operations being performed by you or on your behalf by a contractor or subcontractor; or
- (iii) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire"; or

- (e) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the

operations are to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants".

(2) Any loss, cost or expense arising out of any:

(a) Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or

(b) Claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".

However, this paragraph does not apply to liability for damages because of "property damage" that the insured would have in the absence of such request, demand, order or statutory or regulatory requirement, or such claim or "suit" by or on behalf of a governmental authority.

**g. Aircraft, Auto Or Watercraft**

"Bodily injury" or "property damage" arising out of the ownership, maintenance, use or entrustment to others of any aircraft, "auto" or watercraft owned or operated by or rented or loaned to any insured. Use includes operation and "loading or unloading".

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury" or "property damage" involved the ownership, maintenance, use or entrustment to others of any aircraft, "auto" or watercraft that is owned or operated by or rented or loaned to any insured.

This exclusion does not apply to:

(1) A watercraft while ashore on premises you own or rent;

(2) A watercraft you do not own that is:  
(a) Less than 51 feet long; and  
(b) Not being used to carry persons for a charge;

(3) Parking an "auto" on, or on the ways next to, premises you own or rent, provided the "auto" is not owned by or rented or loaned to you or the insured;

(4) Liability assumed under any "insured contract" for the ownership, maintenance or use of aircraft or watercraft;

(5) "Bodily injury" or "property damage" arising out of:

(a) The operation of machinery or equipment that is attached to, or part of, a land vehicle that would qualify under the definition of "mobile equipment" if it were not subject to a compulsory or financial responsibility law or other motor vehicle insurance law where it is licensed or principally garaged; or

(b) The operation of any of the machinery or equipment listed in Paragraph **f.(2)** or **f.(3)** of the definition of "mobile equipment"; or

(6) An aircraft that is not owned by any insured and is hired, chartered or loaned with a paid crew. However, this exception does not apply if the insured has any other insurance for such "bodily injury" or "property damage", whether the other insurance is primary, excess, contingent or on any other basis.

**h. Mobile Equipment**

"Bodily injury" or "property damage" arising out of:

(1) The transportation of "mobile equipment" by an "auto" owned or operated by or rented or loaned to any insured; or

(2) The use of "mobile equipment" in, or while in practice for, or while being prepared for, any prearranged racing, speed, demolition, or stunting activity.

**i. War**

"Bodily injury" or "property damage", however caused, arising, directly or indirectly, out of:

(1) War, including undeclared or civil war;

(2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or

(3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

**j. Damage To Property**

"Property damage" to:

(1) Property you own, rent, or occupy, including any costs or expenses incurred by you, or any other person, organization or entity, for repair, replacement,

enhancement, restoration or maintenance of such property for any reason, including prevention of injury to a person or damage to another's property;

- (2) Premises you sell, give away or abandon, if the "property damage" arises out of any part of those premises;
- (3) Property loaned to you;
- (4) Personal property in the care, custody or control of the insured;
- (5) That particular part of real property on which you or any contractors or subcontractors working directly or indirectly on your behalf are performing operations, if the "property damage" arises out of those operations; or
- (6) That particular part of any property that must be restored, repaired or replaced because "your work" was incorrectly performed on it.

Paragraphs (1), (3) and (4) of this exclusion do not apply to "property damage" (other than damage by fire) to premises, including the contents of such premises, rented to you for a period of seven or fewer consecutive days. A separate limit of insurance applies to Damage To Premises Rented To You as described in Section III - Limits Of Insurance.

Paragraph (2) of this exclusion does not apply if the premises are "your work" and were never occupied, rented or held for rental by you.

Paragraphs (3) and (4) of this exclusion do not apply to "property damage" arising from the use of elevators.

Paragraphs (3), (4), (5) and (6) of this exclusion do not apply to liability assumed under a sidetrack agreement.

Paragraphs (3) and (4) of this exclusion do not apply to "property damage" to borrowed equipment while not being used to perform operations at the job site.

Paragraph (6) of this exclusion does not apply to "property damage" included in the "products-completed operations hazard".

#### **k. Damage To Your Product**

"Property damage" to "your product" arising out of it or any part of it.

#### **l. Damage To Your Work**

"Property damage" to "your work" arising out of it or any part of it and included in the "products-completed operations hazard".

This exclusion does not apply if the damaged work or the work out of which the damage arises was performed on your behalf by a subcontractor.

#### **m. Damage To Impaired Property Or Property Not Physically Injured**

"Property damage" to "impaired property" or property that has not been physically injured, arising out of:

- (1) A defect, deficiency, inadequacy or dangerous condition in "your product" or "your work"; or
- (2) A delay or failure by you or anyone acting on your behalf to perform a contract or agreement in accordance with its terms.

This exclusion does not apply to the loss of use of other property arising out of sudden and accidental physical injury to "your product" or "your work" after it has been put to its intended use.

#### **n. Recall Of Products, Work Or Impaired Property**

Damages claimed for any loss, cost or expense incurred by you or others for the loss of use, withdrawal, recall, inspection, repair, replacement, adjustment, removal or disposal of:

- (1) "Your product";
- (2) "Your work"; or
- (3) "Impaired property";

if such product, work, or property is withdrawn or recalled from the market or from use by any person or organization because of a known or suspected defect, deficiency, inadequacy or dangerous condition in it.

#### **o. Personal And Advertising Injury**

"Bodily injury" arising out of "personal and advertising injury".

#### **p. Access Or Disclosure Of Confidential Or Personal Information And Data-related Liability**

Damages arising out of:

- (1) Any access to or disclosure of any person's or organization's confidential or personal information, including patents, trade secrets, processing methods, customer lists, financial information, credit card information, health information or any other type of nonpublic information; or
- (2) The loss of, loss of use of, damage to, corruption of, inability to access, or inability to manipulate electronic data.

This exclusion applies even if damages are claimed for notification costs, credit monitoring expenses, forensic expenses, public relations expenses or any other loss, cost or expense incurred by you or others arising out of that which is described in Paragraph (1) or (2) above.



However, unless Paragraph (1) above applies, this exclusion does not apply to damages because of "bodily injury".

As used in this exclusion, electronic data means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMS, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

**q. Employment-Related Practices**

"Bodily injury" to:

- (1) A person arising out of any "employment-related practices"; or
- (2) The spouse, child, parent, brother or sister of that person as a consequence of "bodily injury" to that person at whom any "employment-related practices" are directed.

This exclusion applies:

- (1) Whether the injury-causing event described in the definition of "employment-related practices" occurs before employment, during employment or after employment of that person;
- (2) Whether the insured may be liable as an employer or in any other capacity; and
- (3) To any obligation to share damages with or repay someone else who must pay damages because of the injury.

**r. Asbestos**

- (1) "Bodily injury" or "property damage" arising out of the "asbestos hazard".
- (2) Any damages, judgments, settlements, loss, costs or expenses that:
  - (a) May be awarded or incurred by reason of any claim or suit alleging actual or threatened injury or damage of any nature or kind to persons or property which would not have occurred in whole or in part but for the "asbestos hazard";
  - (b) Arise out of any request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, encapsulate, contain, treat, detoxify or neutralize or in any way respond to or assess the effects of an "asbestos hazard"; or
  - (c) Arise out of any claim or suit for damages because of testing for, monitoring, cleaning up, removing, encapsulating, containing, treating,

detoxifying or neutralizing or in any way responding to or assessing the effects of an "asbestos hazard".

**s. Recording And Distribution Of Material Or Information In Violation Of Law**

"Bodily injury" or "property damage" arising directly or indirectly out of any action or omission that violates or is alleged to violate:

- (1) The Telephone Consumer Protection Act (TCPA), including any amendment of or addition to such law;
- (2) The CAN-SPAM Act of 2003, including any amendment of or addition to such law;
- (3) The Fair Credit Reporting Act (FCRA), and any amendment of or addition to such law, including the Fair and Accurate Credit Transaction Act (FACTA); or
- (4) Any federal, state or local statute, ordinance or regulation, other than the TCPA or CAN-SPAM Act of 2003 or FCRA and their amendments and additions, that addresses, prohibits or limits the printing, dissemination, disposal, collecting, recording, sending, transmitting, communicating or distribution of material or information.

**Damage To Premises Rented To You - Exception For Damage By Fire, Lightning Or Explosion**

Exclusions c. through h. and j. through n. do not apply to damage by fire, lightning or explosion to premises while rented to you or temporarily occupied by you with permission of the owner. A separate limit of insurance applies to this coverage as described in Section III - Limits Of Insurance.

**COVERAGE B PERSONAL AND ADVERTISING INJURY LIABILITY**

**1. Insuring Agreement**

- a. We will pay those sums that the insured becomes legally obligated to pay as damages because of "personal and advertising injury" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages for "personal and advertising injury" to which this insurance does not apply. We may, at our discretion, investigate any offense and settle any claim or "suit" that may result. But:
  - (1) The amount we will pay for damages is limited as described in Section III - Limits Of Insurance; and
  - (2) Our right and duty to defend end when we have used up the applicable limit of insurance in the payment of judgments or

settlements under Coverages A or B or medical expenses under Coverage C.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments - Coverages A and B.

- b. This insurance applies to "personal and advertising injury" caused by an offense arising out of your business but only if the offense was committed in the "coverage territory" during the policy period.

## 2. Exclusions

This insurance does not apply to:

### a. Knowing Violation Of Rights Of Another

"Personal and advertising injury" arising out of an offense committed by, at the direction or with the consent or acquiescence of the insured with the expectation of inflicting "personal and advertising injury".

### b. Material Published With Knowledge Of Falsity

"Personal and advertising injury" arising out of oral, written or electronic publication, in any manner, of material, if done by or at the direction of the insured with knowledge of its falsity.

### c. Material Published Prior To Policy Period

"Personal and advertising injury" arising out of oral, written or electronic publication, in any manner, of material whose first publication took place before the beginning of the policy period.

### d. Criminal Acts

"Personal and advertising injury" arising out of a criminal act committed by or at the direction of the insured.

### e. Contractual Liability

"Personal and advertising injury" for which the insured has assumed liability in a contract or agreement. This exclusion does not apply to liability for damages that the insured would have in the absence of the contract or agreement.

### f. Breach Of Contract

"Personal and advertising injury" arising out of a breach of contract, except an implied contract to use another's "advertising idea" in your "advertisement".

### g. Quality Or Performance Of Goods - Failure To Conform To Statements

"Personal and advertising injury" arising out of the failure of goods, products or services to conform with any statement of quality or performance made in your "advertisement".

## h. Wrong Description Of Prices

"Personal and advertising injury" arising out of the wrong description of the price of goods, products or services.

## i. Infringement Of Intellectual Property Rights

- (1) "Personal and advertising injury" arising out of any actual or alleged infringement or violation of any intellectual property rights such as copyright, patent, trademark, trade name, trade secret, trade dress, service mark or other designation of origin or authenticity; or
- (2) Any injury or damage alleged in any claim or "suit" that also alleges an infringement or violation of any intellectual property right, whether such allegation of infringement or violation is made by you or by any other party involved in the claim or "suit", regardless of whether this insurance would otherwise apply.

However, this exclusion does not apply if the only allegation in the claim or "suit" involving any intellectual property right is limited to:

- (1) Infringement, in your "advertisement", of:
  - (a) Copyright;
  - (b) Slogan; or
  - (c) Title of any literary or artistic work; or
- (2) Copying, in your "advertisement", a person's or organization's "advertising idea" or style of "advertisement".

## j. Insureds In Media And Internet Type Businesses

"Personal and advertising injury" committed by an insured whose business is:

- (1) Advertising, broadcasting, publishing or telecasting;
- (2) Designing or determining content of web sites for others; or
- (3) An Internet search, access, content or service provider.

However, this exclusion does not apply to Paragraphs a., b. and c. of the definition of "personal and advertising injury" under the Definitions Section.

For the purposes of this exclusion, the placing of frames, borders or links, or advertising, for you or others anywhere on the Internet, is not by itself, considered the business of advertising, broadcasting, publishing or telecasting.

## k. Electronic Chatrooms Or Bulletin Boards

"Personal and advertising injury" arising out of an electronic chatroom or bulletin board the

insured hosts, owns, or over which the insured exercises control.

**I. Unauthorized Use Of Another's Name Or Product**

"Personal and advertising injury" arising out of the unauthorized use of another's name or product in your e-mail address, domain name or metatags, or any other similar tactics to mislead another's potential customers.

**m. Pollution**

"Personal and advertising injury" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants" at any time.

**n. Pollution-Related**

Any loss, cost or expense arising out of any:

- (1) Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or
- (2) Claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".

**o. War**

"Personal and advertising injury", however caused, arising, directly or indirectly, out of:

- (1) War, including undeclared or civil war;
- (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- (3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

**p. Internet Advertisements And Content Of Others**

"Personal and advertising injury" arising out of:

- (1) An "advertisement" for others on your web site;
- (2) Placing a link to a web site of others on your web site;
- (3) Content, including information, sounds, text, graphics, or images from a web site of others displayed within a frame or border on your web site; or

(4) Computer code, software or programming used to enable:

- (a) Your web site; or
- (b) The presentation or functionality of an "advertisement" or other content on your web site.

**q. Right Of Privacy Created By Statute**

"Personal and advertising injury" arising out of the violation of a person's right of privacy created by any state or federal act.

However, this exclusion does not apply to liability for damages that the insured would have in the absence of such state or federal act.

**r. Violation Of Anti-Trust law**

"Personal and advertising injury" arising out of a violation of any anti-trust law.

**s. Securities**

"Personal and advertising injury" arising out of the fluctuation in price or value of any stocks, bonds or other securities.

**t. Recording And Distribution Of Material Or Information In Violation Of Law**

"Personal and advertising injury" arising directly or indirectly out of any action or omission that violates or is alleged to violate:

- (1) The Telephone Consumer Protection Act (TCPA), including any amendment of or addition to such law;
- (2) The CAN-SPAM Act of 2003, including any amendment of or addition to such law;
- (3) The Fair Credit Reporting Act (FCRA), and any amendment of or addition to such law, including the Fair and Accurate Credit Transaction Act (FACTA); or
- (4) Any federal, state or local statute, ordinance or regulation, other than the TCPA or CAN-SPAM Act of 2003 or FCRA and their amendments and additions, that addresses, prohibits or limits the printing, dissemination, disposal, collecting, recording, sending, transmitting, communicating or distribution of material or information.

**u. Employment-Related Practices**

"Personal and advertising injury" to:

- (1) A person arising out of any "employment-related practices"; or
- (2) The spouse, child, parent, brother or sister of that person as a consequence of "personal and advertising injury" to that person at whom any "employment-related practices" are directed.

This exclusion applies:

- (1) Whether the injury-causing event described in the definition of "employment-related practices" occurs before employment, during employment or after employment of that person;
- (2) Whether the insured may be liable as an employer or in any other capacity; and
- (3) To any obligation to share damages with or repay someone else who must pay damages because of the injury.

**v. Asbestos**

- (1) "Personal and advertising injury" arising out of the "asbestos hazard".
- (2) Any damages, judgments, settlements, loss, costs or expenses that:
  - (a) May be awarded or incurred by reason of any claim or suit alleging actual or threatened injury or damage of any nature or kind to persons or property which would not have occurred in whole or in part but for the "asbestos hazard";
  - (b) Arise out of any request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, encapsulate, contain, treat, detoxify or neutralize or in any way respond to or assess the effects of an "asbestos hazard"; or
  - (c) Arise out of any claim or suit for damages because of testing for, monitoring, cleaning up, removing, encapsulating, containing, treating, detoxifying or neutralizing or in any way responding to or assessing the effects of an "asbestos hazard".

**w. Access Or Disclosure Of Confidential Or Personal Information**

"Personal and advertising injury" arising out of any access to or disclosure of any person's or organization's confidential or personal information, including patents, trade secrets, processing methods, customer lists, financial information, credit card information, health information or any other type of nonpublic information.

This exclusion applies even if damages are claimed for notification costs, credit monitoring expenses, forensic expenses, public relations expenses or any other loss, cost or expense incurred by you or others arising out of any access to or disclosure of any person's or organization's confidential or personal information.

**COVERAGE C MEDICAL PAYMENTS**

**1. Insuring Agreement**

- a. We will pay medical expenses as described below for "bodily injury" caused by an accident:
  - (1) On premises you own or rent;
  - (2) On ways next to premises you own or rent; or
  - (3) Because of your operations;provided that:
  - (1) The accident takes place in the "coverage territory" and during the policy period;
  - (2) The expenses are incurred and reported to us within three years of the date of the accident; and
  - (3) The injured person submits to examination, at our expense, by physicians of our choice as often as we reasonably require.
- b. We will make these payments regardless of fault. These payments will not exceed the applicable limit of insurance. We will pay reasonable expenses for:
  - (1) First aid administered at the time of an accident;
  - (2) Necessary medical, surgical, X-ray and dental services, including prosthetic devices; and
  - (3) Necessary ambulance, hospital, professional nursing and funeral services.

**2. Exclusions**

We will not pay expenses for "bodily injury":

- a. **Any Insured**

To any insured, except "volunteer workers".
- b. **Hired Person**

To a person hired to do work for or on behalf of any insured or a tenant of any insured.
- c. **Injury On Normally Occupied Premises**

To a person injured on that part of premises you own or rent that the person normally occupies.
- d. **Workers Compensation And Similar Laws**

To a person, whether or not an "employee" of any insured, if benefits for the "bodily injury" are payable or must be provided under a workers' compensation or disability benefits law or a similar law.
- e. **Athletics Activities**

To a person injured while practicing, instructing or participating in any physical exercises or games, sports, or athletic contests.

**f. Products-Completed Operations Hazard**

Included within the "products-completed operations hazard".

**g. Coverage A Exclusions**

Excluded under Coverage A.

**SUPPLEMENTARY PAYMENTS - COVERAGES A AND B**

1. We will pay, with respect to any claim we investigate or settle, or any "suit" against an insured we defend:

- a. All expenses we incur.
- b. Up to \$1,000 for cost of bail bonds required because of accidents or traffic law violations arising out of the use of any vehicle to which the Bodily Injury Liability Coverage applies. We do not have to furnish these bonds.
- c. The cost of appeal bonds or bonds to release attachments, but only for bond amounts within the applicable limit of insurance. We do not have to furnish these bonds.
- d. All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the claim or "suit", including actual loss of earnings up to \$500 a day because of time off from work.
- e. All court costs taxed against the insured in the "suit". However, such costs do not include attorneys' fees, attorneys' expenses, witness or expert fees, or any other expenses of a party taxed to the insured.
- f. Prejudgment interest awarded against the insured on that part of the judgment we pay. If we make an offer to pay the applicable limit of insurance, we will not pay any prejudgment interest based on that period of time after the offer.
- g. All interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the part of the judgment that is within the applicable limit of insurance.

These payments will not reduce the limits of insurance.

2. If we defend an insured against a "suit" and an indemnitee of the insured is also named as a party to the "suit", we will defend that indemnitee if all of the following conditions are met:

- a. The "suit" against the indemnitee seeks damages for which the insured has assumed the liability of the indemnitee in a contract or agreement that is an "insured contract";
- b. This insurance applies to such liability assumed by the insured;
- c. The obligation to defend, or the cost of the defense of, that indemnitee, has also been

assumed by the insured in the same "insured contract";

- d. The allegations in the "suit" and the information we know about the "occurrence" are such that no conflict appears to exist between the interests of the insured and the interests of the indemnitee;
- e. The indemnitee and the insured ask us to conduct and control the defense of that indemnitee against such "suit" and agree that we can assign the same counsel to defend the insured and the indemnitee; and
- f. The indemnitee:

(1) Agrees in writing to:

- (a) Cooperate with us in the investigation, settlement or defense of the "suit";
- (b) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the "suit";
- (c) Notify any other insurer whose coverage is available to the indemnitee; and
- (d) Cooperate with us with respect to coordinating other applicable insurance available to the indemnitee; and

(2) Provides us with written authorization to:

- (a) Obtain records and other information related to the "suit"; and
- (b) Conduct and control the defense of the indemnitee in such "suit".

So long as the above conditions are met, attorneys' fees incurred by us in the defense of that indemnitee, necessary litigation expenses incurred by us and necessary litigation expenses incurred by the indemnitee at our request will be paid as Supplementary Payments. Notwithstanding the provisions of Paragraph 2.b.(2) of Section I - Coverage A - Bodily Injury And Property Damage Liability, such payments will not be deemed to be damages for "bodily injury" and "property damage" and will not reduce the limits of insurance.

Our obligation to defend an insured's indemnitee and to pay for attorneys' fees and necessary litigation expenses as Supplementary Payments ends when:

- a. We have used up the applicable limit of insurance in the payment of judgments or settlements; or
- b. The conditions set forth above, or the terms of the agreement described in Paragraph f. above, are no longer met.

## SECTION II - WHO IS AN INSURED

### 1. If you are designated in the Declarations as:

- a. An individual, you and your spouse are insureds, but only with respect to the conduct of a business of which you are the sole owner.
- b. A partnership or joint venture, you are an insured. Your members, your partners, and their spouses are also insureds, but only with respect to the conduct of your business.
- c. A limited liability company, you are an insured. Your members are also insureds, but only with respect to the conduct of your business. Your managers are insureds, but only with respect to their duties as your managers.
- d. An organization other than a partnership, joint venture or limited liability company, you are an insured. Your "executive officers" and directors are insureds, but only with respect to their duties as your officers or directors. Your stockholders are also insureds, but only with respect to their liability as stockholders.
- e. A trust, you are an insured. Your trustees are also insureds, but only with respect to their duties as trustees.

### 2. Each of the following is also an insured:

#### a. Employees And Volunteer Workers

Your "volunteer workers" only while performing duties related to the conduct of your business, or your "employees", other than either your "executive officers" (if you are an organization other than a partnership, joint venture or limited liability company) or your managers (if you are a limited liability company), but only for acts within the scope of their employment by you or while performing duties related to the conduct of your business.

However, none of these "employees" or "volunteer workers" are insureds for:

- (1) "Bodily injury" or "personal and advertising injury":
  - (a) To you, to your partners or members (if you are a partnership or joint venture), to your members (if you are a limited liability company), to a co-"employee" while in the course of his or her employment or performing duties related to the conduct of your business, or to your other "volunteer workers" while performing duties related to the conduct of your business;
  - (b) To the spouse, child, parent, brother or sister of that co-"employee" or that

"volunteer worker" as a consequence of Paragraph (1)(a) above;

(c) For which there is any obligation to share damages with or repay someone else who must pay damages because of the injury described in Paragraphs (1)(a) or (1)(b) above; or

(d) Arising out of his or her providing or failing to provide professional health care services.

If you are not in the business of providing professional health care services:

(a) Subparagraphs (1)(a), (1)(b) and (1)(c) above do not apply to any "employee" or "volunteer worker" providing first aid services; and

(b) Subparagraph (1)(d) above does not apply to any nurse, emergency medical technician or paramedic employed by you to provide such services.

#### (2) "Property damage" to property:

(a) Owned, occupied or used by,

(b) Rented to, in the care, custody or control of, or over which physical control is being exercised for any purpose by

you, any of your "employees", "volunteer workers", any partner or member (if you are a partnership or joint venture), or any member (if you are a limited liability company).

#### b. Real Estate Manager

Any person (other than your "employee" or "volunteer worker"), or any organization while acting as your real estate manager.

#### c. Temporary Custodians Of Your Property

Any person or organization having proper temporary custody of your property if you die, but only:

- (1) With respect to liability arising out of the maintenance or use of that property; and
- (2) Until your legal representative has been appointed.

#### d. Legal Representative If You Die

Your legal representative if you die, but only with respect to duties as such. That representative will have all your rights and duties under this Coverage Part.

#### e. Unnamed Subsidiary

Any subsidiary, and subsidiary thereof, of yours which is a legally incorporated entity of which you own a financial interest of more than 50% of the voting stock on the effective date of the Coverage Part.

The insurance afforded herein for any subsidiary not named in this Coverage Part as a named insured does not apply to injury or damage with respect to which such insured is also a named insured under another policy or would be a named insured under such policy but for its termination or the exhaustion of its limits of insurance.

### 3. Newly Acquired Or Formed Organization

Any organization you newly acquire or form, other than a partnership, joint venture or limited liability company, and over which you maintain financial interest of more than 50% of the voting stock, will qualify as a Named Insured if there is no other similar insurance available to that organization. However:

- a. Coverage under this provision is afforded only until the 180th day after you acquire or form the organization or the end of the policy period, whichever is earlier;
- b. Coverage A does not apply to "bodily injury" or "property damage" that occurred before you acquired or formed the organization; and
- c. Coverage B does not apply to "personal and advertising injury" arising out of an offense committed before you acquired or formed the organization.

### 4. Nonowned Watercraft

With respect to watercraft you do not own that is less than 51 feet long and is not being used to carry persons for a charge, any person is an insured while operating such watercraft with your permission. Any other person or organization responsible for the conduct of such person is also an insured, but only with respect to liability arising out of the operation of the watercraft, and only if no other insurance of any kind is available to that person or organization for this liability.

However, no person or organization is an insured with respect to:

- a. "Bodily injury" to a co-"employee" of the person operating the watercraft; or
- b. "Property damage" to property owned by, rented to, in the charge of or occupied by you or the employer of any person who is an insured under this provision.

### 5. Additional Insureds When Required By Written Contract, Written Agreement Or Permit

The following person(s) or organization(s) are an additional insured when you have agreed, in a written contract, written agreement or because of a permit issued by a state or political subdivision, that such person or organization be added as an additional insured on your policy, provided the injury or damage occurs subsequent to the execution of the contract or agreement.

A person or organization is an additional insured under this provision only for that period of time required by the contract or agreement.

However, no such person or organization is an insured under this provision if such person or organization is included as an insured by an endorsement issued by us and made a part of this Coverage Part.

#### a. Vendors

Any person(s) or organization(s) (referred to below as vendor), but only with respect to "bodily injury" or "property damage" arising out of "your products" which are distributed or sold in the regular course of the vendor's business and only if this Coverage Part provides coverage for "bodily injury" or "property damage" included within the "products-completed operations hazard".

- (1) The insurance afforded the vendor is subject to the following additional exclusions:

This insurance does not apply to:

- (a) "Bodily injury" or "property damage" for which the vendor is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages that the vendor would have in the absence of the contract or agreement;
- (b) Any express warranty unauthorized by you;
- (c) Any physical or chemical change in the product made intentionally by the vendor;
- (d) Repackaging, except when unpacked solely for the purpose of inspection, demonstration, testing, or the substitution of parts under instructions from the manufacturer, and then repackaged in the original container;
- (e) Any failure to make such inspections, adjustments, tests or servicing as the vendor has agreed to make or normally undertakes to make in the usual course of business, in connection with the distribution or sale of the products;
- (f) Demonstration, installation, servicing or repair operations, except such operations performed at the vendor's premises in connection with the sale of the product;
- (g) Products which, after distribution or sale by you, have been labeled or relabeled or used as a container, part or ingredient of any other thing or substance by or for the vendor; or

(h) "Bodily injury" or "property damage" arising out of the sole negligence of the vendor for its own acts or omissions or those of its employees or anyone else acting on its behalf. However, this exclusion does not apply to:

- (i) The exceptions contained in Sub-paragraphs (d) or (f); or
- (ii) Such inspections, adjustments, tests or servicing as the vendor has agreed to make or normally undertakes to make in the usual course of business, in connection with the distribution or sale of the products.

(2) This insurance does not apply to any insured person or organization, from whom you have acquired such products, or any ingredient, part or container, entering into, accompanying or containing such products.

**b. Lessors Of Equipment**

(1) Any person(s) or organization(s) from whom you lease equipment; but only with respect to their liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by your maintenance, operation or use of equipment leased to you by such person(s) or organization(s).

(2) With respect to the insurance afforded to these additional insureds this insurance does not apply to any "occurrence" which takes place after the equipment lease expires.

**c. Lessors Of Land Or Premises**

Any person or organization from whom you lease land or premises, but only with respect to liability arising out of the ownership, maintenance or use of that part of the land or premises leased to you.

With respect to the insurance afforded these additional insureds the following additional exclusions apply:

This insurance does not apply to:

- 1. Any "occurrence" which takes place after you cease to lease that land; or
- 2. Structural alterations, new construction or demolition operations performed by or on behalf of such person or organization.

**d. Architects, Engineers Or Surveyors**

Any architect, engineer, or surveyor, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by your acts or omissions or the acts or

omissions of those acting on your behalf:

- (1) In connection with your premises; or
- (2) In the performance of your ongoing operations performed by you or on your behalf.

With respect to the insurance afforded these additional insureds, the following additional exclusion applies:

This insurance does not apply to "bodily injury", "property damage" or "personal and advertising injury" arising out of the rendering of or the failure to render any professional services by or for you, including:

- 1. The preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; or
- 2. Supervisory, inspection, architectural or engineering activities.

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury" or "property damage", or the offense which caused the "personal and advertising injury", involved the rendering of or the failure to render any professional services by or for you.

**e. Permits Issued By State Or Political Subdivisions**

Any state or political subdivision, but only with respect to operations performed by you or on your behalf for which the state or political subdivision has issued a permit.

With respect to the insurance afforded these additional insureds, this insurance does not apply to:

- (1) "Bodily injury", "property damage" or "personal and advertising injury" arising out of operations performed for the state or municipality; or
- (2) "Bodily injury" or "property damage" included within the "products-completed operations hazard".

**f. Any Other Party**

Any other person or organization who is not an additional insured under Paragraphs a. through e. above, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by your acts or omissions or the acts or omissions of those acting on your behalf:

- (1) In the performance of your ongoing operations;



- (2) In connection with your premises owned by or rented to you; or
- (3) In connection with "your work" and included within the "products-completed operations hazard", but only if
  - (a) The written contract or agreement requires you to provide such coverage to such additional insured; and
  - (b) This Coverage Part provides coverage for "bodily injury" or "property damage" included within the "products-completed operations hazard".

However:

- (1) The insurance afforded to such additional insured only applies to the extent permitted by law; and
- (2) If coverage provided to the additional insured is required by a contract or agreement, the insurance afforded to such additional insured will not be broader than that which you are required by the contract or agreement to provide for such additional insured.

With respect to the insurance afforded to these additional insureds, this insurance does not apply to:

"Bodily injury", "property damage" or "personal and advertising injury" arising out of the rendering of, or the failure to render, any professional architectural, engineering or surveying services, including:

- (1) The preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; or
- (2) Supervisory, inspection, architectural or engineering activities.

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury" or "property damage", or the offense which caused the "personal and advertising injury", involved the rendering of or the failure to render any professional services by or for you.

The limits of insurance that apply to additional insureds is described in Section III - Limits Of Insurance.

How this insurance applies when other insurance is available to the additional insured is described in the Other Insurance Condition in Section IV - Commercial General Liability Conditions.

No person or organization is an insured with respect to the conduct of any current or past partnership, joint venture or limited liability company that is not shown as a Named Insured in the Declarations.

### SECTION III - LIMITS OF INSURANCE

#### 1. The Most We Will Pay

The Limits of Insurance shown in the Declarations and the rules below fix the most we will pay regardless of the number of:

- a. Insureds;
- b. Claims made or "suits" brought; or
- c. Persons or organizations making claims or bringing "suits".

#### 2. General Aggregate Limit

The General Aggregate Limit is the most we will pay for the sum of:

- a. Medical expenses under Coverage C;
- b. Damages under Coverage A, except damages because of "bodily injury" or "property damage" included in the "products-completed operations hazard"; and
- c. Damages under Coverage B.

#### 3. Products-Completed Operations Aggregate Limit

The Products-Completed Operations Aggregate Limit is the most we will pay under Coverage A for damages because of "bodily injury" and "property damage" included in the "products-completed operations hazard".

#### 4. Personal And Advertising Injury Limit

Subject to 2. above, the Personal and Advertising Injury Limit is the most we will pay under Coverage B for the sum of all damages because of all "personal and advertising injury" sustained by any one person or organization.

#### 5. Each Occurrence Limit

Subject to 2. or 3. above, whichever applies, the Each Occurrence Limit is the most we will pay for the sum of:

- a. Damages under Coverage A; and
- b. Medical expenses under Coverage C because of all "bodily injury" and "property damage" arising out of any one "occurrence".

#### 6. Damage To Premises Rented To You Limit

Subject to 5. above, the Damage To Premises Rented To You Limit is the most we will pay under Coverage A for damages because of "property damage" to any one premises, while rented to you, or in the case of damage by fire, lightning or explosion, while rented to you or temporarily occupied by you with permission of the owner.

In the case of damage by fire, lightning or explosion, the Damage to Premises Rented To You Limit applies to all damage proximately caused by the same event, whether such damage results from fire, lightning or explosion or any combination of these.

#### **7. Medical Expense Limit**

Subject to 5. above, the Medical Expense Limit is the most we will pay under Coverage C for all medical expenses because of "bodily injury" sustained by any one person.

#### **8. How Limits Apply To Additional Insureds**

If you have agreed in a written contract or written agreement that another person or organization be added as an additional insured on your policy, the most we will pay on behalf of such additional insured is the lesser of:

- a. The limits of insurance specified in the written contract or written agreement; or
- b. The Limits of Insurance shown in the Declarations.

Such amount shall be a part of and not in addition to Limits of Insurance shown in the Declarations and described in this Section.

The Limits of Insurance of this Coverage Part apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations, unless the policy period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limits of Insurance.

### **SECTION IV - COMMERCIAL GENERAL LIABILITY CONDITIONS**

#### **1. Bankruptcy**

Bankruptcy or insolvency of the insured or of the insured's estate will not relieve us of our obligations under this Coverage Part.

#### **2. Duties In The Event Of Occurrence, Offense, Claim Or Suit**

##### **a. Notice Of Occurrence Or Offense**

You or any additional insured must see to it that we are notified as soon as practicable of an "occurrence" or an offense which may result in a claim. To the extent possible, notice should include:

- (1) How, when and where the "occurrence" or offense took place;
- (2) The names and addresses of any injured persons and witnesses; and
- (3) The nature and location of any injury or damage arising out of the "occurrence" or offense.

#### **b. Notice Of Claim**

If a claim is made or "suit" is brought against any insured, you or any additional insured must:

- (1) Immediately record the specifics of the claim or "suit" and the date received; and
- (2) Notify us as soon as practicable.

You or any additional insured must see to it that we receive written notice of the claim or "suit" as soon as practicable.

#### **c. Assistance And Cooperation Of The Insured**

You and any other involved insured must:

- (1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or "suit";
- (2) Authorize us to obtain records and other information;
- (3) Cooperate with us in the investigation or settlement of the claim or defense against the "suit"; and
- (4) Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the insured because of injury or damage to which this insurance may also apply.

#### **d. Obligations At The Insureds Own Cost**

No insured will, except at that insured's own cost, voluntarily make a payment, assume any obligation, or incur any expense, other than for first aid, without our consent.

#### **e. Additional Insureds Other Insurance**

If we cover a claim or "suit" under this Coverage Part that may also be covered by other insurance available to an additional insured, such additional insured must submit such claim or "suit" to the other insurer for defense and indemnity.

However, this provision does not apply to the extent that you have agreed in a written contract or written agreement that this insurance is primary and non-contributory with the additional insured's own insurance.

#### **f. Knowledge Of An Occurrence, Offense, Claim Or Suit**

Paragraphs a. and b. apply to you or to any additional insured only when such "occurrence", offense, claim or "suit" is known to:

- (1) You or any additional insured that is an individual;
- (2) Any partner, if you or the additional insured is a partnership;

- (3) Any manager, if you or the additional insured is a limited liability company;
- (4) Any "executive officer" or insurance manager, if you or the additional insured is a corporation;
- (5) Any trustee, if you or the additional insured is a trust; or
- (6) Any elected or appointed official, if you or the additional insured is a political subdivision or public entity.

This duty applies separately to you and any additional insured.

### 3. Legal Action Against Us

No person or organization has a right under this Coverage Part:

- a. To join us as a party or otherwise bring us into a "suit" asking for damages from an insured; or
- b. To sue us on this Coverage Part unless all of its terms have been fully complied with.

A person or organization may sue us to recover on an agreed settlement or on a final judgment against an insured; but we will not be liable for damages that are not payable under the terms of this Coverage Part or that are in excess of the applicable limit of insurance. An agreed settlement means a settlement and release of liability signed by us, the insured and the claimant or the claimant's legal representative.

### 4. Other Insurance

If other valid and collectible insurance is available to the insured for a loss we cover under Coverages A or B of this Coverage Part, our obligations are limited as follows:

#### a. Primary Insurance

This insurance is primary except when b. below applies. If other insurance is also primary, we will share with all that other insurance by the method described in c. below.

#### b. Excess Insurance

This insurance is excess over any of the other insurance, whether primary, excess, contingent or on any other basis:

##### (1) Your Work

That is Fire, Extended Coverage, Builder's Risk, Installation Risk or similar coverage for "your work";

##### (2) Premises Rented To You

That is fire, lightning or explosion insurance for premises rented to you or temporarily occupied by you with permission of the owner;

### (3) Tenant Liability

That is insurance purchased by you to cover your liability as a tenant for "property damage" to premises rented to you or temporarily occupied by you with permission of the owner;

### (4) Aircraft, Auto Or Watercraft

If the loss arises out of the maintenance or use of aircraft, "autos" or watercraft to the extent not subject to Exclusion g. of Section I - Coverage A - Bodily Injury And Property Damage Liability;

### (5) Property Damage To Borrowed Equipment Or Use Of Elevators

If the loss arises out of "property damage" to borrowed equipment or the use of elevators to the extent not subject to Exclusion j. of Section I - Coverage A - Bodily Injury And Property Damage Liability;

### (6) When You Are Added As An Additional Insured To Other Insurance

Any other insurance available to you covering liability for damages arising out of the premises or operations, or products and completed operations, for which you have been added as an additional insured by that insurance; or

### (7) When You Add Others As An Additional Insured To This Insurance

Any other insurance available to an additional insured.

However, the following provisions apply to other insurance available to any person or organization who is an additional insured under this coverage part.

#### (a) Primary Insurance When Required By Contract

This insurance is primary if you have agreed in a written contract or written agreement that this insurance be primary. If other insurance is also primary, we will share with all that other insurance by the method described in c. below.

#### (b) Primary And Non-Contributory To Other Insurance When Required By Contract

If you have agreed in a written contract, written agreement, or permit that this insurance is primary and non-contributory with the additional insured's own insurance, this insurance is primary and we will not seek contribution from that other insurance.

Paragraphs (a) and (b) do not apply to other insurance to which the additional insured has been added as an additional insured.

When this insurance is excess, we will have no duty under Coverages A or B to defend the insured against any "suit" if any other insurer has a duty to defend the insured against that "suit". If no other insurer defends, we will undertake to do so, but we will be entitled to the insured's rights against all those other insurers.

When this insurance is excess over other insurance, we will pay only our share of the amount of the loss, if any, that exceeds the sum of:

- (1) The total amount that all such other insurance would pay for the loss in the absence of this insurance; and
- (2) The total of all deductible and self-insured amounts under all that other insurance.

We will share the remaining loss, if any, with any other insurance that is not described in this Excess Insurance provision and was not bought specifically to apply in excess of the Limits of Insurance shown in the Declarations of this Coverage Part.

#### c. Method Of Sharing

If all of the other insurance permits contribution by equal shares, we will follow this method also. Under this approach each insurer contributes equal amounts until it has paid its applicable limit of insurance or none of the loss remains, whichever comes first.

If any of the other insurance does not permit contribution by equal shares, we will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable limit of insurance to the total applicable limits of insurance of all insurers.

#### 5. Premium Audit

- a. We will compute all premiums for this Coverage Part in accordance with our rules and rates.
- b. Premium shown in this Coverage Part as advance premium is a deposit premium only. At the close of each audit period we will compute the earned premium for that period and send notice to the first Named Insured. The due date for audit and retrospective premiums is the date shown as the due date on the bill. If the sum of the advance and audit premiums paid for the policy period is greater than the earned premium, we will return the excess to the first Named Insured.
- c. The first Named Insured must keep records of the information we need for premium

computation, and send us copies at such times as we may request.

#### 6. Representations

##### a. When You Accept This Policy

By accepting this policy, you agree:

- (1) The statements in the Declarations are accurate and complete;
- (2) Those statements are based upon representations you made to us; and
- (3) We have issued this policy in reliance upon your representations.

##### b. Unintentional Failure To Disclose Hazards

If unintentionally you should fail to disclose all hazards relating to the conduct of your business that exist at the inception date of this Coverage Part, we shall not deny coverage under this Coverage Part because of such failure.

#### 7. Separation Of Insureds

Except with respect to the Limits of Insurance, and any rights or duties specifically assigned in this Coverage Part to the first Named Insured, this insurance applies:

- a. As if each Named Insured were the only Named Insured; and
- b. Separately to each insured against whom claim is made or "suit" is brought.

#### 8. Transfer Of Rights Of Recovery Against Others To Us

##### a. Transfer Of Rights Of Recovery

If the insured has rights to recover all or part of any payment, including Supplementary Payments, we have made under this Coverage Part, those rights are transferred to us. The insured must do nothing after loss to impair them. At our request, the insured will bring "suit" or transfer those rights to us and help us enforce them.

##### b. Waiver Of Rights Of Recovery (Waiver Of Subrogation)

If the insured has waived any rights of recovery against any person or organization for all or part of any payment, including Supplementary Payments, we have made under this Coverage Part, we also waive that right, provided the insured waived their rights of recovery against such person or organization in a contract, agreement or permit that was executed prior to the injury or damage.

#### 9. When We Do Not Renew

If we decide not to renew this Coverage Part, we will mail or deliver to the first Named Insured shown in the Declarations written notice of the

nonrenewal not less than 30 days before the expiration date.

If notice is mailed, proof of mailing will be sufficient proof of notice.

## SECTION V - DEFINITIONS

1. **"Advertisement"** means the widespread public dissemination of information or images that has the purpose of inducing the sale of goods, products or services through:

- a. (1) Radio;
- (2) Television;
- (3) Billboard;
- (4) Magazine;
- (5) Newspaper; or
- b. Any other publication that is given widespread public distribution.

However, "advertisement" does not include:

- a. The design, printed material, information or images contained in, on or upon the packaging or labeling of any goods or products; or
  - b. An interactive conversation between or among persons through a computer network.
2. **"Advertising idea"** means any idea for an "advertisement".
3. **"Asbestos hazard"** means an exposure or threat of exposure to the actual or alleged properties of asbestos and includes the mere presence of asbestos in any form.
4. **"Auto"** means:
- a. A land motor vehicle, trailer or semitrailer designed for travel on public roads, including any attached machinery or equipment; or
  - b. Any other land vehicle that is subject to a compulsory or financial responsibility law or other motor vehicle insurance law where it is licensed or principally garaged.

However, "auto" does not include "mobile equipment".

5. **"Bodily injury"** means physical:

- a. Injury;
- b. Sickness; or
- c. Disease

sustained by a person and, if arising out of the above, mental anguish or death at any time.

6. **"Coverage territory"** means:

- a. The United States of America (including its territories and possessions), Puerto Rico and Canada;
- b. International waters or airspace, but only if the injury or damage occurs in the course of travel or transportation between any places included in a. above; or

c. All other parts of the world if the injury or damage arises out of:

- (1) Goods or products made or sold by you in the territory described in a. above;
- (2) The activities of a person whose home is in the territory described in a. above, but is away for a short time on your business; or
- (3) "Personal and advertising injury" offenses that take place through the Internet or similar electronic means of communication

provided the insured's responsibility to pay damages is determined in the United States of America (including its territories and possessions), Puerto Rico or Canada, in a "suit" on the merits according to the substantive law in such territory or in a settlement we agree to.

7. **"Employee"** includes a "leased worker". "Employee" does not include a "temporary worker".

8. **"Employment-Related Practices"** means:

- a. Refusal to employ that person;
- b. Termination of that person's employment; or
- c. Employment-related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation, discrimination or malicious prosecution directed at that person.

9. **"Executive officer"** means a person holding any of the officer positions created by your charter, constitution, by-laws or any other similar governing document.

10. **"Hostile fire"** means one which becomes uncontrollable or breaks out from where it was intended to be.

11. **"Impaired property"** means tangible property, other than "your product" or "your work", that cannot be used or is less useful because:

- a. It incorporates "your product" or "your work" that is known or thought to be defective, deficient, inadequate or dangerous; or
- b. You have failed to fulfill the terms of a contract or agreement;

if such property can be restored to use by the repair, replacement, adjustment or removal of "your product" or "your work", or your fulfilling the terms of the contract or agreement.

12. **"Insured contract"** means:

- a. A contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for damage by fire, lightning or explosion to premises while rented to you or temporarily occupied by you with permission of the owner is subject to the Damage to

Premises Rented To You Limit described in Section III - Limits of Insurance;

- b. A sidetrack agreement;
- c. Any easement or license agreement, including an easement or license agreement in connection with construction or demolition operations on or within 50 feet of a railroad;
- d. An obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;
- e. An elevator maintenance agreement;
- f. That part of any other contract or agreement pertaining to your business (including an indemnification of a municipality in connection with work performed for a municipality) under which you assume the tort liability of another party to pay for "bodily injury" or "property damage" to a third person or organization, provided the "bodily injury" or "property damage" is caused, in whole or in part, by you or by those acting on your behalf. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.

Paragraph f. includes that part of any contract or agreement that indemnifies a railroad for "bodily injury" or "property damage" arising out of construction or demolition operations, within 50 feet of any railroad property and affecting any railroad bridge or trestle, tracks, road-beds, tunnel, underpass or crossing.

However, Paragraph f. does not include that part of any contract or agreement:

- (1) That indemnifies an architect, engineer or surveyor for injury or damage arising out of:
  - (a) Preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; or
  - (b) Giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage; or
- (2) Under which the insured, if an architect, engineer or surveyor, assumes liability for an injury or damage arising out of the insured's rendering or failure to render professional services, including those listed in (1) above and supervisory, inspection, architectural or engineering activities.

**13. "Leased worker"** means a person leased to you by a labor leasing firm under an agreement between you and the labor leasing firm, to perform duties related to the conduct of your business. "Leased worker" does not include a "temporary worker".

**14. "Loading or unloading"** means the handling of property:

- a. After it is moved from the place where it is accepted for movement into or onto an aircraft, watercraft or "auto";
- b. While it is in or on an aircraft, watercraft or "auto"; or
- c. While it is being moved from an aircraft, watercraft or "auto" to the place where it is finally delivered;

but "loading or unloading" does not include the movement of property by means of a mechanical device, other than a hand truck, that is not attached to the aircraft, watercraft or "auto".

**15. "Mobile equipment"** means any of the following types of land vehicles, including any attached machinery or equipment:

- a. Bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads;
- b. Vehicles maintained for use solely on or next to premises you own or rent;
- c. Vehicles that travel on crawler treads;
- d. Vehicles, whether self-propelled or not, maintained primarily to provide mobility to permanently mounted:
  - (1) Power cranes, shovels, loaders, diggers or drills; or
  - (2) Road construction or resurfacing equipment such as graders, scrapers or rollers;
- e. Vehicles not described in a., b., c. or d. above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:
  - (1) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment; or
  - (2) Cherry pickers and similar devices used to raise or lower workers;
- f. Vehicles not described in a., b., c. or d. above maintained primarily for purposes other than the transportation of persons or cargo.

However, self-propelled vehicles with the following types of permanently attached equipment are not "mobile equipment" but will be considered "autos":

- (1) Equipment designed primarily for:
  - (a) Snow removal;
  - (b) Road maintenance, but not construction or resurfacing; or
  - (c) Street cleaning;

- (2) Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and
- (3) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment.

However, "mobile equipment" does not include any land vehicle that is subject to a compulsory or financial responsibility law or other motor vehicle insurance law where it is licensed or principally garaged. Land vehicles subject to a compulsory or financial responsibility law or other motor vehicle insurance law are considered "autos".

**16. "Occurrence"** means an accident, including continuous or repeated exposure to substantially the same general harmful conditions.

**17. "Personal and advertising injury"** means injury, including consequential "bodily injury", arising out of one or more of the following offenses:

- a. False arrest, detention or imprisonment;
- b. Malicious prosecution;
- c. The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that a person or organization occupies, committed by or on behalf of its owner, landlord or lessor;
- d. Oral, written or electronic publication, in any manner, of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services;
- e. Oral, written or electronic publication, in any manner, of material that violates a person's right of privacy;
- f. Copying, in your "advertisement", a person's or organization's "advertising idea" or style of "advertisement"; or
- g. Infringement of copyright, slogan, or title of any literary or artistic work, in your "advertisement".

**18. "Pollutants"** mean any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

**19. "Products-completed operations hazard":**

- a. Includes all "bodily injury" and "property damage" occurring away from premises you own or rent and arising out of "your product" or "your work" except:
  - (1) Products that are still in your physical possession; or

(2) Work that has not yet been completed or abandoned. However, "your work" will be deemed completed at the earliest of the following times:

- (a) When all of the work called for in your contract has been completed.
- (b) When all of the work to be done at the job site has been completed if your contract calls for work at more than one job site.
- (c) When that part of the work done at a job site has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project.

Work that may need service, maintenance, correction, repair or replacement, but which is otherwise complete, will be treated as completed.

b. Does not include "bodily injury" or "property damage" arising out of:

- (1) The transportation of property, unless the injury or damage arises out of a condition in or on a vehicle not owned or operated by you, and that condition was created by the "loading or unloading" of that vehicle by any insured;
- (2) The existence of tools, uninstalled equipment or abandoned or unused materials; or
- (3) Products or operations for which the classification, listed in the Declarations or in a policy Schedule, states that products-completed operations are subject to the General Aggregate Limit.

**20. "Property damage" means:**

- a. Physical injury to tangible property, including all resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it; or
- b. Loss of use of tangible property that is not physically injured. All such loss of use shall be deemed to occur at the time of the "occurrence" that caused it.

As used in this definition, computerized or electronically stored data, programs or software are not tangible property. Electronic data means information, facts or programs:

- a. Stored as or on;
  - b. Created or used on; or
  - c. Transmitted to or from;
- computer software, including systems and applications software, hard or floppy disks, CD-

ROMS, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

**21. "Suit"** means a civil proceeding in which damages because of "bodily injury", "property damage" or "personal and advertising injury" to which this insurance applies are alleged. "Suit" includes:

- a. An arbitration proceeding in which such damages are claimed and to which the insured must submit or does submit with our consent; or
- b. Any other alternative dispute resolution proceeding in which such damages are claimed and to which the insured submits with our consent.

**22. "Temporary worker"** means a person who is furnished to you to substitute for a permanent "employee" on leave or to meet seasonal or short-term workload conditions.

**23. "Volunteer worker"** means a person who

- a. Is not your "employee";
- b. Donates his or her work;
- c. Acts at the direction of and within the scope of duties determined by you; and
- d. Is not paid a fee, salary or other compensation by you or anyone else for their work performed for you.

**24. "Your product":**

- a. Means:
  - (1) Any goods or products, other than real property, manufactured, sold, handled, distributed or disposed of by:
    - (a) You;
    - (b) Others trading under your name; or
    - (c) A person or organization whose business or assets you have acquired; and
  - (2) Containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products.
- b. Includes
  - (1) Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your product"; and
  - (2) The providing of or failure to provide warnings or instructions.
- c. Does not include vending machines or other property rented to or located for the use of others but not sold.

**25. "Your work":**

- a. Means:
  - (1) Work or operations performed by you or on your behalf; and
  - (2) Materials, parts or equipment furnished in connection with such work or operations.
- b. Includes
  - (1) Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your work", and
  - (2) The providing of or failure to provide warnings or instructions.





## UMBRELLA LIABILITY POLICY PROVISIONS

In this policy the words "you" and "your" refer to the Named Insured first shown in the Declarations and any other person or organization qualifying as a Named Insured under this policy. "We", "us" and "our" refer to the stock insurance company member of The Hartford Financial Services Group Inc. shown in the Declarations.

Other words and phrases that appear in quotation marks also have special meaning. Refer to DEFINITIONS (Section VII).

IN RETURN FOR THE PAYMENT OF THE PREMIUM, in reliance upon the statements in the Declarations made a part hereof and subject to all of the terms of this policy, we agree with you as follows:

### SECTION I - COVERAGES

#### INSURING AGREEMENTS

##### A. Umbrella Liability Insurance

1. We will pay those sums that the "insured" becomes legally obligated to pay as "damages" in excess of the "underlying insurance" or of the "self-insured retention" when no "underlying insurance" applies, because of "bodily injury", "property damage" or "personal and advertising injury" to which this insurance applies caused by an "occurrence". But, the amount we will pay as "damages" is limited as described in **Section IV - LIMITS OF INSURANCE.**

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under **Section II - INVESTIGATION, DEFENSE, SETTLEMENT.**

2. This insurance applies to "bodily injury", "property damage" or "personal and advertising injury" only if:
  - a. The "bodily injury", "property damage" or "personal and advertising injury" occurs during the "policy period"; and
  - b. Prior to the "policy period", no insured listed under Paragraph **A.** of Section **III - Who Is An Insured** and no "employee" authorized by you to give or receive notice of an "occurrence" or claim, knew that the "bodily injury" or "property damage" had occurred, in whole or in part. If such a listed insured or authorized "employee" knew, prior to the "policy period", that

the "bodily injury" or "property damage" occurred, then any continuation, change or resumption of such "bodily injury" or "property damage" during or after the "policy period" will be deemed to have been known prior to the "policy period".

3. "Bodily injury" or "property damage" will be deemed to have been known to have occurred at the earliest time when any insured listed under paragraph **A.** of Section **III - Who Is An Insured** or any "employee" authorized by you to give or receive notice of an "occurrence" or claim:
  - a. Reports all, or any part, of the "bodily injury" or "property damage" to us or any other insurer;
  - b. Receives a written or verbal demand or claim for damages because of the "bodily injury" or "property damage"; or
  - c. Becomes aware by any other means that "bodily injury" or "property damage" has occurred or has begun to occur.

##### B. Exclusions

This policy does not apply to:

###### 1. Pollution

Any obligation:

- a. To pay for the cost of investigation, defense or settlement of any claim or suit against any "insured" alleging actual or threatened injury or damage of any nature or kind to persons or property which arises out of or would not have occurred but for the pollution hazard; or
- b. To pay any "damages", judgments, settlements, loss, costs or expenses that may be awarded or incurred:
  - i. By reason of any such claim or suit or any such injury or damage; or
  - ii. In complying with any action authorized by law and relating to such injury or damage.

As used in this exclusion, pollution hazard means an actual exposure or threat of exposure to the corrosive, toxic or other harmful properties of any solid, liquid, gaseous or thermal:

- a. Pollutants;
- b. Contaminants;

- c. Irritants; or
- d. Toxic substances;

Including:

Smoke;

Vapors;

Soot;

Fumes;

Acids;

Alkalis;

Chemicals, and

Waste materials consisting of or containing any of the foregoing. Waste includes materials to be recycled, reconditioned or reclaimed.

#### **EXCEPTION**

This exclusion does not apply:

- a. To "bodily injury" to any of your "employees" arising out of and in the course of their employment by you; or
- b. To injury or damage as to which valid and collectible "underlying insurance" with at least the minimum limits shown in the Schedule of Underlying Insurance Policies is in force and applicable to the "occurrence". In such event, any coverage afforded by this policy for the "occurrence" will be subject to the pollution exclusions of the "underlying insurance" and to the conditions, limits and other provisions of this policy. In the event that "underlying insurance" is not maintained with limits of liability as set forth in the Schedule of Underlying Insurance Policies, coverage under any of the provisions of this exception does not apply.

Exception b. does not apply to:

"Bodily injury" or "property damage" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants":

- (1) That are, or that are contained in any property that is :
  - (a) Being transported or towed by, handled, or handled for movement into, onto or from, any "auto";

(b) Otherwise in the course of transit by or on behalf of the "insured"; or

(c) Being stored, disposed of, treated or processed in or upon any "auto";

- (2) Before the "pollutants" or any property in which the "pollutants" are contained are moved from the place where they are accepted by the "insured" for movement into or onto any "auto"; or
- (3) After the "pollutants" or any property in which the "pollutants" are contained are moved from any "auto" to the place where they are finally delivered, disposed of or abandoned by the "insured".

Paragraph (1) above does not apply to fuels, lubricants, fluids, exhaust gases or other similar "pollutants" that are needed for or result from the normal electrical, hydraulic or mechanical functioning of an "auto", covered by the "underlying insurance" or its parts, if:

- a. The "pollutants" escape, seep, migrate, or are discharged or released directly from an "auto" part designed by its manufacturer to hold, store, receive or dispose of such "pollutants"; and
- b. The "bodily injury," "property damage" or "covered pollution cost or expense" does not arise out of the operation of any following equipment:
  - i. Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting or well servicing equipment; and
  - ii. Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers.

Paragraphs (2) and (3) above do not apply to "accidents" that occur away from premises owned by or rented to an "insured" with respect to "pollutants" not in or upon an "auto"

covered by the "underlying insurance" if:

- a. The "pollutants" or any property in which the "pollutants" are contained are upset, overturned or damaged as a result of the maintenance or use of the "auto", and
- b. The discharge, dispersal, seepage, migration, release or escape of the "pollutants" is caused directly by such upset, overturn or damage.

## 2. Workers Compensation And Similar Laws

Any obligation of the insured under a workers' compensation, disability benefits or unemployment compensation law or any similar law.

## 3. Contractual Liability

Liability assumed by the "insured" under any contract or agreement with respect to an "occurrence" taking place before the contract or agreement is executed.

## 4. Personal And Advertising Injury

This policy does not apply to "personal and advertising injury".

### EXCEPTION

This exclusion does not apply to the extent that coverage for such "personal and advertising injury" is provided by "underlying insurance", but in no event shall any "personal and advertising injury" coverage provided under this policy apply to any claim or "suit" to which "underlying insurance" does not apply.

Any coverage restored by this **EXCEPTION** applies only to the extent that such coverage provided by the "underlying insurance" is maintained having limits as set forth in the Schedule of Underlying Insurance Policies.

## 5. Underlying Insurance

Any injury or damage:

- a. Covered by "underlying insurance" but for any defense which any underlying insurer may assert because of the "insured's" failure to comply with any condition of its policy; or
- b. For which "damages" would have been payable by "underlying insurance" but for the actual or alleged insolvency or financial impairment of an underlying insurer.

## 6. Aircraft

"Bodily injury" or "property damage" arising out of the ownership, operation,

maintenance, use, entrustment to others, loading or unloading of any aircraft:

- a. Owned by any "insured"; or
- b. Chartered or loaned to any "insured".

This exclusion applies even if the claims allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by an insured, if the "occurrence" which caused the "bodily injury" or "property damage" involved the ownership, maintenance, use or entrustment to others of any aircraft that is owned or operated by or rented or loaned to any insured.

This exclusion does not apply to aircraft that is:

- a. Hired, chartered or loaned with a paid crew; but
- b. Not owned by any "insured".

This exclusion does not apply to "bodily injury" to any of your "employees" arising out of and in the course of their employment by you.

## 7. Watercraft

"Bodily injury" or "property damage" arising out of the ownership, operation, maintenance, use, entrustment to others, loading or unloading of any watercraft.

This exclusion applies even if the claims allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by an insured, if the "occurrence" which caused the "bodily injury" or "property damage" involved the ownership, maintenance, use or entrustment to others of any watercraft that is owned or operated by or rented or loaned to any insured.

This exclusion does not apply to:

- a. Watercraft you do not own that is:
  - (1) Less than 51 feet long, and
  - (2) Not being used to carry persons or property for a charge;
- b. "Bodily injury" to any of your "employees" arising out of and in the course of their employment by you; or
- c. Any watercraft while ashore on premises owned by, rented to or controlled by you.

## 8. War

Any injury or damage, however caused, arising, directly or indirectly, out of:

- a. War, including undeclared or civil war; or

- b. Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- c. Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

**9. Damage To Property**

"Property damage" to property you own.

**10. Damage To Your Product**

"Property damage" to "your product" arising out of it or any part of it.

**11. Damage To Your Work**

"Property damage" to "your work" arising out of it or any part of it and included in the "products-completed operations hazard".

This exclusion does not apply if the damaged work or the work out of which the damage arises was performed on your behalf by a subcontractor.

**12. Damage To Impaired Property Or Property Not Physically Injured**

"Property damage" to "impaired property" or property that has not been physically injured, arising out of:

- a. A defect, deficiency, inadequacy or dangerous condition in "your product" or "your work"; or
- b. A delay or failure by you or anyone acting on your behalf to perform a contract or agreement in accordance with its terms.

This exclusion does not apply to loss of use of other property arising out of sudden and accidental physical injury to "your product" or "your work" after it has been put to its intended use.

**13. Recall Of Products, Work Or Impaired Property**

"Damages" claimed for any loss, cost or expense incurred by you or others for the loss of use, withdrawal, recall, inspection, repair, replacement, adjustment, removal or disposal of:

- a. "Your product";
- b. "Your work"; or
- c. "Impaired Property";

if such product, work or property is withdrawn or recalled from the market or from use by any person or organization because of a known or suspected defect,

deficiency, inadequacy or dangerous condition in it.

**14. Expected Or Intended**

"Bodily injury" or "property damage" expected or intended from the standpoint of the "insured".

This exclusion does not apply to "bodily injury" or "property damage" resulting from the use of reasonable force to protect persons or property.

**15. Employer Liability**

Coverage afforded any of your "employees" for "bodily injury" or "personal and advertising injury":

- a. To other "employees" arising out of and in the course of their employment;
- b. To the spouse, child, parent, brother or sister of that "employee" as a consequence of such "bodily injury" to that "employee".
- c. To you or, any of your partners or members, (if you are a partnership, joint venture), or your members (if you are a limited liability company); or
- d. Arising out of the providing or failing to provide professional health care services.

Subparagraphs a. and b. of this exclusion apply:

- (1) Whether the "insured" may be liable as an employer or in any other capacity; and
- (2) To any obligation to share "damages" with or repay someone else who must pay "damages" because of the injury.

**EXCEPTION**

Subparagraphs a. and b. of this exclusion do not apply if "underlying insurance" is maintained providing coverage for such liability with minimum underlying limits, as described in the Schedule of Underlying Insurance Policies.

**16. Property Damage To Employee's Property**

Coverage afforded any of your "employees" for "property damage" to property owned or occupied by or rented or loaned to:

- a. That "employee";
- b. Any of your other "employees";
- c. Any of your partners or members (if you are a partnership or joint venture); or
- d. Any of your members (if you are a limited liability company).

## 17. Uninsured Or Underinsured Motorists

Any claim for:

- a. Uninsured or Underinsured Motorists Coverage;
- b. Personal injury protection;
- c. Property protection; or
- d. Any similar no-fault coverage by whatever name called;

Unless this policy is endorsed to provide such coverage.

## 18. Employment Practices Liability

- a. Any injury or damage to:
  - (1) A person arising out of any:
    - (a) Refusal to employ that person;
    - (b) Termination of that person's employment; or
    - (c) Employment-related practices, policies, acts or omissions, such as but not limited to: coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation, discrimination or malicious prosecution directed at that person; or
  - (2) The spouse, child, parent, brother or sister of that person, as a consequence of any injury or damage to that person at whom any of the employment-related practices described in paragraphs (a), (b), or (c) above is directed.

This exclusion applies:

- i. Whether the injury-causing event described in part (1) above occurs before employment, during employment or after employment of that person;
- ii. Whether the "insured" may be liable as an employer or in any other capacity; and
- iii. To any obligation to share "damages" with or repay someone else who must pay "damages" because of the injury.

## 19. Employee Retirement Income Security Act

Any liability arising out of intentional or unintentional violation of any provision of the Employee Retirement Income Security Act of 1974, Public Law 93-406 (commonly referred to as the Revision Act of 1974), or any amendments to them.

## 20. Asbestos

Any injury, damages, loss, cost or expense, including but not limited to "bodily injury", "property damage" or "personal and advertising injury" arising out of, or relating to, in whole or in part, the "asbestos hazard" that:

- a. May be awarded or incurred by reason of any claim or suit alleging actual or threatened injury or damage of any nature or kind to persons or property which would not have occurred in whole or in part but for the "asbestos hazard"; or
- b. Arise out of any request, demand, order, or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, encapsulate, contain, treat, detoxify or neutralize or in any way respond to or assess the effects of any "asbestos hazard"; or
- c. Arise out of any claim or suit for damages because of testing for, monitoring, cleaning up, removing, encapsulating, containing, treating, detoxifying or neutralizing or in any way responding to or assessing the effects of an "asbestos hazard".

## 21. Racing And Stunting Activities

"Bodily injury" or "property damage" arising out of the ownership, operation, maintenance, use, entrustment to others, or loading or unloading of any "auto" or "mobile equipment" while being used in any:

- a. Prearranged or organized racing, speed or demolition contest;
- b. Stunting activity; or
- c. Preparation for any such contest or activity.

## 22. Access Or Disclosure Of Confidential Or Personal Information And Data-related Liability

Damages arising out of:

- a. Any access to or disclosure of any person's or organization's confidential or personal information, including patents, trade secrets, processing methods, customer lists, financial information, credit card information, health information or any other type of nonpublic information; or
- b. The loss of, loss of use of, damage to, corruption of, inability to access, or inability to manipulate electronic data.

This exclusion applies even if damages are claimed for notification costs, credit

monitoring expenses, forensic expenses, public relations expenses or any other loss, cost or expense incurred by you or others arising out of that which is described in Paragraph (1) or (2) above.

However, unless Paragraph (1) above applies, this exclusion does not apply to damages because of "bodily injury".

As used in this exclusion, electronic data means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMS, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

### **23. Limited Underlying Coverage**

Any injury, damage, loss, cost or expense, including but not limited to "bodily injury", "property damage" or "personal and advertising injury" for which:

- a. an "underlying insurance" policy or policies specifically provides coverage; but
- b. because of a provision within the "underlying insurance" such coverage is provided at a limit or limits of insurance that are less than the limit(s) for the "underlying insurance" policy or policies shown on the Schedule of Underlying Insurance Policies.

### **24. Recording And Distribution Of Material Or Information In Violation Of Law**

Any injury, damage, loss, cost or expense, including but not limited to "bodily injury", "property damage", or "personal and advertising injury" arising directly or indirectly out of any action or omission that violates or is alleged to violate:

- a. The Telephone Consumer Protection Act (TCPA), including any amendment of or addition to such law;
- b. The CAN-SPAM Act of 2003, including any amendment of or addition to such law;
- c. The Fair Credit Reporting Act (FCRA), and any amendment of or addition to such law, including the Fair and Accurate Credit Transaction Act (FACTA); or
- d. Any federal, state or local statute, ordinance or regulation, other than the TCPA, CAN-SPAM Act of 2003 or FCRA and their amendments and additions, that addresses, prohibits or

limits the printing, dissemination, disposal, collecting, recording, sending, transmitting, communicating or distribution of material or information.

## **SECTION II - INVESTIGATION, DEFENSE, SETTLEMENT**

A. With respect to "bodily injury", "property damage" or "personal and advertising injury" to which this insurance applies (whether or not the "self-insured retention" applies) and

1. For which no coverage is provided under any "underlying insurance"; or
2. For which the underlying limits of any "underlying insurance" policy have been exhausted solely by payments of "damages" because of "occurrences" during the "policy period",

We:

1. Will have the right and the duty to defend any "suit" against the "insured" seeking "damages" on account thereof, even if such "suit" is groundless, false or fraudulent; but our right and duty to defend end when we have used up the applicable limit of insurance in the payment of judgments or settlements under coverages afforded by this policy;
2. May make such investigation and settlement of any claim or "suit" as we deem expedient;
3. Will pay all expenses incurred by us, all court costs taxed against the "insured" in any "suit" defended by us and all interest on the entire amount of any judgment therein which accrues after the entry of the judgment and before we have paid or tendered or deposited in court that part of the judgment which does not exceed the applicable limit of insurance. However, such costs do not include attorneys' fees, attorneys' expenses, witness or expert fees, or any other expenses of a party taxed to the insured;
4. Will pay all premiums on appeal bonds required in any such "suit", premiums on bonds to release attachments in any such "suit" for an amount not in excess of the applicable limit of insurance, and the cost of bail bonds required of the "insured" because of an accident or traffic law violation arising out of the operation of any vehicle to which this policy applies, but we will have no obligation to apply for or furnish any such bonds;
5. Will pay all reasonable expenses incurred by the "insured" at our request in assisting us in the investigation or defense of any claim or "suit", including actual loss of earnings not to exceed \$500 per day per "insured";

and the amounts so incurred, except settlement of claims and "suits," are not subject to the "self-insured retention" and are payable in addition to any applicable limit of insurance.

The "Insured" agrees to reimburse us promptly for amounts paid in settlement of claims or "suits" to the extent that such amounts are within the "self-insured retention".

- B. You agree to arrange for the investigation, defense or settlement of any claim or "suit" in any country where we may be prevented by law from carrying out this agreement. We will pay defense expenses incurred with our written consent in connection with any such claim or "suit" in addition to any applicable limit of insurance. We will also promptly reimburse you for our proper share, but subject to the applicable limit of insurance, of any settlement above the "self-insured retention" made with our written consent.
- C. We will have the right to associate at our expense with the "insured" or any underlying insurer in the investigation, defense or settlement of any claim or "suit" which in our opinion may require payment hereunder. In no event, however, will we contribute to the cost and expenses incurred by any underlying insurer.

### **SECTION III - WHO IS AN INSURED**

- A. If you are doing business as:
  - 1. An individual, you and your spouse are "insureds", but only with respect to the conduct of a business of which you are the sole owner.
  - 2. A partnership or joint venture, you are an "insured". Your members, your partners, and their spouses are also "insureds", but only with respect to the conduct of your business.
  - 3. A limited liability company, you are an "insured". Your members are also "insureds", but only with respect to the conduct of your business. Your managers are "insureds", but only with respect to their duties as your managers.
  - 4. An organization other than a partnership, joint venture or limited liability company, you are an "insured". Your "executive officers" and directors are "insureds", but only with respect to their duties as your officers or directors. Your stockholders are also "insureds", but only with respect to their liability as stockholders.
  - 5. A trust, you are an "insured". Your trustees are also "insureds", but only with respect to their duties as trustees.
- B. Each of the following is also an "insured":
  - 1. Your "volunteer workers" only while performing duties related to the conduct of

your business, or your "employees," other than your "executive officers" (if you are an organization other than a partnership, joint venture or limited liability company) or your managers (if you are a limited liability company), but only for acts:

- a. Within the scope of their employment by you or while performing duties related to the conduct of your business; and
  - b. Only if such "volunteer workers" or "employees" are insureds under "underlying insurance" with limits of liability no less than stated in the Schedule of Underlying Insurance Policies, subject to all the coverage, terms, conditions and limitations of such "underlying insurance".
- 2. Any person or organization with whom you agreed, because of a written contract, written agreement or because of a permit issued by a state or political subdivision, to provide insurance such as is afforded under this policy, but only with respect to your operations, "your work" or facilities owned or used by you.

This provision does not apply:

    - a. Unless the written contract or written agreement has been executed, or the permit has been issued prior to the "bodily injury," "property damage," or "personal and advertising injury"; and
    - b. Unless limits of liability specified in such written contract, written agreement or permit is greater than the limits shown for "underlying insurance"; or
    - c. Beyond the period of time required by the written contract or written agreement.
  - 3. Any person or organization having proper temporary custody of your property if you die, but only:
    - a. With respect to liability arising out of the maintenance or use of that property; and
    - b. Until your legal representative has been appointed.
  - 4. Your legal representative if you die, but only with respect to his or her duties as such. That representative will have all your rights and duties under this policy.
- C. With respect to "auto", any "insured" in the "underlying insurance" is an "insured" under this insurance policy, subject to all the limitations of such "underlying insurance".
  - D. Any organization you newly acquire or form, other than a partnership, joint venture or limited liability company, and over which you maintain

financial interest of more than 50% of the voting stock, will qualify as an "insured" if there is no other similar insurance available to that organization.

However:

1. Coverage under this provision is afforded only until the 180th day after you acquire or form the organization or the end of the "policy period", whichever is earlier;
2. This insurance does not apply to "bodily injury" or "property damage" that occurred before you acquired or formed the organization; and
3. This insurance does not apply to "personal and advertising injury" arising out of an offense committed before you acquired or formed the organization.

E. Each person or organization, not included as an "insured" in Paragraphs A., B., C., or D., who is an "insured" in the "underlying insurance" is an "insured" under this insurance subject to all the terms, conditions and limitations of such "underlying insurance".

No person or organization is an "insured" with respect to the conduct of any current or past partnership, joint venture or limited liability company that is not shown as a Named Insured in the Declarations.

With respect to any person or organization who is not an "insured" under "underlying insurance", coverage under this policy shall apply only to loss in excess of the amount of the "underlying insurance" or "self-insured retention" applicable to you.

However, coverage afforded by reason of the provisions set forth above applies only to the extent:

- (i) Of the scope of coverage provided by the "underlying insurance" but in no event shall coverage be broader than the scope of coverage provided by this policy and any endorsements attached hereto; and
- (ii) That such coverage provided by the "underlying insurance" is maintained having limits as set forth in the Schedule of Underlying Insurance Policies.

#### **SECTION IV - LIMITS OF INSURANCE**

A. The Limits of Insurance shown in the Declarations and the rules below fix the most we will pay regardless of the number of:

1. "Insureds";
2. Claims made or "suits" brought;
3. Persons or organizations making claims or bringing "suits"; or
4. Coverages under which damages are covered under this policy.

B. The Limit of Insurance stated as the General Aggregate Limit is the most we will pay for the sum of "damages", other than "damages":

1. Because of injury or damage included within the "products-completed operations hazard";
2. Because of "bodily injury" by disease to your "employees" arising out of and in the course of their employment by you; and
3. Because of "bodily injury" and "property damage" arising out of the ownership, operations, maintenance, use, entrustment to others, loading or unloading of any "auto".

C. The Limit of Insurance stated as the Products Completed Operations Aggregate Limit is the most we will pay for "damages" because of injury or damage included within the "products-completed operations hazard".

D. The Limit of Insurance stated as the Bodily Injury By Disease Aggregate Limit is the most we will pay for "damages" because of "bodily injury" by disease to your "employees" arising out of and in the course of their employment by you.

E. Subject to B., C., or D above, whichever applies, the Each Occurrence Limit is the most we will pay for "damages" because of all "bodily injury", "property damage", and "personal and advertising injury" arising out of any one "occurrence".

F. Our obligations under this insurance end when the applicable Limit of Insurance available is used up. If we pay any amounts for "damages" in excess of that Limit of Insurance, you agree to reimburse us for such amounts.

G. The Limits of Insurance of this policy apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the "policy period" shown in the Declarations. However, if the "policy period" is extended after issuance for an additional period of less than 12 months, the additional period will be deemed part of the last preceding period for the purpose of determining the Limits of Insurance.

#### **SECTION V - NUCLEAR ENERGY LIABILITY EXCLUSION (Broad Form)**

A. The insurance does not apply:

1. To "bodily injury" or "property damage":
  - a. With respect to which an "insured" under the policy is also an insured under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters, Nuclear Insurance Association of Canada or any of their successors, or would be an insured



under any such policy but for its termination upon exhaustion of its limit of liability; or

- b. Resulting from the "hazardous properties" of "nuclear material" and with respect to which (a) any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof, or (b) the "insured" is, or had this policy not been issued would be, entitled to indemnity from the United States of America, or any agency thereof, under any agreement entered into by the United States of America, or any agency thereof, with any person or organization.

2. To "bodily injury" or "property damage" resulting from the "hazardous properties" of "nuclear material" if:

- a. The "nuclear material" (a) is at any "nuclear facility" owned by, or operated by or on behalf of, an "insured" or (b) has been discharged or dispersed therefrom;
- b. The "nuclear material" is contained in "spent fuel" or "waste" at any time possessed, handled, used, processed, stored, transported or disposed of by or on behalf of an "insured"; or
- c. The "bodily injury" or "property damage" arises out of the furnishing by an "insured" of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any "nuclear facility", but if such facility is located within the United States of America, its territories or possessions or Canada, this exclusion c. applies only to "property damage" to such "nuclear facility" and any property thereat.

B. As used in this exclusion:

"Hazardous properties" include radioactive, toxic or explosive properties;

"Nuclear material" means "source material", "special nuclear material" or "by-product material";

"Source material", "special nuclear material" and "by-product material" have the meanings given them in the Atomic Energy Act of 1954 or in any law amendatory thereof;

"Spent fuel" means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a "nuclear reactor";

"Waste" means any waste material (a) containing "by-product material" other than the tailings or wastes produced by the extraction or

concentration of uranium or thorium from any ore processed primarily for its "source material" content, and (b) resulting from the operation by any person or organization of any "nuclear facility" included under the first two paragraphs of the definition of "nuclear facility".

"Nuclear facility" means:

- (1) Any "nuclear reactor";
- (2) Any equipment or device designed or used for (a) separating the isotopes of uranium or plutonium, (b) processing or utilizing "spent fuel," or (c) handling, processing or packaging "waste";
- (3) Any equipment or device used for the processing, fabricating or alloying of "special nuclear material" if at any time the total amount of such material in the custody of the "insured" at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235;
- (4) Any structure, basin, excavation, premises or place prepared or used for the storage or disposal of "waste"; and includes the site on which any of the foregoing is located, all operations conducted on such site and all premises used for such operations;

"Nuclear reactor" means any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of fissionable material;

"Property damage" includes all forms of radioactive contamination of property.

## SECTION VI - CONDITIONS

### A. Premium

All premiums for this policy shall be computed in accordance with Item 5 of the Declarations. The premium stated as such in the Declarations is a deposit premium only which shall be credited to the amount of any earned premium. At the close of each "policy period", the earned premium shall be computed for such period, and upon notice thereof to the Named Insured first shown in the Declarations shall become due and payable by such Named Insured.

If the total earned premium for the "policy period" is less than the premium previously paid and more than the minimum premium, we shall return to such Named Insured the unearned portion paid by such Named Insured.

The Named insured first shown in the Declarations shall maintain records of such information as is necessary for premium computation, and shall send copies of such records to us at the end of the "policy period" and at such times during the "policy period" as we may direct.

## **B. Inspection And Audit**

We shall be permitted but not obligated to inspect your property and operations at any time. Neither our right to make inspections, nor the making thereof, nor any report thereon, shall constitute an undertaking on your behalf or for your benefit or that of others to determine or warrant that such property or operations are:

1. Safe;
2. Healthful; or
3. In compliance with any law, rule or regulation.

We may examine and audit your books and records at any time during the "policy period" and extensions thereof and within three years after the final termination of this policy, insofar as they relate to the subject matter of this policy.

## **C. Duties In The Event Of Occurrence, Claim Or Suit**

1. You must see to it that we are notified as soon as practicable of an "occurrence" which may result in a claim under this policy. This requirement applies only when such "occurrence" is known to any of the following:
  - a. You or any additional insured that is an individual;
  - b. Any partner, if you or an additional insured are a partnership;
  - c. Any manager, if you or an additional insured are a limited liability company;
  - d. Any "executive officer" or insurance manager, if you or an additional insured are a corporation;
  - e. Any trustee, if you or an additional insured is a trust; or
  - f. Any elected or appointed official, if you or an additional insured is a political subdivision or public entity.

This duty applies separately to you and any additional insured.

To the extent possible, notice should include:

- a. How, when and where the "occurrence" took place;
  - b. The names and addresses of any injured persons and witnesses; and
  - c. The nature and location of any injury or damage arising out of the "occurrence" or "offense".
2. If a claim is made or "suit" is brought against any insured, you must:
    - a. Immediately record the specifics of the claim or "suit" and the date received; and

- b. Notify us in writing as soon as practicable if the claim is likely to exceed the amount of the "self-insured retention" or "underlying insurance", whichever applies.

3. You and any other involved insured must:
  - a. Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or "suit" involving or likely to involve a sum in excess of any "self-insured retention" or "underlying insurance", whichever applies";
  - b. Authorize us to obtain records and other information;
  - c. Cooperate with us in the investigation or settlement of the claim or defense against the "suit"; and
  - d. Assist us, upon our request in the enforcement of any right against any person or organization which may be liable to the insured because of injury or damage to which this policy or any "underlying insurance" or "self-insured retention" may apply.
4. No insured will, except at that insured's own cost, make or agree to any settlement for a sum in excess of:
  - a. The total limits of "underlying insurance"; or
  - b. The "self-insured retention" if no "underlying insurance" applies without our consent.
5. No insureds will, except at that insured's own cost, make a payment, assume any obligation, or incur any expenses, other than first aid, without our consent.

## **D. Assistance And Cooperation Of The Insured**

The "insured" shall:

1. Cooperate with us and comply with all the terms and conditions of this policy; and
2. Cooperate with any of the underlying insurers as required by the terms of the "underlying insurance" and comply with all the terms and conditions thereof.

The "insured" shall enforce any right of contribution or indemnity against any person or organization who may be liable to the "insured" because of "bodily injury", "property damage" or "personal and advertising injury" with respect to this policy or any "underlying insurance".

## **E. Legal Action Against Us**

No person or organization has a right under this policy:

- a. To join us as a party or otherwise bring us into a "suit" asking for damages from an insured; or

- b. To sue us on this policy unless all of its terms and those of the "underlying insurance" have been fully complied with.

A person or organization may sue us to recover on an agreed settlement or on a final judgment against an insured; but, we will not be liable for damages that are not payable under the terms of this policy or that are in excess of the limit of liability. An agreed settlement means a settlement and release of liability signed by us, the insured and the claimant or the claimant's legal representative.

#### F. Appeals

In the event the "insured" or the "insured's" underlying insurer elects not to appeal a judgment in excess of the "underlying insurance" or the "self-insured retention," we may elect to make such appeal, at our cost and expense.

If we so elect, we shall be liable in addition to the applicable Limit of Insurance, for the:

1. Taxable costs;
2. Disbursements; and
3. Additional interest incidental to such appeal;

But in no event will we be liable for "damages" in excess of the applicable aggregate Limit of Insurance.

If a judgment is rendered in excess of the limits of "underlying insurance" and we offer to pay our full share of such judgment, but you or your underlying insurers elect to appeal it, you, your underlying insurers or both will bear:

- a. The cost and duty of obtaining any appeal bond;
- b. The taxable costs, disbursements and additional interest incidental to such appeal; and
- c. Any increase in damages over the amount the matter could have been settled for after the verdict was entered and before the appeal was filed.

#### G. Other Insurance

This policy shall apply in excess of all "underlying insurance" whether or not valid and collectible. It shall also apply in excess of other valid and collectible insurance (except other insurance purchased specifically to apply in excess of this insurance) which also applies to any loss for which insurance is provided by this policy.

These excess provisions apply, whether such other insurance is stated to be:

1. Primary;
2. Contributing;
3. Excess; or
4. Contingent.

#### H. Transfer Of Rights Of Recovery Against Others To Us

##### 1. Transfer Of Rights Of Recovery

If the insured has rights to recover all or a part of any payment we have made under this policy, those rights are transferred to us. The insured must do nothing after a loss to impair them. At our request, the insured will bring "suit" or transfer those rights to us and help us enforce them.

- a. Recoveries shall be applied to reimburse:

- (1) First, any interest (including the Named Insured) that paid any amount in excess of our limit of liability;
- (2) Second, us, along with any other insurers having a quota share interest at the same level;
- (3) Third, such interests (including the Named Insured) of whom this insurance is excess.

However, a different apportionment may be made to effect settlement of a claim by agreement signed by all interests.

- b. Reasonable expenses incurred in the exercise of rights of recovery shall be apportioned among all interests in the ratio of their respective losses for which recovery is sought.

##### 2. Waiver Of Rights Of Recovery (Waiver Of Subrogation)

If the "insured" has waived any rights of recovery against any person or organization for all or part of any payment we have made under this policy, we also waive that right, provided the "insured" waived their rights of recovery against such person or organization in a contract, agreement or permit that was executed prior to the injury or damage.

#### I. Changes

This policy contains all the agreements between you and us concerning the insurance afforded. Notice to any agent, or knowledge possessed by any agent or any other person shall not effect a waiver or a change in any part of this policy, or stop us from asserting any rights under the terms of this policy.

The Named Insured first shown in the Declarations is authorized on behalf of all "insureds" to agree with us on changes in the terms of this policy.

If the terms are changed, the changes will be shown in an endorsement issued by us and made a part of this policy.

#### **J. Separation Of Insureds**

Except with respect to the Limits of Liability, and any rights or duties specifically assigned in this policy to the Named Insured first shown in the declarations, this insurance applies:

- a. As if each Named Insured were the only Named Insured: and
- b. Separately to each insured against whom claim is made or "suit" is brought.

#### **K. Maintenance Of Underlying Insurance**

Policies affording in total the coverage and limits stated in the Schedule of Underlying Insurance Policies shall be maintained in full effect during the currency of this policy. Your failure to comply with the foregoing shall not invalidate this policy, but in the event of such failure, we shall be liable only to the extent that we would have been liable had you complied herewith.

The Named Insured first shown in the Declarations shall give us written notice as soon as practicable of any of the following:

1. Any change in the coverage or in the limits of any "underlying insurance", including but not limited to a change from occurrence coverage to claims made coverage;
2. Termination of part or all of one or more of the policies of "underlying insurance";
3. Reduction or exhaustion of an aggregate limit of liability of any "underlying insurance".

The "self-insured retention" shall not apply should the "underlying insurance" be exhausted by the payment of claims or "suits" which are also covered by this policy.

#### **L. Cancellation**

1. The Named Insured first shown in the Declarations may cancel this policy by mailing or delivering to us or to any of our authorized agents advance written notice of cancellation.
2. We may cancel this policy by mailing or delivering to the Named Insured first shown in the Declarations at the address shown in this policy, written notice of cancellation at least:
  - a. 10 days before the effective date of cancellation if such Named Insured fails to pay the premium or any installment when due; or
  - b. 30 days before the effective date of cancellation if we cancel for any other reason.
3. If notice is mailed, proof of mailing will be sufficient proof of notice. Notice will state the effective date of cancellation. The "policy period" will end on that date.

Delivery of such notice by the Named Insured first shown in the Declarations or by us will be equivalent to mailing.

4. If the Named Insured first shown in the Declarations cancels, the refund may be less than pro rata, but we will retain any minimum premium stated as such in the Declarations. If we cancel, the refund will be pro rata. The cancellation will be effective even if we have not made or offered a refund.

#### **M. Non-Renewal**

1. If we decide not to renew, we will mail or deliver to the Named Insured first shown in the Declarations, at the address shown in this policy, written notice of non-renewal at least 30 days before the end of the "policy period".
2. If notice is mailed, proof of mailing will be sufficient proof of notice.
3. If we offer to renew but such Named Insured does not accept, this policy will not be renewed at the end of the current "policy period".

#### **N. Workers' Compensation Agreement**

With respect to "bodily injury" to any officer or other employee arising out of and in the course of employment by you, you represent and agree that you have not abrogated and will not abrogate your common-law defenses under any Workers' Compensation Law by rejection of such law or otherwise. If at any time during the "policy period" you abrogate such defenses, the insurance for "bodily injury" to such officer or other employee automatically terminates at the same time.

#### **O. Bankruptcy Or Insolvency**

In the event of the bankruptcy or insolvency of the "insured" or any entity comprising the "insured", we shall not be relieved of any of our obligations under this policy.

#### **P. Representations**

By accepting this policy, you agree:

- a. The statements in the Declarations are accurate and complete;
- b. The statements in the Schedule Of Underlying Insurance Policies are accurate and complete;
- c. The statements in a. and b. are based upon representations you made to us;
- d. We have issued this policy in reliance upon your representations; and
- e. If unintentionally you should fail to disclose all hazards at the inception of this policy, we shall not deny coverage under this policy because of such failure.

## SECTION VII - DEFINITIONS

**Except as otherwise provided in this section or amended by endorsement, the words or phrases that appear in quotation marks within this policy shall follow the definitions of the applicable "underlying insurance" policy.**

**"Accident"** includes continuous or repeated exposure to the same conditions resulting in "bodily injury" or "property damage".

**"Asbestos hazard"** means an exposure or threat of exposure to the actual or alleged properties of asbestos and includes the mere presence of asbestos in any form.

**"Auto"** means:

- a. A land motor vehicle, trailer or semitrailer designed for travel on public roads, including any attached machinery or equipment; or
- b. Any other land vehicle that is subject to a compulsory or financial responsibility law or other motor vehicle insurance law where it is licensed or principally garaged.

However, "auto" does not include "mobile equipment".

**"Covered pollution cost or expense"** means any cost or expense arising out of:

1. Any request, demand, order or statutory or regulatory requirement; or
2. Any claim or "suit" by or on behalf of a governmental authority demanding

that the "insured" or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants".

"Covered pollution cost or expense" does not include any cost or expense arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants":

- (1) That are, or that are contained in any property that is:
  - a. Being transported or towed by, handled, or handled for movement into, onto or from, any "auto";
  - b. Otherwise in the course of transit by or on behalf of the "insured"; or
  - c. Being stored, disposed of, treated or processed in or upon any "auto"; or
- (2) Before the "pollutants" or any property in which the "pollutants" are contained are moved from the place where they are accepted by the "insured" for movement into or onto any "auto"; or
- (3) After the "pollutants" or any property in which the "pollutants" are contained are moved from any "auto" to the place where they are finally delivered, disposed of or abandoned by the "insured".

Paragraph a. above does not apply to fuels, lubricants, fluids, exhaust gases or other similar "pollutants" that are needed for or result from the normal electrical, hydraulic or mechanical functioning of an "auto", covered by the "underlying insurance" or its parts, if:

- (1) The "pollutants" escape, seep, migrate, or are discharged or released directly from an "auto" part designed by its manufacturer to hold, store, receive or dispose of such "pollutants"; and
- (2) The "bodily injury," "property damage" or "covered pollution cost or expense" does not arise out of the operation of any equipment listed in paragraphs 6.b and 6.c. of the definition of "mobile equipment".

Paragraphs b. and c. above do not apply to "accidents" that occur away from premises owned by or rented to an "insured" with respect to "pollutants" not in or upon an "auto" covered by the "underlying insurance" if:

- (1) The "pollutants" or any property in which the "pollutants" are contained are upset, overturned or damaged as a result of the maintenance or use of the "auto"; and
- (2) The discharge, dispersal, seepage, migration, release or escape of the "pollutants" is caused directly by such upset, overturn or damage.

**"Damages"** include prejudgment interest awarded against the "insured" on that part of the judgment we pay.

"Damages" do not include:

1. Fines;
2. Penalties; or
3. Damages for which insurance is prohibited by the law applicable to the construction of this policy.

Subject to the foregoing, "damages" include damages for any of the following which result at any time from "bodily injury" to which this policy applies:

1. Death;
2. Mental anguish;
3. Shock;
4. Disability; or
5. Care and loss of services or consortium.

**"Insured"** means any person or organization qualifying as an insured in the applicable WHO IS AN INSURED provision of this policy. The insurance afforded applies separately to each "insured" against whom claim is made or "suit" is brought, except with respect to the limit of our liability under LIMITS OF INSURANCE (SECTION IV).

**"Occurrence"** means

1. With respect to "bodily injury" or "property damage": an accident, including continuous or

repeated exposure to substantially the same general harmful conditions, and

2. With respect to "personal and advertising injury": an offense described in one of the numbered subdivisions of that definition in the "underlying insurance".

**"Policy period"** means the period beginning with the inception date stated as such in the Declarations and ending with the earlier of:

1. The date of cancellation of this policy; or
2. The expiration date stated as such in the Declarations.

**"Self-insured retention"** means the amount stated as such in the Declarations which is retained and payable by the "insured" with respect to each "occurrence".

**"Underlying insurance"** means the insurance policies listed in the Schedule of Underlying Insurance Policies, including any renewals or replacements thereof, which provide the underlying coverages and limits stated in the Schedule of Underlying Insurance Policies. The limit of "underlying insurance" includes:

1. Any deductible amount;
2. Any participation of any "insured"; and
3. Any "self-insured retention" above or beneath any such policy;

Less the amount, if any, by which the aggregate limit of such insurance has been reduced by any payment relating to any act, error, omission, injury, damage or offense for which insurance is provided by this policy, including Medical Payments Coverage as described in the "underlying insurance." The coverages and limits of such policies and any such deductible amount, participation or "self-insured retention" shall be deemed to be applicable regardless of:

1. Any defense which any underlying insurer may assert because of the "insured's" failure to comply with any condition of its policy; or
2. The actual or alleged insolvency or financial impairment of any underlying insurer or any "insured".

The risk of insolvency or financial impairment of any underlying insurer or any "insured" is borne by you and not by us.

**Agenda Sheet for City Council:****Committee:** Finance & Administration **Date:** 03/24/2025**Committee Agenda type:** Consent**Date Rec'd**

3/19/2025

**Clerk's File #**

OPR 2025-0270

**Cross Ref #****Project #**

PW-ITB 6359-25

**Council Meeting Date:****Submitting Dept**

WATER &amp; HYDROELECTRIC SERVICES

**Bid #****Contact Name/Phone**

DAVID ST 7811

**Requisition #****Contact E-Mail**

DSTPIERRE@SPOKANECITY.ORG

**Agenda Item Type**

Engineer Construction Contract

**Council Sponsor(s)**

KKLITZKE

**Sponsoring at Administrators Request**

NO

**Lease?** NO**Grant Related?** NO**Public Works?** YES**Agenda Item Name**

4100 - LOW REBID AWARD - GENERATOR #3 REBUILD FOR UPRIVER

**Agenda Wording**

Low Bid of (to be determined at bid opening) (City, ST) for Generator #3 Rebuild for Upriver Hydroelectric project - \$\_\_. An administrative reserve of \$\_\_, which is 10% of the contract, will be set aside. Rebid, PW-ITB 6359-25.

**Summary (Background)**

The project consists of the disassembly, inspection, and repair of a 2 MW Kaplan generator unit within Powerhouse # 1 at the Upriver Dam. The project has been advertised for bids with a bid opening date of March 31, 2025. Construction to begin June 1, 2025, and end December 31, 2025. On \_\_\_\_, bids were opened for the above project. The low bid from (to be determined at bid opening) in the amount of \$\_\_, which is \$\_\_ or \_\_% (above/below) the Engineer's Estimate of \$625,000.00. \_\_ other bids were received as follows: (to be determined). All information will be provided prior to the council vote date.

**What impacts would the proposal have on historically excluded communities?**

Public works services and projects are designed to serve all citizens and businesses. We strive to offer a consistent level of service to all, distribute public investment throughout the community, and respond to gaps in services identified in various City plans.

**How will data be collected, analyzed, and reported concerning the effect of the program/policy by racial, ethnic, gender identity, national origin, income level, disability, sexual orientation, or other existing disparities?**

N/A

**How will data be collected regarding the effectiveness of this program, policy, or product to ensure it is the right solution?**

Public Works follows the City's established procurement and public works bidding regulations and policies to bring items forward and then uses contract management best practices to ensure desired outcomes and regulatory compliance.

**Describe how this proposal aligns with current City Policies, including the Comprehensive Plan, Sustainability Action Plan, Capital Improvement Program, Neighborhood Master Plans, Council Resolutions, and others?**

This work is consistent with annual budget strategies to limit costs and approved projects in the 6-year CIP.

**Council Subcommittee Review**



<b>Fiscal Impact</b>	
Approved in Current Year Budget?	YES
Total Cost	\$
Current Year Cost	\$
Subsequent Year(s) Cost	\$
<b><u>Narrative</u></b>	
Project funding is from local water and sewer rates.	
<b>Amount</b>	
<b>Budget Account</b>	
Expense	\$ 111
Select	\$
Select	\$
Select	\$
Select	\$
Select	\$
Select	\$
<b>Funding Source</b>	One-Time
<b>Funding Source Type</b>	Select
<b>Is this funding source sustainable for future years, months, etc?</b>	
Yes, water and sewer rates	
<b>Expense Occurrence</b>	One-Time
<b>Other budget impacts (revenue generating, match requirements, etc.)</b>	
<b>Approvals</b>	
<b>Additional Approvals</b>	
<b><u>Dept Head</u></b>	
<b><u>Division Director</u></b>	
<b><u>Accounting Manager</u></b>	
<b><u>Legal</u></b>	
<b><u>For the Mayor</u></b>	
<b>Distribution List</b>	
	tax&licenses@spokanecity.org
eraea@@spokanecity.org	dstpierre@spokanecity.org
mfeist@spokanecity.org	publicworksaccounting@spokanecity.org
wateraccounting	jsakamoto@spokanecity.org



# POWERHOUSE #1 - LOCATION MAP



### GENERATOR #3

