

CITY COUNCIL MEETINGS RULES – PUBLIC DECORUM

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

- 1. No Clapping!**
- 2. No Cheering!**
- 3. No Booing!**
- 4. No public outbursts!**
- 5. Three-minute time limit for comments made during open forum and public testimony on legislative items!**
- 6. No person shall be permitted to speak at open forum more often than once per month. In addition, please silence your cell phones when entering the Council Chambers!**

Further, keep the following City Council Rules in mind:

Rule 2.2 Open Forum

- D. The open forum is a limited public forum; all matters discussed in the open forum shall relate to the affairs of the City. No person shall be permitted to speak regarding items on the current or advance agendas, pending hearing items, or initiatives or referenda in a pending election. Individuals speaking during the open forum shall address their comments to the Council President and shall not use profanity, engage in obscene speech, or make personal comment or verbal insults about any individual.
- E. To encourage wider participation in open forum and a broad array of public comment and varied points of view, no person shall be permitted to speak at open forum more often than once per month. However, there is no limit on the number of items on which a member of the public may testify, such as legislative items, special consideration items, hearing items, and other items before the City Council and requiring Council action that are not adjudicatory or administrative in nature, as specified in Rules 5.3 and 5.4.

Rule 5.4 Public Testimony Regarding Legislative Agenda Items – Time Limits

- A. 5.4.1 The City Council shall take public testimony on all matters included on its legislative agenda, with those exceptions stated in Rule 5.4(B). Public testimony shall be limited to the final Council action. Public testimony shall be limited to three (3) minutes per speaker, unless, at his or her discretion, the Chair determines that, because of the number of speakers signed up to testify, less time will need to be allocated per speaker in order to accommodate all of the speakers. The Chair may allow additional time if the speaker is asked to respond to questions from the Council.
- B. No public testimony shall be taken on consent agenda items, amendments to legislative agenda items, or procedural, parliamentary, or administrative matters of the Council.
- C. For legislative or hearing items that may affect an identifiable individual, association, or group, the following procedure may be implemented:
 1. Following an assessment by the Chair of factors such as complexity of the issue(s), the apparent number of people indicating a desire to testify, representation by designated spokespersons, etc., the Chair shall, in the absence of objection by the majority of the Council present, impose the following procedural time limitations for taking public testimony regarding legislative matters:
 - a. There shall be up to fifteen (15) minutes for staff, board, or commission presentation of background information, if any.
 - b. The designated representative of the proponents of the issue shall speak first and may include within his or her presentation the testimony of expert witnesses, visual displays, and any other reasonable methods of presenting the case. Up to thirty (30) minutes shall be granted for the proponent's presentation. If there be more than one designated representative, they shall allocate the 30 minutes between or among themselves.

- c. Three minutes shall be granted for any other person not associated with the designated representative who wishes to speak on behalf of the proponent's position.
 - d. The designated representative, if any, of the opponents of the issue shall speak following the presentation of the testimony of expert witnesses, visual displays, and any other reasonable methods of presenting the case. The designated representative(s) of the opponents shall have the same time allotted as provided for the proponents.
 - e. Three minutes shall be granted for any other person not associated with the designated representative who wishes to speak on behalf of the opponents' position.
 - f. Up to ten minutes of rebuttal time shall be granted to the designated representative for each side, the proponents speaking first, the opponents speaking second.
- 2. In the event the party or parties representing one side of an issue has a designated representative and the other side does not, the Chair shall publicly ask the unrepresented side if they wish to designate one or more persons to utilize the time allotted for the designated representative. If no such designation is made, each person wishing to speak on behalf of the unrepresented side shall be granted three minutes to present his/her position, and no additional compensating time shall be allowed due to the fact that the side has no designated representative.
 - 3. In the event there appears to be more than two groups wishing to advocate their distinct positions on a specific issue, the Chair may grant the same procedural and time allowances to each group or groups, as stated previously.
- D. The time taken for staff or Council member questions and responses thereto shall be in addition to the time allotted for any individual or designated representative's testimony.

THE CITY OF SPOKANE



CURRENT COUNCIL AGENDA

MEETING OF MONDAY, MARCH 19, 2018

MISSION STATEMENT

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

MAYOR DAVID A. CONDON

COUNCIL PRESIDENT BEN STUCKART

COUNCIL MEMBER BREEAN BEGGS

COUNCIL MEMBER MIKE FAGAN

COUNCIL MEMBER CANDACE MUMM

COUNCIL MEMBER KATE BURKE

COUNCIL MEMBER LORI KINNEAR

COUNCIL MEMBER KAREN STRATTON

**COUNCIL BRIEFING SESSION – 3:30 P.M.
COUNCIL CHAMBERS
CITY HALL**

**TOWN HALL/LEGISLATIVE SESSION – 6:00 P.M.
EAST CENTRAL COMMUNITY CENTER
500 SOUTH STONE STREET, SPOKANE, WA**

City of Spokane Guest Wireless access for Council Chambers for March 19, 2018:

User Name: **COS Guest**

Password: **XTw235Nb**

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

CITY COUNCIL BRIEFING SESSION

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

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

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

ADDRESSING THE COUNCIL

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

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

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

AMERICANS WITH DISABILITIES ACT (ADA) INFORMATION: The City of Spokane is committed to providing equal access to its facilities, programs and services for persons with disabilities. The Spokane City Council Chamber in the lower level of Spokane City Hall, 808 W. Spokane Falls Blvd., is wheelchair accessible and also is equipped with an infrared assistive listening system for persons with hearing loss. Headsets may be checked out (upon presentation of picture I.D.) at the City Cable 5 Production Booth located on the First Floor of the Municipal Building, directly above the Chase Gallery or through the meeting organizer. Individuals requesting reasonable accommodations or further information may call, write, or email Human Resources at 509.625.6383, 808 W. Spokane Falls Blvd, Spokane, WA, 99201; or msteinolfson@spokanecity.org. Persons who are deaf or hard of hearing may contact Human Resources through the Washington Relay Service at 7-1-1. Please contact us forty-eight (48) hours before the meeting date.

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

BRIEFING SESSION

(3:30 p.m.)

(Council Chambers Lower Level of City Hall)

(No Public Testimony Taken)

Council Reports

Staff Reports

Committee Reports

Advance Agenda Review

Current Agenda Review

ADMINISTRATIVE SESSION

Roll Call of Council

CONSENT AGENDA

REPORTS, CONTRACTS AND CLAIMS

RECOMMENDATION

- | | | |
|---|---------|------------------------------|
| 1. Add additional funds to the current Value Blanket Order with L.N. Curtis & Sons (Seattle, WA)—\$156,000 (incl. tax). Total Contract Amount: \$556,000. | Approve | OPR 2016-0120
RFP 4210-15 |
| 2. Two-year Contracts for On-Call Construction Management Services with: | Approve | |
| a. Parametrix (Number one rated firm)—\$300,000. | | OPR 2018-0154
ENG 2018054 |
| b. Hill International (Number two rated firm)—\$200,000. | | OPR 2018-0155
ENG 201805 |
| (Multiple Neighborhoods) | | |
| 3. Contract Amendment No. 3 with AECOM Technical Services (Spokane, WA) for the Spokane Falls CSO 26 Control Facility Project to include construction engineering support from March 19, 2018 through December 31, 2019—increase of \$85,000. Total Contract Amount \$5,924,460.12. | Approve | OPR 2013-0003
ENG 2010088 |

- | | | |
|--|------------------------------------|------------------------------|
| 4. Loan Agreements & other documents with Basalt Rock, LLC for the: | Approve
All | |
| a. construction of four 3-bedroom affordable housing units at 2418 East 1st Avenue—\$245,000 HOME funds. (East Central Neighborhood) | | OPR 2018-0156 |
| b. demolition of a house and construction of a duplex at 2413 East 7th Avenue—\$175,000 HOME funds. (East Central Neighborhood) | | OPR 2018-0157 |
| 5. Five-year Contract with Barr-Tech LLC (Sprague, WA) for transporting, processing, and composting residential organics—annual estimated expenditure \$1,300,000. | Approve | OPR 2018-0158
BID 4420-17 |
| 6. Report of the Mayor of pending: | Approve &
Authorize
Payments | |
| a. Claims and payments of previously approved obligations, including those of Parks and Library, through, March 9, 2018, total \$4,998,537.73, with Parks and Library claims approved by their respective boards. Warrants excluding Parks and Library total \$4,906,534.05. | | CPR 2018-0002 |
| b. Payroll claims of previously approved obligations through March 10, 2018: \$6,603,822.04. | | CPR 2018-0003 |
| 7. City Council Meeting Minutes: February 26, 2018, March 5, 2018, March 8, 2018 and March 12, 2018. | Approve
All | CPR 2018-0013 |

EXECUTIVE SESSION

(Closed Session of Council)

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

CITY COUNCIL SESSION

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

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

TOWN HALL /LEGISLATIVE SESSION

(6:00 P.M.)

(Council Reconvenes at the East Central Community Center)

WORDS OF INSPIRATION

PLEDGE OF ALLEGIANCE

ROLL CALL OF COUNCIL

ANNOUNCEMENTS

(Announcements regarding Changes to the City Council Agenda)

NO BOARDS AND COMMISSIONS APPOINTMENTS

ADMINISTRATIVE REPORT

COUNCIL COMMITTEE REPORTS

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

TOWN HALL FORUM

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

Note: No person shall be permitted to speak at Open Forum more often than once per month (Council Rule 2.2.E).

NEIGHBORHOOD REPORTS

LEGISLATIVE AGENDA

NO SPECIAL BUDGET ORDINANCES

NO EMERGENCY ORDINANCES

RESOLUTION

(Require Four Affirmative, Recorded Roll Call Votes)

RES 2018-0020 Declaring North River Inc. (Roseburg, OR) a sole source provider and
OPR 2018-0160 authorizing remanufacturing services for the City of Spokane Fire
Department's custom water rescue boat without public bidding and
authorizing contract—\$75,000. (incl. tax)

NO FINAL READING ORDINANCES

NO FIRST READING ORDINANCES

NO SPECIAL CONSIDERATIONS

NO HEARINGS

TOWN HALL FORUM (CONTINUED)

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

Note: No person shall be permitted to speak at Open Forum more often than once per month (Council Rule 2.2.E).

ADJOURNMENT

The March 19, 2018, Regular Legislative Session of the City Council is adjourned to March 26, 2018.

NOTES

**Agenda Sheet for City Council Meeting of:**

03/19/2018

Date Rec'd

3/6/2018

Clerk's File #

OPR 2016-0120

Renews #**Submitting Dept**

FIRE

Cross Ref #**Contact Name/Phone**

BRIAN 625-7001

Project #**Contact E-Mail**

BSCHAEFFER@SPOKANECITY.ORG

Bid #

RFP #4210-15

Agenda Item Type

Purchase w/o Contract

Requisition #

VALUE BLANKET

Agenda Item Name

0440 - INCREASE TO VB FOR STRUCTURAL FIREFIGHTING PPE

Agenda Wording

Approve additional funds to be added to the current Value Blanket Order with L.N. Curtis & Sons (Seattle, WA) \$156,000.00 including tax

Summary (Background)

In March 2016, City Council approved via OPR 2016-0120 (RFP 4210-15) \$400,000 for a three (3) year Value Blanket for the purchase of structural firefighting PPE. Due to the hiring of 48 SAFER funded firefighters, funds for Structural Firefighting PPE were expended more rapidly than anticipated. The additional funds are needed to purchase twenty-two (22) additional sets of Structural PPE for the eleven (11) new hires attending Recruit Academy 2018-1, allowance for annual replacement costs for

Fiscal Impact

Grant related? NO

Budget Account

Public Works? NO

Expense \$ 156,000.00

various

Select \$

#

Select \$

#

Select \$

#

Approvals**Council Notifications****Dept Head**

SCHAEFFER, BRIAN

Study Session**Division Director**

SCHAEFFER, BRIAN

Other

PS&CH 3/5/18

Finance

BUSTOS, KIM

Distribution List**Legal**

ODLE, MARI

tprince

For the Mayor

DUNIVANT, TIMOTHY

dhaworth

Additional Approvals

dstockdill

Purchasing

PRINCE, THEA

taxes & licenses



Continuation of Wording, Summary, Budget, and Distribution

Agenda Wording

Summary (Background)

unserviceable PPE and possible additional purchases in the event SFD requires a second recruit academy in the fall of 2018.

<u>Fiscal Impact</u>		<u>Budget Account</u>
Select	\$	#
Select	\$	#

Distribution List

Division & Department:	Fire
Subject:	Increase to Value Blanket for purchase of Structural Firefighting PPE
Date:	5 March 2018
Contact (email & phone):	mjohn@spokanecity.org 435-7003
City Council Sponsor:	CM Kinnear
Executive Sponsor:	Schaeffer
Committee(s) Impacted:	Public Safety and Community Health
Type of Agenda item:	<input checked="" type="checkbox"/> Consent <input type="checkbox"/> Discussion <input type="checkbox"/> Strategic Initiative
Alignment: (link agenda item to guiding document – i.e., Master Plan, Budget, Comp Plan, Policy, Charter, Strategic Plan)	Capital Improvement Plan, FD Strategic Plan Goal #7 <i>Provide a high state of readiness of apparatus and equipment to ensure response to the needs of our customers in a safe and efficient manner</i>
Strategic Initiative:	Public Safety and Community Health
Deadline:	April 2018
Outcome: (deliverables, delivery duties, milestones to meet)	Funds made available to equip SFD Firefighters with Structural PPE.
Background/History: In March 2016, Council approved via OPR 2016-0120 (RFP 4210-15), \$400,000 for a 3 year Value Blanket for the purchase of Structural Firefighting PPE. Due to the hiring of 48 SAFER funded firefighters, funds for Structural PPE were expended more rapidly than anticipated. To offset this increased rate of expenditure, the Value Blanket was increased by \$40,000 (the max allowable 10% increase) in November 2017. Despite this increase, only \$7,700 remains on the current Value Blanket. An additional \$156,600 is needed to purchase (22) additional sets of Structural PPE for the (11) new hires attending Recruit Academy 2018-1, allowance for annual replacement costs for unserviceable PPE and possible additional purchases in the event SFD requires a second recruit academy in the fall of 2018. The current Value Blanket will either expire or be renewed in March 2019.	
Executive Summary: <ul style="list-style-type: none"> Cost Each – Current cost per set of PPE (pants and coat) is \$2,674.23 before tax. Adding the typical annual price adjustment and sales tax increases the total to approximately \$2,900.00 per set. Each firefighter requires (2) sets of PPE. Cost Breakdown – (22) sets for (11) Academy 2018-1 Recruits ----- \$63,800 (12) annual replacement sets (notional) ----- \$34,800 (20) sets for (10) Academy 2018-2 Recruits (notional)- \$58,000 TOTAL \$156,600 	
Budget Impact: Approved in current year budget? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A Annual/Reoccurring expenditure? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A If new, specify funding source: SIP Other budget impacts: (revenue generating, match requirements, etc.)	
Operations Impact: Consistent with current operations/policy? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A Requires change in current operations/policy? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A	

Specify changes required: None
Known challenges/barriers: None

**Agenda Sheet for City Council Meeting of:**

03/19/2018

Date Rec'd

3/5/2018

Clerk's File #

OPR 2018-0154

Renews #**Submitting Dept**

ENGINEERING SERVICES

Contact Name/Phone

DAN BULLER 625-6391

Contact E-Mail

DBULLER@SPOKANECITY.ORG

Agenda Item Type

Contract Item

Agenda Item Name

0370 - PARAMETRIX - ON-CALL CONSTRUCTION MANAGEMENT SERVICES

Cross Ref #**Project #**

2018054

Bid #**Requisition #**

MASTER

Agenda Wording

Number one rated firm, Parametrix, from advertised Request for Qualifications for a two year contract for On-Call Construction Management Services for \$300,000.00. (Multiple Neighborhood Councils)

Summary (Background)

2018 will be one of the highest volume construction years. Engineering Services advertised a Request For Qualifications for Construction Management consultants to assist over the next two years. Parametrix was the number one rated firm. Four other firms submitted Statements of Qualifications: Hill International, OAC Services, Inc., TD&H Engineering, Inc. and Belsby Engineering.

Fiscal Impact

Grant related? NO

Public Works? YES

Budget Account

Expense \$ 300,000.00

Multiple

Select \$

#

Select \$

#

Select \$

#

Approvals**Dept Head**

TWOHIG, KYLE

Division Director

SIMMONS, SCOTT M.

Finance

ORLOB, KIMBERLY

Legal

ODLE, MARI

For the Mayor

DUNIVANT, TIMOTHY

Council Notifications**Study Session****Other**

Finance 3/19/18

Distribution List

Engineering Admin

publicworksaccounting

dbuller@spokanecity.org

jgraff@spokanecity.org

Additional Approvals**Purchasing**



Continuation of Wording, Summary, Budget, and Distribution

Agenda Wording

Summary (Background)

unserviceable PPE and possible additional purchases in the event SFD requires a second recruit academy in the fall of 2018.

<u>Fiscal Impact</u>		<u>Budget Account</u>
Select	\$	#
Select	\$	#

Distribution List

Briefing Paper

Finance & Administration

Division & Department:	Engineering Services; Public Works
Subject:	Project 2018054 On-Call Construction Management Consultants
Date:	March 19, 2018
Contact (email & phone):	Dan Buller (dbuller@spokanecity.org , 625-6391)
City Council Sponsor:	
Executive Sponsor:	Scott Simmons
Committee(s) Impacted:	PIES
Type of Agenda item:	<input checked="" type="checkbox"/> Consent <input type="checkbox"/> Discussion <input type="checkbox"/> Strategic Initiative
Alignment: (link agenda item to guiding document – i.e., Master Plan, Budget, Comp Plan, Policy, Charter, Strategic Plan)	
Strategic Initiative:	Innovative Infrastructure
Deadline:	
Outcome: (deliverables, delivery duties, milestones to meet)	Approval of proposed consultant agreement when brought to council
Background/History: <ul style="list-style-type: none"> 2018 will be one of the highest volume construction years ever. Engineering Services has, therefore, advertised a Request for Qualifications for construction management consultants to assist over the next year or two with the abnormally large project volume. Five firms submitted Statements of Qualifications. Those SOQs were evaluated and the top two firms selected. 	
Executive Summary: <ul style="list-style-type: none"> Engineering Services proposes to hire Parametrix and Hill International, each for a two year contract to provide construction management services on yet to be determined project during the 2018 and 2019 construction seasons. The proposed contract with the number one rated firm, Parametrix, is for \$300,000 The proposed contract with the number two rated firm, Hill International is for \$200,000 	
Budget Impact: Approved in current year budget? <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A Annual/Reoccurring expenditure? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A If new, specify funding source: Other budget impacts: (revenue generating, match requirements, etc.)	
Operations Impact: Consistent with current operations/policy? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A Requires change in current operations/policy? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A Specify changes required: Known challenges/barriers:	



REQUEST FOR QUALIFICATIONS | FEBRUARY 5, 2018

2018-2019 Construction Management On-Call Services | Project Number 2018054

Submitted to:
City of Spokane - Dept. of Engineering Services
2nd Floor - City Hall
808 W. Spokane Falls Boulevard
Spokane, WA 99201-3343

Parametrix

ENGINEERING . PLANNING . ENVIRONMENTAL SCIENCES

QUALIFICATIONS STATEMENT

Description of Firm's Qualifications and Experience

As a multi-disciplinary firm, Parametrix provides construction management (CM) services for a wide variety of infrastructure projects throughout Eastern Washington. We have completed CM and inspection projects for state, county, and local municipal capital improvements, including large and small roadway infrastructure and water/wastewater projects.

To better serve our clients throughout the Inland Northwest, Parametrix merged with Taylor Engineering. The expertise that Parametrix and Taylor provide complement one another; we share a commitment to providing outstanding client service and take pride in enhancing the communities we serve.

With years of municipal experience and 30 employees in our Spokane office, we offer a full range of construction management services. Our strengths and experience match the needs of the City. With the exception of material testing, we provide all CM services under one roof and have a multitude of experienced employees. This enables us to expedite the process, meet schedule and budget, and be responsive to our clients' needs.

We are currently providing CM services for Spokane County, City of Cheney, City of Liberty Lake, City of Colfax, City of Pullman, WSDOT Eastern Region, and the **City of Spokane**.

The City of Spokane is an important client for us, and we are committed to serving your needs. We will be able to provide the City with the quality resources needed. We commit to being available for meetings or site visits within a few hours of notice.

Construction Management and Inspection

Our construction management team has the experience to provide exceptional management of construction projects including bidding, awarding, resident inspection services, and contract administration. Our staff are familiar with the City's Special Provisions and Standard Plans, as well as local agency standards including WSDOT standards and documentation standards for Federal Aid projects. The majority of our projects have been completed using Local Agency Guidelines (LAG) manual requirements for projects with a variety of grant funding types, including Washington Transportation Improvement Board (TIB) and Spokane Regional Transportation Council (SRTC). Parametrix has performed construction inspection services on hundreds of projects throughout the region in both the public and private sectors. Our extensive construction inspection experience over the past two decades allows us to provide

our clients high-quality inspection services crucial for successful construction projects. Our CM services include:

- Management of public works projects
- Project oversight
- Submittal review
- Construction documentation
- Project certifications
- Quality and quantity monitoring
- Daily diaries
- Quantity documentation
- Low pressure air pipe testing
- Hydrostatic pipe testing
- Drywall testing
- Material testing
- Field density testing
- Record plan preparation
- Resident inspection on all types of infrastructure projects

We also have specialty equipment for performance testing and measurements. This includes a smart level, measuring wheels, electronic tape measure, a 16-foot level (for pavement), our own gauges for sewer and water pipe pressure testing, asphalt thermometers, slump cones, and three nuclear densiometers.

Material Testing

Budinger & Associates (BAI) will provide material testing services. BAI has an excellent reputation for providing professional construction material testing and special inspection. Their well-equipped and accredited laboratory is an outstanding facility that is complimented by a fleet of mobile laboratories deployable to projects throughout the northwest for on-site testing. Material testing services include:

- Mobile field laboratory for on-site construction material testing
- **Concrete testing**, placement observation, **reinforcement** examination, special inspection
- Casting concrete test specimens (cylinders, beams); concrete coring
- Structural masonry examination/testing special inspection
- Concrete batch plant inspection and quality control; slump, air entrainment, unit weight and yield testing
- Compaction testing by nuclear, sand cone, and other methods
- Structural welding inspection
- Earthwork observation and testing
- Field applied sprayed fire resistive material sampling, testing, and special inspection
- Structural steel examination/testing and special inspection

Construction Staking

Parametrix provides construction staking for a variety of local and state projects. Prior to commencement of work, all construction plans are reviewed for completeness and accuracy. Horizontal and vertical control is also field checked for accuracy. The staking effort is coordinated with the specifications and the contractor regarding staking needs and required offsets. Where necessary, office calculations are performed and checked prior to field staking. All staked points are documented as a record of the work that was performed along with completion of daily survey reports and field book data. If problems are encountered or discrepancies are discovered between the plan set and existing conditions, the construction manager is notified and the issues are discussed to allow coordination between owner, engineer, and contractor. Typically, as-built data is provided prior to final completion and closeout of project.

Project Experience

The following projects demonstrate recent CM projects.

Rowan Avenue Rehabilitation Phase 1 and 2 | Spokane, WA



Parametrix provided civil design, construction survey, and CM services to the City of Spokane for a 2-year, 2-mile reconstruction project of Rowan Avenue, a principal east-west arterial on the north side of Spokane.

The work included complete removal and replacement of asphalt paving, curb-to-curb, storm drainage improvements, selected curb and sidewalk updates per Americans with Disabilities Act (ADA) standards, and new traffic signalization for one main intersection. The existing roadway was failing badly with areas of alligatoring and stormwater ponding. There had been previous pavement overlays of the roadway, creating minimal curb exposure and drainage problems. The project was designed and constructed to regain normal curb exposures and improve

drainage. Existing drainage structures were sub-standard, and swales and landscaping were included in the project to improve flow and treatment of stormwater runoff. ADA clearances were evaluated and adjustments made to bring all access up to current standards. Parametrix also performed research and made a determination of right-of-way based upon field locates. Parametrix provided CM and inspection services for both phases of the project during the summers of 2015 and 2016.

The CM was completed ensuring the design standards and challenges indicated above were met. Parametrix provided the construction staking for the project, and BAI provided material testing as a subcontractor to Parametrix.

Elm Street Pedestrian Crossing CM Services | Cheney, WA*



Elm Street was a roadway and safety improvement project funded by the Spokane Transit Authority and Eastern Washington University (EWU). Located on the EWU campus, the project replaced asphalt pavement, widened the bus turning lane, and improved the pedestrian crossing with accessible curb ramps, striping, and solar powered warning and speed indicator signs.

Parametrix provided full CM services along with on-site inspection services. Coordination was a key element of construction management as the City of Cheney and EWU were co-sponsors and owners of the facilities.

"Don Hendricks and I have reviewed documentation on numerous consultant administered construction projects over the last seven years. It is our shared opinion that Taylor Engineering has done one of the best jobs of construction documentation we've seen done by a consulting firm. It has been a pleasure working with both of them."

--Bill McCammon, ER Assistant Local Programs Engineer, WSDOT

**Project completed by Taylor Engineering prior to becoming Parametrix.*

Cheney Business and Industrial Park | Cheney, WA*

Parametrix provided planning, surveying, engineering design, and CM services for a high-tech business and industrial park. The project is a public-private partnership between the City of Cheney and an adjacent industrial land owner. The project funding utilized grant assistance from the Economic Development Administration.

The project bid documents were developed with the base bid schedule (Main Entry Road) and five alternate bid schedules. This provided the owner with actual construction costs and the flexibility to determine which (or all) portions of the project they wanted to construct, based on available funding.

During construction, Parametrix was responsible for day-to-day inspection and testing as necessary to verify compaction. We also held weekly construction meetings, reviewed submittals, provided design clarifications as necessary, evaluated alternatives, and provided recommendations for construction issues. Monthly pay estimates were reviewed and forwarded to the owner. A final punchlist, backcheck, and record drawings were prepared with completion of the project.

University District Pedestrian Bridge | Spokane, WA



In conjunction with KPFF Engineers, Parametrix is managing the construction of a complex pedestrian/bicycle bridge that connects the Washington State University Spokane campus to an emerging downtown business district. This future city landmark features the construction of a 462-foot-long, cable stayed, three-span structure that extends over Martin Luther King Boulevard and the BNSF Railroad right-of-way. The \$10 million project is currently under construction with completion slated for 2018. When the work is finished, it will offer a safe route to and from university campuses and revitalize the community on both sides of the railroad tracks.

CSO Stormwater Abatement Project | Spokane, WA*

For the last 15 years, Parametrix has worked as a partner in the City of Spokane's Combined Sewer Overflow (CSO) Program Management Office. This multi-year, multi-million dollar program was created to provide engineering assistance and direction to the City to meet State Water Quality regulations for CSO discharges.

The program is staffed with a multi-disciplinary team of engineers and scientists who are evaluating the City's aging Combined Sewer System. The sewer system, which contains combined (or mixed) flows of sanitary and stormwater inputs, is modeled using parameters from GIS and input into the XP SWMM Hydraulic and Hydrologic software. This allows program staff to propose solutions and run scenarios to see if the results meet State criteria. By analyzing the affect of stormwater runoff on the City's sewer system and identifying system-wide solutions, the program has created a framework to meet the State's requirements.

Our primary role has been providing traditional civil engineering services to the client. These services have included surveying and boundary work; design of storage facilities and weir modifications, and all aspects of construction administration including submittal review, construction staking, inspection and management.

Sullivan Road West Bridge Replacement | Spokane Valley, WA

The effort to replace the southbound Sullivan Road Bridge across the Spokane River began when the October 2009 annual bridge inspection rated its condition as Structurally Deficient. Built in 1951, the aging bridge is a critical transportation link, carrying about 25,000 vehicles across the river and to I-90 each day, including heavily loaded commercial vehicles. The project improvements included replacing the existing bridge southbound with a 65-foot 4-lane bridge, extending left and right turn lanes on southbound Sullivan at Indiana, adding a ten-foot wide multi-use pathway and three river viewing platforms and improving river access with a crushed rock path and rock stairway from Sullivan Park to the Shoreline.

BAI's services for the project began on the project in November 2014 and continued through completion in April 2017. In that time, BAI provided numerous concrete and reinforced concrete inspections, compaction tests, structural welding and structural masonry inspections during the two and a half-year project. In addition, Parametrix provided CM and survey services for this project.

*Project completed by Taylor Engineering prior to becoming Parametrix.

Staffing Plan

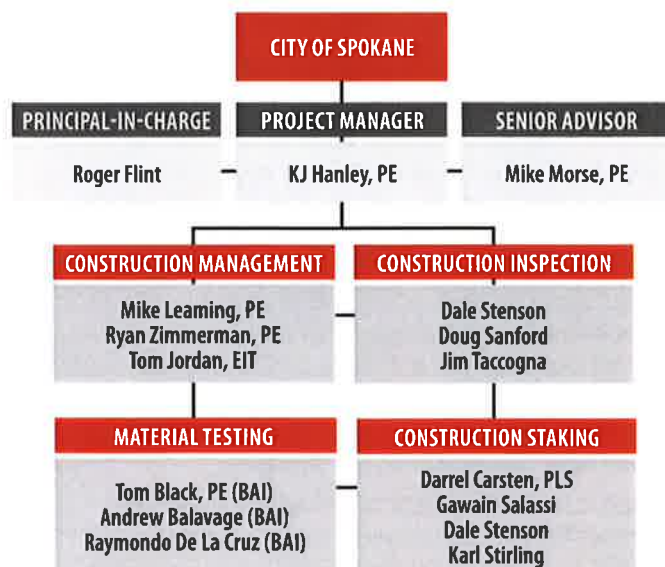
Parametrix understands the unique challenges that work order contracts are designed to address; time-critical projects, and the need to supplement the expertise of the City's staff. We know these challenges demand the services of a team with both the breadth and depth of resources you need, coupled with a commitment to responsiveness.

The staff shown in the organizational chart provides an overview of the personnel who will be responsible for carrying out the work. We also have the ability to call upon local staff from our other offices if needed.

Roger Flint will serve as principal-in-charge, and will be responsible for allocation of staffing, scheduling, budget requirements, and project quality.

KJ Hanley, PE will serve as project manager and be the daily point of contact for the City. KJ has 15 years of experience managing public works projects. He is a talented communicator with proven ability to interact with the CM team, contractor, and stakeholders.

The remainder of our team includes construction managers, resident inspectors, material testing staff, and surveyors, all experienced on City of Spokane construction projects. Full team resumes are included in Appendix A.



Approach

Providing outstanding client service is a hallmark of Parametrix. We are proud of our record delivering quality products and meeting project commitments. The proof is in our past performance. We create a Project Management Plan (PMP) for each project that outlines specific

requirements for key items such as deliverables, scope and budget tracking, quality controls, communication protocols, and progress reporting.

Budget Compliance

Parametrix makes available to our project managers and task leaders the tools necessary to successfully manage projects. They have daily desktop access to current budget and cost status for each phase and task of a project. Labor cost data is updated weekly, allowing real-time status of expenditures. This ability allows much closer control over costs and makes budget management easier and more effective.

Our labor forecasting system links to actual project expenditure information and provides a real-time report that calculates estimated budget remaining based on past and current expenditures and projected labor required to complete the project.

Schedule Compliance

Developing a project schedule that is reasonable and achievable is one of the most important elements of any project. Parametrix will collaborate with the City of Spokane to develop a schedule, using Microsoft Project, which identifies critical path work items, conveys expectations, and reflects realistic lead times for tasks such as agency reviews and public meetings.

Quality Control

The Parametrix team is committed to providing quality projects, paying careful attention to budget and schedule. The firm's quality assurance/quality control (QA/QC) plan will be modified to fit individual project needs at the commencement of each project and distributed to all project team members. Our QA/QC program is based on formal training of all staff in client service, project delivery, and product quality. A key feature of the program is a comprehensive formal peer review process that matches the right person with the right project and ensures that all products are technically and editorially reviewed and signed off by senior staff familiar with the subject before being submitted to the client. The peer review focuses on ensuring that the product meets both the City's needs and the appropriate regulatory standards.

Change Control

Strong project management practices are essential to meeting project commitments and eliminating changes. Our project managers carefully prepare initial work plans (scopes, schedules, and budgets) in collaboration with our client to establish a thorough work plan and minimize possible changes later in the project. Through frequent review of the initial work plan and effective team

communication, we can identify issues early, so immediate adjustments to the work plan can be made before there are impacts to the project. City staff are notified immediately of any changes so they can be involved in decisions regarding needed work plan changes.

Communication

Our team will always be responsive to the City of Spokane and project stakeholders. Continuous communication between the City and the project team will minimize delays. Through regularly scheduled team meetings, e-mail, and phone calls, we keep the team aware of project issues, upcoming milestones, and deliverables. Key project issues will be coordinated with City staff, affected agencies, and other key stakeholders as early as practical. Parametrix has assembled a team of professionals with the experience and commitment to deliver properly coordinated projects on schedule and within budget.



References

We have completed multiple construction management projects for each of these references.

Todd Ableman, Public Works Director

City of Cheney
509.498.9255 | tableman@cityofcheney.org

Rod Staton, Project Manager

Avista Utilities
509.495.4131 | rstaton@avistacorp.com

Lisa Corcoran, Project Manager

Spokane Airports
509.455.6406 | lcorcoran@spokaneairports.net

Mark Stiltz, Senior Project Manager

Spokane County
509.477.7469 | mstiltz@spokanecounty.org

Similar Contracts During the Last 2 Years

CONTRACT NUMBER	PROJECT NAME/CLIENT	CONSTRUCTION SERVICES	CONTACT	TELEPHONE	EMAIL ADDRESS
374-1574-004	Wastewater Operations Asphalt Arsenic Cap Spokane County	2016	Louis Graff	509.477.3604	lgraff@spokanecounty.gov
374-1631-116	Eastern Region GEC, WSDOT	2017-2018	Darrel McCallum	509.324.6018	mccalld@wsdot.wa.gov
374-1671-007	Rowan Ave Rehabilitation Phase 1 CS City of Spokane	2015	Kyle Twohig	509.625.6152	ktwohig@spokanecity.org
374-1671-008	Rowan Ave Rehabilitation Phase 2 City of Spokane	2016	Kyle Twohig	509.625.6152	ktwohig@spokanecity.org
374-2531-007	Betz Road Preservation Project City of Cheney Public Works	2016	Todd Ableman	509.498.9225	tableman@cityofcheney.org
374-2531-009	Cheney Spokane Preservation Road City of Cheney Public Works	2016	Todd Ableman	509.498.9225	tableman@cityofcheney.org
374-2531-011	Washington Street Preservation City of Cheney Public Works	2016	Todd Ableman	509.498.9225	tableman@cityofcheney.org
374-2531-022	Simpson Parkway Overlay City of Cheney Public Works	2017	Todd Ableman	509.498.9225	tableman@cityofcheney.org
374-2694-014	SIA Taxiway Reconfiguration Project Century West Engineering/Spokane Airports	2015	Lisa Corcoran	509.455.6406	lcorcoran@spokaneairports.net
374-2867-015	North Center Street Reroute, Avista Corporation	2017	Rod Staton	509.495.4131	rod.staton@avistacorp.com

CONTRACT NUMBER	PROJECT NAME/CLIENT	CONSTRUCTION SERVICES	CONTACT	TELEPHONE	EMAIL ADDRESS
374-3131-017	University District Pedestrian Bridge KPFF Consulting Engineers	2017-2018	David McMullen	509.926.0548	david.mcmullen@kpff.com
374-6527-005	Felts Field Rehab/Taxiways/Lanes T-O Engineers	2016	Lisa Corcoran	509.455.6406	lcorcoran@spokaneairports.net
374-7004-001	SIA South Pilot Ramp Rehab, Spokane International Airports	2017	Lisa Corcoran	509.455.6406	lcorcoran@spokaneairports.net
377-6109-002	Pearl Street Pedestrian Improvements Gonzaga University	2016	Ken Sammons	509.313.6951	sammons@gonzaga.edu
376-1574-005	Buckeye Avenue Sewer Extension Spokane County	2016	Mark Stiltz	509.477.4715	mstiltz@spokanecounty.org
376-6534-808	NQR Lift Station Improvements Kalispel Tribe of Indians	2017	Brandon Haugen	509.481.2523	bhaugen@kalispeltribe.com
376-7614-801	Kalispel Lagoon Reclamation Garco Construction	2016	Sev Jones	509.477.7236	sjones@kalispeltribe.com
377-1574-002	Hangman Creek Restoration, Spokane County	2016	Doug Chase	509.477.2720	dchase@spokanecounty.org
374-1671-010	Monroe/Lincoln Landscape Construction Services, City of Spokane	2017	Dan Buller	509.625.6391	dbuller@spokanecity.org
377-1671-011	CSO 6 Landscape Construction Services City of Spokane	2016	Dan Buller	509.625.6391	dbuller@spokanecity.org
377-7372-002	Eagle Ridge 11th Addition Newland Communities	2016	Lori Henriksen	509.443.8108	lhenriksen@newlandcommunities.com
377-7372-004	Eagle Ridge 12th CM, Newland Communities	2017	Lori Henriksen	509.433.8108	lhenriksen@newlandcommunities.com
377-7607-001	Wandermere Heights, Condrion Construction	2016	Craig Condrion	509.325.4865	cccondron47@gmail.com
377-7607-801	Sekani Phases 4 and 5, Condrion Construction	2016	Craig Condrion	509.325.4865	cccondron47@gmail.com
377-7614-009	Camas Park Village, Garco Construction	2017	Ken Schafer	509.535.4688	kevins@garco.com
377-7623-004	Cheltenham Phase 4 Inland Pacific Development	2017	Rich Dahm	509.928.5777	rdahm@qwestoffice.net
377-7653-001	Cheltenham Court Final Plat, Summit Properties	2017	Rich Dahm	509.928.5777	rdahm@qwestoffice.net
377-7653-008	Selkirk Phase 1, Summit Properties	2017	Rich Dahm	509.928.5777	rdahm@qwestoffice.net
377-7653-009	Belleaire Phase 4, Summit Properties	2017	Rich Dahm	509.928.5777	rdahm@qwestoffice.net
377-7656-001	Legacy Ridge, The Holt Group	2016	Rian Tuttle	509.892.0514	rian@holtgroupinc.com
377-7708-002	ESH Water System Improvements, DSHS	2018	Rick Gehrke	509.565.4240	gehrkr@dshts.wa.gov

Contract Termination

Over the last 5 years, Parametrix has not had a contract terminated for default.

APPENDIX A



KJ HANLEY, PE

PROJECT MANAGER/
PRIMARY POINT-OF-CONTACT

16 YEARS OF
EXPERIENCE

BS, BIOLOGICAL
SYSTEMS
ENGINEERING

PROFESSIONAL
ENGINEER - CIVIL, WA

KJ brings experience managing CM projects, as well as projects involving diverse teams of construction, technical, and scientific specialists. He is experienced in managing contractors and subconsultants; serving as the primary point-of-contact and coordinating with stakeholders; providing scopes of work; developing, managing, and reporting on task and subconsultant budgets; invoicing; and confirming high-quality services and products.

Selected Project Experience

Buckeye Sewer Extension – Spokane Valley, WA

KJ provided CM services for this Spokane County sewer project located in Spokane Valley. The project was constructed in the spring of 2017 in conjunction with a road project being completed by the City. The team worked closely with the City throughout the project to ensure all parties were kept informed of the schedule and any potential issues. KJ's team provided full time construction observation as well as compaction testing and documentation. The team also prepared record drawings for each side sewer as well as record drawings for the total project upon completion.

Spokane International Airport South Pilot Ramp – Spokane County, WA

KJ provided CM services as well as full-time construction inspection services for the reconstruction of the South Pilot Ramp and Taxiway 'C' at SIA. The project began construction in the spring of 2017 and was completed in the late fall of that same year. KJ's team prepared detailed construction documentation to ensure that all parts of the project met the strict Federal Aviation Administration (FAA) requirements. The team also assisted the airport with the grant administration on the project, and prepared the required documentation to track the project.

Lawson Street Reconstruction Project – Airway Heights, WA

KJ served as the project manager for this road reconstruction project. The project was funded through the American Recovery and Investment Act (ARRA) legislation through the SRTC. The project included three blocks of road reconstruction along with necessary sidewalk and ADA improvements. KJ prepared the construction documents, and oversaw the preparation of the construction plans and a detailed cost estimate. He worked with the City and WSDOT to prepare and maintain the necessary ARRA paperwork and construction inspection documentation per WSDOT Construction LAG Manual.

City Engineer – Sprague, WA

KJ served as the City of Sprague's engineer and provided general on-call consulting services such as project review for new developments, preparation of funding applications, 6-year STIP update, as well as attending regular council meetings and answering questions as needed. During his time working with the City he also oversaw the design and construction management of three street reconstruction projects and one sidewalk reconstruction project. He also helped the City develop a street and sidewalk prioritization plan to help determine where the City should focus their money to best serve the community.



ROGER FLINT
PRINCIPAL-IN-CHARGE

**32 YEARS OF
EXPERIENCE**

**BA, LIBERAL
STUDIES, BUSINESS
MANAGEMENT
EMPHASIS,**

**MPA, PUBLIC
ADMINISTRATION,**

Roger has 30-plus years of public works experience managing infrastructure projects, partnering with numerous local jurisdictions in Eastern Washington including but not limited to WSDOT, Spokane County, and the City of Spokane. His experience spans a broad spectrum of project types that include everything from major upgrades to wastewater facilities to road and bridge improvements. He has worked on all phases of a project ranging from planning, design, and construction management. Roger has an in-depth knowledge of the City of Spokane and their local project requirements. Roger will be responsible for providing back-up support to ensure proper manpower, scheduling, and budgets are being met.

Selected Project Experience

Riverfront Park Redevelopment – Spokane, WA

The overall project was a \$64M bond measure to update all infrastructure, bridges, U.S. Pavilion event center and park shelters, improvement to public spaces and overall park grounds. Roger led the team to position and win this iconic project and served as the principal-in-charge advising the team on project issues and client needs and concerns. He provided interface between the team and senior leadership at the City and local officials on the project.

Howard Street Bridges South and Mid-Channel – Spokane, WA

Roger served as interface between the consultant team and senior leadership at the City and local officials on the project. The design team provided overall type, size, and location study (TS&L), preliminary and final design, geotechnical, and construction inspection services for the south channel bridge. The team also provided TS&L and preliminary design services for the Howard Street Mid-Channel bridge (Blue Bridge). The Mid-Channel Bridge was packaged with the Post Street Bridge to be delivered under a progressive design-build contract. These bridges facilitate and enhance overall Riverfront Park upgrades and provide access to the Central Promenade – a key factor in the overall redesign of the park.

9th and 11th Avenue Water Transmission Main – Spokane, WA

Roger was the principal-in-charge for design services, specification assistance, and coordination during construction for the development of a 42-inch water transmission main replacement that includes full depth street replacement approximately 3 miles in length. This was a fast-track project that the City of Spokane wanted to design and construct in one season.

Water Reclamation Facility – Spokane, WA

Roger led the team to win and contract the next level of treatment facility at the City of Spokane Riverside Park Water Reclamation Facility. The facility will provide PCB treatment and help meet the City's NPDES permit limits for ultimate discharge to the Spokane River. He was the principal-in-charge and client manager for the program team as part of the City's overall push to achieve a cleaner river faster.



MIKE MORSE, PE
SENIOR ADVISOR

**31 YEARS OF
EXPERIENCE**

BS, CIVIL ENGINEERING

**PROFESSIONAL
ENGINEER - CIVIL, WA**

Mike has 31 years of professional experience in civil engineering design and construction engineering management with an emphasis in roadway and street projects including federally funded Federal Highway Administration/ARRA) projects. Mike is known for providing detailed plans and project specifications; his designs plans are clear, complete, concise, and well documented. He has developed particular strengths in construction problem analyses and attention to project documentation as required for federally-funded projects. Mike is an excellent team player with an unusual breadth of skills in all aspects of engineering construction management. Mike's responsibilities include directing construction engineering activities including field inspectors, materials testing subconsultants, construction staking, and project documentation.

Selected Project Experience

Rowan Avenue Rehabilitation Phase 1 and 2 – Spokane, WA

Mike was the project manager and lead design engineer for the preparation of the plans, specifications and construction management for over 2 miles of Rowan Avenue, a minor arterial in the City of Spokane. The project extended from Driscoll Boulevard to Monroe Street and included the design for installation of new 12-inch and 18-inch ductile iron water mains, new stormwater runoff collection and routing structures and a stormwater treatment swale encompassing two blocks of the median along Driscoll Boulevard. Pavement design was completed and resulted in a 15-inch depth road section (gravel bases and hot mix asphalt) to accommodate truck traffic and the soft sandy subgrade soils. As project manager, Mike directed construction engineering services including field inspectors, materials testing subconsultants, construction staking, and project construction documentation following WSDOT guidelines.

Northern Quest Casino Sewage Lift Station – Airway Heights, WA

Mike served as an engineer on this project. He assisted in construction inspection and startup of a 425 gpm lift station to serve a hotel and casino expansion. The sewage pump station was designed for future upgrades to a 1,525 gpm capacity that will serve sewer flows from approximately 200 acres of undeveloped tribal lands south of the casino. Challenges included an aggressive construction schedule due to a firm opening date for the new casino expansion, with the start up and uninterrupted sewer service occurring within one day.

North Center Street Realignment – Spokane, WA

Mike completed design for the realignment of North Center Street to East Indiana Avenue design according to City of Spokane standards. This project was needed to accommodate growth on the east side of the Avista Utilities campus. The design included utility truck moving analysis at intersections and driveways to accommodate Avista's 73-foot-long power pole transporter vehicle. Left turn lanes were included to address the turning movements. Drainage design was completed for street stormwater treatment and disposal within the right-of-way utilizing roadside swales and drywells. Existing utilities including water and sewer were extended and privatized to accommodate Avista's campus expansion.

University Pedestrian Bridge – Spokane, WA

Mike is currently serving as the project construction manager for this City of Spokane pedestrian bridge project. The project is funded by a Connecting Washington State Grant. The project is anticipated to be complete September of 2018.



MIKE LEAMING, PE
CONSTRUCTION MANAGER

**19 YEARS OF
EXPERIENCE**

BS, CIVIL ENGINEERING

**PROFESSIONAL
ENGINEER - CIVIL, WA**

Mike has over 19 years of experience working primarily in the Spokane area. He has extensive experience with designing sites for commercial, educational and residential facilities, in various urban settings. He is known for his responsiveness, attention to detail, and ability to coordinate designs with the various municipalities. Mike's responsibilities include ensuring compliance with plans and specifications, reviewing material submittals, managing inspectors, running weekly construction meetings, preparing change orders, reviewing field quantity measurements, and preparing pay applications.

Selected Project Experience

2016 Arterial Preservation Project – Cheney, WA

Mike served as project manager for the design, bidding, and construction of the rehabilitation of 1.25 miles of arterial roadways within the City of Cheney. The project was primarily funded through a federal grant from the SRTC and was administered through WSDOT local programs. The project included the design and construction of 25 new sidewalk ramps in accordance with WSDOT and ADA requirements. During the construction phase, Mike was responsible for managing the project to ensure compliance with the plans and specifications and to make sure the construction documentation was completed in accordance with WSDOT and federal requirements. During the construction phase, his responsibilities included reviewing material submittals, managing inspectors, running weekly construction meetings, preparing change orders, reviewing field quantity measurements, and preparing pay applications.

Community Development Block Grant Water System Improvement Projects – Cheney, WA

Mike served as project manager for the design, bidding, and construction of these five water system improvement projects. Each of these projects generally included the upsizing or replacement of 500-1000 feet of existing water mains within the City of Cheney, including fire hydrant replacements and residential water service line upgrades. These projects were primarily funded through a block grant from Spokane County Community Services and Housing and Community Development. Mike was responsible for coordinating with Spokane County to ensure that the contract documents for these projects were in compliance with federal U.S. Department of Housing and Urban Development requirements. During the construction phase, Mike's responsibilities included reviewing material submittals, running weekly construction meetings, preparing change orders, reviewing field quantity measurements, and preparing pay applications.

Erie Street Road Improvements – Spokane, WA

Mike served as project design engineer for the design of 700-linear feet of roadway improvements in an industrial area of Spokane. The project required close coordination with the City of Spokane and four other separate City projects that overlapped with portions of this design. It required multiple variations in roadway widths to avoid abutments and supports for three bridges that this section of roadway crossed under. The project included the design of bioinfiltration swales for stormwater treatment and disposal and the design of a raised concrete trail crossing for the future 'Ben Burr' trail system. Mike coordinated with the City for the preparation of the project specifications and bid documents. Mike also provided assistance to the City when construction questions arose.



RYAN ZIMMERMAN, PE, LSIT
CONSTRUCTION MANAGER

**13 YEARS OF
EXPERIENCE**

BS, CIVIL ENGINEERING

**LAND SURVEYOR IN
TRAINING, WA**

**PROFESSIONAL
ENGINEER - CIVIL, WA**

Ryan has over 13 years of professional experience in civil engineering, surveying, and construction management and inspection. He has worked for a broad variety of clients, the majority of which are municipalities in Washington. Ryan has developed problem solving, data management, record keeping, organizational, and technical writing/reading skills over the course of his professional career. Ryan's responsibilities include providing construction engineering services including field inspection, resolving field issues and concerns, submittal review, and document control.

Selected Project Experience

Eastern State Hospital Waterline – Medical Lake, WA

This project included the relocation and expansion of water infrastructure surrounding Eastern State Hospital. This project was federally funded and therefore required extensive document control and submittal. The primary construction component of this project was the installation of approximately 2000 feet of new water main that crossed two roadways. Ryan's primary duties for this project was to provide construction engineering including field inspection, resolving issues that arose in the field, submittal review, and document control.

Felts Field Ramp Rehabilitation – Spokane, WA

The Felts Field Ramp Rehabilitation Project comprised the replacement of the airfield ramp pavement at Felts Field, a commuter and general aviation airport. The construction portion of this project began in the summer of 2012. This project was federally funded by the FAA and required detailed record keeping and on-site inspection. Ryan's duties included construction engineering tasks such as field inspection, submittal review, answering RFIs, assistance in issuing and implementation of field changes, quantity calculations, and pay application review. The construction of the project was completed in the summer 2014.

Felts Field Taxiway and Taxi Lane Rehabilitation – Spokane, WA

The Felts Field Taxiway and Taxilane Rehabilitation project consisted of the demolition and replacement of 4 taxiways and 11 taxilanes located in the southeast portion of Felts Field airport. The construction portion of this project took place in the summer of 2016. This project was federally funded as part of the Airport Improvement Program and required extensive record keeping and organization. Ryan's responsibilities for this project consisted mostly of construction engineering tasks such as submittal review, assistance with issuing field changes, quantity calculations, pay application review, and tenant coordination.

Spokane International Airport Aircraft Rescue and Firefighting Facility – Spokane, WA

This project consisted of the site preparation and construction of a new airfield fire station at SIA. The bulk of the civil construction for this project took place in the late winter and spring of 2014. As part of a larger construction management team that covered every aspect of the project, Ryan's role was to perform construction management responsibilities for the civil portion including site grading and drainage, sanitary and potable water utilities, and PCC and asphalt paving. These responsibilities included daily field inspection and report writing, quantity management, addressing field questions from the contractor and material testing coordination.



TOM JORDAN, EIT
CONSTRUCTION MANAGEMENT

5 YEARS OF
EXPERIENCE

BS, CIVIL ENGINEERING

ENGINEER IN
TRAINING, WA

Tom's professional experience includes civil engineering, and construction management and inspection. He has worked on a wide variety of projects including airports and wastewater lagoons. Tom is skilled in communication, critical analysis, and record keeping. Tom's responsibilities include keeping track of certified project payroll, maintaining detailed records of construction activities, and attending weekly meetings. He plays an integral role as the onsite contact for the engineer when questions arise.

Selected Project Experience

SIA Taxiway Reconfiguration – Spokane, WA

Tom was the main field inspector for the 2015 SIA Taxiway Reconfiguration Project. He witnessed all on-site materials sampling and testing. He also kept track of certified payroll for the project as well as maintained detailed records of construction activities and attended weekly meetings. He played an integral role as the on-site contact for the engineer as questions arose.

Rowan Avenue Rehabilitation Phase 1 and 2 – Spokane, WA

Tom was part of the design team for both phases of the Rowan Avenue Rehabilitation Project. During construction, he performed the daily inspection duties for the jobs including keeping daily reports, testing compaction, and answering contractor questions. He also assisted Mike Morse with submittal review and change order and pay application processing.

Northern Quest Lift Station and Force Main Improvements and Kalispel Way Street and Utility Extension – Airway Heights, WA

Tom designed and drafted the lift station, force main, and street extension project for the Kalispel Tribe and has managed the construction since August of 2017. He runs the weekly meetings, keeps detailed records of construction activities and answers contractor questions. This project is on schedule for completion in Q2 of 2018.

Northern Quest Casino Sewage Lift Station and Force Main – Airway Heights, WA

Tom designed and drafted a lift station upgrade and 5,000 foot-long force main project for the Northern Quest Casino. He is also part of the CM services team as a part-time inspector and construction engineer. Tom maintains detailed records and addresses payment and contractor questions in a timely manner.

Kalispel Way – Airway Heights, WA

Tom was part of the design team responsible for a street and utility extension near the Northern Quest Casino. After design, he oversaw the bidding process and currently is managing construction. Tom schedules weekly meetings, and processes change orders and payment. He also answers contractor questions.



DALE STENSON
CONSTRUCTION INSPECTOR

Dale has experience in stormwater, sanitary sewer, water, and road improvement projects. His responsibilities include on-site inspection, testing, and preparing as-built drawings. He is also an experienced field surveyor and can review and assist with construction staking.

14 YEARS OF
EXPERIENCE

VARIOUS SEMINARS
ON SURVEYING
TECHNIQUES

CERTIFICATE OF
COMPLETION ON
RADIATION SAFETY
AND THE USE OF
PORTABLE NUCLEAR
GAUGE

Selected Project Experience

Rowan Avenue Rehabilitation Phase I and II – Spokane, WA

Dale provided resident inspection on this road and water rehabilitation project for the City of Spokane. Work included daily inspection and construction staking support. Documentation included daily observation reports, testing reports, and quantity tracking. He also provided construction coordination with the contractor and assisted the project manager with pay applications and change orders.

Reubens Wastewater Collection and Treatment – Reubens, ID

Dale served as a temporary inspector for the installation of gravity sewer, manholes, and the reconnection of sewer service connections. His duties included construction observation and record data for as-built plans.

Eagle Ridge 8th Addition – Spokane, WA

Dale provided on-site inspection of utility installations, road construction, compaction testing of mass grading, trench backfill, and roads.

Riverside Water Improvements Phase 3 – Orofino, ID

Dale provided on-site inspection and testing of new water/sewer system installation. The project included new water main, fire hydrants, and new sanitary sewer, and road replacement.

NVI/SVI Sewer Project – Spokane County, WA

Dale provided on-site inspection and testing. The project included installation of a new vault and hydroslide for flow control and monitoring equipment, replacing existing 8-inch with new 10-inch main, and reconstructing and resurfacing the roadway.



DOUG SANFORD
CONSTRUCTION INSPECTOR

2 YEARS OF
EXPERIENCE

BS, CIVIL ENGINEERING

WESTERN ALLIANCE
FOR QUALITY
TRANSPORTATION
(WAQTC)
CERTIFICATION

Doug is a graduate civil engineer with experience in construction inspection. His experience in the field and in the laboratory make him an excellent inspector. Doug's responsibilities include monitoring material quantities and assisting with RFI's and pay estimates.

Selected Project Experience

Kalispel Way Street and Utility Extension – Airway Heights, WA

Doug provided resident inspection for this road and utility extension. The project required extensive rock blasting. He monitored rock quantities and other material quantities as necessary. Infrastructure work included sanitary, stormwater, reclaimed water, and hard surfacing.

Simpson Parkway – Cheney, WA

Doug provided resident inspection for this TIB project. The project consisted of grind and overlay of existing asphalt and ADA ramp reconstruction. He monitored quantities and assisted with RFI's and pay estimates.

Farm Landfill Phase 4 Closure – Kootenai County, ID

Doug provided field inspection on this landfill closure project. The project inspection consisted of earthwork monitoring, liner installation inspections, and quantity verifications. He monitored the testing of three types of liner material and liner welding.

Materials Testing – Missoula, MT

Prior to working at Parametrix, Doug worked in a materials testing laboratory in Missoula, Montana for Strata Geotech. He provided a variety of lab tests for residential and commercial development. Tests included sieves, proctors, concrete testing, asphalt density testing, and specific gravity testing for asphalt and aggregates.



JIM TACCOGNA
CONSTRUCTION INSPECTOR

**31 YEARS OF
EXPERIENCE**

**WASTEWATER
TREATMENT PLANT
OPERATION**

Jim has over 31 years of experience with construction management, project inspection, facility management, and reporting. His local industry experience makes him a leader in providing construction management services. Jim also has extensive experience with the U.S. Environmental Protection Agency.

Selected Project Experience

University Pedestrian Bridge – Spokane, WA

Jim is currently serving as the construction inspector for this project. Parametrix is managing the construction of this complex pedestrian/bicycle bridge that connects the Washington State University Spokane campus to an emerging downtown business district. The includes the construction of a 462-foot-long, cable stayed, three-span structure that extends over Martin Luther King Boulevard and the BNSF Railroad right-of-way. The \$10 million project is currently under construction with completion slated for 2018.

Grandview, Railroad Avenue, and Vercler Sanitary Pump Stations – Spokane, WA

Jim was the construction manager/inspector for this project for the Spokane County Utilities Department. Inspection included all concrete pours for the wet wells and pump station foundation along with inspecting daily work performed by the pump station contractor. His duties included reviewing all material, equipment, pumps, and electrical panels submitted by the contractor. After the pump stations were built, he supervised start-ups, prepared punch list items, and reviewed the contractor's final documentation and operations & maintenance manual for submittal to Spokane County Utilities Department.

Chief Joseph Hatchery – Bridgeport, WA

Jim provided on-call inspection for this project including working with the Colville Confederated Tribe, Army Corp of Engineers, and Bonneville Power Administration on all construction and installation aspects of concrete structures, electrical, piping, pumps, and brood stock structure on the Columbia River. Jim was responsible for field construction observation with one general contractor and up to ten subcontractors on hatchery site and well field with five 250 hp vertical turbine pumps.

The Pointe – Post Falls, ID

Jim provided inspection for the construction of Pointe Parkway, Cabela Way, and the signalized intersections of Pointe Parkway and Cabela Way as well as Baugh Way and Seltice Way. This project constructed 3 and 5 lane roadways with median islands, curb and gutter, sidewalks, commercial parcel entrances, roadside drainage facilities and appurtenant dry and wet utilities.

Potlatch Sanitary Sewer Improvements – Potlatch, ID

Jim is served as construction manager and inspector for the installation of 9,000 feet of gravity sewer, manholes and the replacement and reconnection of sewer service connections and reconstruction of a portion of SH-6. His duties included a review of road and sewer tests, contractor monthly pay requests, and record data for accurate as-built plans. As a USDA grant project, all project tracking and documentation was prepared in accordance with USDA requirements.

THOMAS BLACK, PE

MATERIALS TESTING MANAGER

RESUME

PROFILE

Mr. Black has extensive experience in construction materials testing and inspection, geotechnical evaluation, pavement design, foundation design, stormwater disposal, pile load testing, exploratory drilling, and micropile installation. He has been performing these services on a variety of construction projects for over 15 years. His experience includes multiple construction sampling, testing, and classifying soils in the field and laboratory, as well as inspecting reinforced concrete, sewer, drywell, and road construction. He has developed pavement sections, designed footings for commercial buildings, managed and estimated geotechnical special inspection projects, designed and installed micropile foundations, and implemented quality control and quality assurance programs.

NewTech Skills Center, Spokane Public School

The remodel and addition began in 2014 and includes 7 new classrooms, an administration area, and several new multi-purpose rooms. This new addition will add 37,000 square feet to the facility. Mr. Black performed special inspection and materials testing of reinforced concrete and structural masonry.

Spokane County Regional Water Reclamation Facility, CH2M Hill

Mr. Black was a special inspector during of reinforced concrete for many structures and observed concrete placement. He also performed slope evaluation and earthwork testing.

Hutton Elementary School, Spokane Public Schools

The remodel for Hutton Elementary provides the school with new classrooms and parking lot. In addition, this project includes renovating the historical building and removing portable classrooms located on the campus. Mr. Black manages the special inspection of structural steel bolting and welding, structural masonry, reinforced concrete, and construction materials testing services for this project.

Joel E. Ferris High School, Spokane Public Schools

This project consisted of the construction of classrooms, a science facility, new parking lots, and a technical-education wing, in addition to renovation of existing facilities. Mr. Black performed special inspection services for the different phases of the modernization project, which also included a new running track and tennis courts.

Bridging the Valley, Spokane Regional Transportation Council

This project involved geotechnical evaluation at more than 24 sites along a 35-mile corridor between Spokane, WA and Athol, ID for highway and railroad bridges. Over 3000 feet of subsurface exploration was conducted and Mr. Black was present on site drilling, logging, and sampling the various soils at over 20 of these sites.

Mr. Black has worked with Idaho Transportation Department and various Counties. He is very familiar with WSDOT specs and project specifications and testing procedures with regards to those specifications.



Position: Construction Services Manager

Years With Firm: 15

Total Years of Experience: 15

Education:

Gonzaga University, 2002

--BS Civil Engineering

ASFE Fundamentals of

Professional Practice Class #21

Registrations/Certifications

Professional Engineer

Washington - #46912

Idaho - #15080

- ICC/WABO Reinforced Concrete Special Inspector
- ICC Structural Steel and Bolting
- ICC Structural Masonry
- ACI Field Testing Technician Grade 1
- OSHA 40 hr Hazardous Materials Training
- Nuclear Densometer Operator

Organizations

ASCE

Idaho Groundwater Association

EWRI

RAYMONDO DE LA CRUZ

SPECIAL INSPECTOR - SENIOR ENGINEERING TECHNICIAN

RESUME

PROFILE

Mr. De La Cruz brings extensive experience in construction materials testing and inspection to the team. He has been performing these services on a wide variety of construction projects for more than 15 years. His experience includes sampling, testing, and inspection of soils, aggregates, reinforcing steel, Portland cement concrete, and asphalt concrete pavement. He has assisted in numerous ACP and PCC mix designs as well as implementing quality control and quality assurance programs for buildings, and pavement sections for roads and airfields.

Egg-Shaped Digester Facility, Spokane, WA

Mr. De La Cruz was the lead special inspector during construction of two, 2.8 million gallon Egg-Shaped Digester Facilities at the Riverside Park Water Reclamation Facility. For this project, Mr. De La Cruz also performed soil testing and compaction, and testing of reinforced concrete.

Convention Center Hotel, Spokane, WA

The Convention Center Hotel located in the heart of downtown Spokane boasts a 716 room count, complete with a 900 space parking garage. As the hotel nears completion, Mr. De La Cruz performs reinforced concrete testing and inspection, bolting and field welding inspection, structural steel inspection, and masonry.

Ferris High School, Spokane, WA

This project consisted of the construction of classrooms, a science facility, new parking lots, and a technical-education wing, in addition to renovation of existing facilities. As a technician for this project, Mr. De La Cruz performed reinforced soils and compaction testing, concrete testing, epoxy bolting, structural steel special inspections, masonry and grout testing.

Cabela's, Post Falls, ID

This project consisted of the construction of a 125,000 square foot retail center located in Post Falls, Idaho. Mr. De La Cruz acted as inspection supervisor and also performed special inspections of soils, reinforced concrete, structural masonry, structural steel, and field welding.

Spokane County Regional Water Reclamation Facility

Budinger & Associates has been a part of this project for several years. SCRWRP provides state-of-the-art water treatment for Spokane County, and includes an education and meeting facility. For this project, Mr. De La Cruz has conducted special inspections of soils, masonry, structural steels, and reinforced concrete.

Felts Field Taxiway and Ramp Rehabilitation, Spokane, WA

The Felts Field Taxiway project was an intensive rehabilitation involving installation of pavement for new taxiways, additional signs for the airfield, and improved drainage. Mr. De La Cruz provided performed PCC mix designs and quality assurance/control testing of soils, asphalt, concrete, and straightedge inspection.



Position: Senior Civil Engineering Technician

Years With Firm: 15

Total Years of Experience: 15

Education:

Wenatchee Valley College
--AAS, Automotive Maintenance
Spokane Community College
--AAS, Civil Engineering Technology

Registrations/Certifications:

ICC Certified Special Inspector:

- ICC Post tensioned/Prestressed Concrete
- ICC Reinforced Concrete
- ICC Welding
- ICC Bolting
- ICC Masonry

NICET Level II

- Asphalt
- Concrete
- Soils

WAQTC

- Embankment & Density
- Asphalt
- Concrete
- Aggregate

- American Concrete Institute
- Field Inspector Grade I

OSHA 40 hr Hazardous Materials Training

Nuclear Densometer Operator, CPN

ANDREW BALAVAGE

SPECIAL INSPECTOR-SENIOR ENGINEERING TECHNICIAN

RESUME

PROFILE

Mr. Balavage has been performing special inspections on construction projects for more than 13 years. His experience includes sampling, testing, and inspection of soils, aggregates, reinforcing steel, Portland cement concrete, and asphalt concrete pavement. Mr. Balavage has also assisted in numerous general contracting micro pile projects and various geotechnical tests, making him a versatile asset to any project.

Convention Center Hotel

The Convention Center Hotel located in the heart of downtown Spokane boasts a 716 room count, complete with a 900 space parking garage. Mr. Balavage is the senior engineering technician for this project, and performs reinforced concrete testing and inspection, bolting and field welding inspection, structural steel inspection, post tension stressing, and masonry.

Egg-Shaped Digester Facility, Spokane, WA

Mr. Balavage was the lead special inspector during construction of two, 2.8 million gallon Egg-Shaped Digester Facilities at the Riverside Park Water Reclamation Facility. For this project, Mr. Balavage also performed soil testing and compaction, and testing of reinforced concrete.

Airfield Pavements, Spokane International Airport

Mr. Balavage has been one of our senior technicians during the construction of various cargo, aprons, taxiways, runways, and roadways. He has performed quality assurance/control testing of soils, aggregates, to FAA standards.

Spokane County Regional Water Reclamation Facility

Budinger & Associates has been a part of this project for several years. SCRWRP provides state-of-the-art water treatment for Spokane County, and includes an education and meeting facility. For this project, Mr. Balavage has conducted special inspections of soils, masonry, structural steels, and reinforced concrete.

Colville Waste Water Treatment Plant, Colville, WA

Technician during the construction of new Colville Waste Water Treatment Plant reclamation facility in Colville. Performed testing of soils and reinforced concrete.

8-Unit Condos, Spokane, WA

Operated drill on steep slope to install 36 micro piles for building foundation and installed a 70' slope inclinometer to monitor slope safety.



Position: Senior Civil Engineering Technician – Idaho Office
Construction Services Manager

Years With Firm: 13

Total Years of Experience: 13

Education:

Spokane Community College
--AAS, Civil Engineering Technology

Registrations/Certifications:

ICC Certified Special Inspector:

- ICC Post tensioned/Prestressed Concrete
- ICC Reinforced Concrete
- ICC Welding
- ICC Bolting
- ICC Masonry
- ICC Spray-Applied Fire Proofing
- ICC Soils

WAQTC

- Embankment & Density
- Asphalt
- Concrete
- Aggregate

American Concrete Institute

- Field Inspector Grade I

OSHA 40 hr Hazardous Materials Training

Nuclear Densometer Operator, CPN
Radiation Safety and Nuclear Gauge AWD

- Certified Welding Inspector



DARREL CARSTEN, PLS
SURVEYOR

**33 YEARS OF
EXPERIENCE**

**PROFESSIONAL LAND
SURVEYOR, WA, MT, ID**

Darrel is the survey division manager for our Spokane office. He has over 33 years of survey experience including boundary, ALTA surveys, topographic surveys, platting, legal descriptions, and construction staking. Darrel will direct all survey crews and will be the survey manager. He is an excellent problem solver and is regarded as a knowledgeable, thorough, and accurate technical surveyor. His major areas of involvement in your projects will include:

- Allocation of the survey crews to meet your project needs
- Project cost and schedule control
- Review of field data
- Calculation of boundaries, subdivisions, land surveys, section breakdowns, and corner research
- Surveyor of record for record of surveys, legal surveys, plats, section breakdowns, etc.

Darrel will be supported by three field crews and two office technicians.

Selected Project Experience

Rowan Avenue Rehabilitation Phase I and II – Spokane, WA

As surveyor in charge, Darrel provided construction staking for Rowan Avenue between Driscoll Boulevard and Monroe Street. He provided applications to DNR for monuments that were disturbed by construction activities. His team also provided sawcut limits and construction staking for sewer, storm, water, franchise, curb, driveways, sidewalks and road grading for the construction of proposed items.

Eagle Ridge – Spokane, WA

As surveyor in charge, Darrel provided construction staking on all phases (approximately 2,000 lots), site and lot grading, slope staking, sewer, storm, water, franchise utilities, swales, curb, driveways, sidewalks and meandering pathways. His team also staked property corners and monumented centerline for roads at point of curves, point of tangents, intersections and plat boundaries.

Combined Sewer Overflow 33 – Spokane, WA

As surveyor in charge, Darrel provided construction staking for silt fence, tanks, sewer, storm, water, franchise, curb, driveway, swales, sidewalks, fencing and grading for proposed items. His team also ran levels inside the tank to verify that it was built up to spec.

North Center Street Realignment – Spokane, WA

As surveyor in charge, Darrel provided staking for the new alignment of North Indiana Avenue, formerly known as North Center Street. His team also provided sawcut limits and construction staking for sewer, storm, water, franchise, curb, driveways, sidewalks and road grading.

**Agenda Sheet for City Council Meeting of:**

03/19/2018

Date Rec'd

3/5/2018

Clerk's File #

OPR 2018-0155

Renews #**Submitting Dept**

ENGINEERING SERVICES

Contact Name/Phone

DAN BULLER 625-6391

Contact E-Mail

DBULLER@SPOKANECITY.ORG

Agenda Item Type

Contract Item

Agenda Item Name

0370 - HILL INTERNATIONAL - ON-CALL CONSTRUCTION MANAGEMENT

Cross Ref #**Project #**

2018054

Bid #**Requisition #**

MASTER

Agenda Wording

Number two rated firm, Hill International, from advertised Request for Qualifications for a two year contract for On-Call Construction Management Services for \$200,000.00. (Multiple Neighborhood Councils)

Summary (Background)

2018 will be one of the highest volume construction years. Engineering Services advertised a Request for Qualifications for Construction Management Consultants to assist over the next two years. Hill International was the number two rated firm. Four other firms submitted Statements of Qualifications: Parametrix (number one rated), OAC Services, Inc., TD&H Engineering, Inc. and Belsby Engineering.

Fiscal Impact

Grant related? NO

Public Works? YES

Budget Account

Expense \$ 200,000.00

Multiple

Select \$

#

Select \$

#

Select \$

#

Approvals**Dept Head**

TWOHIG, KYLE

Division Director

SIMMONS, SCOTT M.

Finance

ORLOB, KIMBERLY

Legal

ODLE, MARI

For the Mayor

DUNIVANT, TIMOTHY

Council Notifications**Study Session****Other**

Finance 3/19/18

Distribution List

Engineering Admin

publicworksaccounting

dbuller@spokanecity.org

jgraff@spokanecity.org

Additional Approvals**Purchasing**



Continuation of Wording, Summary, Budget, and Distribution

Agenda Wording

Summary (Background)

unserviceable PPE and possible additional purchases in the event SFD requires a second recruit academy in the fall of 2018.

<u>Fiscal Impact</u>		<u>Budget Account</u>
Select	\$	#
Select	\$	#

Distribution List

Briefing Paper

Finance & Administration

Division & Department:	Engineering Services; Public Works
Subject:	Project 2018054 On-Call Construction Management Consultants
Date:	March 19, 2018
Contact (email & phone):	Dan Buller (dbuller@spokanecity.org , 625-6391)
City Council Sponsor:	
Executive Sponsor:	Scott Simmons
Committee(s) Impacted:	PIES
Type of Agenda item:	<input checked="" type="checkbox"/> Consent <input type="checkbox"/> Discussion <input type="checkbox"/> Strategic Initiative
Alignment: (link agenda item to guiding document – i.e., Master Plan, Budget, Comp Plan, Policy, Charter, Strategic Plan)	
Strategic Initiative:	Innovative Infrastructure
Deadline:	
Outcome: (deliverables, delivery duties, milestones to meet)	Approval of proposed consultant agreement when brought to council
Background/History: <ul style="list-style-type: none"> 2018 will be one of the highest volume construction years ever. Engineering Services has, therefore, advertised a Request for Qualifications for construction management consultants to assist over the next year or two with the abnormally large project volume. Five firms submitted Statements of Qualifications. Those SOQs were evaluated and the top two firms selected. 	
Executive Summary: <ul style="list-style-type: none"> Engineering Services proposes to hire Parametrix and Hill International, each for a two year contract to provide construction management services on yet to be determined project during the 2018 and 2019 construction seasons. The proposed contract with the number one rated firm, Parametrix, is for \$300,000 The proposed contract with the number two rated firm, Hill International is for \$200,000 	
Budget Impact: Approved in current year budget? <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A Annual/Reoccurring expenditure? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A If new, specify funding source: Other budget impacts: (revenue generating, match requirements, etc.)	
Operations Impact: Consistent with current operations/policy? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A Requires change in current operations/policy? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A Specify changes required: Known challenges/barriers:	



2018-2019

CONSTRUCTION MANAGEMENT ON-CALL SERVICES

FEBRUARY 5, 2018 | PROJECT NO. 2018054 | COPY



Hill International



2018-2019

Construction Management On-Call Services

FEBRUARY 5, 2018 | PROJECT NO. 2018054 | COPY

TABLE OF CONTENTS

- 1. | Letter of Submittal
- 2. | Qualifications Statement
 - 2.1 | *Firm's Qualifications/Experience*
 - 2.2 | *Staffing Plan*
 - 2.3 | *Former Client References*
 - 2.4 | *List of Contracts*
 - 2.5 | *Terminated Contracts*

Appendix

Resumes



LETTER OF SUBMITTAL





Hill International

February 5, 2018

Joel Graff
Principal Construction Engineer
City of Spokane - Department of Engineering Services
2nd Floor, City Hall
808 W. Spokane Falls Blvd.
Spokane, WA 99201-3316

Hill International, Inc.
Lincoln Plaza
818 West Riverside Ave.,
Suite 400
Spokane, WA 99201
T: (509) 747-8031
www.hillintl.com

**Subject: City of Spokane - Department of Engineering Services
2018-2019 Construction Management On-Call Services | Project Number 2018054**

Dear Mr. Graff:

Hill International, Inc. (Hill) is pleased to submit our proposal to the City of Spokane (City) for construction management, construction inspection, material testing and construction staking services for various on-call projects. Hill will assist the City in delivering quality projects, increasing public safety and enhancing local infrastructure. We offer the City:

- **Experienced Firm** | Founded in 1976, Hill is a leader in construction management, inspection, project and program management and other construction consulting services. Hill's team members have experience providing construction management services on public works projects throughout Eastern Washington. We will provide high quality construction management services by providing the most qualified and experienced staff.
- **Our Local Leadership** | Our team will be led by Operations Manager, *Matthew Walker, AIA, CCM, DBIA*. Matt is known to the City for his successful, long-term efforts working with the Spokane Public Facilities District and the City of Spokane Parks and Recreation Division. Matt's long-term working relationship with City stakeholders will be of great value to you. He'll be able to anticipate your needs and project challenges, and will have solutions at the ready for you.

Matt will be supported by an outstanding team fully described in this proposal response. Working with Matt and the City will be our Construction Managers and Inspectors, *Lorraine Mead, PE, LEED AP, Dean Gable, Patrick McCord, George Banning, CCM* and *Jeffrey Whitchurch* with years of experience delivering public works projects. Information regarding our indispensable team members from GeoEngineers, Coffman Engineers and Simpson Engineers are included within our proposal response. Additional resources will include Scheduler/Project Controls Engineer, *Robert Mills* and Document Control Administrator, *Teri Rasmussen*. Each of our team contributors has been carefully chosen for their experience on similar projects and their expertise in successful project delivery.

- **Our Local Presence and Commitment** | We will serve the City from our Spokane office, located just steps from City offices and Riverfront Park. Our Spokane-based staff and highly qualified consultants will combine their relevant experience with local knowledge to help ensure a successful outcome for the City and its residents. Our key personnel are available and committed to participate throughout the life of the program. Through our staff and partnering firms, we offer a vast pool of resources with construction management, inspection, staking and material testing services and will deliver tasks on-time and within budget.



As the authorized person to legally bind the firm to a contractual relationship and on behalf of the entire Hill team, I fully commit to you the resources offered in this proposal. We look forward to working with the City and very much appreciate this opportunity to be considered as your consultant. Should you have questions or need further information, you can reach me directly at (509) 747-8031 or GregoryHeinz@hillintl.com.

Requested Information

- 1** *Name of Legal Entity with Whom Contract Would Be Written:* Hill International, Inc.
Name of Individual with Whom Contract Would Be Written: Gregory Heinz
Address: 818 West Riverside Ave, Suite 400, Spokane, WA 99201
Principal Place of Business: Spokane, WA
Telephone Number: (509) 747-8031 | Fax Number: (509) 747-8037
Email Address: GregoryHeinz@hillintl.com
Headquarters: One Commerce Square, 2005 Market Street, 17th Floor, Philadelphia, PA 19103 | 215-309-7700
- 2** *Legal status of the Firm* | Hill International, Inc. is a corporation, incorporated in the State of Delaware, and is a publicly traded company listed on the New York Stock Exchange (NYSE).
- 3** *Location of the Facility from which the Firm would Operate* | Lincoln Plaza, 818 West Riverside Ave., Suite 400, Spokane, WA 99201
- 4** *City Employees* | Hill does not employ any current or former City employees or have any current or former City employees on the firm's governing board, as of February 5, 2018, or during the previous twelve (12) months.
- 5** *Acknowledgment of Terms and Conditions* | Hill will comply with the terms and conditions set forth in the RFQ.

Sincerely,

A handwritten signature in black ink, appearing to read "Gregory Heinz", written over a printed name.

Gregory Heinz
Vice President

QUALIFICATIONS STATEMENT



Qualifications Statement

2.1 | FIRM'S QUALIFICATIONS/EXPERIENCE

Hill International Inc. (Hill) provides project management and construction management (PM/CM) services to Washington clients from our office in Spokane. When Hill opened its full-service Spokane office in 1999, we did so with a vision of supporting Eastern Washington public clients with their program and project needs. During the past 18 years we have provided program, project and construction management services to many Washington clients. Our projects include on-call services for a variety of sectors including airports, rail and transit, bridges, fossil fuel and wastewater. Our Spokane office, backed by over 3,000 Hill professionals, offers services in program and project management, construction management, project document controls, cost engineering and estimating, quality assurance, inspection, scheduling, claims analysis and staff augmentation services.


From our Spokane office, we have assembled a team of construction management professionals led by *Operations Manager, Matthew Walker* with the expertise and experience to successfully provide construction management support services for the City of Spokane's (City) on-call services. We believe the key to on-call services' success is Hill's experienced staff providing local construction management support services that are easily accessible to the City and efficient in their delivery.


- **CONSTRUCTION MANAGEMENT** | Hill's professionals bring hands-on construction experience specific to the project types they manage, backed by a first-hand understanding of local conditions. This experience gives our project team the practical knowledge they need to effectively manage projects. For our clients, the result is onsite support tailored to realizing your project's objectives and focused on managing your project's constraints. Construction period services may include construction inspection, weekly site observation reports, monthly schedule reviews, safety monitoring, document controls, RFI's and contractor correspondence review and coordination, change management and closeout.
- **CONSTRUCTION INSPECTION** | Hill has a long history of providing successful construction inspection services on a wide variety of construction projects; from small paving projects to large infrastructure projects. We know the unique requirements of specialized design and construction processes and the sound principles and practices that apply to construction inspection assignments. We will bring the right experience, proper approach and level of effort and appropriate staff to successfully complete projects. Our construction inspectors are committed for the duration of the projects, and will reside in the local area until completion. They are knowledgeable in managing design, construction and close-out phases of projects requiring complex phasing to allow for continuous operations. Their experiences are well-suited for providing construction inspection services.
- **MATERIAL TESTING** | GeoEngineers, who will support Hill, has provided testing of construction materials and geotechnical soil samples for hundreds of projects throughout eastern Washington. GeoEngineers has over 16 years of experience providing concrete curing and compressive strength, aggregate, masonry, fireproofing, ASTM and American Association of State Highway and Transportation Officials (AASHTO) test methods.
- **CONSTRUCTION STAKING** | Construction staking requirements will be supported by our subconsultants, Coffman Engineers and Simpson Engineers, who are available during the entirety of this contract. Construction staking services for the project will include right-of-way definition, pipeline alignment plan and horizontal profile, engineering support for protection of utilities, trenching


and backfilling of utilities, post construction as-built utilities drawings. We will coordinate with the contractor's survey team to implement project policies and procedures for construction staking as needed by the contractor, and surveying for QA and verification as needed.

SUBCONSULTANTS

With the support of the following firms, Hill will be able to provide services requested by the City and required to complete all potential projects.

GEOENGINEERS  *GeoEngineers*, founded in 1980 and employee-owned, specializes in crafting unique geotechnical engineering, special inspection and testing (SI&T) services for clients in the development, transportation, water and natural resources, federal and energy market sectors. They employ over 320 personnel in 13 offices, including 25 staff in their Spokane office. Their Spokane office offers a full range of laboratory testing capabilities and specializes in special inspection and construction materials testing. GeoEngineers are accredited by the American Association of State Highway and Transportation Officials (AASHTO) and the ASTM Cement and Concrete Reference Laboratory (CCRL). Specifically, their services include soils testing, materials testing, reinforced concrete, earthwork monitoring, structural steel and fireproofing.

COFFMAN ENGINEERS  *Coffman Engineers* is a multidiscipline engineering firm providing civil, structural, mechanical, electrical engineering, land surveying, project management, fire protection and commissioning services. Their land survey experience includes construction staking for a variety of projects, including municipal and public works. Coffman has been providing quality engineering services since 1979. Their team is committed to providing quality service to each and every client. The leadership at Coffman has decades of multidiscipline coordination experience executing complex and challenging projects. They provide the same high quality consulting services for individual engineering disciplines to their clients.

Simpson Engineers, Inc.  *Simpson Engineers, Inc.* is the civil engineering and land surveying firm with the longest continuity of family ownership in the Spokane vicinity. They have operated in Spokane Valley since 1946. They have cultivated a loyal client base, having served some of our clients continuously for half a century, and many others for several decades each. Their primary strengths are experience and efficiency. Simpson's surveying staff includes licensed professional land surveyors, with at least 35 years each, with over 120 years of combined surveying experience. Simpson has worked on thousands of land surveying projects in the Inland Northwest, giving them extensive experience in completing boundary surveys, topographical and site surveying, mapping, platting and replatting of existing subdivisions, construction staking, monument preservation and the DNR permit process.

PROJECT EXPERIENCE

Hill's resume of on-call construction management experience includes projects for Spokane International Airport (SIA) and Spokane Transit Authority (STA). Our services include project and construction management; project controls management, including all phases of estimating, budget controls and CPM schedule development and analysis, value engineering and constructability reviews.



Spokane International Airport On-Call Construction Management Services | Spokane, WA

Client Name: Spokane International Airport (SIA)

Project Value: \$600,000 | Completion Date: January, 2018

Scope of Services: Construction Management

Project Description | Hill provided on-call construction management services to Spokane International Airport (SIA) with a yearly contract, which was renewed for 2016 and 2017. For six projects our team provided five constructability/biddability reviews, one estimate and construction management oversight. Hill staff included estimators, engineers and project and construction managers and inspectors. We utilized Coffman Engineers to provide technical expertise for our constructability/biddability reviews. We responded to project demands and, in some instances, staffed a project in less than 24 hours notice. Major tasks have included:

- ☑ Construction Management HVAC - Skybridge & Concourse C
- ☑ Construction Management for the Emergency Roof Repair Project
- ☑ Construction Management for IT Relocation
- ☑ Constructability Review for the Parking Operations Shuttle Garage
- ☑ Constructability Review for Baggage System Project
- ☑ Constructability Review for the Parking Operations Building
- ☑ Constructability Review for IT Relocation Project
- ☑ Constructability Review for the Convenience Store Site Development
- ☑ Ramp Joint Replacement Estimate

■ Overhead Signage Upgrade

Project Value: \$750,000 | Completion Date: May, 2018

Hill is providing construction management services for this \$750,000 project which include replacement of signage on existing sign structures, installation of new sign bridge and cantilever sign structures with signage, and removal of existing sign bridge structures and guardrail along Airport Drive. Hill is performing a constructability review of the design, which identify a need to replace an existing sign bridge structure. Additional services Hill is providing include project meetings, submittals reviews, on-site observations and reports and contract administration.

■ Airfield Maintenance Headquarters Paving

Project Value: \$293,000 | Completion Date: September, 2017

Hill provided construction management services, which included project meeting minutes, on-site observation of construction and contract administration. The project included removal of existing asphalt and placement of new asphalt pavement around the airport's Airfield Maintenance Headquarters building.



Spokane International Airport Construction Management Various Projects | Spokane, WA

Client Name: Spokane International Airport (SIA)

Project Value: \$8 million | Completion Date: January, 2018

Scope of Services: Construction Management

Project Description | Hill provided construction management for various projects through contracting directing with architects for various projects at the SIA. These projects have included:

- ☑ Annex, Restroom and IRC Modifications
- ☑ Aircraft Rescue and Fire Fighting Facility
- ☑ Baggage EDS & CBRA Improvements

For each project, Hill has provided daily management such as coordinating with airport staff and the contractor; conducting weekly progress meetings and producing meeting minutes; developing independent estimates and negotiating change orders; conducting prevailing wage payroll verification interviews and checking certified payrolls; reviewing the contractor's baseline schedule and updates along with the pay applications; and reviewing monthly and final as-built drawing as well as the other duties required for the day-to-day administration of the project. On our first construction management project for SIA, Hill created new forms to review and process contractor pay applications and track changes/cost issues against the owner contingency. These forms have been adopted by SIA and are now standard for all construction projects at the airport. Additional major tasks have included:

■ Fuel Facility Improvements Projects

Project Value: \$1.6 million | Completion Date: June, 2015

Hill provided construction management for the improvements to the existing fuel farm's function and safety of the fueling operations. The improvements included modifications to the existing Jet-A system including piping, equipment and controls as well as adding a new tank gauging system. It also included the replacement of the existing AVGAS system including tanks, piping and controls. Hill provided on-site management that included coordinating with airport staff and the contractor; conducting weekly progress meeting and producing meeting minutes; developing independent estimates and negotiating change orders; conducting wage rate payroll verification interviews and checking certified payrolls; reviewing the contractor's baseline schedule and updates along with the pay applications, reviewing monthly and final as-built drawing as well as the other duties required for the administration of the project.

■ Parking Operations Building and Garage Phase II and III

Project Value: \$3.6 million | Completion Date: October, 2016

For the SIA parking operations building and garage project, Hill provided daily on-site management for the construction of the new 4,200 SF, \$2.0 million facility and the 6,600 SF, \$1.6 million garage. Hill coordinated with airport staff and the contractor; conducted weekly progress meeting and produced meeting minutes; developed independent estimates and negotiated change orders; conducted prevailing wage payroll verification interviews and checked certified payrolls; reviewed the contractor's baseline schedule and updates along with the pay applications, reviewed monthly and final as-built drawing as well as the other duties required for the day-to-day administration of the project.



Spokane Transit Authority On-Call | Spokane, WA

Client Name: City of Spokane

Project Value: n/a | Completion Date: 2022

Scope of Services: Construction Management;

Project Description | Hill is a member on the Coffman Engineers team for this five-year, indefinite delivery/indefinite quantity (IDIQ), on-call agreement with Spokane Transit Authority (STA) for various projects including:

■ Spokane Transit Plaza Upgrade

Project Value: \$3.6 million | Completion Date: May, 2017

Hill provided construction management services for the renovation of the Spokane Transit Authority Plaza, located in downtown Spokane, Washington. Modifications were intended to improve the customer experience. As the construction manager, we conducted construction meetings; prepared weekly reports; managed RFIs and submittals; reviewed contractor's schedule, pay applications, drawings and change order requests; tracked construction contingency; scheduled/coordinated commissioning and owner maintenance personnel training; prepared owner correspondence; provided warranty documents; and monitored contractor's compliance with final pay application.



Spokane Tribal Economic Project (STEP) Phase 1 | Airway Heights, WA

Client Name: Spokane Tribe of Indians

Project Value: \$45 million | Completion Date: December, 2017

Scope of Services: Construction Management

Project Description | Hill was responsible for providing construction management services for the construction of a new casino for the Spokane Tribe of Indians. The new 36,816 SF casino comprises 16,736 SF of gaming floor space featuring 450 slot machines and 12 game tables, two restaurants totaling 12,000 SF and an outdoor plaza. Phase 1 site work involved parking for 619 cars, a roundabout, STA bus stop and site utilities. Hill's services included scheduling, budget and cost tracking, stakeholder management, meeting coordination, quality assurance and staging from pre-construction through closeout and administrative and technical controls.

The Spokane Tribe West Plains Roundabout is also part of Phase 1. The Tribal funded project is located on Washington State Highway US Highway 2 approximately 4 miles west of I-90 near Spokane Washington and serves as the main entrance to the Spokane Tribes newly constructed casino. Through an agreement between WSDOT and the Spokane Tribe, the Tribe contracted with Hill to provide construction inspection services on the \$1.8 million US 2 Roundabout project, which is the first dual-lane roundabout for WSDOT's Eastern Region. Inspection duties included verification and documentation of installed materials, daily reports, punchlist and other associated inspection functions.





Riverfront Park Bond Project Management Support Services | Spokane, WA

Client Name: City of Spokane Parks and Recreation

Project Value: \$71 million | Completion Date: December, 2020

Scope of Services: Construction Management

Project Description | Hill is providing program, project and construction management services to the City of Spokane Parks and Recreation Division for the Riverfront Park Improvement Program. The bond-funded program will result in a public space to accommodate a greater volume of visitors for community events. The redevelopment program will include several separate design and construction contracts to deliver a new "Ice Ribbon" skating facility, a new building to house the historic Loeff Carrousel, renovations to the iconic Pavilion Event Center, replacement of the Howard Street South Channel Bridge, creation of a new Howard Street Promenade and a new North Bank Regional Playground. Hill is providing construction management services for the Howard Street South Channel Bridge, the Loeff Carrousel and the Pavilion/Promenades.

■ Howard Street South Channel Bridge Replacement | Spokane, WA

Project Value: \$7 million | Completion Date: February, 2018

Hill is providing construction management services for the demolition and replacement of the existing concrete bridge at the main entry to Riverfront Park in downtown Spokane. The Howard Street South Channel Bridge was built in 1931 as a vehicle bridge but currently carries only pedestrian traffic over the south channel of the Spokane River. The new structure was designed to be a skewed-girder-style three-span structure, supported by multiple 3' diameter cast-in-drilled-hole (CIDH) shaft foundations with bent caps. Hill's services included administration of the construction contract, acting as primary communication between the contractor and all other project participants and coordination of all inspectors.



Post Street Pedestrian and Utility Bridge Replacement | Spokane, WA

Client Name: City of Spokane

Project Value: \$14.5 million | Completion Date: 2021

Scope of Services: Construction Management;
Project Management

Project Description | Hill is providing project and construction management services to the City of Spokane Public Works Division to support design-build (DB) advisory services for the Post Street Pedestrian and Utility Bridge Replacement project. Originally built in 1917, the Post Street Bridge serves vehicle, bicycle and pedestrian traffic from the Centennial Trail. The replacement bridge will lift severe load limitations to support regular truck loads and safely accommodate bicyclists and pedestrians.



Henderson North Combined Sewer Overflow (CSO) Project | Seattle, WA

Client Name: Seattle Public Utilities (SPU)

Project Value: \$44 million | Completion Date: 2017

Scope of Services: Construction Inspection

Project Description | As prime consultant, Hill provided inspection services to SPU for the Henderson CSO North project. Located in Seward Park on the shore of Lake Washington, the work involved the construction of a 16,000-gallon storage pipe at Marth Washington Park and the installation of a 2.65-million gallon underground storage facility. Hill coordinated and documented quality control activities, including subgrade stability and compaction of structural fill, pipe and concrete testing; electrical and mechanical testing; and functional tests for operational systems. Hill also reviewed the quality of coatings, evaluated change order requests and assessed schedule updates.

2.2 | STAFFING PLAN

Hill proposes the team below for the City's On-Call Services. This team's relevant project experience includes project and construction management; schedule development and analysis; value engineering; constructability reviews; on-site inspections; and risk analysis. Our proposed organization chart and resumes shows the breadth and depth of years of Washington State CM experience. Hill has assembled a team of professionals who bring the best practices and lessons learned from projects across Washington to fulfill the City's construction management needs. This team provides the City with professionals who will be utilized only when, their expertise and service is required on the project. The organizational chart, on the following page, shows the reporting relationships within our team and key responsibilities for each staff member.

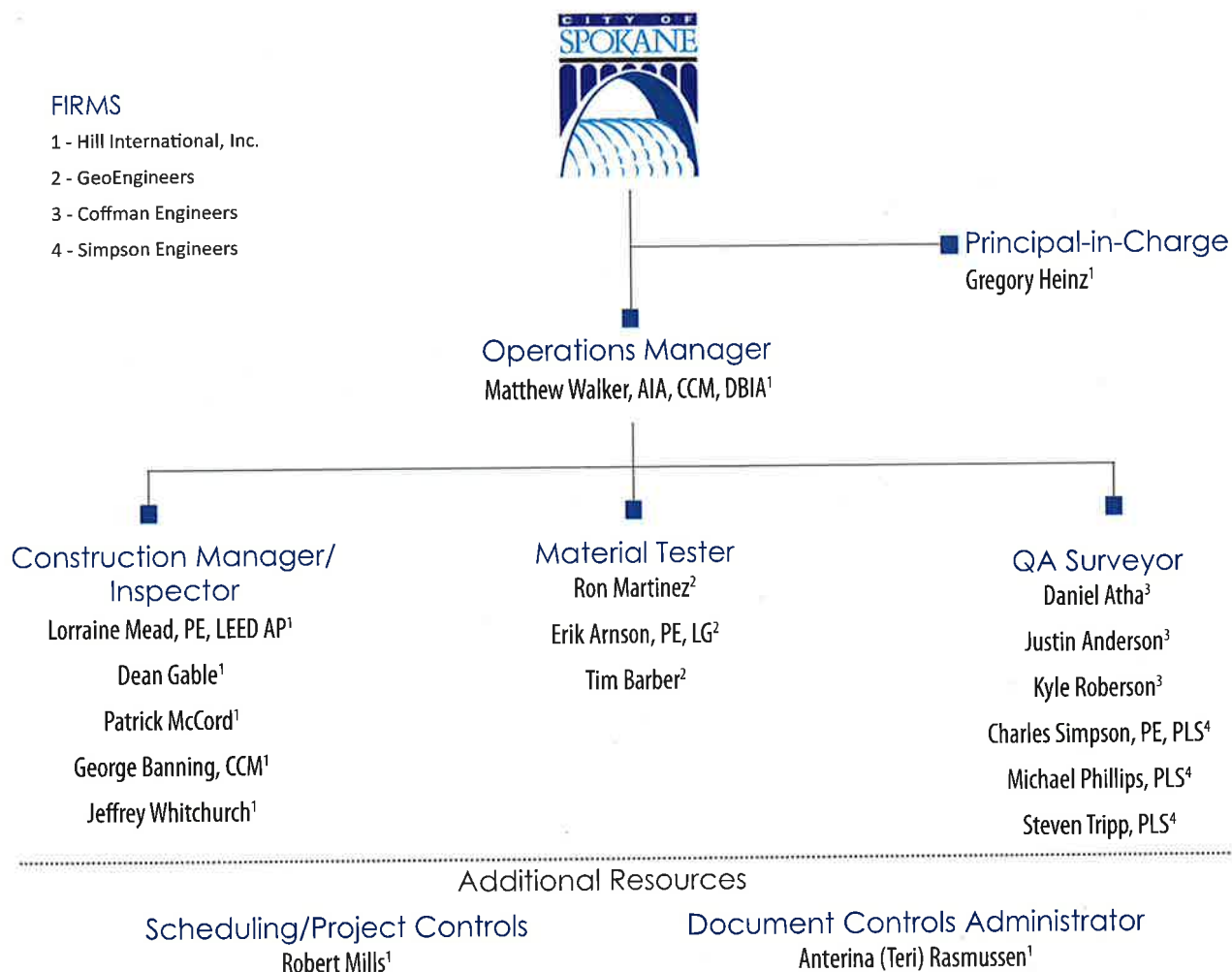
TEAM RESPONSIBILITIES AND QUALIFICATIONS

- *Gregory Heinz, Principal-in-Charge (PIC)*, has day-to-day responsibility for the performance of the Hill team. His reporting responsibility is to the assigned City representative. As the PIC, Greg will assist Hill's Operations Manager in all aspects of program management.
- *Matthew Walker, AIA, CCM, DBIA, Operations Manager*, has direct day-to-day reporting responsibility to the City representative. He will oversee all aspects of construction management assigned to Hill, making certain each project has the appropriate resources needed for timely and on budget project delivery.
- *Lorraine Mead, PE, LEED AP, Dean Gable, Patrick McCord, George Banning, CCM and Jeffery Whitchurch, Construction Managers / Inspectors*, will assist with providing construction management and inspection services. These construction managers will serve as the City's eyes and ears on-site during construction, monitoring the contractors and coordinating with the City. They will report to Matt on a daily basis.
- *QA Surveyors, Daniel Atha, Justin Anderson, Kyle Roberson, Charles Simpson, PE, PLS, Michael Phillips, PLS and Steven Tripp, PLS*, from Coffman Engineers and Simpson Engineers, will customize each staking layout to best fit the City's needs. They have earned the trust of our clients, and have provided construction staking layout for multiple projects in the past five years. Accurate construction staking is key for a successful project as it sets the stage for all the construction activities.
- *Material Testers, Ron Martinez, Erik Arnson and Tim Barber*, from GeoEngineers, will perform professional and technical materials testing services including, field sampling, analysis, reports, plant inspection and work related to testing equipment calibration during all phases. They will report to Matt and the team daily results of field tests and observations and provide design recommendations and construction oversight.

**Full resumes for our key personnel are provided at the end of this package in the Appendix.*

ORGANIZATION CHART

Our organization chart and resumes show our team's breadth and depth of Washington State public works experience and a team of carefully selected support personnel, each of whom have experience in their assigned roles with similar projects for clients in Spokane and throughout Eastern Washington. Each member of our proposed team is available to provide services to the City.



2.3 | FORMER CLIENT REFERENCES

JESSICA CHARLTON

Title: Capital Projects Manager

Company: Spokane Transit Authority

Telephone: 509-325-6049

Email: jcharlton@spokanetransit.com

SHAUNIE VAIL

Title: Senior Engineer

Company: Seattle Public Utilities

Telephone: 206-684-8487

Email: shaunie.vail@seattle.gov

MATT BREEN

Title: Director, Planning and Engineering Department

Company: Spokane International Airport

Telephone: 509-455-6413

Email: mattb@spokaneairports.net

RYAN SHEEHAN

Title: Director of Operations and Maintenance

Company: Spokane International Airport

Telephone: 509-455-6418

Email: rsheehan@spokaneairports.net

2.4 | LIST OF CONTRACTS IN LAST TWO YEARS

A firm of Hill's size has a large workload. The table below outlines the recent and current relevant workload for our Washington offices.

PROJECT NAME	CONTRACT NUMBER	PERIOD OF PERFORMANCE	CONTACT	TELEPHONE NUMBER & EMAIL ADDRESS
Spokane Transit Authority On-Call Services	12-STA-450	11/2012 - 10/2017	Karl Otterstrom <i>Spokane Transit Authority</i>	509-325-6089 kotterstrom@spokanetransit.com
Spokane International Airport On-Call Construction Management Services	15-43-9999	02/2016 - 09/2017	Lisa Corcoran <i>Spokane Int'l Airport</i>	509-455-6406 LCorcoran@spokaneairports.net
Spokane Tribal Economic Project (STEP) Phase 1	STEP PHASE 1A	12/2016 - 03/2018	Mike Tedesco <i>Spokane Tribe of Indians</i>	509-458-6502 tedesco@spokanetribe.com
City of Spokane Riverfront Park Bond Project Management	OPR #2016-0322	02/2016 - 12/2020	Berry Ellison <i>City of Spokane Parks and Recreation</i>	509-625-6276 bellison@spokanecity.org
City of Spokane Post Street Bridge Replacement	2017105	04/2017 - 12/2020	Kyle Twohig <i>City of Spokane</i>	509-625-6270 ktwohig@spokanepfd.org
Seattle Public Utilities As-Needed Inspection Services	C304102 C 350 CEI	02/2017 - 01/2018	Carmalinda Vargas <i>City of Seattle</i>	206-615-1123 Carmalinda.vargas@seattle.gov
West Point Treatment Plan OGADS Replacement CM Services	P00200P16	08/2016 - 08/2020	Crystal Fleet <i>King County Dept. of Natural Resources and Parks</i>	206-684-2423 crystal.fleet@kingcounty.gov

2.5 | TERMINATED CONTRACTS

Within the last five (5) years, Hill International Inc. has never failed to complete any work awarded to the firm and has never been removed for cause from any project awarded to the firm.

APPENDIX



MATTHEW WALKER, AIA, CCM, DBIA

Operations Manager

Matthew Walker has more than 30 years of architectural, project and construction management experience working on a wide variety of projects including schools, hotels and casinos, convention centers, corporate headquarters, healthcare facilities, transit and airports. His contract delivery experience includes design-bid-build, design-build and general contractor/construction manager (GC/CM) projects. Matt's project and construction management skills include alternative project delivery procurement, design coordination management, contract management, oversight and approval of project expenses, preparing and monitoring project budgets, change order negotiations, design reviews, monitoring compliance of construction documents. He has overseen construction quality assurance; constructability reviews, coordination and management of owner-furnished/installed, contractor-installed fixtures, furnishings, equipment and project closeout management.

Matt will oversee the project and will provide recommendations, as required, to make certain the project is delivered safely, on-budget and within schedule. Throughout the project, Matt will oversee the project's safety and construction programs while verifying work is compliant with the client's design and quality standards.

RELEVANT EXPERIENCE

City of Spokane Engineering Department, Post Street Pedestrian and Utility Bridge Replacement, Spokane, WA, Project Manager

Hill was selected by the City of Spokane Engineering Department to provide progressive design-build (DB) project management services for the City's \$15.5 million Post Street Bridge Replacement project. Matt's responsibilities included assisting with Washington State Capital Projects Advisory Review Board (CPARB) - Project Review Committee (PRC) approval to use the progressive DB delivery method, development of the DB Request for Qualifications (RFQ) document, issuance of RFQ addenda, and assisting the City with shortlisting firms to proceed to the RFP phase. Future responsibilities to include: participating in interviews, assisting with evaluating proposals, selecting the highest ranking DB team and negotiating the validation agreement and GMP Amendment and providing construction management support throughout the design and construction phases of the project.

City of Spokane Parks & Recreation, Riverfront Park Bond Program Management, Spokane, WA, Project Manager

Matt is providing program management support for the \$71 million park bond improvement program. Services include program budget



Education

BArch, Architecture,
University of Idaho,
Moscow, ID

Registrations

Registered Architect,
Washington

DBIA- Design Build
Institute of America

Certified Construction
Manager

American Institute
of Architects

Professional Memberships

Design Build Institute
of America (DBIA)

American Institute of
Architects (AIA)

Construction Management
Association of
America (CMAA)



Matthew Walker, AIA, CCM, DBIA

validation and project control implementation, development and management of a park-wide master schedule, comprehensive program filing system recommendations and project, consultant, quality and construction management support services. The 40-acre park, which includes two islands, a diversion dam and powerhouse, seven bridges and areas on the north and south bank of the Spokane River, is located in downtown Spokane. The redevelopment program will construct the first Ice "Ribbon" Rink in the Pacific Northwest, a new building for the 100-year-old Loeff Carrousel and renovations to the iconic Pavilion Event Center located at the center of the park.

Spokane Public Facilities District, Spokane Convention Center Completion, Spokane, WA, Project Manager

Matt provided project management services for the District's \$50 million, design-build, 90,000 SF addition to the Spokane Convention Center. Initial responsibilities included assisting with obtaining Washington State Capital Projects Advisory Review Board (CPARB) and preparing the design-build RFQ and RFP, evaluating proposals, assisting with contract negotiations, attending design meetings and reviewing design submittals. Matt provided project schedule and budget management, oversaw District consultants, assisted with government agency project approvals and reviewed project expenses.

City of Richland Parks & Public Facilities Department, Richland Fire Station No. 74, Richland, WA, Project Manager

Matt is providing project management services for the \$3.5 million, 12,000 SF design-build (DB) project. He developed the DB Request for Qualifications (RFQ) document including the master project budget and master milestone schedule information; DB selection process, minimal qualification requirements, communication protocols, RFQ evaluation and scoring criteria and the proposed contract type. Matt developed the DB Request for the Proposal (RFP) document including evaluation and selection criteria, site constraints, program scope and project requirements, DB contract, proposal requirements and reference documents. Matt was responsible for other tasks including managing addenda, participating in interviews, evaluating proposals and selecting a design build team. Matt facilitated design meetings, reviewed design submittals, performed budget reviews and partook in construction meetings, site visits, review and recommendation of DB applications for payment and close out oversight.

Spokane Public Facilities District, Expansion and Renovation Projects, Spokane, WA, District Project Manager

Matt managed design and construction of the LEED Silver Spokane Convention Center's \$90 million expansion and renovation projects. His responsibilities included oversight and approval of project expenses; contractor, A/E and owner consultant contract management; change order negotiations; as well as review of plans and specifications. His post-convention center expansion and renovation duties included planning, budgeting, scheduling, designing and managing the construction of numerous remodel projects, including Spokane Veterans Memorial Arena Club.

Spokane Transit Authority (STA) Plaza Project, Project Manager

For this \$20 million project, Matt completed the contract administration phase of the three-story, 90,000 SF Transit Authority Downtown Plaza. Matthew's responsibilities included change order negotiations, RFI coordination, shop drawing review, observation reports, reporting to the STA Board and project closeout.

LORRAINE MEAD, PE, LEED AP

Construction Manager/Inspector

Lorraine Mead has more than 30 years of hands-on experience leading project teams and working on commercial construction projects encompassing program, project and construction management; complex scheduling and estimating services. Lorraine's background includes a wide variety of projects and clients including airports, light rail, hospitals, schools, movie theatre restoration, theme park and cultural venues, industrial and wastewater treatment plants. Her training as an engineer provides her with a strong management background looking at both design and construction issues. She is proficient with various industry software packages including Microsoft Office Suite and Primavera software.

RELEVANT EXPERIENCE

Riverfront Park, Howard Street South Channel Bridge Replacement, Spokane, WA, Project Manager

Lorraine is providing construction management services for the demolition and replacement the existing concrete bridge at the main entry to Riverfront Park in downtown Spokane. Lorraine is providing full construction management services including administration of the construction contract and acting as primary communication between the contractor and all other project participants and coordination of the inspectors. Duties comprise production and verification of contractor progress payments; change orders; utility coordination; project controls; permit compliance; document control; scheduling; as-built documentation; contract administration including RFI and submittal management; chairing and attending meetings; cost estimating; assisting with QA/QC material testing oversight; and coordination of construction contractors and subcontractors and supporting public outreach.

Spokane International Airport, EDS Upgrades and CBRA Improvements, Spokane, WA, Construction Manager

Lorraine is managing construction for the modification of the Airport terminal building to improve the working conditions and the ergonomic features of the Checked Baggage Resolution Areas (CBRA) as well as upgrades the EDS software. Lorraine coordinates with airport staff, TSA and their consultants as well as the contractor; conducts weekly progress meeting and produces meeting minutes; develops independent estimates and negotiates change orders; conducts prevailing wage payroll verification interviews and checks certified payrolls; reviews the contractor's baseline schedule and updates along with the pay applications, reviews monthly and final as-built drawings, as well as the other duties required for the day to day administration of the project.



Education

MS, Civil Engineering,
University of
Washington, Seattle

BS, Civil Engineering,
Montana State
University, Bozeman

Certificate, 30-Hour OSHA
Hazard Recognition for
Construction Industry, UC
San Diego, OSHA Training
Institute Education Center

Registrations

Professional Engineer,
Colorado

LEED Accredited
Professional

Professional Memberships

American Society of
Civil Engineers

Construction Management
Association of America

Northwest Chapter
of the American
Association of Airport
Executives (NWAAAE)

Women in
Transportation (WTS)

Publications

"Comparison of
Experimental & Computer
Modeling of Snow-Block
Impact on Structures,"
Journal of Glaciology. (1986)

Lorraine Mead, PE, LEED AP

Spokane International Airport Phase II Parking Operations Building and Phase III Shuttle Garage, Spokane, WA, Construction Manager

Lorraine managed on-call assignments for Spokane International Airport (SIA), including two constructability reviews for Phase II and Phase III of SIA's Parking Operations and Garage and an estimate to replace all the joints for the apron paving. She provided daily management for the construction the new 6,600 SF, \$1.6 million facility. The new structure is a combination of Glulam Beams with masonry walls as well as metal panels on the exterior with a curved standing seam metal roof to match other airport buildings. Lorraine's services also included coordinating with airport staff and the contractor; conducting weekly progress meeting and producing meeting minutes; developing independent estimates and negotiating change orders; conducting prevailing wage payroll verification interviews and checking certified payrolls. She reviewed the contractor's baseline schedule and updates along with the pay applications and monthly as-built drawings as well as other duties required for the day to day administration of the project.

Spokane International Airport, Fuel Facility Improvement Project, Spokane, WA, Construction Manager

Lorraine provided construction management for improvements to the existing fuel farm. The improvements include modifications to the existing Jet-A system piping, equipment and controls and the replacement of the existing AVGAS system including tanks, piping and controls. Lorraine is coordinating with airport staff and the contractor; conducting weekly progress meeting and producing meeting minutes; coordinating estimates and negotiating change orders; conducting Prevailing Wage payroll verification interviews and checking certified payrolls; reviewing the contractor's baseline schedule and updates along with the pay applications. She was also involved in coordinating the setup of the new fueling software and oversight of the training of the staff on the new operations.

City of Spokane Parks and Recreation, Riverfront Park Bond Project Management Support Services, Spokane, WA, Project Manager and Scheduler

Lorraine provided master scheduling services for the City of Spokane Parks and Recreation Division's \$64.3 million park bond improvement program. The 40-acre park, which includes two islands, a diversion dam and powerhouse, seven bridges and areas on the north and south bank of the Spokane River, is located in downtown Spokane. Lorraine's responsibilities included chairing park-wide stakeholder coordination meetings, creating and updating the master schedule, review and comment on individual project schedules, updating the Executive Team on schedule status and providing construction management services for the south channel bridge.

DEAN GABLE

Construction Manager/Inspector

Dean Gable has more than 13 years of structural engineering, quality assurance and construction inspection experience. On his assignments, Dean's responsibilities include program management, project management, project engineering, contract administration, construction inspection and utility relocation. Dean specializes in identifying and resolving multi-disciplinary conflicts. His diverse background includes work on projects ranging from transportation, utilities and irrigation canals, to schools, commercial buildings and data center operations and maintenance.



RELEVANT EXPERIENCE

Spokane International Airport (SIA), 2017 SIA On-Call CM Services, Signage Upgrade Project, Spokane, WA, Construction Manager

The \$750,000 project includes replacement of signage on existing sign structures, installation of new sign bridge and cantilever sign structures with signage, and removal of existing sign bridge structures and guardrail. Dean performed a constructability review of the design, which identified a need to replace an existing sign bridge structure. Dean is performing construction management services on the project, which includes: project meetings, submittals reviews, on-site observations and reports and contract administration.

Spokane International Airport (SIA) Baggage Handling System (EDS Upgrades & CBRA Improvements), Spokane, WA, Assistant Construction Manager

The \$3.7 million project reconfigured and replaced portions of the Baggage Handling System (BHS) to provide upgrades to the Explosive Detection System (EDS) and improvements to the Checked Baggage Resolution Area (CBRA). Improvements also included installation of new heating, ventilation and air conditioning (HVAC) units and relocation of existing HVAC units. As a subcontractor to the design engineer, VTC, Hill provided construction management and construction administration services. Dean performed observations of construction and provided reporting on project progress.

Spokane International Airport (SIA), 2017 SIA On-Call CM Services, Airfield Maintenance Headquarters Paving, Spokane, WA, Construction Manager

The \$293,000 project included removal of existing asphalt and placement of new asphalt pavement around the airport's Airfield Maintenance Headquarters building. Dean provided construction management services on the project, which included project meetings, onsite observation of construction and contract administration.

Education

MS, Civil Engineering,
Purdue University, West
Lafayette, Indiana, 2004

MBA, Management,
Willamette University,
Salem, Oregon, 2008

BS, Civil Engineering,
Ohio Northern University,
Ada, Ohio, 2002

Registrations

Engineer-Intern, Ohio

Professional Memberships

Construction Management
Association of America

Marketing Associates
of Spokane

Greater Spokane
Incorporated

American Society of
Civil Engineers

Awards/Honors

Building Bridges Award,
Oregon Department
of Transportation and
Oregon Bridge Delivery
Partners, 2009



Dean Gable

City of Spokane, Riverfront Park Redevelopment, Howard Street South Channel Bridge Replacement, Spokane, WA, Construction Manager

The \$4.7 million construction project was a replacement of the Howard Street South Channel Bridge in Riverfront Park. Dean performed reviews of change order pricing and constructability reviews as part of Hill's construction management services.

Spokane Tribe of Indians, Washington State Department Of Transportation (WSDOT), West Plains Roundabout and Craig Road Interim Intersection Improvements, Airway Heights, WA, Construction Inspector

Through an agreement between WSDOT and the Spokane Tribe, the Tribe contracted with Hill to provide construction inspection services on the \$1.8 million US 2 highway improvements project to accommodate the Spokane Tribe's new casino project. Dean worked as a construction inspector on the dual-lane roundabout project; the first dual-lane roundabout for WSDOT's eastern region. Inspection duties included verification and documentation of installed materials, daily reports, punchlist and other associated inspection functions.

PATRICK MCCORD

Construction Manager/Inspector

Patrick McCord has more than 30 years of construction industry experience as a project manager and estimator for traditional and alternative project delivery of school district, transit, commercial, and aviation projects. Patrick's expertise includes contract administration, scheduling/CPM and claims analysis. In addition, his skills include cost control, design coordination, pre-construction management, RFQs, and purchasing. Patrick's specialized computer software skills include Prolog, BidTec, MC2, Primavera, Microsoft Project and SureTrak.



Education

MS, Architecture,
Washington State
University, 2010

BS, Environmental Design-
Construction Science,
University of Oklahoma,
Norman, 1985

Publications

"Subcontractor
Relations," International
Journal of Construction
Ed and Research,
(February 17, 2014)

Seminars

"Subcontractor Relations"
ASC 2013 Conference,
San Luis Obispo, CA
(March 12, 2013)

RELEVANT EXPERIENCE

Spokane International Airport, Airport Drive Paving Project, Airway Heights, WA, Site Logistics Manager

Under Hill's on-call construction management contract, Patrick performed full-time on-site review and inspection services for the repaving and lighting of Airport Drive along drop-off, pick-up and baggage claim areas of the main terminal entrance. He monitored and directed traffic control efforts and coordinated subcontractors.

Spokane International Airport, Information Technology Department Relocation Project, Airway Heights, WA, Project Manager

Under Hill's on-call construction management contract, Patrick oversaw the architect and contract for this project to relocate the Information Technology Department in a high security area of the airport. He developed project directives and independent cost estimates for change orders during construction, managed submittals, facilitated all construction meetings, provided inspections and reports, reviewed schedules and managed project closeout.

Spokane International Airport, Concourse C Chiller Upgrade, Airway Heights, WA, Construction Manager

Under Hill's on-call construction management contract, Patrick is managing submittals, facilitating construction meetings, providing inspections and reports and reviewing schedules for a chiller upgrade project. Work is occurring in a secure area of the airport and must comply with TSA security protocols.

Spokane International Airport, Taxiway Reconfiguration Constructability Review, Airway Heights, WA, Construction Manager

Patrick was part of the team that performed a limited constructability review for this taxiway reconfiguration project.

Spokane Public Facilities District, Sportsplex Facility, Spokane, WA, Construction Manager

Patrick is providing pre-bond project management services for the acquisition, design, construction, operation and maintenance of a \$27 million, design-build, multi-purpose indoor sports complex in Spokane, WA, for the Spokane Public Facilities District. The state-of-the-art, 185,000 SF facility is being built to support local league practices and tournaments, as well as host large national events.

City of Spokane, Riverfront Redevelopment Project, Loeff Carrousel, Spokane, WA, Construction Manager

The historic reconstruction of the Loeff Carrousel building, which houses the original gilded and carved carrousel built in 1909 is a centerpiece of this \$65 million downtown park renovation. Patrick provides project coordination and management; attends site meetings; prepares observation reports; reviews and analyzes schedules; and evaluates change orders. He will also manage project closeout. Substantial coordination was required to preserve and reuse features of the original carousel. Archeological preservation was required during excavations.

Spokane Transit Authority, Plaza Upgrade, Spokane, WA, Construction Manager

Patrick managed construction of this plaza renovation, located in downtown Spokane, geared to improve the customer experience. Modifications included enhanced access to customer service, public restrooms, and passenger waiting areas. In addition, HVAC, electrical systems, lighting, escalators and architectural items were upgraded or replaced. Patrick conducted construction meetings; prepared weekly reports; managed RFIs and submittals; reviewed the contractor's schedule, pay applications, record drawings and change order requests; tracked construction contingency; scheduled and coordinated commissioning and owner maintenance personnel training; prepared owner correspondence; provided warranty documents; and monitored contractor's compliance with final pay application.

Spokane Public Facilities District, Spokane Convention Center Completion, Spokane, WA, Construction Manager

Patrick provided construction management services for the District's \$50 million, design-build, 90,000 SF addition to the Spokane Convention Center. Located in downtown Spokane, the expansion allows the Convention Center to host multiple, concurrent events, improve attendee amenities and facilitate the integration of new event technologies. The scope of the project includes adding 20,000 SF of exhibit space, 25,000 SF of meeting rooms and 15,000 SF of lobby and pre-function space and support space. Patrick provided change order evaluation; compiled site observation reports; provided equipment and manpower reviews and assisted with project close-out.

GEORGE BANNING, CCM

Construction Manager/Inspector

George Banning is a Certified Construction Manager (CCM) with more than 40 years of experience in the construction industry. On his assignments, George's responsibilities include construction and project management, quality assurance/quality control (QA/QC) and construction inspection. George specializes in projects involving roads and highways, bridges, transit, commercial and residential facilities, office buildings, industrial and manufacturing plants, libraries, petroleum, power, water supply, sewage and solid waste, storm water and hazardous waste in the United States.

George is responsible for on-site management, inspection and supervision during the construction of public and private facilities. He conducted design and constructability reviews, evaluated bids, administered contracts, controlled costs and schedules, managed documentation and drawings and coordinated procurement while liaising with the owner's staff, design team and contractors. In addition to verifying construction documents, George led project meetings and site tours, assessed and negotiated change orders, prepared progress reports, oversaw safety programs, assessed pay applications and facilitated commissioning and closeout.

RELEVANT EXPERIENCE

King County, West Point Treatment Plant, Oxygen Generation and Dissolution Replacement (OGADS) Project, Seattle, WA, Resident Engineer

George leads the team providing construction and project management services for the County's OGADS Project. In addition to drafting the Construction Management Plan, George performs constructability reviews; coordinates consultants performing cost estimates, scheduling and impact analyses; oversees web-based document control; and performs field testing. George also reviews RFIs and submittals and coordinates other reviewers' responses, reviews contractors' invoices, manages and assists the Owner to negotiate change orders and provides guidance to avoid disputes and claims. When an issue arises that cannot be resolved at the field level, George provides dispute analysis and attempts to achieve a resolution before a claim is initiated. George meets frequently with the County to coordinate actions to progress the project.

Seattle Public Utilities, Genesee and Henderson North Combined Sewer Overflow (CSO) Reduction Projects, Seattle, WA, Construction Manager

George provided inspection services for the Genesee and Henderson North Combined Sewer Overflow (CSO) Reduction Projects. The installation of large underground concrete tanks at three locations will reduce the



Education

Diploma, English, The Phillips Exeter Academy, Exeter, New Hampshire, 1969

Coursework, Art, Montana State University, 1971

CMAA and PMI, Seminars and Online Courses, 2001- 2017

Registrations

Certificate, OSHA 30, ClickSafety.com, 2017

Certified Construction Manager, A202, CMCI

Certified Erosion and Spill Control Lead, WSDOT, 2014

Professional Memberships

Construction Management Association of America (CMAA)

Seminars

CMAA Webinars re CM/PM Practice

George Banning, CCM

frequency and volume of combined sewer and storm drain overflows into Lake Washington. Seward Park, Seattle's largest old growth forest, attracts thousands of visitors each year. George observed civil, structural and mechanical installations, coordinated and documented quality control activities, including sub-grade stability and compaction of structural fill, pipe tests, concrete testing, electrical and mechanical component tests and functional tests of operational systems. He confirmed quality of coatings, evaluated change order requests, analyzed schedule updates and assisted the owner with public relations. George also fulfilled the duties of SPU's Resident Engineer during his absences.

City of Bellingham, Fairhaven Branch Library Renovation Project, Bellingham, WA, Construction Manager

George oversaw \$1.1 million worth of major modifications to a Carnegie library listed on the National Register of Historic Places. Work included weatherproofing the building envelope and repairing structural damage from more than a century of water infiltration. Leaking stucco was replaced over new waterproof membrane and flashings on extensively renovated brick walls, windows were repaired and the entry stairway and adjoining sandstone walls were reconstructed.

George clarified construction documents, led project meetings and site tours for city officials and board members, negotiated extensive change orders, documented issues and progress with reports and photographs, managed the general contractors' safety program and assessed pay applications. He also represented the owner's interests while diplomatically resolving issues to complete the project on schedule and under budget.

Whatcom Transportation Authority (WTA), Cordata Station Project, Bellingham, WA, Construction Manager

After assisting with design and procurement, George managed the construction of a \$4.3 million transit station. He was responsible for the relocation of existing utilities, the coordination of improvements to adjoining rights of way, the installation of stormwater detention structures comprised of plastic cells and the resolution of a delay claim for the redesign of the canopy support system. George also assured quality and negotiated changes while facilitating communication between all stakeholders at the site.

Whatcom Transportation Authority (WTA), Bellingham Station Renovation Projects, Bellingham, WA, Owner's Construction Representative

George was in charge of accelerating the \$4 million renovation and expansion of Bellingham's main transit station while holding costs within budget. The existing station was completely renovated and expanded by 50%. New finishes complemented the historic character of the station, and the installation of an energy-saving mechanical system made the building more efficient. Agency staff and the public benefited from concrete pavement, translucent canopies, expanded bathrooms and a new police precinct office.

JEFFERY WHITCHURCH

Construction Manager/ Inspector

Jeffrey (Jeff) Whitchurch has more than 30 years of experience in construction management for commercial and infrastructure related projects, as a combat engineer, general superintendent and professional construction manager. Jeff's areas of expertise include heavy civil, structural and mechanical from design coordination and constructability to substantial and physical project completion. He has led and managed multiple projects of varying scope and budgets. Jeff's software skills include Prolog, Microsoft Office and Microsoft Project.

Jeff monitors all project activities including contract administration, schedules, cost control, timely and quality completion of construction projects. He specializes in managing a project team and developing solid relationships with clients, architects, engineers, subcontractors and vendors.



Education

Technical Diploma,
Construction Engineering,
Combat Engineer
School Camp Lejeune,
Jacksonville, NC, 1987

RELEVANT EXPERIENCE

Spokane Tribal Economic Project (STEP) Phase 1, Spokane Tribe West Planes Roundabout, Spokane, WA, Construction Manager

The Tribal funded project is located on Washington State Highway 2 approximately 4 miles West of I-90 near Spokane Washington and serves as the main entrance to the Spokane Tribes newly constructed tribal casino. The entire project was designed to WSDOT standards, reviewed and accepted by WSDOT with all work to be inspected to current WSDOT standards. At the time of construction, WSDOT did not have any field inspectors available for full-time oversight of the project, and mandated full-time inspection if the project was going to proceed. Hill proposed Jeff to the project with past experience in DOT road construction, underground utilities and bridge construction in both the roles of Superintendent and Construction Manager for Oregon and Washington State.

Jeff provided oversight in the field and verified all work met the contract plans and specifications. He reviewed and inspected all submitted materials upon delivery to the site with each indicated requirement met for visual inspection of lot numbers, heat numbers, mix designs, calibrations, thickness, temperatures as well as certificates of origin or authenticity. Jeff received all daily traffic control reports, 3rd party inspection reports, material and batched tickets and combined each into a daily report. He also maintained a quality control photo log and record for daily production as well as represented WSDOT for field issues at all weekly construction meetings.

The Boeing Company, 777X Composite Wing Center, Everett, WA, Construction Manager

Jeff was responsible for the coordination of design and construction of the building shell and core facility. This involved daily inspections, third party testing, development of field orders and design directives. He reviewed cost, scheduling and invoices and validated construction best practices. The project involved construction of a 1.3 million SF building, including clean room fabrication center, post-cure process center and office space. This project entailed design and construction of the crane system, foundations and utilities for equipment and tools, including autoclaves and nitrogen supply, vertical paint booths, tape lay-up machines and material freezers, work cells for stringers, spars and panels, all fabricated with composite materials.

Jeff orchestrated the transfer of pressure (autoclave) from where it was assembled at Paine Field, to the new facility devoid of impacting a fully operational facility. This one million pound, 140 foot long piece of equipment required immense planning and coordination with many entities, including Paine Field, site logistics, material handling, equipment engineering, Washington State Department of Transportation (WSDOT), Environmental Health and Safety, the equipment vendor and general contractor.

Nisqually Indian Tribe, Nisqually Indian Tribe Sewer Grinder Lift Stations, Nisqually, WA, General Superintendent

Jeff provided overall coordination of subcontracts and work crews, quality control, commissioning and closeout for installation of two sewer grinder lift stations. This work included setting various depth vaults, securing existing sewer lines, building structures to house electrical and control panels, establishing grinders, flow meters, fencing, paving, site rehabilitation and various controls.

Nisqually Indian Tribe, Nisqually Indian Tribe Booster Pump Station and Water Reservoir Project, Nisqually, WA, Construction Project Manager

Jeff led the construction project management of this 8,000 SF CMU facility with one million gallon above-ground reservoir, four multi-staged booster pumps and associated headworks including chemical/chlorination room. The project also involved site improvements such as paving, curbs, ADA compliancy sidewalks, fencing, signage, power, lighting and drainage.

United States Corps of Engineers, McChord Air Force Base RV Parking Lot Project (IDIQ), Lakewood, WA, General Superintendent

Jeff was responsible for the overall management and coordination of subcontractors and work crews who performed work which included tree-felling, clearing/grubbing, drainage installation, subgrade preparation, import and grading of top course. The work also involved paving, stripping, landscaping and restoration of a one acre paved lot for recreational vehicle (RV) parking.

RON MARTINEZ

Material Tester

Ron Martinez has over 17 years of relevant experience in the SI&T industry with special expertise in soil compaction and fill control, concrete reinforcement inspection, concrete sampling and testing, structural masonry, and specialized field testing. Ron also manages the Spokane concrete laboratory and is responsible for sample procurement, logging, and testing, including compilation of test data. He has been instrumental in refining the organization of the concrete lab, which is certified by AASHTO and WABO. Ron has provided SI&T services on numerous projects for transportation- and development-related projects in the municipal, healthcare, education, retail, commercial and manufacturing industries.



GEOENGINEERS 

Education

AS, Civil Engineering
Technology, Spokane
Community College

RELEVANT EXPERIENCE

City of Spokane, Pool Deck Settlement, Witter Pool, Spokane, WA, Senior Technician

GeoEngineers provided SI&T services during construction of repairs to Witter Pool. As senior field technician, he observed earthwork, inspected reinforced concrete, retrieved samples for laboratory testing, and provided daily field reports.

City of Spokane/Avista Utilities, Huntington Park Renovation, Spokane, WA, Senior Technician

GeoEngineers provided SI&T services during construction of expansion and associated improvements to Huntington Park. Ron inspected, tested and observed the materials earthwork, compaction testing, structural concrete and epoxy anchor installation associated with construction as required by the IBC and project documents.

Gonzaga University (GU), Center for Athletic Achievement (CAA), Spokane, WA, SI&T Senior Technician

GeoEngineers is providing SI&T services during construction of the 51,240 SF, three-story CAA facility on GU's campus. Ron inspected reinforced concrete, structural masonry, structural steel elements; and conducted non-destructive testing, and slab moisture and flatness testing. He also completed fireproofing inspection; sample retrieval; and laboratory testing.

Spokane Tribes of Indians, Spokane Tribe Economic Project, Airway Heights, WA, SI&T Senior Technician

GeoEngineers provided SI&T services during construction of the STEP Development. As senior field technician, Ron completed the following SI&T services: observation of earthwork; inspection of reinforced concrete,

Registrations

ACI Concrete Field
Technician - Grade1, 2020

ACI Concrete Strength
Testing Technician, 2018

ICC Reinforced
Concrete, 2019

ICC Masonry, 2019

WAQTC ACI Certificate

WAQTC CLTT

APNGA DOT HAZMAT
3-year Refresher

Radiation Safety/Nuclear
Gauge Operation

Professional Membership

Association of General
Contractors (AGC)

Ron Martinez

structural masonry, structural steel elements and wood construction; and sample retrieval and laboratory testing.

Central Valley School District, Ponderosa Elementary School, Spokane Valley, WA, SI&T Senior Technician

GeoEngineers provided SI&T services during construction of the 65,000 SF Ponderosa Elementary School. Ron provided SI&T services during Phase I (earthwork) of the project and is the senior inspector on site for Phase II services during construction of the school. Ron is providing inspection coordination, rebar inspection, concrete testing, and masonry inspection services, including daily field reports to the project superintendent summarizing results of the inspection and testing services.

ERIK ARNSON, PE, LG

Material Tester

Erik Arnson is a professional engineer and licensed geologist who leads the special inspection and testing (SI&T) team in our Spokane office. He is involved in SI&T project coordination, review of field reports and final report preparation. Erik has practiced geotechnical engineering and has been involved with construction inspection and observation services for much of his career. He has been involved during design and construction of all types of public-sector facilities, infrastructure and transportation projects in the city of and county of Spokane. Erik has provided geotechnical engineering support for several City of Spokane projects.

RELEVANT EXPERIENCE

City of Spokane, Pool Deck Settlement, Witter Pool, Spokane, WA, SI&T Project Manager

Erik provided SI&T services during construction of repairs to Witter Pool. He managed geotechnical consultation during construction; SI&T services related to earthwork, reinforced concrete, sample retrieval and laboratory testing, and daily field reports.

Gonzaga University (GU), Center for Athletic Achievement (CAA), Spokane, WA, SI&T Project Manager

Erik is providing SI&T services during construction of the 51,240 SF, three-story CAA facility on GU's campus. He is managing geotechnical consultation during construction; observation of earthwork and micropiles; inspection of reinforced concrete, structural masonry, structural steel elements; non-destructive testing; slab moisture and flatness testing; fireproofing inspection; sample retrieval; and laboratory testing.

Spokane Tribes of Indians, Spokane Tribe Economic Project, Airway Heights, WA, SI&T Project Manager

Erik provided SI&T services during construction of the STEP Development. He managed geotechnical consultation during construction; observation of earthwork; inspection of reinforced concrete, structural masonry, structural steel elements and wood construction; and sample retrieval and laboratory testing.

Central Valley School District, Ponderosa Elementary School, Spokane Valley, WA, SI&T Project Manager

Erik provided SI&T services during construction of the 65,000 SF Ponderosa Elementary School. He oversaw geotechnical consultation during the Phase I site grading package and development of a raised building pad. Erik worked with the owner's representative and field superintendent to begin Phase II construction services of the school.



Education

MS, Geological Engineering,
University of Idaho

BS, Recreation
Management,
University of Oregon

Registrations

Professional
Engineer, WA, ID
Licensed Geologist, WA

Professional Membership

American Society of
Civil Engineers (ASCE)
Association of General
Contractors (AGC)
Marketing Associates
of Spokane



TIM BARBER

Material Tester

Tim Barber has over 30 years of experience working in the geotechnical and materials testing field. He has been involved in special inspection work on hundreds of projects. Tim has extensive responsibilities in administering the GeoEngineers quality management system (QMS). This includes interfacing, preparation and follow-up for internal and external laboratory audits, review of field reports, laboratory procedures and data, maintenance of the lab and field equipment database, and training of and performance evaluations for field technicians. His duties also include authoring and revising the Quality Assurance Manual, maintaining the technical library for special inspection and materials testing references, lab equipment purchasing, and administering the required inter-laboratory Proficiency Sample programs. Tim is registered as the WABO Special Inspection Field Supervisor and Supervising Laboratory Technician for GeoEngineers' Spokane Laboratory.



Education

AS, Pre-Engineering,
Spokane Falls
Community College

AA, Musical Instrument
Technology, Spokane Falls
Community College

RELEVANT EXPERIENCE

City of Spokane, Pool Deck Settlement, Witter Pool, Spokane, WA, QA/QC Manager

Tim provided QA/QC services during construction of repairs helping ensure they were in general conformance with applicable municipal codes.

City of Spokane, Operations Complex, and Fuel and Wash Facility, Spokane, WA, Senior Technician & QA/QC Manager

GeoEngineers provided SI&T services for the Operations Complex and Fuel and Wash Facility for the City of Spokane in Spokane, Washington. The project site consists of an approximately 42-acre parcel which was developed to include office space, high-bay maintenance shops, a four-bay wash facility, a fuel station including an approximate 1,280 SF building and four pump islands, and associated parking areas for City and employee vehicles. Tim observed earthwork activities, and inspected structural concrete and reinforcing steel, structural masonry and structural steel.

City of Spokane/Avista Utilities, Huntington Park Renovation, Spokane, WA, Senior Technician & QA/QC Manager

Tim provided quality assurance and testing services on earthwork, compaction testing, structural concrete and epoxy anchor installation, and confirmed services were in general accordance with required IBC and project documents.

Registrations

ACI Concrete Field
Technician- Grade1, 2019

ACI Concrete Strength
Testing Technician, 2021

ACI Aggregate Testing
Technician – Level I, 2021

ICC Reinforced Concrete;
Masonry; Structural Steel
and Bolting; Structural
Welding; Fireproofing, 2019

WAQTC ACI
Certificate, 2019

WAQTC CLTT, 2021

Radiation Safety/Nuclear
Gauge Operation

Advanced Nuclear
Gauge Operation

OST Scissor Lift
Operator, 2020

Professional Membership

Association of General
Contractors (AGC)

Tim Barber

City of Spokane, Indiana Avenue Reconstruction Phase II, Spokane, WA, QA/QC Manager

GeoEngineers provided engineering services for the proposed Indiana Avenue Reconstruction Project—Phase II. Tim reviewed field reports as part of the internal QA/QC to help ensure services were in accordance with City of Spokane guidelines.

City of Spokane Valley, Sprague/Pines, Sprague/McDonald and Sprague/Evergreen Intersection Reconstruction Projects, Spokane Valley, WA, Senior Technician & QA/QC Manager

Tim completed SI&T field work and confirmed services were completed in general accordance with the City of Spokane Valley, AASHTO, WSDOT, ACI and ASTM guidelines.

City of Spokane Valley, Sullivan Road Bridge Reconstruction, Spokane Valley, WA, QA/QC Manager

GeoEngineers completed SI&T services during the Sullivan Road Bridge #4507 Deck Re-Surfacing project. The project included removing the existing concrete bridge overlay, scarifying the concrete surface and replacing with new concrete. Services were completed in general accordance with applicable sections contained in the AASHTO guidelines, WSDOT Standard Specifications, the City of Spokane Valley guidelines for arterial urban streets, and ACI and ASTM standards.

DANIEL ATHA

QA Surveyor

Daniel Atha has more than 20 years of experience in land surveying, G.I.S., mapping and drafting. Daniel's experience and expertise has involved many different types of surveying, such as boundary surveying, topographic surveying, construction staking, ALTA/ACSM survey's, record survey's, land platting, elevation certificates (including LOMA's), boundary and right of way research and determination, boundary disputes, project management and business development. Daniel has worked on a wide variety of projects, ranging in size from small residential lot surveys, to large multi-million-dollar commercial projects.

RELEVANT EXPERIENCE

City of Spokane, North Valley Inceptor and Spokane Valley Interceptor (NVI/SVI) Sewer, Spokane, WA, Licensed Land Surveyor

Daniel was land survey manager for the North Valley Interceptor and Spokane Valley Interceptor project that provided Spokane County wastewater to the City of Spokane's conveyance system. The scope of services included construction staking for the force mains, gravity sewer lines, pump stations, road rehabilitation and survey monument preservation and reestablishment.

Spokane Public Facilities District, Convention Center Completion, Spokane, WA, Licensed Land Surveyor

Daniel managed the completion of the new Convention Center construction. The scope of services included verifying the existing project survey control, construction staking, preparing public and private water easements, preparing public and private sewer easements, review of the existing CORE area legal description and preparing a description for the new CORE area, and preparing a loading dock easement for use by the Doubletree Hotel, along with exhibits for all these descriptions.

Century Link 5-Year Survey Services, Spokane, WA, Licensed Land Surveyor

Daniel managed the land surveying portion of these projects, including construction staking. These projects were on-going for 5 years with Qwest and CenturyLink. Daniel performed 20-30 or more projects per calendar year to help determine boundaries for easements, right of ways and property corners, as well as projects that contained writing easement descriptions, laying out construction for several miles of fiber-optic lines, topographic surveying of existing structures, and construction staking.

Avista Projects, Spokane / Pullman, WA, Licensed Land Surveyor

Daniel was survey manager for over 10 Avista projects. Services included topo/ROW survey and construction staking.



Education

AAS, Drafting and Surveying,
North Idaho College

Registrations

Professional Land
Surveyor, WA, #45775

Professional Membership

Land Surveyors Association
of Washington



JUSTIN ANDERSON

QA Surveyor

Justin Anderson's surveying experience includes boundary, topographic, ALTA, and construction staking surveys. Justin has worked on many relevant surveying projects in the state of Washington and specifically the City of Spokane. His expertise is with Leica GPS, Leica Robotic Total Station, Leica 3D Scanner, Topcon Hiper Lite GPS, and CAD Drafting.



RELEVANT EXPERIENCE

Central Valley School District, Chester & Greenacres Schools, Spokane Valley, WA, Survey Technician

Justin was land survey party chief for construction staking for Chester Elementary and Greenacres Elementary Schools.

City of Spokane Valley, Sidewalk Infill, Spokane Valley, WA, Survey Technician

Justin provided construction staking services of curb, sidewalk, and ADA handicap ramps for approximately 5,000 LF of infill sidewalk at various locations in the City of Spokane Valley.

Hyde Park, West Richland, WA, Survey Technician

Justin was land survey party chief for complete construction staking for new subdivision in West Richland.

Spokane Public Schools, Hart Field, Spokane, WA Survey Technician

Justin was land survey party chief for improvements to Hart Field. Project included construction staking of a new track and field with bleachers, two new soccer fields, and three new baseball fields, as well as improvements to the existing varsity baseball field, additional tennis courts and the addition of four new parking lots. These services also included the staking of new utilities such as water, sewer, and electrical.



Education

AAS Civil Engineering
Technician, Spokane
Community College, 2004

Professional Membership

Land Surveyors Association
of Washington

KYLE ROBERSON

QA Surveyor

Kyle Roberson is experienced with land survey projects, including topographic surveys and drafting. Kyle has worked on a variety of projects, including municipal, transportation and K-12. Kyle is experienced with Leica GPS, Leica Robotic Total Station, Leica 3D Scanner, Topcon Hiper Lite GPS, and CAD Drafting.



RELEVANT EXPERIENCE

Spokane Transit Authority, Boone Parking Garage, Spokane, WA, Survey Technician

Kyle was survey field technician for a new 60,000 SF to 70,000 SF facility for bus and paratransit parking and light maintenance. The project included construction staking.

Central Valley School District, Chester & Greenacres Schools, Spokane Valley, WA, Survey Technician

Kyle was survey field technician for construction staking for Chester Elementary and Greenacres Elementary Schools in Spokane Valley, Washington.

Fields, Inc., Mission Park Mobility Field, Spokane, WA, Survey Technician

Kyle provided construction staking and as-built services for Mission Park Ball Field.

Prairie View Park, SPVV Landscape Architects, Spokane, WA Survey Technician

Kyle was responsible for construction staking of Prairie View Park.



Education

Bachelor of Applied
Science, Land Surveying
& Geomatics, Great
Basin College, Elko, NV

AA, General Studies,
Spokane Falls Community
College, Spokane, WA; 2012

CHARLES SIMPSON, PE, PLS

QA Surveyor

Charles has been lead engineer and surveyor on several projects over his career. He has provided monument preservation for approximately 95 different City of Spokane jobs between 2011 to November, 2017. All new monuments and references were input into the City of Spokane monument reference records.

RELEVANT EXPERIENCE

Charles' tasks consisted of completing all field measurements and reference DNR paperwork for survey monument removal, as well as completion of the re-establishment of the removed monuments with new survey monuments including the required DNR paperwork. His projects included:

- **City of Spokane, 2017 Grind and Overlay, Lead Surveyor**
- **Division Gateway, 3rd Avenue to Spokane Falls Boulevard, Lead Surveyor**



Education
BS, Civil Engineering,
Washington State
University, 1962

Registrations
Professional Engineer, WA
Professional Land
Surveyor, WA

**Professional
Membership**
Land Surveyors' Association
of Washington (LSAW)

MICHAEL PHILLIPS, PLS

QA Surveyor

Mike Phillips he has become an expert in producing highly accurate and detailed maps for innumerable projects. Mike has held the position of President of the Inland Empire Chapter for the Land Surveyors' Association of Washington twice.

RELEVANT EXPERIENCE

City of Spokane Wastewater Management, 3507 W. Rosewood Survey, Lead Surveyor

Mike oversaw property survey and drafting of Record of Survey map. He completed all research and calculations for Record of Survey layout including the topographic information of a property line encroachment.

City of Spokane, Land Surveying On-Call Services, Lead Surveyor

Mike completed property and right-of-way surveys, legal descriptions, and drafting of Record of Survey maps. He generated new legal descriptions for boundary line adjustment. Mike supervised the field crews on obtaining any field data necessary to complete the tasks. Projects included:

- **1 Rosamond Ave. and F Street: Property Survey**
- **23104 W. Grace: Property Survey**
- **3 Geiger Blvd.: Right-of-Way Survey**
- **4 Rowan and A Street: Survey**
- **53507 W. Rosemond: Record of Survey**
- **63120 E. Hills Court: Legals for BLA**



Education

BA, Accounting, Eastern
Washington University, 1976

Registrations

Professional Land
Surveyor, WA

Professional Membership

Land Surveyors' Association
of Washington (LSAW)



STEVEN TRIPP, PLS

QA Surveyor

Steve Tripp has performed innumerable topographic and boundary surveys, as well as construction staking and as-built mapping, on a variety of projects over his career with Simpson Engineers. Steve served as President of the Inland Empire Chapter for the Land Surveyors' Association of Washington for 2010 and 2011.

RELEVANT EXPERIENCE

CSO Basin 24-1 and Adams Control Facility, Lead Surveyor

Steve was lead surveyor and party chief completing all construction staking for CSO 24 Control Facility. The construction staking was completed on an on-call basis, in some cases daily. Some of the tasks completed were staking for sewer relocation, water relocation, wall shoring, soil nails, conduits and concrete tank foundations.

CSO Basin 34-1 Control Facility Topography, Lead Surveyor

As lead surveyor and party chief, Steve completed all topographic land surveying and oversight of all drafting for approximately 12 city blocks for the design of the CSO Basin 34 Control Facility. The tasks completed include locating all utilities, buildings, curb and sidewalks, driveways, hardscaping features and landscaping. All field topographic information was then generated into a CAD drawing and supplied to the City of Spokane.



Education

AS, Civil Engineering
Technology, Spokane
Community College, 1975

Registrations

State of Washington
PLS No. 34151

Professional Membership

Land Surveyors' Association
of Washington (LSAW)



ROBERT MILLS

Scheduling/Project Controls

Robert Mills has more than 13 years of experience providing project controls management services in the construction industry. Specializing in energy projects, Robert brings expertise in schedule and budget management. He develops and maintains overall project schedules while coordinating the project's critical items list to maintain the owner's capital cost budgets. Robert has worked with high-profile government and military clients and understands the importance of constantly monitoring his projects and analyzing progress to develop accurate forecasts and estimates, enabling his projects to remain on-schedule and within budget. Robert develops, monitors and updates integrated project plans, resources, cost-loaded CPM schedules and work breakdown structures. These responsibilities aid him in monitoring, assessing and reporting progress and impacts to the critical path.



Education

BS Construction Management, Washington State University, 2000

BA Business Administration, Washington State University, 1999

RELEVANT EXPERIENCE

City of Airway Heights, Recreation Center, Airway Heights, WA, Project Controls Engineer

Robert tracks budgets and actual costs of the project to ensure alignment with funding goals and REET1 and REET2 adherence on the City's \$17 million dollar new Recreation Center. Will provide monthly, or as often as needed, financial reports and forecasts of to-go dollars. Will support any accounting efforts and audits that may happen over the course of the project.

King County Wastewater Treatment Division, Oxygen Generation and Dissolution System (OGADS), Seattle, WA. Project Controls Engineer.

Robert provides monthly updates to Hill's Earned Value, Billing Summary by SubTask and EV chart. Reviewing the Subconsultants and Hill invoices to ensure that all hours and expenses are within the allowable limits per contract scope. Recommend budget shifts when necessary to appropriate SubTasks.

Spokane City Park and Recreation, Riverfront Park Redevelopment, Spokane, WA, Project Controls Engineer

Updates, maintains the owner's capital cost budgets (\$71 million) and tracking actuals from the City's monthly accounting download. In such a politically charged climate and very high profile project, project transparency and full disclosure to the general public on how the bond funds are moved and distributed to the various projects with in the parks master plan are paramount.



Spokane Public Facilities District, Sportsplex Facility, Spokane, WA, Scheduler

Robert is providing pre-bond project management services for the acquisition, design, construction, operation and maintenance of a \$27 million, design-build, multi-purpose indoor sports complex in Spokane, WA, for the Spokane Public Facilities District. The state-of-the-art, 100,000 SF facility is being built to support local league practices and tournaments, as well as host large national events.

Wenatchee School District No. 246, Capital Construction Program, Wenatchee, WA, Project Controls Engineer

Robert serves as project controls engineer for the Wenatchee School District's \$82 million capital improvements bond program. Specifically, his project responsibilities include preparing monthly Capital Program budget updates, tracking all program expenses, preparing project specific cash flows, management of the Office of Superintendent of Public Instruction (OSPI) State Assistance Funds claim forms and payment certification process, evaluation of contractor change orders and review of contractor monthly schedule updates for confirmation of progress, accuracy and quality. Projects include:

- Mission View Elementary School Site Improvements
- Lincoln Elementary School Modernization
- Pioneer Middle School Gym Modernization
- Washington Elementary School Replacement
- Special Education/Early Childhood Learning Center Modernization

U.S. Department of Energy (DOE), Hanford Waste Treatment Project, Hanford, WA, Project Controls Engineer

Robert's project controls services supported the area superintendents for the low active waste (LAW), analytical laboratory (LAB) and balance of facilities (BOF) with quantity unit rate reports, spend plan inputs, six-month forecasting of manpower, trends and change proposals to the client. He assisted the DOE and government required EVMS reporting, by week and month with CPI and SPI calculations. Robert valued forecast against the actuals to see how well the Direct Hire craft as well as non-manual staff are performing against our baseline. While working in the high level waste facility (HLW), Robert assisted the subcontracts manager with preparations for schedule meetings and validation of percentage completes with site walk downs, quantity surveys and engineered drawing reviews.

ANTERINA RASMUSSEN

Document Control Administrator

Anterina (Teri) Rasmussen has more than 16 years' experience as a document control and records manager in the construction and engineering industry. She has experience in document control setup and implementation, coordination and management of documents and records, development of procedures and processes for document control, records management, and administration. Her experience includes auditing project records, project closeouts, maintenance of project documents and records, archiving and destruction of records. She has been involved in different aspects within the construction and engineering industry; specifically Procurement & Finance.



Education

BA, Business Administration,
Washington State University,
Pullman, WA, 2004

AS, Business, Community
College of Micronesia,
Pohnpei, Micronesia, 1993

Certificate, ERM Specialist,
AAIM, Spokane, WA, 2017

RELEVANT EXPERIENCE

City of Spokane Parks & Recreation, Riverfront Park Bond Project Management, Spokane, WA, Document Control and Administration

Teri is providing document control and administration for the \$64.3 million park bond improvement program. Services include program budget validation and project control implementation, development and management of a park-wide master schedule, comprehensive program filing system recommendations and project, consultant, quality and construction management support services. Teri is responsible for the filing and maintaining of project files and records, reviewing and distribution of Hill's monthly invoices to client, supports project manager and project controls with project and labor reports, and monthly financial reports.

Spokane International Airport, 2015 thru 2017 On-Call Construction Management Services, Spokane, WA, Document Control and Administration

Under Hill's on-call construction management services, Teri is providing document control and administration for the project. Teri is responsible for the filing and maintaining of project files and records, reviewing & distribution of Hill's monthly invoices to client, supports Project Manager and Project Controls with project and labor reports, and monthly financial reports. Projects include: Airfield Maintenance Headquarters Paving; Signage Upgrade Project; Concourse C Chiller Upgrade; ER Roofing Repair; IT Relocation; Chiller & HVAC Skyride; C-Store Development.

City of Richland Parks & Public Facilities Department, Richland Fire Station No. 74, Richland, WA, Document Control and Administration

Teri is providing document control and administration for the \$3.5 million, 12,000 SF design-build (DB) project. Hill assisted the Washington State



Capital Projects Advisory Review Board (CPARB) - Project Review Committee (PRC) with the approval to use the DB delivery method. Teri supported the project team in the development of the DB Request for Qualifications (RFQ) document including the master project budget and master milestone schedule information; DB selection process, minimal qualification requirements, communication protocols, RFQ evaluation and scoring criteria and the proposed contract type. Other phase responsibilities included supporting the team in issuing RFQ addenda, as well as the DB Request for the Proposal (RFP) document including evaluation and selection criteria, site constraints, program scope and project requirements, DB contract, proposal requirements and reference documents.

Riverfront Park, Howard Street South Channel Bridge Replacement, Spokane, WA, Document Control and Administration

Teri is performing document control and administration for the demolition and replacement of the existing concrete bridge at the main entry to Riverfront Park in downtown Spokane. The Howard Street South Channel Bridge was built in 1931 as a vehicle bridge. The bridge currently carries only pedestrian traffic over the south channel of the Spokane River. The center of the bridge was fenced off to reduce the live load on the bridge. The four-span cast-in-place reinforced concrete bridge has three spans at 48 feet and one at 41 feet in length. The new structure was designed to be a skewed girder style three-span structure, 184' length, supported by multiple 3' diameter CIDH shaft foundations with bent caps.

Spokane International Airport, Fuel Facility Improvement Project, Spokane, WA, Document Control and Administration

Teri provided document control and administration for the construction of improvements to the existing fuel farm at Spokane International Airport. The improvements include modifications to the existing Jet-A system piping, equipment and controls and the replacement of the existing AVGAS system including tanks, piping and controls.

Spokane Transit Authority, Plaza Upgrade, Spokane, WA, Document Control and Administration

Teri performed document control and administration for the renovation of the Spokane Transit Authority Plaza, located in downtown Spokane. Modifications improved the customer experience; while enhanced access to customer service, public restrooms, and purposeful passenger waiting. HVAC, electrical systems, lighting, escalators and other architectural items were upgraded or replaced.

Wenatchee School District No. 246, Wenatchee School District Capital Construction Program, Wenatchee, WA, Document Control and Administration

Teri supports program management services for the Wenatchee School District's \$66.5 million capital improvements bond program. The program is designed to make necessary and urgent improvements to several aging schools, increase classroom capacity and modernize building systems. Teri is responsible for document control and administration for the program.

**Agenda Sheet for City Council Meeting of:**

03/19/2018

Date Rec'd

3/5/2018

Clerk's File #

OPR 2013-0003

Renews #**Submitting Dept**

ENGINEERING SERVICES

Contact Name/Phone

KEN BROWN 625-7727

Contact E-Mail

KBROWN@SPOKANECITY.ORG

Agenda Item Type

Contract Item

Agenda Item Name

0370 CONTRACT AMENDMENT #3 - AECOM TECHNICAL SERVICES

Cross Ref #**Project #**

2010088

Bid #**Requisition #**

CR 19105

Agenda Wording

Contract Amendment No. 3 with AECOM Technical Services to include construction engineering support and increasing the contract by \$85,000.00 for the Spokane Falls CSO 26 Control Facility Project

Summary (Background)

The AECOM design contract had enough remaining funds to allow Construction Support Engineering Services for the CSO 26 Control Facility through 2017. However, additional money is required to continue their services to provide construction engineering support of the remaining project duration. Construction is expected to be complete in late 2019. The estimate and payments are based on time and materials. The total amount of this request for \$85,000.00.

Fiscal Impact

Grant related? NO

Public Works? NO

Budget Account

Expense \$ 85,000.00

4250-98817-94000-56501-10026

Select \$

#

Select \$

#

Select \$

#

Approvals**Council Notifications****Dept Head**

TWOHIG, KYLE

Study Session**Division Director**

SIMMONS, SCOTT M.

Other

F&A 3/19/18

Finance

ORLOB, KIMBERLY

Distribution List**Legal**

ODLE, MARI

Engineering Admin

For the Mayor

DUNIVANT, TIMOTHY

publicworksaccounting@spokanecity.org

Additional Approvals

mdovol@spokancity.org

Purchasing

htrautman@spokanecity.org

kbrown@spokanecity.org

ktwohig@spokanecity.org

sujan.punyamurthula@aecom.com



Continuation of Wording, Summary, Budget, and Distribution

Agenda Wording

Summary (Background)

unserviceable PPE and possible additional purchases in the event SFD requires a second recruit academy in the fall of 2018.

<u>Fiscal Impact</u>		<u>Budget Account</u>
Select	\$	#
Select	\$	#

Distribution List



City of Spokane
CONTRACT AMENDMENT 3
COS Basins 26 Control Facility

This Contract Amendment is made and entered into by and between the **City of Spokane** as ("City"), a Washington municipal corporation, and **AECOM TECHNICAL SERVICES, INC.**, whose address is 528 East Spokane Falls Boulevard, Suite 503, Spokane, Washington, 99202 as ("**CONSULTANT**").

WHEREAS, the parties entered into a Contract wherein the Consultant agreed to provide for the City Design Services for CSO Basins 26 and 34-1 and associated components; Modeling of five (5) tanks for CSO Basins 20 and 24; and Administration, planning, design, construction phase support and consulting; and

WHEREAS, a change or revision of the Work has been requested, 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 21, 2013, January 22, 2013 and November 28, 2016, 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 TERM.

This Contract Amendment shall become effective on March 19, 2018, and shall run through December 31, 2019.

3. ADDITIONAL WORK.

The Scope of Work in the original Contract is revised to include the following:

PROVIDE CONSTRUCTION ENGINEERING SUPPORT OF THE REMAINING CONSTRUCTION OF THE CSO 26 TANK (ADJACENT TO THE DOWNTOWN LIBRARY) AGAINST LATERAL FORCES – WHICH IS BEING DELIVERED UNDER THE GC/CM ALTERNATIVE PUBLIC WORKS PROCESS (RCW 39.10)

4. COMPENSATION.

The City shall pay an additional amount not to exceed **EIGHTY-FIVE THOUSAND AND 00/100 DOLLARS (\$85,000.00)** 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.

AECOM TECHNICAL SERVICES, INC.

CITY OF SPOKANE

By _____
Signature Date

By _____
Signature Date

Type or Print Name

David A. Condon

Type or Print Name

Title

Mayor

Title

E-Mail Address

Approved as to form:

601-706-718 / T11055811BUS

UBI No. City Business License

Assistant City Attorney

Attest:

City Clerk Date

Attachments that are part of this Agreement:

Amended Scope of Work document

18-fip

Briefing Paper

Finance and Administration

Division & Department:	Engineering Services; Public Works
Subject:	Approve funding for CSO 26 Construction Management Support
Date:	3/19/18
Contact (email & phone):	Kyle Twohig (ktwohig@spoknecity.org) 625-6152
City Council Sponsor:	
Executive Sponsor:	Scott Simmons
Committee(s) Impacted:	PIES
Type of Agenda item:	<input checked="" type="checkbox"/> Consent <input type="checkbox"/> Discussion <input type="checkbox"/> Strategic Initiative
Alignment: (link agenda item to guiding document – i.e., Master Plan, Budget, Comp Plan, Policy, Charter, Strategic Plan)	This project is in the 6 year street/utility plan and the CSO Reduction Program
Strategic Initiative:	Innovative Infrastructure
Deadline:	
Outcome: (deliverables, delivery duties, milestones to meet)	This budget will provide for consulting engineering services from the design company (AECOM) for construction support during project construction.
Background/History: There were remaining funds available in the design contract to pay for design consultant construction engineering support through 2017. Additional funds are needed for continued construction activities through August 2019.	
Executive Summary: <ul style="list-style-type: none"> The CSO 26 Control Facility project has been under construction since February 2017 and will be completed in August 2019. Initial utility relocates are complete, most of the large pipe has been installed, shoring and excavation is complete and the tank foundation and floor is nearing completion. This project is funded by a DOE loan and Green Bonds. Estimated cost of these engineering services are \$85,000; 0.3% of the \$30M construction cost. This is an estimate with payment made on a time and materials basis. This is a request to amend the contract to add \$85,000 and extend the contract through August 2019. 	
Budget Impact: Approved in current year budget? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A Annual/Reoccurring expenditure? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A If new, specify funding source:	

Other budget impacts: (revenue generating, match requirements, etc.)

Operations Impact:

Consistent with current operations/policy? ☒ Yes ☐ No ☐ N/A

Requires change in current operations/policy? ☐ Yes ☒ No ☐ N/A

Specify changes required:

Known challenges/barriers:

**Agenda Sheet for City Council Meeting of:**

03/19/2018

Date Rec'd

10/24/2016

Clerk's File #

OPR 2018-0156

Renews #**Submitting Dept**

HOUSING & HUMAN SERVICES

Contact Name/Phone

M SHARTS X6840

Contact E-Mail

MSHARTS@SPOKANECITY.ORG

Agenda Item Type

Contract Item

Agenda Item Name

1680 BASALT ROCK, LLC - EAST 1ST AVE FOURPLEX

Cross Ref #**Project #****Bid #****Requisition #**

CR 19123

Agenda Wording

Loan Agreement & other documents with Basalt Rock, LLC for the construction of four 3-bedroom affordable housing units at 2418 E 1st Ave - \$245,000 HOME funds (East Central neighborhood)

Summary (Background)

The City receives HOME grants from HUD for rental housing projects affordable to low-income households. The loan agreement requires that 2 3-bedroom units benefit households with incomes at or below 50% of area median income (AMI) and 2 3-bedroom units benefit households at or below 30% AMI for at least 20 years. A \$42.5k loan will be repaid and a \$202.5k loan will be deferred 20 years and is potentially forgivable, if affordability extends another 10 years. The City is contributing the lot.

Fiscal Impact

Grant related?

Public Works? NO

Budget Account

Expense \$ 245,000 HOME # 1710 95846 51010 54201 99999

Select \$ #

Select \$ #

Select \$ #

Approvals**Dept Head**

KEENAN, KELLY

Division Director

KINDER, DAWN

Finance

HUGHES, MICHELLE

Legal

SZAMBELAN, TIM

For the Mayor

DUNIVANT, TIMOTHY

Council Notifications**Study Session**

UE 2/12/18

Other

CHHS Board 11/1/17

Distribution List

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mdoval, kkeen, msharts

2306115@gmail.com

Additional Approvals**Purchasing**



Continuation of Wording, Summary, Budget, and Distribution

Agenda Wording

Summary (Background)

unserviceable PPE and possible additional purchases in the event SFD requires a second recruit academy in the fall of 2018.

<u>Fiscal Impact</u>		<u>Budget Account</u>
Select	\$	#
Select	\$	#
<u>Distribution List</u>		

ATTACHMENT 1
PROPOSED BUDGET

BASALT ROCK, LLC
EAST FIRST AVENUE FOURPLEX

Title/recording	790	Sponsor	49,313
Construction	220,650		
Contingency	26,673	City HOME deferred	202,500
Sales tax	14,000	City HOME amortizing	42,500
Infrastructure, offsites, landscaping	17,200		
Plans/specs	8,000		
Permits 5,200			
Builder's risk insurance	1,800		
TOTAL	\$294,313	TOTAL	\$294,313

The project includes four 3-bedroom units. Units will have luxury vinyl tile (LVT) or carpeting on floors, granite counter tops, LED lighting, in-floor heat and a split system heater/air conditioner, asphalt shingles, concrete back porch, vinyl windows, energy-efficient water heater and appliances, and off-street parking.

Budget does not include land, which is being donated by the City. Its 2018 assessed value is \$18,000.

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

**CITY OF SPOKANE
BASALT ROCK, LLC**

EAST 1ST AVENUE FOURPLEX

HOME PROGRAM LOAN AGREEMENT

This HOME Program Loan Agreement (the "Loan Agreement") is made effective this ____ day of _____ 2018 ("Effective Date"), by and between the City of Spokane, Washington, a Washington municipal corporation (the "City"), whose address is **City of Spokane**, c/o Community, Housing, and Human Services Department (the "Department"), 808 W. Spokane Falls Blvd., Room 650, Spokane, WA 99201, and **Basalt Rock, LLC**, a Washington limited liability company (the "Borrower"), whose address is 14 East Mission Avenue, #3, Spokane, WA 99202. Borrower and City are together referenced as the "Parties". This Loan Agreement is part of a transaction further reflected in two Promissory Notes ("Note 1" and "Note 2", or, collectively, the "Notes") and a HOME Program Loan Covenant Agreement ("Covenant Agreement"). The City's disbursements under the Loan Agreement are further secured by a Deed of Trust of even date herewith ("Deed of Trust"). The terms of said documents are incorporated herein as if fully set forth herein, and together shall be referenced as the "Related Documents." The capitalized terms in said documents shall have the same meaning in this Loan Agreement unless the context clearly suggests otherwise. In the event of conflict in the terms of any of these documents, the terms most favorable to the City shall apply.

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

I. PURPOSE

- A. The purpose of this Loan Agreement is to expand the supply of decent, safe, sanitary, and affordable housing for very low-income households and extremely low-income households pursuant to the HOME Investment Partnerships Program (24 CFR part 92 et seq., CFDA #14.239) ("HOME").
- B. To accomplish the purpose of this Loan Agreement, the City shall provide a portion of the financing for the Borrower's East First Avenue Fourplex project, which includes the construction of 4 units at 2418 East First Avenue in Spokane, WA (the "Project"). The legal description of the Project is:

LOT 4 IN BLOCK 13 OF KAUFMAN'S ADDITION, SPOKANE FALLS, AS
PER PLAT THEREOF RECORDED IN VOLUME "A" OF PLATS, PAGE 131;

IN THE CITY OF SPOKANE, SPOKANE COUNTY, WASHINGTON.

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Assessor's Parcel Number: 35211.1305

Property Address: 2418 East 1st Avenue, Spokane, WA 99202

The Project includes four (4) three-bedroom units; all four units will be HOME-assisted. Borrower shall provide the City with the address (e.g., street address and apartment number) of each HOME-assisted unit no later than the time of initial occupancy.

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

II. DURATION OF THE LOAN AGREEMENT

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

III. AMOUNT OF LOAN

The City shall loan the Borrower a sum not to exceed **TWO HUNDRED FORTY-FIVE THOUSAND AND NO/100 DOLLARS (\$245,000.00)** from HOME funds, to be disbursed as provided herein, subject to the terms and conditions of this Loan Agreement and Related Documents.

IV. PRICING

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

V. SECURITY/SUPPORT

- A. Borrower shall assure and maintain the City's security position on the underlying real estate as evidenced by the Deed of Trust, which will be superior to other financial liens. The sum of all loans against the Project, including the

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City's, cannot exceed ninety percent (90%) of the lesser of appraised value or estimated value upon completion, or cost.

- B. The Affordability Requirement outlined in this Loan Agreement shall be recorded as a ***covenant running with the Project***, and shall apply without regard to the term of any loan or mortgage or transfer of ownership.
- C. Borrower shall keep in force, continuously, insurance covering the Project and property legally described above, listing the City of Spokane as policy beneficiary, pursuant to Section IX of this Loan Agreement.

VI. FUNDING DISBURSEMENTS

- A. The timing and disbursement of HOME funds shall be determined by the City in its sole discretion, consistent with the provisions of this Loan Agreement. Without limiting the forgoing, funding disbursements are subject to the following conditions:
 - 1. City HOME funds shall be disbursed only after completion of all requirements imposed by the United States Department of Housing and Urban Development ("HUD"), as determined by the City in its sole discretion, and upon completion of an environmental review by the City.
 - 2. All funds lent under this Agreement must be utilized by May 31, 2019.
 - 3. Borrower may not request disbursement of funds until needed for payment of eligible project costs, as defined by 24 CFR §92.206 and as further defined in the Program Description of the City's Multifamily Housing Program, and the amount of each request must be limited to the amount needed. Architectural, engineering, or related professional services required to prepare plans, drawings, specifications, or work write-ups may be reimbursed if they were incurred not more than 24 months before the date of this Loan Agreement. In case of a dispute between the Parties regarding when the funds shall be disbursed, the determination of the Director of the Department of Community, Housing, and Human Services of the City of Spokane ("Director") shall govern.
- B. Notwithstanding any other provision of this Loan Agreement, except as approved by the City, prior to the drawdown or disbursement of any City HOME funds hereunder, the Borrower shall provide documentation, in a form reasonably acceptable to the City, that the following actions have been taken to the City's satisfaction:
 - 1. Recording of the Covenant Agreement and Deed of Trust.
 - 2. The Borrower has in place all applicable construction, land use, environmental, zoning permits and/or other federal, state and local governmental approvals as necessary for undertaking the activity for which the specific draw request is to be used.

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

VII. INCOME DETERMINATIONS

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

VIII. AFFORDABILITY REQUIREMENTS

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

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

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

The adjustment for tenant-paid utilities and tenant-supplied appliances is subject to 24 CFR §92.252. HUD requirements include that the adjustment for tenant-paid utilities and tenant-supplied appliances be based on the HUD

DRAFT

Utility Schedule Model, twelve (12) months of documented actual utility costs as acceptable to the City's Community, Housing & Human Services Department, or other methods as determined by HUD. Currently, the HUD Utility Schedule Model can be found at: <http://huduser.org/portal/resources/utlmodel.html>.

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

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

- D. LIHTC Rent Clause. For tenants of low-income tax credit assisted units (if low-income housing tax credits are awarded to the Project or portions of the Project), any increases in rent associated with tenant income shall be governed solely by section 42 of the Internal Revenue Code of 1986, as amended from time to time.
- E. Upon completion of the HOME Affordability Period, if the maximum rent and income limits are exceeded, the loan will be subject to repayment at the higher interest rate as provided for in Paragraph 2 of the Promissory Notes.
- F. Income Limit. At initial occupancy, tenants of two three-bedroom units shall have incomes not greater than fifty percent (50%) of AMI. In addition, tenants of two three-bedroom units shall have incomes not greater than thirty percent (30%) of AMI at initial occupancy. If any of these tenants' incomes increases to a level exceeding fifty percent (50%) of AMI, then the next available HOME-assisted unit shall be made available to families at or below thirty percent (30%) of AMI. If the income of a tenant of a HOME-assisted unit increases and exceeds eighty percent (80%) of AMI, then the tenant's rent shall increase to the lesser of thirty percent (30%) of the tenant's adjusted monthly income or Fair Market Rent, subject to paragraph VIII.D hereof.
- G. Income Certifications. All tenants' incomes shall be recertified annually by the Borrower. Any applicable rent increases will be effective upon the next lease renewal, and are subject to thirty (30) days' written notice.
- H. Additional Affordability Requirements. The Project must comply with the affordable housing requirements of 24 CFR §92.252.

DRAFT

- I. Relocation. Tenants in occupancy prior to the Project are subject to the provisions of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 as amended (“URA”), 42 USC 4601 et seq. and the regulations promulgated thereunder. All relocation payments and expenses shall be borne by the Borrower.
- J. Protection of Affordability Requirements – City Purchase Option. The Affordability Requirements may terminate upon foreclosure or transfer in lieu of foreclosure at the sole election of the Director. In the event of a pending or threatened foreclosure, once applicable notice and cure periods have expired, the City is hereby granted an option and a right of first refusal to purchase the Project before foreclosure or deed in lieu of foreclosure to preserve affordability. The City may exercise its right to purchase the Project in any reasonable manner following the City’s receipt of written notice of pending or threatened foreclosure proceedings and/or a possible deed in lieu of foreclosure, which notice Borrower hereby agrees to provide to City. The purchase price shall be the assessed value of the Project at the time of the City’s exercise of its purchase rights, less any financial obligations assumed by the City at the time of the City’s acquisition of the Project. The City further reserves the right to revive any affordability restrictions according to the original terms of this Loan Agreement if, during the HOME Affordability Period (as defined herein), the owner of record before the foreclosure, or deed in lieu of foreclosure, or any entity that includes the former owner or those with whom the former owner has or had family or business ties, obtains an ownership interest in the Project or property.

IX. INSURANCE

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

X. PROPERTY STANDARDS

- A. All HOME-assisted housing under this Loan Agreement shall meet the requirements of 24 CFR §92.251, which includes all applicable Federal, State and local code requirements and housing quality standards, rehabilitation standards, ordinances and zoning ordinances at the time of Project completion and for the duration of the Affordability Period. Where relevant, the housing must be constructed to mitigate the impact of potential disasters (e.g., earthquakes, hurricanes, flooding, and wildfires), in accordance with applicable State and local codes, ordinances, or other State and local requirements, or such other requirements as HUD may establish.

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- B. Any accessible HOME-assisted housing units under this Loan Agreement shall, for the duration of the Affordability Period, meet the accessibility requirements of 24 CFR part 8, which implements Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794), and Titles II and III of the Americans with Disabilities Act (42 U.S.C. 12131-12189) implemented at 28 CFR parts 35 and 36, as applicable. Covered multifamily dwellings, as defined at 24 CFR 100.201, must also meet the design and construction requirements at 24 CFR 100.205, which implements the Fair Housing Act (42 U.S.C. 3601-3619). The foregoing shall not be interpreted as limiting Borrower's obligation to comply with accessibility requirements applicable to the Project as whole.
- C. The Borrower shall comply with the provisions of 24 CFR §92.251.

XI. ADDITIONAL MISCELLANEOUS COVENANTS

Borrower shall:

- A. Comply with the Affordability Requirements described in this Loan Agreement and Related Documents.
- B. Maintain all required insurance, including without limitation the insurance required by the Deed of Trust.
- C. Maintain Project financial reports, Project financial records, and provide all other information and documentation that the City may reasonably request.
- D. Make prompt payment of all taxes and financial liabilities.
- E. Not hypothecate or encumber Project assets in any way, except to the extent provided for under this Loan Agreement or as approved of by the Director in writing. The Director may withhold such approval at his/her reasonable discretion.
- F. Promptly provide (i) rent and tenant income information at initial tenant occupancy and (ii) rent, occupancy, and tenant income information annually throughout the term of this Loan Agreement, in accordance with this Loan Agreement, or as otherwise requested by the City. If the Project has floating HOME units, the Borrower must provide the City with information regarding the unit substitution and filling vacancies so that the Project remains in compliance with HOME rental occupancy requirements.
- G. Promptly provide, upon request by the City, such documentation as is necessary (including financial statements) to enable the City to determine the financial condition and continued financial viability of the Project.
- H. During the Affordability Period, prohibit occupancy of any HOME-assisted unit by Borrower (or officer, employee, agent, elected or appointed official, or consultant of the Borrower, or immediate family member or immediate family

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member of an officer, employee, agent, elected or appointed official, or consultant of Borrower) whether private, for-profit or nonprofit, (including a community housing development organization ("CHDO") when acting as an owner, developer or sponsor).

- I. Comply with all applicable federal, state, and local regulations and requirements, including, but not limited to Uniform Administrative Requirements, Federal Labor Standards, Davis-Bacon and Related Acts, Uniform Relocation Act requirements applicable as of the date of the execution of this Loan Agreement, and the provisions of the Lead-Based Paint Poisoning Prevention Act. The City's costs to administer Davis-Bacon Federal Labor Standards, and Related Acts shall be borne by the Borrower. When Washington State prevailing wages apply, the Borrower shall comply with all State requirements under RCW 39.12 to the satisfaction of the State of Washington. When applicable, the higher of Washington State prevailing wages or Davis-Bacon wages shall apply.
- J. Comply with all HOME program project requirements pursuant to 24 CFR part 92 et seq.
- K. Maintain housing in compliance with the property standards of 24 CFR §92.251 and local code requirements throughout the term of this Loan Agreement.
- L. Upon Project completion, the Project shall obtain a final Certificate of Occupancy for new units, meet all licensing requirements needed to operate the facility as proposed by Borrower in its various funding applications, and meet the property standards of 24 CFR §92.251, minimum rehabilitation standards, and all applicable federal, state and local codes and ordinances. New construction projects must also meet HUD, state, and local requirements relating to accessibility and disaster mitigation.
- M. Cause each of the four (4) HOME-assisted units to be occupied by income-eligible households within eighteen (18) months after the Project is completed. If any HOME-assisted units are not occupied by eligible tenants within 6 months following the date of Project Completion, Borrower shall submit to the City current marketing information and, if the City requests it, an enhanced marketing plan for leasing the unoccupied units as quickly as possible, which information the City will provide to HUD as required by 24 CFR §92.252. If any HOME-assisted unit has not been rented to eligible tenants within eighteen (18) months after the date of Project Completion, Borrower shall repay the City \$61,250.00/unit for each such unit within thirty (30) days of the City's written request for repayment. This reflects the proportionate per unit share of HOME funds, i.e., \$245,000.00 HOME dollars/4 HOME units.

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

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

XII. PROJECT TIMETABLE

- A. The Borrower agrees to complete work required in accordance with the timetable set forth in Attachment 3. Timely completion of the work is an integral and essential part of performance. The expenditure of HOME funds is subject to Federal deadlines and failure to meet deadlines could result in the loss of the Federal funds. By the acceptance and execution of this Loan Agreement, the Borrower agrees that the Project will be completed as expeditiously as possible and make every effort to ensure the project will proceed and will not be delayed. Failure to meet these deadlines can result in cancellation of this contract and revocation of HOME funds. Since it is mutually agreed that time is of the essence, the Borrower shall cause appropriate provisions to be included in all contracts or subcontracts relative to the work tasks in Attachment 3. It is intended that such provisions included in any subcontracts be, to the fullest extent permitted by law and equity, binding for the benefit of the City and enforceable by the City against the Borrower and its successors and assigns to the project or any part thereof or any interest therein.
- B. In the event the Borrower is unable to meet the above schedule or complete the above services due to delays resulting from Acts of God, untimely review and approval by the City and other governmental authorities having jurisdiction over the Project, or other delays that are not caused by the Borrower, the City shall grant a reasonable extension of time for completion of the work. It shall be the responsibility of the Borrower to notify the City promptly in writing whenever a delay is anticipated or experienced, and to inform the City of all facts and delays related to the delay.

XIII. DEFAULT

- A. The following shall be considered "Events of Default" for purposes of this Loan Agreement:
 - 1. Failure of Borrower to make any principal and interest payment within fifteen (15) days after such payment is due.
 - 2. Failure to perform, observe or comply with the Affordability Requirements, Income Determinations, or any other provisions, related covenants, terms, conditions or restrictions of this Loan Agreement or any agreement relating to the Project (i.e., the occurrence of an event of default under other indebtedness secured by the Project property) or any part thereof, and failure to fully cure the same within the period of time, if any, permitted for cure and, if no period for cure is otherwise provided for, within sixty (60) days of written notice from the City of such failure,

DRAFT

requesting the same to be remedied; provided, after a second non-compliance of any provision in a five- (5-) year period, only fourteen (14) days written notice is needed.

3. Failure to perform required maintenance or performance of any act by Borrower which would, in the City's reasonable opinion, adversely affect the value of the Project.
4. Sale, transfer, lease, or other conveyance of the Project or any portion thereof, including assumptions and subordinations, without obtaining the prior written consent of the Director. Except as otherwise permitted under this Loan Agreement, the sale, transfer, lease, or other conveyance of the Project or any portion thereof, including assumptions and subordinations, without obtaining the prior written consent of the Director.
5. Filing a voluntary or involuntary petition not dismissed within ninety (90) days after filing under the United States Bankruptcy Code by or against the Borrower.
6. Any representation, warranty, or disclosure made to the City or any other Project lender which proves to be materially false or misleading as of the date made, whether or not such representation, warranty, or disclosure appears in this Loan Agreement.
7. Failure to maintain and keep in force adequate amounts of insurance as is usual in the business carried on by the Borrower, or as required herein.
8. Without limiting any of the foregoing, Borrower's failure to comply with the minimum wage requirements set forth in Section XVIII of this Loan Agreement.

XIV. REMEDIES

- A. Upon the occurrence of an event of default not timely cured after notice, the City may, in addition to any other remedies which the City may have hereunder or under this Loan Agreement or by law or equity, at its option and upon written notice to the Borrower, take any or all of the following actions:
 1. Immediately terminate any further advance of loan funds.
 2. Declare the debt incurred hereunder and under the Related Documents immediately due and payable and commence collection proceedings against the Borrower.
 3. Seek judicial appointment of a receiver.

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4. Foreclose under the security documents or instruments, judicially or non-judicially.
 5. File suit against the Borrower.
 6. Seek specific performance or injunctive relief to enforce performance of the undertakings, duties, and agreements provided in this Loan Agreement or any related security document or instrument, whether or not a remedy at law exists or is adequate.
- B. All remedies of the City provided for herein are cumulative and shall be in addition to all other rights and remedies provided by law or in equity or by this Loan Agreement. The exercise of any right or remedy by the City shall not in any way constitute a cure or waiver of default under this Loan Agreement or any other related Project agreement, or invalidate any act done pursuant to any notice of default, or prejudice the City in the exercise of any of its rights unless, in the exercise of such rights, the City realizes all amounts owed to it by the Borrower.
- C. A failure to declare or a delay in declaring a default shall not constitute a waiver of any rights or remedies or excuse any failure by the Borrower to strictly comply with its obligations under this Loan Agreement or any other related Project agreement or document.

XV. REPAYMENT

- A. Payments of principal and interest for Note 1 shall be deferred for 12 months and payment of principal and interest for Note 2 shall be deferred during the HOME Affordability Period, so long as Borrower and the Project are in compliance with the Affordability Requirements per the terms of the Loan Agreement and Covenant Agreement together with all other provisions of the Notes and Related Documents.
- B. Following the HOME Affordability Period, and during the remaining City Affordability Period, the amounts due under Note 2 may be eligible for debt forgiveness. In exchange for complying with the Affordability Requirements during that period of the City Affordability that extends beyond the HOME Affordability Period (the "Forgiveness Period"), the principal and interest of Note 2 may be forgiven for each year of the Forgiveness Period, until it is fully forgiven or paid at the end of the Affordability Period. If, at the end of each year during Forgiveness Period, the Borrower has complied, for that year, with the Affordability Requirements of this Loan Agreement and the Covenant Agreement and is in compliance with all other provisions of this Loan Agreement and Related Documents, then the loan payments for Note 2 shall be forgiven for that year; provided, no payments shall be forgiven for affordability periods of less than one (1) year. The amount of the annual loan forgiveness shall be the sum of twelve monthly payments; the monthly payments will be in an amount sufficient to amortize the principal and interest over the remaining term of the

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Affordability Period. During the Affordability Period, Borrower shall notify the City in writing if, for any reason, the Project will not comply with the Affordability Requirements, at which time any and all outstanding balance would become immediately due and payable in full.

- C. If Borrower elects not to comply with the Affordability Requirements beyond the end of the HOME Affordability Period, repayment of principal and interest under Note 2 shall be made monthly in an amount sufficient to amortize the loan over the remaining term of the Affordability Period.
- D. Repayment of Note 1 or Note 2 during the HOME Affordability Period described in Paragraph VIII.A of this Loan Agreement shall not extinguish the Affordability Requirements.
- E. Payment of principal, interest, and fees relating to the Notes shall be made in lawful money of the United States of America in immediately available funds to the City of Spokane, at the Community, Housing and Human Services Department, 808 W. Spokane Falls Blvd., Room 650, Spokane, WA 99201, or at such other place as the City may designate to Borrower in writing.

XVI. NONDISCRIMINATION/RENT SUBSIDY

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

XVII. FAITH-BASED ACTIVITIES AND ORGANIZATIONS

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

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

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

XVIII. COMPLIANCE WITH LAWS

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

DRAFT

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

DRAFT

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

XIX. TENANT AND PARTICIPANT PROTECTIONS

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

DRAFT

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

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

XX. TENANT PARTICIPATION PLAN

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

XXI. UNIFORM ADMINISTRATIVE REQUIREMENTS/PROJECT REQUIREMENTS

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

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XXII. TRANSFER/ASSIGNMENT

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

XXIII. HAZARDOUS SUBSTANCES/REPRESENTATIONS AND WARRANTIES

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

DRAFT

transporting, or release of Hazardous Substances, for which there has not been or will not be abatement to levels acceptable under all applicable law and regulations related thereto prior to tenant occupancy. Borrower represents and warrants that any asbestos and lead-based paint found within the Project will be abated to levels acceptable under applicable law prior to tenant occupancy of the rehabilitated project. "Hazardous Substances" means (i) any "hazardous waste" as defined by the Resource Conservation and Recovery Act of 1976 (42 U.S.C. § 6901, et seq.), as amended from time to time, and regulations promulgated thereunder; (ii) any "hazardous substance" as defined by the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (42 U.S.C. § 9601, et seq.), as amended from time to time, and regulations promulgated thereunder; (iii) "oil, petroleum products and their by-products" as defined under Washington law as amended from time to time, and regulations promulgated thereunder; (iv) any "hazardous substance" as defined under Washington law, as amended from time to time, and regulations promulgated thereunder; (v) any "asbestos material" as defined under Washington law, as amended from time to time, and regulations promulgated thereunder and/or as defined by 40 C.F.R. Section 61.141, as amended from time to time; (vi) any "radon gas" in excess of levels recommended in U. S. Environmental Protection Agency Guidance Documents, as modified from time to time, or lower levels as provided by any applicable law or regulation now or hereafter in effect; (vii) any "infectious waste" as defined under Washington law, as amended from time to time, and regulations promulgated thereunder; (viii) any substance the presence of which on any property attributable to the operations of the Borrower is prohibited, restricted or regulated by any law or regulation similar to those laws, regulations and/or documents set forth above, including without limitation, polychlorinated biphenyls ("PCBs") and lead-based paints; and (ix) any other substance which by law or regulation requires special handling in its collection, generation, storage, transportation, treatment or disposal.

XXIV. DEBARMENT AND SUSPENSION

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

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XXV. ANTI-LOBBYING

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

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

XXVI. SEVERABILITY

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

XXVII. NOTICES

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

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

Basalt Rock, LLC
c/o Konstantin & Tatyana Vasilenko
14 East Mission Avenue, #3
Spokane, WA 99202

XXVIII. INDEMNIFICATION

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

XXIX. TERMINATION

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

XXX. EXECUTION IN COUNTERPARTS

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

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

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

BASALT ROCK, LLC

By: _____
Konstantin Y. Vasilenko, Member

Date: _____

By: _____
Tatyana A. Vasilenko, Member

Date: _____

DRAFT

STATE OF WASHINGTON)
) ss.
County of Spokane)

On this ____ day of _____, 2018, personally appeared before me **Konstantin Y. Vasilenko**, to me known to be a **Member** of **Basalt Rock, LLC**, a Washington limited liability company, that executed the within and foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said person and the Grantor, for the uses and purposes therein mentioned, and on oath stated that he was authorized to execute the said instrument.

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

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

STATE OF WASHINGTON)
) ss.
County of Spokane)

On this ____ day of _____, 2018, personally appeared before me **Tatyana A. Vasilenko**, to me known to be a **Member** of **Basalt Rock, LLC**, a Washington limited liability company, that executed the within and foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said person and the Grantor, for the uses and purposes therein mentioned, and on oath stated that she was authorized to execute the said instrument.

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

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

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CITY OF SPOKANE

By: _____
David A. Condon, Mayor

Date: _____

ATTEST:

APPROVED AS TO FORM:

By: Terri L. Pfister, City Clerk

By: _____
Assistant City Attorney

Date: _____

STATE OF WASHINGTON)
) ss.
County of Spokane)

On this ____ day of _____, 2018, personally appeared before me **David A. Condon** and **Terri L. Pfister**, to me known to be the **Mayor** and **City Clerk**, respectively, of and for the City of Spokane, Washington, the municipal corporation that executed the within and foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said municipal corporation, for the uses and purposes therein mentioned, and on oath stated that they were authorized to execute the said instrument.

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

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

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ATTACHMENT 1
PROPOSED BUDGET

BASALT ROCK, LLC
EAST FIRST AVENUE FOURPLEX

Title/recording	790	Sponsor	49,313
Construction	220,650		
Contingency	26,673	City HOME deferred	202,500
Sales tax	14,000	City HOME amortizing	42,500
Infrastructure, offsites, landscaping	17,200		
Plans/specs	8,000		
Permits	5,200		
Builder's risk insurance	1,800		
TOTAL	\$294,313	TOTAL	\$294,313

The project includes four 3-bedroom units. Units will have luxury vinyl tile (LVT) or carpeting on floors, granite counter tops, LED lighting, in-floor heat and a split system heater/air conditioner, asphalt shingles, concrete back porch, vinyl windows, energy-efficient water heater and appliances, and off-street parking.

Budget does not include land, which is being donated by the City. Its 2018 assessed value is \$18,000.

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

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Attachment 2
Initial Project Rents

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ATTACHMENT 3

TIMETABLE

Category	Milestone/Task	Deadline Month Yr/Status
Site control	Close on property.	June 2018
Financing	Funding documented by all lenders	June 2018
Design/Permits	Approval of zoning, site plan, construction plans.	June 2018
	Building permits issued.	June 2018
Construction	Begin construction.	June 2018
	Complete construction.	December 2018
	Certificate of occupancy issued.	December 2018
Occupancy	Units occupied.	60 days from Certificate of Occupancy

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ATTACHMENT 4

CERTIFICATION REGARDING DEBARMENT, SUSPENSION, INELIGIBILITY AND VOLUNTARY EXCLUSION

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

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

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

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

1. The lower tier contractor certified, by signing this contract that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any federal department or agency.
2. Where the lower tier contractor is unable to certify to any of the statements in this contract, such contractor shall attach an explanation to this contract.
4. The terms covered transaction, debarred, suspended, ineligible, lower tier covered transaction, person, primary covered transaction, principal, and voluntarily excluded, as used in this exhibit, have the meanings set out in the Definitions and Coverage sections of the rules implementing Executive Order 12549. The undersigned may contact the City for assistance in obtaining a copy of these regulations.
5. I understand that a false statement of this certification may be grounds for termination of the contract.

<u>Basalt Rock, LLC</u>	<u>East First Avenue Fourplex</u>
Name of Borrower (Type or Print)	Program Title (Type or Print)
<u> </u>	<u> </u>
Name of Certifying Official (Type or Print)	Signature
<u>Member</u>	<u> </u>
Title of Certifying Official (Type or Print)	Date (Type or Print)

DRAFT

WHEN RECORDED RETURN TO:

CITY OF SPOKANE

COMMUNITY, HOUSING, AND HUMAN SERVICES DEPARTMENT

808 W. SPOKANE FALLS BLVD., ROOM 650

SPOKANE, WASHINGTON 99201-3339

OPR 2018-_____

**CITY OF SPOKANE
BASALT ROCK, LLC**

EAST FIRST AVENUE FOURPLEX

HOME PROGRAM LOAN COVENANT AGREEMENT

Grantor: Basalt Rock, LLC, a Washington limited liability company

Beneficiary: City of Spokane, a Washington state municipal corporation

Assessor's Parcel No.: 35211.1305

Legal Description: LOT 4 IN BLOCK 13 OF KAUFMAN'S ADDITION, SPOKANE FALLS,
AS PER PLAT THEREOF RECORDED IN VOLUME "A" OF PLATS,
PAGE 131;

IN THE CITY OF SPOKANE, SPOKANE COUNTY, WASHINGTON.

This HOME Program Loan Covenant Agreement ("Covenant Agreement") is made this _____ day of _____, 2018, by and between the **City of Spokane**, Washington, a Washington municipal corporation (the "City"), whose address is City of Spokane, c/o Community, Housing, and Human Services Department, 808 W. Spokane Falls Blvd., Room 650, Spokane, Washington 99201-3339 and **Basalt Rock, LLC**, a Washington limited liability company (the "Borrower" or "Grantor"), whose address is 14 East Mission Avenue, #3, Spokane, WA 99202.

I. STIPULATIONS

1. This Covenant Agreement is a condition of and part of the consideration for the financial assistance provided by the City to the Borrower for the Borrower's East First Avenue Fourplex project, which includes the construction of 4 units at 2418 East First Avenue in Spokane, WA (the "Project"). The fourplex will include four (4) three-bedroom units; all four (4) units will be HOME-assisted.

2. This Covenant Agreement is part of a transaction further reflected in two Promissory Notes ("Note 1" and "Note 2", or, collectively, the "Notes") and a HOME Program Loan Agreement ("Loan Agreement") of even date herewith. The City's disbursements under the Loan Agreement are further secured by a Deed of Trust ("Deed of Trust"). The terms of said documents are incorporated herein as if fully set forth herein, and together shall be referenced as the "Related Documents." The capitalized terms in said agreements shall have the same meaning in this Covenant Agreement unless the context clearly suggests otherwise. In the event of conflict in the terms of any of these documents, the terms most favorable to the City shall apply.

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

LOT 4 IN BLOCK 13 OF KAUFMAN'S ADDITION, SPOKANE FALLS, AS PER
PLAT THEREOF RECORDED IN VOLUME "A" OF PLATS, PAGE 131;

IN THE CITY OF SPOKANE, SPOKANE COUNTY, WASHINGTON.

Assessor's Parcel Number: 35211.1305

Property Address: 2418 East 1st Avenue, Spokane, WA 99202

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

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

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

II. COVENANTS

Borrower shall:

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

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

- K. Maintain housing in compliance with the property standards of 24 CFR §92.251 and local code requirements throughout the term of the Loan Agreement.
- L. Upon Project completion, the Project shall obtain a final Certificate of Occupancy for new units, meet all licensing requirements needed to operate the facility as proposed by Borrower in its various funding applications, and meet the property standards of 24 CFR §92.251, minimum rehabilitation standards, and all applicable federal, state and local codes and ordinances. New construction projects must also meet HUD, state, and local requirements relating to accessibility and disaster mitigation.
- M. Cause each of the four (4) HOME-assisted units to be occupied by income-eligible households within eighteen (18) months after the Project is completed. If any HOME-assisted units are not occupied by eligible tenants within 6 months following the date of Project Completion, Borrower shall submit to the City current marketing information and, if the City requests it, an enhanced marketing plan for leasing the unoccupied units as quickly as possible, which information the City will provide to HUD as required by 24 CFR §92.252. If any HOME-assisted unit has not been rented to eligible tenants within eighteen (18) months after the date of Project Completion, Borrower shall repay the City \$61,250.00/unit for each such unit within thirty (30) days of the City's written request for repayment. This reflects the proportionate per unit share of HOME funds, i.e., \$245,000.00 HOME dollars/4 HOME units.

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

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

III. INCOME DETERMINATIONS

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

IV. AFFORDABILITY REQUIREMENTS

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

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

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

The adjustment for tenant-paid utilities and tenant-supplied appliances is subject to §92.252. New HUD requirements include that the adjustment for tenant-paid utilities and tenant-supplied appliances be based on the HUD Utility Schedule Model, twelve (12) months of documented actual utility costs as

acceptable to the City's Community, Housing & Human Services Department, or other methods as determined by HUD. Currently, the HUD Utility Schedule Model can be found at: <http://huduser.org/portal/resources/utimodel.html>.

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

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

- D. LIHTC Rent Clause. For tenants of low-income tax credit assisted units (if low-income housing tax credits are awarded to the Project or portions of the Project), any increases in rent associated with tenant income shall be governed solely by section 42 of the Internal Revenue Code of 1986, as amended from time to time.
- E. Upon completion of the HOME Affordability Period, if the maximum rent and income limits are exceeded, the loan will be subject to repayment at the higher interest rate as provided for in Paragraph 2 of the Promissory Notes.
- F. Income Limit. At initial occupancy, tenants of two three-bedroom units shall have incomes not greater than fifty percent (50%) of AMI. In addition, tenants of two three-bedroom units shall have incomes not greater than thirty percent (30%) of AMI at initial occupancy. If any of these tenants' incomes increases to a level exceeding fifty percent (50%) of AMI, then the next available HOME-assisted unit shall be made available to families at or below thirty percent (30%) of AMI. If the income of a tenant of a HOME-assisted unit increases and exceeds eighty percent (80%) of AMI, then the tenant's rent shall increase to the lesser of thirty percent (30%) of the tenant's adjusted monthly income or Fair Market Rent, subject to paragraph IV.D hereof.
- G. Income Certifications. All tenants' incomes shall be recertified annually by the Borrower. Any applicable rent increases will be effective upon the next lease renewal, and are subject to thirty (30) days' written notice.
- H. Additional Affordability Requirements. The Project must comply with the affordable housing requirements of 24 CFR §92.252.
- I. Relocation. Tenants in occupancy prior to the Project are subject to the provisions of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 as amended ("URA"), 42 USC 4601 et seq. and the

regulations promulgated thereunder. All relocation payments and expenses shall be borne by the Borrower.

- J. Protection of Affordability Requirements – City Purchase Option. The Affordability Requirements may terminate upon foreclosure or transfer in lieu of foreclosure at the sole election of the Director. In the event of a pending or threatened foreclosure, once applicable notice and cure periods have expired, the City is hereby granted an option and a right of first refusal to purchase the Project before foreclosure or deed in lieu of foreclosure to preserve affordability. The City may exercise its right to purchase the Project in any reasonable manner following the City's receipt of written notice of pending or threatened foreclosure proceedings and/or a possible deed in lieu of foreclosure, which notice Borrower hereby agrees to provide to City. The purchase price shall be the assessed value of the Project at the time of the City's exercise of its purchase rights, less any financial obligations assumed by the City at the time of the City's acquisition of the Project. The City further reserves the right to revive any affordability restrictions according to the original terms of the Loan Agreement if, during the HOME Affordability Period (as defined herein), the owner of record before the foreclosure, or deed in lieu of foreclosure, or any entity that includes the former owner or those with whom the former owner has or had family or business ties, obtains an ownership interest in the Project or property.

V. DEFAULT

If a violation of any of the foregoing covenants occurs, the City may, after thirty (30) days written notice, the default meanwhile not having been cured, institute and prosecute any proceeding at law or in equity or as otherwise provided for in this Covenant Agreement, or Related Documents, to abate, prevent, or enjoin any such violation or to compel specific performance by the Borrower of its obligations hereunder, including, without limitation of other remedies, the exercise of the City's purchase rights described herein. No delay in enforcing the provisions hereof as to any breach or violation shall impair, damage or waive the right of any party entitled to enforce the provisions hereof or to obtain relief against or recover for the continuation or repetition of such breach or violation or any similar breach or violation hereof at any later time.

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

IN WITNESS WHEREOF, the Parties have executed this Agreement on this _____ day of _____, 2018.

BASALT ROCK, LLC

By: Konstantin Y. Vasilenko, Member

Date:

By: _____
Tatyana A. Vasilenko, Member

Date:

STATE OF WASHINGTON)
) ss.
County of Spokane)

On this ____ day of _____, 2018, personally appeared before me **Konstantin Y. Vasilenko**, to me known to be a **Member** of **Basalt Rock, LLC**, a Washington limited liability company, executed the within and foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said person and the Grantor, for the uses and purposes therein mentioned, and on oath stated that he was authorized to execute the said instrument.

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

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

STATE OF WASHINGTON)
) ss.
County of Spokane)

On this ____ day of _____, 2018, personally appeared before me **Tatyana A. Vasilenko**, to me known to be a **Member** of **Basalt Rock, LLC**, a Washington limited liability company, that executed the within and foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said person and the Grantor, for the uses and purposes therein mentioned, and on oath stated that she was authorized to execute the said instrument.

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

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

By: _____
David A. Condon, Mayor

By: Terri L. Pfister, City Clerk

STATE OF WASHINGTON)
) ss.
County of Spokane)

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

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**CITY OF SPOKANE
BASALT ROCK, LLC**

EAST FIRST AVENUE FOURPLEX

PROMISSORY NOTE 1

OPR #2018-_____

Borrower: Basalt Rock, LLC
14 E. Mission Avenue, #3
Spokane, WA 99202

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

Principal: \$42,500.00

Date: _____

1. PROMISE TO REPAY: FOR VALUE RECEIVED, the undersigned Basalt Rock, LLC, a Washington limited liability company, hereinafter referred to as "Borrower", promises to repay to the order of the City of Spokane, a Washington municipal corporation, or its successors and assigns (hereinafter called "Lender") the maximum principal sum of **FORTY-TWO THOUSAND FIVE HUNDRED DOLLARS (\$42,500.00)** or so much of said sum or sums as may now or hereafter be loaned or disbursed to the Borrower by the Lender, for the purpose of providing a portion of the financing for the Borrower's East First Avenue Fourplex project, located at 2418 East First Avenue in Spokane, WA (the "Project"). This Promissory Note 1 (the "Note") is part of a transaction further reflected in Promissory Note 2, a HOME Program Loan Agreement ("Loan Agreement") and HOME Program Loan Covenant Agreement ("Covenant Agreement") of even date herewith. Promissory Note 1 and Promissory Note 2 are collectively referred to as "Notes." Lender's disbursements under the Loan Agreement and the Notes are further secured by a Deed of Trust of even date herewith ("Deed of Trust"). The terms of said documents are incorporated herein as if fully set forth herein, and together shall be referenced as the "Related Documents". The capitalized terms in said Related Documents shall have the same meaning in this Note unless the context clearly suggests otherwise. In the event of conflict or ambiguity in the terms of any of these documents, the terms most favorable to Lender shall apply.

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

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

3. REPAYMENT; MATURITY:

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

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

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

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

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

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

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

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5. THIS LOAN IS made for the purpose of financing a portion of the costs of the construction of 4 units on the property at 2418 East First Avenue and legally described in the Deed of Trust and Loan Agreement. As a condition of receiving this loan, Borrower agrees to abide by all of the terms and conditions of this Note, Note 2, the Deed of Trust, the Loan Agreement and associated Covenant Agreement, incorporated herein by reference as if fully set forth.

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

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

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

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

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that this Note and the Related Documents constitute the legal, valid and binding obligations of the Transferee;

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

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

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

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

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

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

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

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

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

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

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

IN WITNESS WHEREOF, the Borrower executed this Promissory Note on this ____ day of _____, 2018.

BASALT ROCK, LLC

By: _____
Konstantin Y. Vasilenko, Member

Date: _____

By: _____
Tatyana A. Vasilenko, Member

Date: _____

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**CITY OF SPOKANE
BASALT ROCK, LLC**

EAST FIRST AVENUE FOURPLEX

PROMISSORY NOTE 2

OPR #2018-_____

Borrower: Basalt Rock, LLC
14 E. Mission Avenue, #3
Spokane, WA 99202

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

Principal: \$202,500.00

Date: _____

1. PROMISE TO REPAY: FOR VALUE RECEIVED, the undersigned Basalt Rock, LLC, hereinafter referred to as "Borrower", promises to repay to the order of the City of Spokane, a Washington municipal corporation, or its successors and assigns (hereinafter called "Lender") the maximum principal sum of **TWO HUNDRED TWO THOUSAND FIVE HUNDRED DOLLARS (\$202,500.00)** or so much of said sum or sums as may now or hereafter be loaned or disbursed to the Borrower by the Lender, for the purpose of providing a portion of the financing for the Borrower's East First Avenue Fourplex project, located at 2418 East First Avenue in Spokane, WA (the "Project"). This Promissory Note 2 (the "Note") is part of a transaction further reflected in Promissory Note 1, a HOME Program Loan Agreement ("Loan Agreement") and HOME Program Loan Covenant Agreement ("Covenant Agreement") of even date herewith. Promissory Note 1 and Promissory Note 2 are collectively referred to as "Notes." Lender's disbursements under the Loan Agreement and the Notes are further secured by a Deed of Trust of even date herewith ("Deed of Trust"). The terms of said documents are incorporated herein as if fully set forth herein, and together shall be referenced as the "Related Documents". The capitalized terms in said Related Documents shall have the same meaning in this Note unless the context clearly suggests otherwise. In the event of conflict or ambiguity in the terms of any of these documents, the terms most favorable to Lender shall apply.

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

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

3. REPAYMENT; MATURITY:

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

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

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

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

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

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

G. Potential Debt Forgiveness: Repayment shall further be subject to provisions and applicable sections of the Loan Agreement, which allows for debt forgiveness in exchange compliance with the Affordability Requirements during the

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Forgiveness Period, as defined in the Loan Agreement, subject to conditions specified in the Loan Agreement.

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

5. THIS LOAN IS made for the purpose of financing a portion of the costs of the construction of 4 units on the property at 2418 East First Avenue and legally described in the Deed of Trust and Loan Agreement. As a condition of receiving this loan, Borrower agrees to abide by all of the terms and conditions of this Note, Note 1, the Deed of Trust, the Loan Agreement and associated Covenant Agreement, incorporated herein by reference as if fully set forth.

6. IF THE BORROWER SHALL default in the payment of any amount due under this Note, and such default is not cured within ten (10) days after such payment is due, or if any other Event of Default occurs under Note 1, the Deed of Trust, the Loan Agreement or the Covenant Agreement and such default is not cured within the cure period, if any, applicable thereto, the entire unpaid principal amount of this Note, together with accrued interest, shall immediately become due and payable, at Lender's option, upon notice to the Borrower. Failure of Lender to exercise such option shall not constitute a waiver of default. If Lender exercises its option to declare the entire amount of Borrower's loan immediately due and payable as provided above, Borrower agrees to pay Lender's cost and expenses of collection, including reasonable attorney's fees and court costs. If this Note is reduced to judgment, the judgment shall bear interest at the maximum rate permissible on judgments in the State of Washington.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

IN WITNESS WHEREOF, the Borrower executed this Promissory Note on this ____ day of _____, 2018.

BASALT ROCK, LLC

By: _____
Konstantin Y. Vasilenko, Member

Date: _____

By: _____
Tatyana A. Vasilenko, Member

Date: _____

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AFTER RECORDING MAIL TO:

City of Spokane

Department of Community, Housing, and Human Services

808 W. Spokane Falls Blvd., Room 650

Spokane, WA 99201

OPR #2018-_____

**CITY OF SPOKANE
BASALT ROCK, LLC**

EAST FIRST AVENUE FOURPLEX

DEED OF TRUST

Grantor: Basalt Rock, LLC, a Washington limited liability company

Beneficiary: City of Spokane, a Washington municipal corporation

Assessor's Parcel No.: 35211.1305

Legal Description: LOT 4 IN BLOCK 13 OF KAUFMAN'S ADDITION, SPOKANE FALLS,
AS PER PLAT THEREOF RECORDED IN VOLUME "A" OF PLATS, PAGE
131;

IN THE CITY OF SPOKANE, SPOKANE COUNTY, WASHINGTON.

THIS DEED OF TRUST, made this _____ day of _____, 2018, by and between **Basalt Rock, LLC**, a Washington limited liability company, referred to herein as GRANTOR, whose address is 14 E. Mission Avenue, Suite #3, Spokane, WA 99202, **First American Title Insurance Company**, TRUSTEE, whose address is 40 East Spokane Falls Blvd., Spokane, WA 99202 and the **City of Spokane**, Washington, a Washington municipal corporation, BENEFICIARY, whose address is City of Spokane, c/o Community, Housing, and Human Services Department, 808 W. Spokane Falls Blvd., Room 650, Spokane, WA 99201.

This Deed of Trust is part of a transaction further reflected in a HOME Program Loan Agreement ("Loan Agreement"), HOME Program Loan Covenant Agreement ("Covenant Agreement"), Promissory Note 1, and Promissory Note 2, secured by this Deed of Trust. Collectively, Promissory Note 1 and Promissory Note 2 may be referred to as "Promissory Notes." The terms of said agreements are incorporated into this Deed of Trust, and the capitalized terms in said agreements shall have the same meaning in this Deed of Trust unless the context clearly suggests otherwise. In the event of conflict in the terms of any of these documents, the terms most favorable to Beneficiary shall apply.

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

LOT 4 IN BLOCK 13 OF KAUFMAN'S ADDITION, SPOKANE FALLS, AS PER PLAT THEREOF RECORDED IN VOLUME "A" OF PLATS, PAGE 131;

IN THE CITY OF SPOKANE, SPOKANE COUNTY, WASHINGTON.

APN: 35211.1305

PROPERTY ADDRESS: 2418 EAST 1ST AVENUE, SPOKANE, WA 99202

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

This Deed of Trust is for the purpose of securing performance of each agreement of Grantor herein contained and as further contained in the Loan Agreement, Covenant Agreement, and Promissory Notes, secured by this Deed of Trust, and for the purpose of securing payment of the sum of **TWO HUNDRED FORTY-FIVE THOUSAND AND NO/100 DOLLARS (\$245,000.00)** with interest, in accordance with the terms of two Promissory Notes of even date herewith, payable to Beneficiary, and made by Grantor, and all renewals, modifications, and extensions thereof, and also such further sums as may be advanced or loaned by Beneficiary to Grantor, or any of his/her/their successors or assigns, together with interest thereon at such rate as shall be agreed upon. This Deed of Trust also secures to Beneficiary: (a) the payment of other sums, with interest, advanced to protect the security of this Deed of Trust; and (b) the performance of Grantor's covenants and agreements under this Deed of Trust and the Promissory Notes, Covenant Agreement and Loan Agreement of even date herewith.

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

COVENANTS: Grantor and Beneficiary covenant and agree as follows:

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

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

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

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

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

C. Unless Beneficiary and Grantor otherwise agree in writing, insurance proceeds shall be applied to restoration or repair of the Property damaged, if the restoration or

repair is economically feasible and Beneficiary's security is not lessened thereby. If the restoration or repair is not economically feasible or if Beneficiary's security would be lessened, the insurance proceeds shall be applied to the sums secured by this Deed of Trust, whether or not then due, with any excess paid to Grantor. If Grantor abandons the Property or does not answer within thirty (30) days notice from the Beneficiary that the insurance carrier has offered to settle a claim, then Beneficiary may collect the insurance proceeds. Beneficiary may, in its sole discretion, use the proceeds to restore or repair the Property or to pay sums secured by this Deed of Trust, whether or not then due. The 30-day period will begin when the notice is given. Such application of proceeds by the Beneficiary shall not cause discontinuance of any proceedings to foreclose this Deed of Trust. In the event of foreclosure, all rights of the Grantor in insurance policies then in force shall pass to the purchaser at the foreclosure sale.

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

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

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

loan evidenced by the Promissory Notes. If this Deed of Trust is on a leasehold, Grantor shall comply with all the provisions of the lease. If Grantor acquires fee title to the property, the leasehold and the fee title shall not merge unless Beneficiary agrees to the merger in writing.

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

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

C. Grantor covenants and agrees to defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee, and to pay all costs and expenses, including the cost of title search and any and all attorney's fees actually incurred, in any such action or proceeding, and in any suit brought by Beneficiary to foreclose this Deed of Trust.

D. Grantor further covenants and agrees to pay any and all costs, fees, and expenses in connection with this Deed of Trust, including the expenses of the Trustee incurred in enforcing the obligations secured hereby and Trustee's and attorney's fees actually incurred, as provided by statute.

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

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

amount of the sums secured immediately before the taking, divided by (ii) the fair market value of the Property immediately before the taking. Any balance shall be paid to Grantor. In the event of a partial taking of the Property in which the fair market value of the Property immediately before the taking is less than the amount of the sums secured immediately before the taking, unless Grantor and Beneficiary otherwise agree in writing or unless applicable law otherwise provides, the proceeds shall be applied to the sums secured by this Deed of Trust whether or not the sums are then due.

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

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

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

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

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

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

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

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

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

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

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

17. GRANTOR'S RIGHT TO REINSTATE FOLLOWING ACCELERATION. If Grantor meets the conditions outlined in this paragraph, Grantor shall have the right to have enforcement by acceleration of this Deed of Trust discontinued at any time prior to the earlier of: (i) 10 days (or such other period as applicable law may specify for reinstatement) before sale of the Property pursuant to any power of sale contained in this Deed of Trust; or (ii) entry of a judgment enforcing this Deed of Trust. The conditions which Grantor must meet are that Grantor shall: pay Beneficiary all sums

which then would be due under this Deed of Trust and the Promissory Notes as if no acceleration had occurred; cure any default of any other covenants or agreements; pay all expenses incurred in enforcing this Deed of Trust, including, but not limited to, reasonable attorneys' fees, and; take such action as Beneficiary may reasonably require to assure that the lien of this Deed of Trust, Beneficiary's rights in the Property, and Grantor's obligation to pay the sums secured by this Deed of Trust continue unchanged. Upon reinstatement by Grantor, this Deed of Trust and the obligations secured hereby shall remain fully effective as if no acceleration had occurred. However, this right to reinstate shall not apply in the case of acceleration caused by Grantor's selling or transferring all or any part of the Property or any interest in it (or if a beneficial interest of Grantor is sold or transferred and Grantor is not a natural person) without Beneficiary's prior written consent.

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

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

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

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

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

20. ACCELERATION: REMEDIES. A. Beneficiary shall give notice to Grantor prior to acceleration, following Grantor's breach of any covenant or agreement noted in this Deed of Trust, the Loan Agreement, or the Covenant Agreement. The notice shall specify: (a) the nature of the default; (b) the action required to cure the default; (c) a date, not less than thirty (30) days from the date the notice is given to Grantor, by which the default must be cured; and (d) that failure to cure the default on or before the date specified in the notice may result in acceleration of the sums secured by this

Deed of Trust and sale of the Property at public auction to the highest bidder, in accordance with the Deed of Trust Act of the State of Washington (RCW 61.24 or as hereafter amended). The notice shall further inform Grantor of applicable rights to reinstate after acceleration, rights to bring a court action to assert the nonexistence of a default or any other defense Grantor wishes to assert prior to acceleration and sale, and of any other matters required by applicable law to be included in the notice. If the default is not cured on or before the date specified in the notice, Beneficiary, at its option, may require immediate payment in full of all sums secured by this Deed of Trust without further demand and may invoke the power of sale and any other remedies permitted under the Loan Agreement, the Covenant Agreement, the Promissory Notes, this Deed of Trust or by applicable law. Beneficiary shall be entitled to collect from Grantor all expenses incurred in pursuing the remedies provided in this Paragraph 20, including, but not limited to, attorneys' fees and costs of title evidence.

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

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

D. The power of sale conferred by this Deed of Trust and by the Deed of Trust Act of the State of Washington is not an exclusive remedy. Beneficiary may cause this Deed of Trust to be foreclosed as a mortgage.

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

22. SUBSTITUTE TRUSTEE. In the event of the death, incapacity, disability, or resignation of Trustee, or at Beneficiary's reasonable discretion, Beneficiary may appoint in writing a successor trustee, and upon the recording of such appointment in the mortgage records of the county in which this Deed of Trust is recorded, the successor trustee shall be vested with all powers of the original trustee. The trustee is not obligated to notify any party hereto of pending sale under any other Deed of Trust or of an action or proceeding in which Grantor, Trustee, or Beneficiary shall be a party unless such action or proceeding is brought by the Trustee.

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

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

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

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

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

BASALT ROCK, LLC

By: _____
Konstantin Y. Vasilenko, Member

Date: _____

By: _____
Tatyana A. Vasilenko, Member

Date: _____

STATE OF WASHINGTON)
) ss.
County of Spokane)

On this ____ day of _____, 2018, personally appeared before me **Konstantin Y. Vasilenko**, to me known to be a **Member** of **Basalt Rock, LLC**, a Washington limited liability company that executed the within and foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said person and the Grantor, for the uses and purposes therein mentioned, and on oath stated that he was authorized to execute the said instrument.

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

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

On this ____ day of _____, 2018, personally appeared before me **Tatyana A. Vasilenko**, to me known to be a **Member** of **Basalt Rock, LLC**, a Washington limited liability company that executed the within and foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said person and the Grantor, for the uses and purposes therein mentioned, and on oath stated that she was authorized to execute the said instrument.

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

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

By: David A. Condon, Mayor

ATTEST:

By: Terri L. Pfister, City Clerk

By: _____
Assistant City Attorney

STATE OF WASHINGTON)
) ss.
County of Spokane)

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

13

**REAL ESTATE PURCHASE AND SALE AGREEMENT
CITY AS SELLER**

This Agreement, is made and entered into by and between the CITY OF SPOKANE, a Washington State municipal corporation (the "City") and BASALT ROCK, LLC, a Washington limited liability company, whose address is 14 East Mission Avenue, Suite #3, Spokane, WA 99202, (the "Purchaser") jointly referred to as the "parties."

Whereas, this Agreement is part of a transaction further reflected in a HOME Program Loan Agreement, two Promissory Notes, a HOME Program Loan Covenant Agreement, and a Deed of Trust (collectively referred to as the "Related Documents"), all of which Related Documents relate to the property described in this Agreement.

Whereas, the Purchaser and City are desirous of entering into an agreement whereby the Purchaser will purchase property owned by the City.

NOW, THEREFORE, in consideration of the following terms, conditions and covenants and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. **SALE OF PROPERTY.** The City agrees to sell, convey, and transfer to the Purchaser, and the Purchaser agrees to purchase, acquire, and take from the City, the real property located in the City of Spokane, Spokane County, Washington, legally described as:

LOT 4 IN BLOCK 13 OF KAUFMAN'S ADDITION, SPOKANE FALLS, AS PER PLAT THEREOF RECORDED IN VOLUME "A" OF PLATS, PAGE 131;

IN THE CITY OF SPOKANE, SPOKANE COUNTY, WASHINGTON.

APN: 35211.1305

ADDRESS: 2418 E 1ST AVE, SPOKANE, WA 99202

and all hereditments, appurtenances, improvements, and buildings belonging or in any way appertaining (the "Property").

2. **PURCHASE PRICE.** As consideration for the City's transfer of the Property to Purchaser, Purchaser has agreed to provide affordable housing on the Property for a period of not less than thirty (30) years, pursuant to the terms and conditions set forth in the Related Documents.

3. **CONDITION OF PROPERTY.** Purchaser acknowledges that Seller makes no representations whatsoever regarding the physical condition of the property. Purchaser offers to purchase the Property in and "as is" condition, with all physical defects, including those that cannot be observed by casual inspection. Seller shall have no obligation to repair or remedy any physical defects of the Property.

Prior to closing, Purchaser may conduct a review with respect to the Property and satisfy itself with respect to the condition of and other matters related to the Property and its suitability for Purchaser's intended use (the "Feasibility Study"). The Feasibility Study may include all inspections and studies Purchaser deems necessary or desirable, in its sole discretion. Purchaser and Purchaser's agents, representatives, consultants, architects and engineers will have the right, from time to time, from and after the date of this Agreement to enter onto the Property and make borings, drive test piles, and conduct any other test and studies that may be necessary or desirable to ascertain the condition and suitability of the Property for Purchaser's intended use. Such tests and inspections are to be performed in a manner not disruptive to tenants or to the operation of the Property. Purchaser shall protect, defend and indemnify the City from and against any construction or other liens or encumbrances arising out of or in connection with its exercise of this right of entry and shall cause any such liens or encumbrances to be promptly released. If Purchaser does not purchase the Property, it shall return the Property to the condition in which it existed prior to Purchaser's feasibility study activities on the Property.

4. **CLOSING.** Closing shall occur simultaneous with the closing of the Related Documents.

5. **SELLER'S CLOSING DOCUMENTS.** At the closing, the City shall, at its expense, deliver the following to the Purchaser:

(A) a Quit Claim Deed (The "Deed"), duly executed and acknowledged in a recordable form, in substantial form and content as set forth in Exhibit "A" to this Agreement, conveying to the Purchaser title to the Property free and clear of all liens and encumbrances except those expressly agreed to by the Purchaser, on the condition that, if Purchaser fails comply with the Affordability Requirements set forth in that certain HOME PROGRAM LOAN COVENANT AGREEMENT, of even date herewith, wherein BASALT ROCK, LLC, is Grantor and the City of Spokane is Beneficiary, then the City may re-enter and repossess the Property.;

(B) a detailed statement, prepared by the escrow officer and/or the closing attorney, setting forth the appropriate adjustments and prorations to be made at the closing;

(C) all other documentation reasonably required by the Purchaser.

6. **EXPENSES.**

A. **Expenses of Seller.** The Seller shall pay:

- (i) real estate taxes prorated to the date of closing; and
- (ii) all assessments, liens, mortgages, deeds of trust or other encumbrances.

B. **Expenses of Purchaser.** The Purchaser shall pay:

- (i) all recording fees;
- (ii) its attorney fees;
- (iii) real estate taxes due after the closing date; and
- (iv) title insurance premiums.

7. **POSSESSION.** The City shall deliver possession of the Property to the Purchaser on the date of closing.

8. **TIME.** Time is of the essence of this Agreement.

9. **TITLE EXAMINATION.** Purchaser may elect to obtain a preliminary commitment for title insurance no later than fifteen (15) days from the date the Purchase Agreement is fully executed. Purchaser will have seven (7) days thereafter to review the condition of title and make any objections thereto in writing to Seller or it shall be deemed that Purchaser has accepted the condition of title. Should Purchaser so notify Seller of any objections to the status of title, Seller will have twenty (20) days after receipt of such objections to resolve the same or to indicate that it will not be in a position to resolve such title objections.

10. **COMMISSION.** Each party warrants and represents to the other that no real estate brokerage commission or fees of any kind or type are or will be payable by such other party as a result of the transaction herein provided for, or if any such commissions or fees are payable, the warranting party shall pay the same and hereby indemnifies such other party of, from and against any and all claims, for any real estate brokerage commission or fee which may arise as a result of any acts of the warranting party.

11. **ENVIRONMENTAL CONDITION.** As part of its process as a potential lender of federal HOME funds, the Seller will conduct, or has conducted, a review under the National Environmental Policy Act; a copy will be available to Purchaser upon its completion. Purchaser agrees that should it elect to remove any hazardous substance from the Property, it will do so with the assistance of a properly qualified removal or

abatement specialist pursuant to applicable federal, state and local laws and will further hold the Seller harmless from any and all loss, liability, cost, expenses, claims or suits including the obligation to defend the Seller should a claim be brought by any party against the Seller as a result of Purchaser's abatement activities.

12. **NOTICES.** Any notices required or permitted to be given shall be in writing and delivered either in person or by certified mail, return receipt requested, postage pre-paid, addressed as follows or such other address as may be designated by either party:

Seller: City of Spokane
Attn: Community, Housing, and Human Services Department
808 W. Spokane Falls Blvd.
Spokane, WA 99201

Copy to: City of Spokane
Office of the City Attorney
808 W. Spokane Falls Blvd.
Spokane, WA 99201

Purchaser: Basalt Rock, LLC
c/o Konstantin and Tatyana Vasilenko
14 E. Mission Ave, Suite #3
Spokane, Washington 99202

Any notice given pursuant to this Agreement, shall be deemed effective the day it is personally delivered or three (3) business days after the date it is deposited in the United States mails.

13. **ENTIRE AGREEMENT/MODIFICATION.** This written Agreement constitutes the entire and complete Agreement between the parties hereto and supersedes any prior oral or written agreements between the parties with respect to the Property. It is expressly agreed that there are no verbal understandings or agreements which in any way change the terms, covenants and conditions herein set forth. No modifications of this Agreement and waiver of any of its terms and conditions shall be effective unless in writing and duly executed by the parties hereto.

14. **BINDING EFFECT.** All covenants, agreements, warranties and provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, executors, administrators, personal representatives, successors and assigns.

15. **GOVERNMENTAL APPROVAL.** Purchaser acknowledges that this Agreement does not bind the City of Spokane until the City Administrator executes this Agreement following approval by the City Council.

16. **WAIVER OF SELLER DISCLOSURE STATEMENT.** Purchaser expressly waives Purchaser's right to receive from Seller a signed and dated Real Property Transfer Disclosure Statement as contemplated by RCW 64.06.020.

In witness whereof, the parties hereto have signed this Agreement this _____ day of _____, 2018.

CITY OF SPOKANE

By: _____
Name: _____
Title: _____

Attest: _____
Terri L. Pfister, City Clerk

Approved as to form:

Assistant City Attorney

STATE OF WASHINGTON:

:ss.
County of Spokane :

On this _____ day of _____, 2018, before me personally appeared _____ and Terri L. Pfister, to me known to be the _____ and the City Clerk, respectively, of the CITY OF SPOKANE, a municipal corporation, that executed the within and foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of the corporation, for the uses and purposes therein mentioned, and on oath stated that they were authorized to execute said instrument and that the seal affixed is the corporate seal of said corporation.

In witness whereof I have hereunto set my hand and affixed my official seal the day and year first above written.

Notary Public in and for the State
of Washington, residing at Spokane
My Appointment expires _____

**PURCHASER
BASALT ROCK, LLC**

By: _____
Konstantin Y. Vasilenko, Member

Date: _____

By: _____
Tatyana A. Vasilenko, Member

Date: _____

STATE OF WASHINGTON)
) ss.
County of Spokane)

On this _____ day of _____, 2018, personally appeared before me **Konstantin Y. Vasilenko**, to me known to be a **Member** of **Basalt Rock, LLC**, a Washington limited liability company, the person who executed the within and foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said person and the Grantor, for the uses and purposes therein mentioned, and on oath stated that he was authorized to execute the said instrument.

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

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

STATE OF WASHINGTON)
) ss.
County of Spokane)

On this _____ day of _____, 2018, personally appeared before me **Tatyana A. Vasilenko**, to me known to be a **Member of Basalt Rock, LLC**, a Washington limited liability company, the person who executed the within and foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said person and the Grantor, for the uses and purposes therein mentioned, and on oath stated that she was authorized to execute the said instrument.

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

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

Exhibit "A"

Form of Quit Claim Deed

WHEN RECORDED RETURN TO:

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

OPR 201_-_____

QUIT CLAIM DEED

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

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

DATED this ____ day of _____, 201_.

By: _____
David A. Condon, Mayor or
Theresa M. Sanders, City Administrator

Attest:

Approved as to form:

Terri L. Pfister, Clerk

Assistant City Attorney

STATE OF WASHINGTON)
) ss.
County of Spokane)

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

DATED: _____

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

NOTICE TO THE BUYER

THE FOLLOWING DISCLOSURES ARE MADE BY SELLER ABOUT THE CONDITION OF THE PROPERTY LOCATED AT **2418 E 1st, Spokane** ("THE PROPERTY"), OR AS LEGALLY DESCRIBED ON ATTACHED EXHIBIT A.

SELLER MAKES THE FOLLOWING DISCLOSURES OF EXISTING MATERIAL FACTS OR MATERIAL DEFECTS TO BUYER BASED ON SELLER'S ACTUAL KNOWLEDGE OF THE PROPERTY AT THE TIME SELLER COMPLETES THIS DISCLOSURE STATEMENT. UNLESS YOU AND SELLER OTHERWISE AGREE IN WRITING, YOU HAVE THREE BUSINESS DAYS FROM THE DAY SELLER OR SELLER'S AGENT DELIVERS THIS DISCLOSURE STATEMENT TO YOU TO RESCIND THE AGREEMENT BY DELIVERING A SEPARATELY SIGNED WRITTEN STATEMENT OF RESCISSION TO SELLER OR SELLER'S AGENT. IF THE SELLER DOES NOT GIVE YOU A COMPLETED DISCLOSURE STATEMENT, THEN YOU MAY WAIVE THE RIGHT TO RESCIND PRIOR TO OR AFTER THE TIME YOU ENTER INTO A SALE AGREEMENT.

THE FOLLOWING ARE DISCLOSURES MADE BY SELLER AND ARE NOT THE REPRESENTATIONS OF ANY REAL ESTATE LICENSEE OR OTHER PARTY. THIS INFORMATION IS FOR DISCLOSURE ONLY AND IS NOT INTENDED TO BE A PART OF ANY WRITTEN AGREEMENT BETWEEN BUYER AND SELLER.

FOR A MORE COMPREHENSIVE EXAMINATION OF THE SPECIFIC CONDITION OF THIS PROPERTY YOU ARE ADVISED TO OBTAIN AND PAY FOR THE SERVICES OF QUALIFIED EXPERTS TO INSPECT THE PROPERTY, WHICH MAY INCLUDE, WITHOUT LIMITATION, ARCHITECTS, ENGINEERS, LAND SURVEYORS, PLUMBERS, ELECTRICIANS, ROOFERS, BUILDING INSPECTORS, ON-SITE WASTEWATER TREATMENT INSPECTORS, OR STRUCTURAL PEST INSPECTORS. THE PROSPECTIVE BUYER AND SELLER MAY WISH TO OBTAIN PROFESSIONAL ADVICE OR INSPECTIONS OF THE PROPERTY OR TO PROVIDE APPROPRIATE PROVISIONS IN A CONTRACT BETWEEN THEM WITH RESPECT TO ANY ADVICE, INSPECTION, DEFECTS OR WARRANTIES.

Seller is not occupying the property.

7. ENVIRONMENTAL

- | | | | |
|------------------------------|--------------------------|-------------------------------------|--|
| <input type="checkbox"/> Yes | <input type="checkbox"/> | <input checked="" type="checkbox"/> | *A. Have there been any flooding, standing water, or drainage problems on the property that affect the property or access to the property? |
| | No | Don't know | |
| <input type="checkbox"/> Yes | <input type="checkbox"/> | <input checked="" type="checkbox"/> | *B. Does any part of the property contain fill dirt, waste, or other fill material? |
| | No | Don't know | |
| <input type="checkbox"/> Yes | <input type="checkbox"/> | <input checked="" type="checkbox"/> | *C. Is there any material damage to the property from fire, wind, floods, beach movements, earthquake, expansive soils, or landslides? |
| | No | Don't know | |
| <input type="checkbox"/> Yes | <input type="checkbox"/> | <input checked="" type="checkbox"/> | D. Are there any shorelines, wetlands, floodplains, or critical areas on the property? |
| | No | Don't know | |

- [] Yes [] No [☒] Don't know *E. Are there any substances, materials, or products in or on the property that may be environmental concerns, such as asbestos, formaldehyde, radon gas, lead-based paint, fuel or chemical storage tanks, or contaminated soil or water?
- [] Yes [] No [☒] Don't know *F. Has the property been used for commercial or industrial purposes?
- [] Yes [] No [☒] Don't know *G. Is there any soil or groundwater contamination?
- [] Yes [] No [☒] Don't know *H. Are there transmission poles or other electrical utility equipment installed, maintained, or buried on the property that do not provide utility service to the structures on the property?
- [] Yes [] No [☒] Don't know *I. Has the property been used as a legal or illegal dumping site?
- [] Yes [] No [☒] Don't know *J. Has the property been used as an illegal drug manufacturing site?
- [] Yes [] No [☒] Don't know *K. Are there any radio towers in the area that cause interference with cellular telephone reception?

8. MANUFACTURED AND MOBILE HOMES *N/A*

If the property includes a manufactured or mobile home,

- [] Yes [] No [] Don't know *A. Did you make any alterations to the home? If yes, please describe the alterations:
- [] Yes [] No [] Don't know *B. Did any previous owner make any alterations to the home?
- [] Yes [] No [] Don't know *C. If alterations were made, were permits or variances for these alterations obtained?

9. FULL DISCLOSURE BY SELLERS

A. Other conditions or defects:

- [] Yes [] No [☒] Don't know *Are there any other existing material defects affecting the property that a prospective buyer should know about?

B. Verification:

The foregoing answers and attached explanations (if any) are complete and correct to the best of my/our knowledge and I/we have received a copy hereof. I/we authorize all of my/our real estate licensees, if any, to deliver a copy of this disclosure statement to other real estate licensees and all prospective buyers of the property.

Completed By: Pam Tranman, Program Professional

[Signature] 3/24/2016

WHEN RECORDED RETURN TO:

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

OPR 2018-_____

QUIT CLAIM DEED

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

LOT 4 IN BLOCK 13 OF KAUFMAN'S ADDITION, SPOKANE FALLS, AS PER PLAT THEREOF RECORDED IN VOLUME "A" OF PLATS, PAGE 131;

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

APN: 35211.1305

ADDRESS: 2418 E 1st AVENUE, SPOKANE, WA 99202

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

DATED this ____ day of _____, 2018.

By: _____
Name: _____
Title: _____

Attest:

Approved as to form:

Terri L. Pfister, Clerk

Assistant City Attorney

STATE OF WASHINGTON)
) ss.
County of Spokane)

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

DATED: _____

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

Briefing Paper

Urban Experience Committee

Division & Department:	Neighborhood & Business Services Division Community, Housing, & Human Services Dept.
Subject:	Review of HOME-funded housing projects
Date:	February 12, 2018
Author (email & phone):	Melora Sharts (msharts@spokanecity.org , x6840)
City Council Sponsor:	
Executive Sponsor:	
Committee(s) Impacted:	Urban Experience
Type of Agenda item:	<input checked="" type="checkbox"/> Consent <input type="checkbox"/> Discussion <input type="checkbox"/> Strategic Initiative
Alignment: (link agenda item to guiding document – i.e., Master Plan, Budget, Comp Plan, Policy, Charter, Strategic Plan)	HUD Consolidated Plan
Strategic Initiative:	Urban Experience – available housing
Deadline:	
Outcome: (deliverables, delivery duties, milestones to meet)	If all new allocations move forward, 3 housing projects with 54 new units would be developed and one housing project with 43 existing units would be updated.
<p>Background/History: The City receives federal funds from the U. S. Department of Housing and Urban Development (HUD) through its HOME Investment Partnerships Program (HOME), which is administered by the CHHS Dept. Eligible uses include the construction, rehabilitation, and acquisition of rental properties, which are affordable to low-income tenants. Eligible recipients include for-profit and non-profit housing providers and housing authorities. Some funding is restricted to non-profits designated as Community Housing Development Organizations (CHDO).</p> <p>Following an RFP process and review by its Affordable Housing (AH) subcommittee, the CHHS Board recommends projects for allocation of HOME funds. The most recent allocations are listed in the attachment. As plans and funding sources solidify, loan documents will be brought to Council for approval.</p>	
<p>Executive Summary:</p> <ul style="list-style-type: none"> In October 2017, 3 projects involving new construction were recommended for funding by the AH Committee meeting and affirmed by the CHHS Board on 11/1/17. Two projects will be developed by Basalt Rock, LLC (owned by the Vasilenkos). The City-owned lots at 2418 E First Ave and 2413 E 7th Ave will be transferred to Basalt Rock, LLC and it will develop a 4-plex and a duplex. The six units will be 2- and 3-bedroom units and be affordable to households with incomes at or below 30% and 50% of area median income (AMI) for at least 20 years. (For a 4-person household, 30% of AMI is \$19,700 and 50% of AMI is \$32,850.) These projects should come before Council this Spring. Spokane Housing Ventures (SHV) will develop a 48-unit apartment complex with 24 2-bedroom units, 23 3-bedroom units, and a manager's unit. The 4 designated HOME units will be affordable to households \leq 30% AMI and others target households with incomes \leq 60% AMI. SHV applied for other funds, including low-income housing tax credits, bonds, and funds from the WA State Housing Trust Fund. Project timing project depends upon other funds. Information on these and other projects is in the attached table. 	

Budget Impact:

Approved in current year budget? ☒ Yes ☐ No

Annual/Reoccurring expenditure? ☐ Yes ☒ No

If new, specify funding source:

Other budget impacts: (revenue generating, match requirements, etc.) HOME match requirements have already been met.

Operations Impact:

Consistent with current operations/policy? ☒ Yes ☐ No

Requires change in current operations/policy? ☐ Yes ☒ No

Specify changes required:

Known challenges/barriers:

**HOME-FUNDED RENTAL PROJECTS
PROPOSED AND UNDERWAY**

Pending (allocations recommended by Community, Housing & Human Services Board for approval by Council)

Project name	Owner/Sponsor	Ownership type	City HOME funds	Total cost	Leverage 1 to X	Total no. of units	Unit type & approx sq. ft.	Cost/ unit	Cost/ sq. ft.	Tenant income level	AH Committee Allocation	CHHS Board approval
Resident Court 1203 W 5th (Downtown) Bus: 42 (.0 ft.)	Spokane Neighborhood Action Partners	Non-profit CHDO	\$250,000	\$250,000	0.0	43	25 stu/273-421 sf 11 1bd/480 sf 6 2bd/804-818 sf 1 2bd mngvr/818sf	\$5,814	\$9	ELI, VLI-50	n.a.	CHE 6/5/17
East First Ave Fourplex 2418 E 1st Ave (East Central) Bus: 90 (2 blocks)	Basalt Rock, LLC/Vasilenko	For-profit	\$245,000	\$294,313	0.2	4	2 2bd/1120 sf 2 3bd/1380 sf	\$73,578	\$59	ELI, VLI-50	10/31/17	11/1/17
East 7th Avenue Duplex 2413 E 7th Ave (East Central) Bus: 94 (.3 mi)	Basalt Rock, LLC/Vasilenko	For-profit	\$175,000	\$237,420	0.4	2	2 3bd/1380 sf	\$118,710	\$86	ELI, VLI-50	10/31/17	11/1/17
Jayne Auld Manor 2830 E Francis, 6205-11 N Regal (Hilgard) Bus: 27 (.5 mi)	J Auld Apts LLC/Spokane Housing Ventures	For-profit owner/Non-profit sponsor, LIHTC, bonds	\$320,000	\$10,040,250	30.4	48	2 bd/846 sf 3bd/1098-1231 sf	\$209,172	\$204	ELI, LI-60	10/31/17	11/1/17
	Total		\$990,000	\$10,821,983		97						

Previously Approved by City Council (Underway)

Project name	Owner/Sponsor	Ownership type	City HOME funds	Total cost	Leverage 1 to X	Total no. of units	Unit type/ approx sq. ft.	Cost/ unit	Cost/ sq. ft.	Tenant income level	Allocation date	Council approval
1 South Madelia 1 & 51 S Madelia (East Central) Buses: 90	1 South Madelia LLC/Community Frameworks	For-profit owner/Non-profit sponsor, LIHTC	\$300,000	\$9,064,665	29.2	36	6 1bd/552 sf 11 2bd/768-1028 18 3bd/1209-1219 1 2 bd mngvr	\$251,796	\$301	ELI, VLI-40, VLI-50, LI-60	10/13/15	2016-0487 6/20/16
Special Skills Duplex 2418 E 4th (East Central) Buses: 94 (blocks), 90 (5 blocks)	Inland Empire Residential Resources	Non-profit CHDO	\$280,000	\$281,500	0.0	2	1 2bd/1248 sf 1 3bd/1248 sf	\$140,750	\$113	ELI	5/3/16	2016-0488 6/20/16
1808 E 1st 1808 E First (East Central) Bus: 90	Basalt Rock, LLC/Vasilenko	For profit	\$180,000	\$320,215	0.8	4	3 2bd/1000 sf 1 3bd/1824 sf	\$80,054	\$66	ELI, VLI-50	5/3/16	2016-0821 11/7/16
Hifumi En Apartments 926 E 8th Ave (East Central) Bus: 45 (2 blocks)	Spokane Housing Authority	Public housing authority	\$330,000	\$422,419	0.3	41	11 HOME units 41 1bd/550sf	\$38,402	\$70	ELI, VLI-50	10/11/16	2017-0352 5/22/17
Transitions Permanent Supportive Housing N Hemlock (Audubon-Downriver) Buses: 33 (.2 mi), 23 (.3 mi)	Transitions LIHTC LLC/Transitional Programs for Women	For-profit owner/Non-profit sponsor, LIHTC	\$650,000	\$6,702,068	9.3	24	5 stu/416 sf 4 1bd/540 sf 12 2bd/650 sf 3 3bd/950 sf	\$279,253	\$376	ELI, VLI-50	10/13/15	2017-0492 7/24/17
	Total		\$1,740,000	\$16,790,867		107						

Income levels relate to Spokane area median income (AMI):

- Extremely low-income (ELI)
- Very low-income (VLI-45)
- Very low-income (VLI-50)
- Low-income (LI-60)
- Market (MKT)
- Household income at or below 30% AMI.
- Household income at or below 45% AMI.
- Household income at or below 50% AMI.
- Household income at or below 60% AMI.
- Unrestricted income.

**Agenda Sheet for City Council Meeting of:**

03/19/2018

Date Rec'd

10/24/2016

Clerk's File #

OPR 2018-0157

Renews #**Submitting Dept**

HOUSING & HUMAN SERVICES

Contact Name/Phone

M SHARTS X6840

Contact E-Mail

MSHARTS@SPOKANECITY.ORG

Agenda Item Type

Contract Item

Agenda Item Name

1680 BASALT ROCK, LLC - EAST 7TH AVE DUPLEX

Cross Ref #**Project #****Bid #****Requisition #**

CR 19124

Agenda Wording

Loan Agreement & other documents with Basalt Rock, LLC for the demolition of a house and construction of a duplex at 2413 East 7th Ave - \$175,000 HOME funds (East Central neighborhood)

Summary (Background)

The City receives HOME grants from HUD for rental housing projects affordable to low-income households. The loan agreement requires that one 3-bedroom unit benefit households with incomes at or below 50% of area median income (AMI) and one 3-bedroom unit benefit households at or below 30% AMI for at least 20 years. A \$37.5k loan will be repaid and a \$137.5k loan will be deferred 20 years and is potentially forgivable, if affordability extends another 10 years. The City is contributing the lot.

Fiscal Impact

Grant related?

Public Works? NO

Budget Account

Expense \$ 175,000 HOME # 1710 95846 51010 54201 99999

Select \$ #

Select \$ #

Select \$ #

Approvals**Dept Head**

KEENAN, KELLY

Division Director

KINDER, DAWN

Finance

HUGHES, MICHELLE

Legal

SZAMBELAN, TIM

For the Mayor

DUNIVANT, TIMOTHY

Council Notifications**Study Session**

UE 2/12/18

Other

CHHS Board 11/1/17

Distribution List

nbond, swilson, sstopher, sbrown, cbrown,

mdoval, kkeenana, msharts

23206115@gmail.com

Additional Approvals**Purchasing**



Continuation of Wording, Summary, Budget, and Distribution

Agenda Wording

Summary (Background)

unserviceable PPE and possible additional purchases in the event SFD requires a second recruit academy in the fall of 2018.

Fiscal Impact		<u>Budget Account</u>
Select	\$	#
Select	\$	#
<u>Distribution List</u>		

PROPOSED BUDGET

BASALT ROCK, LLC
EAST 7th AVENUE DUPLEX

Title/recording	790	Sponsor	62,420
Demolition	6,000		
Construction	197,915	City HOME deferred	137,500
Contingency	27,815	City HOME amortizing	37,500
Plans/specs	300		
Permits	3,600		
Builder's risk insurance	1,000		
TOTAL	\$237,420	TOTAL	\$237,420

The project includes the demolition of an existing house and construction of a duplex with 2 three-bedroom units. The new units will have luxury vinyl tile (LVT) or carpeting on floors, granite counter tops, LED lighting, in-floor heat and a split system heater/air conditioner, asphalt shingles, concrete back porch, laundry room, garage, vinyl windows, and energy-efficient water heater and appliances. The units are expected to have about 1,380 sf.

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

Budget does not include land, which is being donated by the City. Its 2018 assessed value is \$88,000. The existing house is vacant and will be demolished.

DRAFT
OPR #2018-_____

**CITY OF SPOKANE
BASALT ROCK, LLC**

EAST 7TH AVENUE DUPLEX

HOME PROGRAM LOAN AGREEMENT

This HOME Program Loan Agreement (the "Loan Agreement") is made effective this ____ day of _____ 2018 ("Effective Date"), by and between the City of Spokane, Washington, a Washington municipal corporation (the "City"), whose address is **City of Spokane**, c/o Community, Housing, and Human Services Department (the "Department"), 808 W. Spokane Falls Blvd., Room 650, Spokane, WA 99201, and **Basalt Rock, LLC**, a Washington limited liability company (the "Borrower"), whose address is 14 East Mission Avenue, #3, Spokane, WA 99202. Borrower and City are together referenced as the "Parties". This Loan Agreement is part of a transaction further reflected in two Promissory Notes ("Note 1" and "Note 2", or, collectively, the "Notes") and a HOME Program Loan Covenant Agreement ("Covenant Agreement"). The City's disbursements under the Loan Agreement are further secured by a Deed of Trust of even date herewith ("Deed of Trust"). The terms of said documents are incorporated herein as if fully set forth herein, and together shall be referenced as the "Related Documents." The capitalized terms in said documents shall have the same meaning in this Loan Agreement unless the context clearly suggests otherwise. In the event of conflict in the terms of any of these documents, the terms most favorable to the City shall apply.

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

I. PURPOSE

- A. The purpose of this Loan Agreement is to expand the supply of decent, safe, sanitary, and affordable housing for very low-income and extremely low-income households pursuant to the HOME Investment Partnerships Program (24 CFR part 92 et seq., CFDA #14.239) ("HOME").
- B. To accomplish the purpose of this Loan Agreement, the City shall provide a portion of the financing for the Borrower's East 7th Avenue Duplex project, which includes the demolition of a house and construction of 2 units at 2413 East 7th Avenue in Spokane, WA (the "Project"). The legal description of the Project is:

LOT 10, BLOCK 4, MAP OF ALTAMONT, AS PER PLAT RECORDED IN
VOLUME "A" OF PLATS, PAGE(S) 172 AND 173;

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

Assessor's Parcel Number: 35214.0410

Property Address: 2413 East 7th Avenue, Spokane, WA 99202

The Project includes two (2) HOME-assisted, three-bedroom units. Borrower shall provide the City with the address (e.g., street address and apartment number) of each HOME-assisted unit no later than the time of initial occupancy.

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

II. DURATION OF THE LOAN AGREEMENT

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

III. AMOUNT OF LOAN

The City shall loan the Borrower a sum not to exceed **ONE HUNDRED SEVENTY-FIVE THOUSAND AND NO/100 DOLLARS (\$175,000.00)** from HOME funds, to be disbursed as provided herein, subject to the terms and conditions of this Loan Agreement and Related Documents.

IV. PRICING

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

V. SECURITY/SUPPORT

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

VI. FUNDING DISBURSEMENTS

- A. The timing and disbursement of HOME funds shall be determined by the City in its sole discretion, consistent with the provisions of this Loan Agreement. Without limiting the foregoing, funding disbursements are subject to the following conditions:
 - 1. City HOME funds shall be disbursed only after completion of all requirements imposed by the United States Department of Housing and Urban Development ("HUD"), as determined by the City in its sole discretion, and upon completion of an environmental review by the City.
 - 2. All funds lent under this Agreement must be utilized by May 31, 2019.
 - 3. Borrower may not request disbursement of funds until needed for payment of eligible project costs, as defined by 24 CFR §92.206 and as further defined in the Program Description of the City's Multifamily Housing Program, and the amount of each request must be limited to the amount needed. Architectural, engineering, or related professional services required to prepare plans, drawings, specifications, or work write-ups may be reimbursed if they were incurred not more than 24 months before the date of this Loan Agreement. In case of a dispute between the Parties regarding when the funds shall be disbursed, the determination of the Director of the Department of Community, Housing, and Human Services of the City of Spokane ("Director") shall govern.
- B. Notwithstanding any other provision of this Loan Agreement, except as approved by the City, prior to the drawdown or disbursement of any City HOME funds hereunder, the Borrower shall provide documentation, in a form reasonably acceptable to the City, that the following actions have been taken to the City's satisfaction:
 - 1. Recording of the Covenant Agreement and Deed of Trust.

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

VII. INCOME DETERMINATIONS

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

VIII. AFFORDABILITY REQUIREMENTS

- A. HOME Affordability Period. The HOME Affordability Period, established pursuant to 24 CFR §92.252, is twenty (20) years, beginning after Project Completion, as determined by the Director. "Project Completion" means that all necessary title transfer requirements and construction work have been performed; the Project complies with the requirements of 24 CFR §92, including the property standards under 24 CFR §92.251; the final drawdown of HOME funds has been disbursed for the Project; and the project completion information has been entered in the disbursement and information system established by HUD, except that with respect to rental housing project completion, for the purposes of §92.502(d), project completion occurs upon completion of construction and before occupancy. Repayment of the loan during the HOME Affordability Period will not extinguish the requirements of the Related Documents.
- B. City Affordability Period. The City Affordability Period is thirty (30) years, beginning after Project Completion, as determined by the Director. The HOME Affordability Period and City Affordability Period shall run concurrently. Collectively, the two periods are hereinafter referred to as the "Affordability Period." Upon expiration of the HOME Affordability Period, the City Affordability Period shall continue, but HUD will no longer monitor compliance with Affordability Requirements, unless the City Affordability Period is coterminous with the HOME Affordability Period. The requirements of the Affordability Period and other conditions of the Related Documents shall apply, as long as there are funds owing under the Notes.
- C. Rent Limit. During the Affordability Period, rents on one (1) of the HOME-assisted units shall not exceed thirty percent (30%) of the adjusted income of a family whose annual income equals fifty percent (50%) of Spokane area median income ("AMI"), as defined by HUD and adjusted for family size, unit size by number of bedrooms, tenant-paid utilities and tenant-supplied appliances. In addition, rents on one (1) of the HOME-assisted units shall not exceed thirty percent (30%) of the adjusted income of a family whose annual income equals thirty percent (30%) of AMI, as defined by HUD and adjusted for family size, unit size by number of bedrooms, tenant-paid utilities and tenant-supplied appliances. Both units will have three bedrooms.

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

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

The adjustment for tenant-paid utilities and tenant-supplied appliances is subject to 24 CFR §92.252. HUD requirements include that the adjustment for tenant-paid utilities and tenant-supplied appliances be based on the HUD Utility Schedule Model, twelve (12) months of documented actual utility costs as acceptable to the City's Community, Housing, & Human Services Department, or other methods as determined by HUD. Currently, the HUD Utility Schedule Model can be found at: <http://huduser.org/portal/resources/utimodel.html>.

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

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

- D. LIHTC Rent Clause. For tenants of low-income tax credit assisted units (if low-income housing tax credits are awarded to the Project or portions of the Project), any increases in rent associated with tenant income shall be governed solely by section 42 of the Internal Revenue Code of 1986, as amended from time to time.
- E. Upon completion of the HOME Affordability Period, if the maximum rent and income limits are exceeded, the loan will be subject to repayment at the higher interest rate as provided for in Paragraph 2 of the Promissory Notes.
- F. Income Limit. At initial occupancy, tenants of one (1) HOME-assisted unit shall have an income not greater than fifty percent (50%) of AMI. In addition, tenants of one (1) HOME-assisted unit shall have incomes not greater than thirty percent (30%) of AMI at initial occupancy. If any of these tenants' incomes increases to a level exceeding fifty percent (50%) of AMI, then the next available HOME-assisted unit shall be made available to families at or below thirty percent (30%) of AMI. If the income of a tenant of a HOME-assisted unit increases and exceeds eighty percent (80%) of AMI, then the tenant's rent shall increase to the lesser of thirty percent (30%) of the tenant's adjusted monthly income or Fair Market Rent, subject to paragraph VIII.D hereof.
- G. Income Certifications. All tenants' incomes shall be recertified annually by the Borrower. Any applicable rent increases will be effective upon the next lease renewal, and are subject to thirty (30) days' written notice.
- H. Additional Affordability Requirements. The Project must comply with the affordable housing requirements of 24 CFR §92.252.

- I. Relocation. Tenants in occupancy prior to the Project are subject to the provisions of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 as amended (“URA”), 42 USC 4601 et seq. and the regulations promulgated thereunder. All relocation payments and expenses shall be borne by the Borrower.
- J. Protection of Affordability Requirements – City Purchase Option. The Affordability Requirements may terminate upon foreclosure or transfer in lieu of foreclosure at the sole election of the Director. In the event of a pending or threatened foreclosure, once applicable notice and cure periods have expired, the City is hereby granted an option and a right of first refusal to purchase the Project before foreclosure or deed in lieu of foreclosure to preserve affordability. The City may exercise its right to purchase the Project in any reasonable manner following the City’s receipt of written notice of pending or threatened foreclosure proceedings and/or a possible deed in lieu of foreclosure, which notice Borrower hereby agrees to provide to City. The purchase price shall be the assessed value of the Project at the time of the City’s exercise of its purchase rights, less any financial obligations assumed by the City at the time of the City’s acquisition of the Project. The City further reserves the right to revive any affordability restrictions according to the original terms of this Loan Agreement if, during the HOME Affordability Period (as defined herein), the owner of record before the foreclosure, or deed in lieu of foreclosure, or any entity that includes the former owner or those with whom the former owner has or had family or business ties, obtains an ownership interest in the Project or property.

IX. INSURANCE

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

X. PROPERTY STANDARDS

- A. All HOME-assisted housing under this Loan Agreement shall meet the requirements of 24 CFR §92.251, which includes all applicable Federal, State and local code requirements and housing quality standards, rehabilitation standards, ordinances and zoning ordinances at the time of Project completion and for the duration of the Affordability Period. Where relevant, the housing must be constructed to mitigate the impact of potential disasters (e.g., earthquakes, hurricanes, flooding, and wildfires), in accordance with applicable State and local codes, ordinances, or other State and local requirements, or such other requirements as HUD may establish.

- B. Any accessible HOME-assisted housing units under this Loan Agreement shall, for the duration of the Affordability Period, meet the accessibility requirements of 24 CFR part 8, which implements Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794), and Titles II and III of the Americans with Disabilities Act (42 U.S.C. 12131-12189) implemented at 28 CFR parts 35 and 36, as applicable. Covered multifamily dwellings, as defined at 24 CFR 100.201, must also meet the design and construction requirements at 24 CFR 100.205, which implements the Fair Housing Act (42 U.S.C. 3601-3619). The foregoing shall not be interpreted as limiting Borrower's obligation to comply with accessibility requirements applicable to the Project as whole.
- C. The Borrower shall comply with the provisions of 24 CFR §92.251.

XI. ADDITIONAL MISCELLANEOUS COVENANTS

Borrower shall:

- A. Comply with the Affordability Requirements described in this Loan Agreement and Related Documents.
- B. Maintain all required insurance, including without limitation the insurance required by the Deed of Trust.
- C. Maintain Project financial reports, Project financial records, and provide all other information and documentation that the City may reasonably request.
- D. Make prompt payment of all taxes and financial liabilities.
- E. Not hypothecate or encumber Project assets in any way, except to the extent provided for under this Loan Agreement or as approved of by the Director in writing. The Director may withhold such approval at his/her reasonable discretion.
- F. Promptly provide (i) rent and tenant income information at initial tenant occupancy and (ii) rent, occupancy, and tenant income information annually throughout the term of this Loan Agreement, in accordance with this Loan Agreement, or as otherwise requested by the City. If the Project has floating HOME units, the Borrower must provide the City with information regarding the unit substitution and filling vacancies so that the Project remains in compliance with HOME rental occupancy requirements.
- G. Promptly provide, upon request by the City, such documentation as is necessary (including financial statements) to enable the City to determine the financial condition and continued financial viability of the Project.
- H. During the Affordability Period, prohibit occupancy of any HOME-assisted unit by Borrower (or officer, employee, agent, elected or appointed official, or consultant of the Borrower, or immediate family member or immediate family member of an officer, employee, agent, elected or appointed official, or

consultant of Borrower) whether private, for-profit or nonprofit, (including a community housing development organization ("CHDO") when acting as an owner, developer or sponsor).

- I. Comply with all applicable federal, state, and local regulations and requirements, including, but not limited to Uniform Administrative Requirements, Federal Labor Standards, Davis-Bacon and Related Acts, Uniform Relocation Act requirements applicable as of the date of the execution of this Loan Agreement, and the provisions of the Lead-Based Paint Poisoning Prevention Act. The City's costs to administer Davis-Bacon Federal Labor Standards, and Related Acts shall be borne by the Borrower. When Washington State prevailing wages apply, the Borrower shall comply with all State requirements under RCW 39.12 to the satisfaction of the State of Washington. When applicable, the higher of Washington State prevailing wages or Davis-Bacon wages shall apply.
- J. Comply with all HOME program project requirements pursuant to 24 CFR part 92 et seq.
- K. Maintain housing in compliance with the property standards of 24 CFR §92.251 and local code requirements throughout the term of this Loan Agreement.
- L. Upon Project completion, the Project shall obtain a final Certificate of Occupancy for new units, meet all licensing requirements needed to operate the facility as proposed by Borrower in its various funding applications, and meet the property standards of 24 CFR §92.251, minimum rehabilitation standards, and all applicable federal, state and local codes and ordinances. New construction projects must also meet HUD, state, and local requirements relating to accessibility and disaster mitigation.
- M. Cause each of the two (2) HOME-assisted units to be occupied by income-eligible households within eighteen (18) months after the Project is completed. If any HOME-assisted units are not occupied by eligible tenants within 6 months following the date of Project Completion, Borrower shall submit to the City current marketing information and, if the City requests it, an enhanced marketing plan for leasing the unoccupied units as quickly as possible, which information the City will provide to HUD as required by 24 CFR §92.252. If any HOME-assisted unit has not been rented to eligible tenants within eighteen (18) months after the date of Project Completion, Borrower shall repay the City \$87,500.00/unit for each such unit within thirty (30) days of the City's written request for repayment. This reflects the proportionate per unit share of HOME funds, i.e., \$175,000.00 HOME dollars/2 HOME units.

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

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

XII. PROJECT TIMETABLE

- A. The Borrower agrees to complete work required in accordance with the timetable set forth in Attachment 3. Timely completion of the work is an integral and essential part of performance. The expenditure of HOME funds is subject to Federal deadlines and failure to meet deadlines could result in the loss of the Federal funds. By the acceptance and execution of this Loan Agreement, the Borrower agrees that the Project will be completed as expeditiously as possible and make every effort to ensure the project will proceed and will not be delayed. Failure to meet these deadlines can result in cancellation of this contract and revocation of HOME funds. Since it is mutually agreed that time is of the essence, the Borrower shall cause appropriate provisions to be included in all contracts or subcontracts relative to the work tasks in Attachment 3. It is intended that such provisions included in any subcontracts be, to the fullest extent permitted by law and equity, binding for the benefit of the City and enforceable by the City against the Borrower and its successors and assigns to the project or any part thereof or any interest therein.
- B. In the event the Borrower is unable to meet the above schedule or complete the above services due to delays resulting from Acts of God, untimely review and approval by the City and other governmental authorities having jurisdiction over the Project, or other delays that are not caused by the Borrower, the City shall grant a reasonable extension of time for completion of the work. It shall be the responsibility of the Borrower to notify the City promptly in writing whenever a delay is anticipated or experienced, and to inform the City of all facts and delays related to the delay.

XIII. DEFAULT

- A. The following shall be considered "Events of Default" for purposes of this Loan Agreement:
1. Failure of Borrower to make any principal and interest payment within fifteen (15) days after such payment is due.
 2. Failure to perform, observe or comply with the Affordability Requirements, Income Determinations, or any other provisions, related covenants, terms, conditions or restrictions of this Loan Agreement or any agreement relating to the Project (i.e., the occurrence of an event of default under other indebtedness secured by the Project property) or any part thereof, and failure to fully cure the same within the period of time, if any, permitted for cure and, if no period for cure is otherwise provided for, within sixty (60) days of written notice from the City of such failure, requesting the same to be remedied; provided, after a second non-compliance of any provision in a five- (5-) year period, only fourteen (14) days written notice is needed.

3. Failure to perform required maintenance or performance of any act by Borrower which would, in the City's reasonable opinion, adversely affect the value of the Project.
4. Sale, transfer, lease, or other conveyance of the Project or any portion thereof, including assumptions and subordinations, without obtaining the prior written consent of the Director. Except as otherwise permitted under this Loan Agreement, the sale, transfer, lease, or other conveyance of the Project or any portion thereof, including assumptions and subordinations, without obtaining the prior written consent of the Director.
5. Filing a voluntary or involuntary petition not dismissed within ninety (90) days after filing under the United States Bankruptcy Code by or against the Borrower.
6. Any representation, warranty, or disclosure made to the City or any other Project lender which proves to be materially false or misleading as of the date made, whether or not such representation, warranty, or disclosure appears in this Loan Agreement.
7. Failure to maintain and keep in force adequate amounts of insurance as is usual in the business carried on by the Borrower, or as required herein.
8. Without limiting any of the foregoing, Borrower's failure to comply with the minimum wage requirements set forth in Section XVIII of this Loan Agreement.

XIV. REMEDIES

- A. Upon the occurrence of an event of default not timely cured after notice, the City may, in addition to any other remedies which the City may have hereunder or under this Loan Agreement or by law or equity, at its option and upon written notice to the Borrower, take any or all of the following actions:
 1. Immediately terminate any further advance of loan funds.
 2. Declare the debt incurred hereunder and under the Related Documents immediately due and payable and commence collection proceedings against the Borrower.
 3. Seek judicial appointment of a receiver.
 4. Foreclose under the security documents or instruments, judicially or non-judicially.
 5. File suit against the Borrower.

6. Seek specific performance or injunctive relief to enforce performance of the undertakings, duties, and agreements provided in this Loan Agreement or any related security document or instrument, whether or not a remedy at law exists or is adequate.
- B. All remedies of the City provided for herein are cumulative and shall be in addition to all other rights and remedies provided by law or in equity or by this Loan Agreement. The exercise of any right or remedy by the City shall not in any way constitute a cure or waiver of default under this Loan Agreement or any other related Project agreement, or invalidate any act done pursuant to any notice of default, or prejudice the City in the exercise of any of its rights unless, in the exercise of such rights, the City realizes all amounts owed to it by the Borrower.
 - C. A failure to declare or a delay in declaring a default shall not constitute a waiver of any rights or remedies or excuse any failure by the Borrower to strictly comply with its obligations under this Loan Agreement or any other related Project agreement or document.

XV. REPAYMENT

- A. Payments of principal and interest for Note 1 shall be deferred for 12 months and payment of principal and interest for Note 2 shall be deferred during the HOME Affordability Period, so long as Borrower and the Project are in compliance with the Affordability Requirements per the terms of the Loan Agreement and Covenant Agreement together with all other provisions of the Notes and Related Documents.
- B. Following the HOME Affordability Period, and during the remaining City Affordability Period, the amounts due under Note 2 may be eligible for debt forgiveness. In exchange for complying with the Affordability Requirements during that period of the City Affordability that extends beyond the HOME Affordability Period (the "Forgiveness Period"), the principal and interest of Note 2 may be forgiven for each year of the Forgiveness Period, until it is fully forgiven or paid at the end of the Affordability Period. If, at the end of each year during Forgiveness Period, the Borrower has complied, for that year, with the Affordability Requirements of this Loan Agreement and the Covenant Agreement and is in compliance with all other provisions of this Loan Agreement and Related Documents, then the loan payments for Note 2 shall be forgiven for that year; provided, no payments shall be forgiven for affordability periods of less than one (1) year. The amount of the annual loan forgiveness shall be the sum of twelve monthly payments; the monthly payments will be in an amount sufficient to amortize the principal and interest over the remaining term of the Affordability Period. During the Affordability Period, Borrower shall notify the City in writing if, for any reason, the Project will not comply with the Affordability Requirements, at which time any and all outstanding balance would become immediately due and payable in full.

- C. If Borrower elects not to comply with the Affordability Requirements beyond the end of the HOME Affordability Period, repayment of principal and interest under Note 2 shall be made monthly in an amount sufficient to amortize the loan over the remaining term of the Affordability Period.
- D. Repayment of Note 1 or Note 2 during the HOME Affordability Period described in Paragraph VIII.A of this Loan Agreement shall not extinguish the Affordability Requirements.
- E. Payment of principal, interest, and fees relating to the Notes shall be made in lawful money of the United States of America in immediately available funds to the City of Spokane, at the Community, Housing and Human Services Department, 808 W. Spokane Falls Blvd., Room 650, Spokane, WA 99201, or at such other place as the City may designate to Borrower in writing.

XVI. NONDISCRIMINATION/RENT SUBSIDY

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

XVII. FAITH-BASED ACTIVITIES AND ORGANIZATIONS

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

religious instruction, or proselytization, or any manner prohibited by law. Borrower may use space in their facilities to provide program-funded services, without removing or altering religious art, icons, scriptures, or other religious symbols. In addition, Borrower retains its authority over its internal governance, and it may retain religious terms in its organization's name, select its board members on a religious basis, and include religious references in its organization's mission statements and other governing documents.

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

XVIII. COMPLIANCE WITH LAWS

- A. The Borrower shall comply with all HOME Program requirements as outlined in 24 CFR part 92 et seq., as may be amended from time to time.
- B. The Borrower shall comply with Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d-2000d-4), the Fair Housing Act (42 U.S.C. 3601 et seq.), E.O. 11063 (3 CFR, 1959-1963 Comp., p. 652), Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) and HUD regulations issued pursuant thereto.
- C. The Borrower shall comply with the nondiscrimination and equal opportunity, disclosure requirements, debarred, suspended or ineligible contractors, and drug-free workplace, per 24 CFR §92.350.
- D. The Borrower shall comply with the affirmative marketing and minority outreach program of 24 CFR §92.351, and shall further comply with the tenant selection requirements set forth in 24 CFR 92.253(d).
- E. The Borrower shall comply with the National Environmental Policy Act of 1969, as outlined in 24 CFR 92.352 and Borrower agrees to implement City-identified

conditions on safeguards to protect and enhance environmental quality or minimize adverse environmental impacts.

F. Minimum Wages.

1. Federal Labor Standards/Davis-Bacon Act [___] Applicable [XX] Not Applicable. If the "Applicable" box is checked, the following provisions apply:
 - a. The Borrower shall pay prevailing wages, as predetermined by the Secretary of Labor pursuant to the Davis-Bacon Act (40 U.S.C. 276a-276a-5), to all laborers and mechanics employed in the development of the Project; provided, in the event the Project is subject to state minimum wage requirements, and if the state minimum wage rate exceeds the Department of Labor rate, the conflict will be resolved by applying the higher rate
 - b. All contracts relating to the Project shall contain a provision requiring the payment of such wages, as predetermined by the Secretary of Labor under the Davis-Bacon Act, 40 USC 276(a) under wage decision [DECISION #], modification [MODIFICATION #], dated _____.
 - c. The Borrower shall pay overtime, as applicable, pursuant to the Contract Work Hours and Safety Standards Act (40 U.S.C. 327-332).
 - d. The Borrower shall comply with all regulations issued under the Davis-Bacon Act and the Contract Work Hours and Safety Standards Act, all Federal laws and regulations pertaining to labor standards, Federal Labor Standards, HUD Handbook 1344.1 (Federal Labor Standards Compliance in Housing and Community Development Programs), and 24 CFR §92.354, as applicable.
 - e. The Borrower shall provide contracts with the prime contractor and major subcontractors as soon as these contracts are available and the contracts shall evidence compliance with Federal Labor Standards.
 - f. These prevailing wage requirements do not apply to volunteers or sweat equity pursuant to 24 CFR §92.354(a) and (b).
 - g. Borrower shall reimburse the City for all costs incurred by the City in administering Borrower's compliance with applicable Davis-Bacon, Federal Labor Standards, and Related Acts.
2. Labor Standards. If applicable, the Federal Labor Standards Provisions (HUD 4010) are attached as Attachment n.a.
3. State Minimum Wage. When Washington State prevailing wages apply, the Borrower shall comply with all State requirements under RCW 39.12 to the satisfaction of the State of Washington. When applicable, the higher of Washington State prevailing wages or Davis-Bacon wages shall apply. When Washington State prevailing wages apply, the contractor and all subcontractors will submit a "Statement of Intent to Pay Prevailing Wages" certified by the industrial statistician of the State Department of Labor and Industries, prior to any payments. The "Statement of Intent to Pay Prevailing Wages" shall include: (1) the contractor's registration number;

and (2) the prevailing rate of wage for each classification of workers entitled to prevailing wages under RCW 39.12.020 and the number of workers in each classification. Each voucher claim submitted by the contractor for payment on a project estimate shall state that the prevailing wages have been paid in accordance with the "Statement(s) of Intent to Pay Prevailing Wages" on file with the City. Prior to the payment of funds held under chapter 60.28 RCW, the contractor and subcontractors must submit an "Affidavit of Wages Paid" certified by the industrial statistician.

- G. Conflict of Interest. The Borrower shall comply with the conflict of interest provisions prescribed in 24 CFR §92.356(f). During the Affordability Period, Borrower shall prohibit occupancy of any HOME-assisted unit by Borrower (or officer, employee, agent, elected or appointed official, or consultant of the Borrower, or immediate family member or immediate family member of an officer, employee, agent, elected or appointed official, or consultant of the Borrower), whether private, for-profit or nonprofit (including a community housing development organization (CHDO) when acting as an owner, developer, or sponsor).
- H. The Borrower shall comply with the equal employment opportunities for low- and very low-income persons pursuant to 24 CFR part 135.
- I. The Borrower shall comply with the Fair Housing Act as implemented by 24 CFR parts 100-115, as applicable.

XIX. TENANT AND PARTICIPANT PROTECTIONS

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

4. Agreement by the tenant that the Borrower may institute a lawsuit against a tenant or affecting a tenant's interests without notice to tenant.
 5. Agreement by the tenant that the Borrower may evict the tenant or household members without instituting a civil court proceeding in which the tenant has the opportunity to present a defense, or before a court decision on the rights of the Borrower and tenant.
 6. Agreement by the tenant to waive any right to a trial by jury.
 7. Agreement by the tenant to waive the tenant's right to appeal, or otherwise challenge in court, a court decision in connection with the lease; and,
 8. Agreement by the tenant to pay attorney's fees or other legal costs even if the tenant wins in a court proceeding by the Borrower against the tenant. The tenant, however, may be obligated to pay costs if the tenant loses.
 9. Agreement by the tenant (other than a tenant in transitional housing) to accept supportive services that are offered.
- C. Borrower may not terminate the tenancy or refuse to renew the lease of a tenant occupying a HOME-assisted unit except for serious or repeated violation of the terms and conditions of the lease; for violation of applicable Federal, State, or local law; for completion of the tenancy period for transitional housing or failure to follow any required transitional housing supportive services plan; or for other good cause. Good cause does not include an increase in the tenant's income or refusal of the tenant to purchase the housing. To terminate or refuse to renew tenancy, Borrower must serve written notice upon the tenant specifying the grounds for the action at least thirty (30) days before the termination of tenancy.
- D. Borrower shall adopt and follow written tenant selection policies and criteria that:
1. Limit the HOME-assisted units to very low-income and low-income families;
 2. Are reasonably related to the applicants' ability to perform the obligations of the lease (i.e., to pay the rent, not to damage the housing, not to interfere with the rights and quiet enjoyment of other tenants);
 3. Limit eligibility or give a preference to a particular segment of the population if otherwise permitted in this Loan Agreement (and only if the limitation or preference is described in the City's consolidated plan).
- E. Borrower shall select tenants from a written waiting list in the chronological order of their application, insofar as is practicable, and give prompt written notification to any rejected applicant of the grounds for any rejection.

- F. Borrower shall not charge fees that are not customarily charged in rental housing (e.g., laundry room access fees), except that Borrower may charge: (i) reasonable application fees to prospective tenants; (ii) parking fees to tenants only if such fees are customary for rental projects in the neighborhood; and (iii) fees for services such as bus transportation or meals, as long as such services are voluntary and fees are charged for services provided.

XX. TENANT PARTICIPATION PLAN

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

XXI. UNIFORM ADMINISTRATIVE REQUIREMENTS/PROJECT REQUIREMENTS

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

XXII. TRANSFER/ASSIGNMENT

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

XXIII. HAZARDOUS SUBSTANCES/REPRESENTATIONS AND WARRANTIES

- A. The Borrower shall not cause or permit the presence, use, disposal, storage, or release of any "Hazardous Substances" (as defined below) on or in the Property. The Borrower shall not perform any act, nor allow, cause or permit the performance of any act, affecting the Property when such act constitutes a violation of any federal, state or local Environmental Law, ordinance or rule. As used in this provision, "Environmental Law" means federal laws, state laws and local codes, laws, and/or ordinances of the jurisdiction where the Property is located that relate to health, safety, or environmental protection.
- B. The Borrower shall promptly give the City written notice of any investigation, claim, demand, lawsuit, or other action by any governmental or regulatory agency or private party involving the Property, and any hazardous substance or Environmental Law of which the Borrower has actual knowledge. If the Borrower learns, or is notified by any governmental or regulatory authority, that any removal or other remediation of any hazardous substance affecting the Property is necessary, the Borrower shall promptly take all necessary remedial actions in accordance with Environmental Law and shall bear all costs and expenses thereof.
- C. The Borrower hereby represents and warrants that, to the best of the Borrower's knowledge and belief, and after reasonable investigation and inquiry, the Project has never been and is not being used to make, store, handle, treat, dispose of, generate, or transport Hazardous Substances in violation of any applicable law, which Hazardous Substances have not been or will not be abated according to all applicable law and regulations related thereto prior to tenant occupancy of the rehabilitated project. To the best of Borrower's knowledge and belief, and after reasonable investigation and inquiry, there has not been a release of Hazardous Substances on, from, or near the Project, which release has not been or will not be abated to levels acceptable under all applicable law and regulations related thereto prior to tenant occupancy of the rehabilitated project. The Borrower has never received any notification, citation, complaint, violation, or notice of any kind from any person relating or pertaining to the making, storing, handling, treating, disposing, generating, transporting, or release of Hazardous Substances, for which there has not been or will not be abatement to levels acceptable under all applicable law and regulations related thereto prior to tenant occupancy. Borrower represents and warrants that any asbestos and lead-based paint found within the Project will be abated to levels acceptable under applicable law prior to tenant occupancy of the rehabilitated project. "Hazardous Substances" means (i) any "hazardous waste" as defined by the Resource Conservation and Recovery Act of 1976 (42 U.S.C. § 6901, et seq.), as amended from time to time, and regulations promulgated thereunder; (ii) any "hazardous substance" as defined by the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (42 U.S.C. § 9601, et seq.), as amended from time to time, and regulations promulgated thereunder; (iii) "oil, petroleum products and their by-products" as defined under Washington law as amended from time to time, and regulations promulgated thereunder; (iv) any "hazardous substance" as defined under

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

XXIV. DEBARMENT AND SUSPENSION

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

XXV. ANTI-LOBBYING

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

- A. No Federal appropriated funds have been paid or will be paid, by or on behalf of the Borrower, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of this loan;
- B. That if any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employees of Congress, or an employee of a Member of Congress in connection with this loan, Borrower shall complete and submit Standard Form-LLL “Disclosure Form to Report Lobbying” in accordance with its instruction; and

- C. Borrower shall require that the language of paragraphs A and B of this anti-lobbying certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all such subrecipients shall certify and disclose accordingly.

XXVI. SEVERABILITY

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

XXVII. NOTICES

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

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

Basalt Rock, LLC
c/o Konstantin & Tatyana Vasilenko
14 East Mission Avenue, #3
Spokane, WA 99202

XXVIII. INDEMNIFICATION

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

XXIX. TERMINATION

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

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

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

Date: _____

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

Loan Agreement - 22 of 28

STATE OF WASHINGTON)
) ss.
County of Spokane)

On this ____ day of _____, 2018, personally appeared before me **Tatyana A. Vasilenko**, to me known to be a **Member** of **Basalt Rock, LLC**, a Washington limited liability company, that executed the within and foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said person and the Grantor, for the uses and purposes therein mentioned, and on oath stated that she was authorized to execute the said instrument.

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

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

By: _____
David A. Condon, Mayor

ATTEST:

By: Terri L. Pfister, City Clerk

STATE OF WASHINGTON)
) ss.
County of Spokane)

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

ATTACHMENT 1
PROPOSED BUDGET

BASALT ROCK, LLC
EAST 7th AVENUE DUPLEX

Title/recording	790	Sponsor	62,420
Demolition	6,000		
Construction	197,915	City HOME deferred	137,500
Contingency	27,815	City HOME amortizing	37,500
Plans/specs	300		
Permits	3,600		
Builder's risk insurance	1,000		
TOTAL	\$237,420	TOTAL	\$237,420

The project includes the demolition of an existing house and construction of a duplex with 2 three-bedroom units. The new units will have luxury vinyl tile (LVT) or carpeting on floors, granite counter tops, LED lighting, in-floor heat and a split system heater/air conditioner, asphalt shingles, concrete back porch, laundry room, garage, vinyl windows, and energy-efficient water heater and appliances. The units are expected to have about 1,380 sf.

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

Budget does not include land, which is being donated by the City. Its 2018 assessed value is \$88,000. The existing house is vacant and will be demolished.

Attachment 2
Initial Project Rents

ATTACHMENT 3

TIMETABLE

Category	Milestone/Task	Deadline Month Yr/Status
Site control	Close on property.	June 2018
Financing	Funding documented by all lenders	June 2018
Design/Permits	Approval of zoning, site plan, construction plans.	June 2018
	Building permits issued.	June 2018
Construction	Begin construction.	June 2018
	Complete construction.	December 2018
	Certificate of occupancy issued.	December 2018
Occupancy	Units occupied.	60 days from Certificate of Occupancy

ATTACHMENT 4

CERTIFICATION REGARDING DEBARMENT, SUSPENSION, INELIGIBILITY AND VOLUNTARY EXCLUSION

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

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

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

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

1. The lower tier contractor certified, by signing this contract that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any federal department or agency.
2. Where the lower tier contractor is unable to certify to any of the statements in this contract, such contractor shall attach an explanation to this contract.
4. The terms covered transaction, debarred, suspended, ineligible, lower tier covered transaction, person, primary covered transaction, principal, and voluntarily excluded, as used in this exhibit, have the meanings set out in the Definitions and Coverage sections of the rules implementing Executive Order 12549. The undersigned may contact the City for assistance in obtaining a copy of these regulations.
5. I understand that a false statement of this certification may be grounds for termination of the contract.

<u>Basalt Rock, LLC</u>	<u>East 7th Avenue Duplex</u>
Name of Borrower (Type or Print)	Program Title (Type or Print)
<u> </u>	<u> </u>
Name of Certifying Official (Type or Print)	Signature
<u>Member</u>	<u> </u>
Title of Certifying Official (Type or Print)	Date (Type or Print)

DRAFT

WHEN RECORDED RETURN TO:

CITY OF SPOKANE

COMMUNITY, HOUSING, AND HUMAN SERVICES DEPARTMENT

808 W. SPOKANE FALLS BLVD., ROOM 650

SPOKANE, WASHINGTON 99201-3339

OPR #2018-_____

**CITY OF SPOKANE
BASALT ROCK, LLC**

EAST 7TH AVENUE DUPLEX

HOME PROGRAM LOAN COVENANT AGREEMENT

Grantor: Basalt Rock, LLC, a Washington limited liability company

Beneficiary: City of Spokane, a Washington state municipal corporation

Assessor's Parcel No.: 35214.0410

Legal Description: LOT 10, BLOCK 4, MAP OF ALTAMONT, AS PER PLAT RECORDED
IN VOLUME "A" OF PLATS, PAGE(S) 172 AND 173;
SITUATE IN THE CITY OF SPOKANE, COUNTY OF SPOKANE, STATE
OF WASHINGTON.

This HOME Program Loan Covenant Agreement ("Covenant Agreement") is made this ____ day of _____, 2018, by and between the City of Spokane, Washington, a Washington municipal corporation (the "City"), whose address is City of Spokane, c/o Community, Housing, and Human Services Department, 808 W. Spokane Falls Blvd., Room 650, Spokane, Washington 99201-3339 and **Basalt Rock, LLC**, a Washington limited liability company (the "Borrower" or "Grantor"), whose address is 14 East Mission Avenue, #3, Spokane, WA 99202.

I. STIPULATIONS

1. This Covenant Agreement is a condition of and part of the consideration for the financial assistance provided by the City to the Borrower for the Borrower's East 7th Avenue Duplex project, which includes the demolition of a house and construction of 2 units at 2413 East 7th Avenue in Spokane, WA (the "Project"). Both units will be HOME-assisted.

2. This Covenant Agreement is part of a transaction further reflected in two Promissory Notes ("Note 1" and "Note 2", or, collectively, the "Notes") and a HOME Program Loan Agreement ("Loan Agreement") of even date herewith. The City's

disbursements under the Loan Agreement are further secured by a Deed of Trust ("Deed of Trust"). The terms of said documents are incorporated herein as if fully set forth herein, and together shall be referenced as the "Related Documents." The capitalized terms in said agreements shall have the same meaning in this Covenant Agreement unless the context clearly suggests otherwise. In the event of conflict in the terms of any of these documents, the terms most favorable to the City shall apply.

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

LOT 10, BLOCK 4, MAP OF ALTAMONT, AS PER PLAT RECORDED IN VOLUME
"A" OF PLATS, PAGE(S) 172 AND 173;

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

Assessor's Parcel Number: 35214.0410

Property Address: 2413 East 7th Avenue, Spokane, WA 99202

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

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

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

II. COVENANTS

Borrower shall:

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

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

- L. Upon Project completion, the Project shall obtain a final Certificate of Occupancy for the units, meet all licensing requirements needed to operate the facility as proposed by Borrower in its various funding applications, and meet the property standards of 24 CFR §92.251, minimum rehabilitation standards, and all applicable federal, state and local codes and ordinances. New construction projects must also meet HUD, state, and local requirements relating to accessibility and disaster mitigation.
- M. Cause each of the two (2) HOME-assisted units to be occupied by income-eligible households within eighteen (18) months after the Project is completed. If any HOME-assisted units are not occupied by eligible tenants within 6 months following the date of Project Completion, Borrower shall submit to the City current marketing information and, if the City requests it, an enhanced marketing plan for leasing the unoccupied units as quickly as possible, which information the City will provide to HUD as required by 24 CFR §92.252. If any HOME-assisted unit has not been rented to eligible tenants within eighteen (18) months after the date of Project Completion, Borrower shall repay the City \$87,500.00/unit for each such unit within thirty (30) days of the City's written request for repayment. This reflects the proportionate per unit share of HOME funds, i.e., \$175,000.00 HOME dollars/2 HOME units.

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

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

III. INCOME DETERMINATIONS

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

IV. AFFORDABILITY REQUIREMENTS

- A. HOME Affordability Period. The HOME Affordability Period, established pursuant to 24 CFR §92.252, is twenty (20) years, beginning after Project Completion, as determined by the Director. "Project Completion" means that all necessary title transfer requirements and construction work have been

performed; the Project complies with the requirements of 24 CFR §92, including the property standards under 24 CFR §92.251; the final drawdown of HOME funds has been disbursed for the Project; and the project completion information has been entered in the disbursement and information system established by HUD, except that with respect to rental housing project completion, for the purposes of §92.502(d), project completion occurs upon completion of construction and before occupancy. Repayment of the loan during the HOME Affordability Period will not extinguish the requirements of the Related Documents.

- B. City Affordability Period. The City Affordability Period is thirty (30) years, beginning after Project Completion, as determined by the Director. The HOME Affordability Period and City Affordability Period shall run concurrently. Collectively, the two periods are hereinafter referred to as the “Affordability Period.” Upon expiration of the HOME Affordability Period, the City Affordability Period shall continue, but HUD will no longer monitor compliance with affordability requirements, unless the City Affordability Period is coterminous with the HOME Affordability Period. The requirements of the Affordability Period and other conditions of the Related Documents shall apply, as long as there are funds owing under the Notes.
- C. Rent Limit. During the Affordability Period, rents on one (1) of the HOME-assisted units shall not exceed thirty percent (30%) of the adjusted income of a family whose annual income equals fifty percent (50%) of Spokane area median income (“AMI”), as defined by HUD and adjusted for family size, unit size by number of bedrooms, tenant-paid utilities and tenant-supplied appliances. In addition, rents on one (1) of the HOME-assisted units shall not exceed thirty percent (30%) of the adjusted income of a family whose annual income equals thirty percent (30%) of AMI, as defined by HUD and adjusted for family size, unit size by number of bedrooms, tenant-paid utilities and tenant-supplied appliances. Both units will have three bedrooms.

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

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

The adjustment for tenant-paid utilities and tenant-supplied appliances is subject to §92.252. New HUD requirements include that the adjustment for tenant-paid utilities and tenant-supplied appliances be based on the HUD Utility Schedule Model, twelve (12) months of documented actual utility costs as acceptable to the City's Community, Housing, & Human Services Department, or other methods as determined by HUD. Currently, the HUD Utility Schedule Model can be found at: <http://huduser.org/portal/resources/utlmodel.html>.

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

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

- D. LIHTC Rent Clause. For tenants of low-income tax credit assisted units (if low-income housing tax credits are awarded to the Project or portions of the Project), any increases in rent associated with tenant income shall be governed solely by section 42 of the Internal Revenue Code of 1986, as amended from time to time.
- E. Upon completion of the HOME Affordability Period, if the maximum rent and income limits are exceeded, the loan will be subject to repayment at the higher interest rate as provided for in Paragraph 2 of the Promissory Notes.
- F. Income Limit. At initial occupancy, tenants of one (1) HOME-assisted unit shall have an income not greater than fifty percent (50%) of AMI. In addition, tenants of one (1) HOME-assisted unit shall have incomes not greater than thirty percent (30%) of AMI at initial occupancy. If any of these tenants' incomes increases to a level exceeding fifty percent (50%) of AMI, then the next available HOME-assisted unit shall be made available to families at or below thirty percent (30%) of AMI. If the income of a tenant of a HOME-assisted unit increases and exceeds eighty percent (80%) of AMI, then the tenant's rent shall increase to the lesser of thirty percent (30%) of the tenant's adjusted monthly income or Fair Market Rent, subject to paragraph IV.D hereof.
- G. Income Certifications. All tenants' incomes shall be recertified annually by the Borrower. Any applicable rent increases will be effective upon the next lease renewal, and are subject to thirty (30) days' written notice.
- H. Additional Affordability Requirements. The Project must comply with the affordable housing requirements of 24 CFR §92.252.
- I. Relocation. Tenants in occupancy prior to the Project are subject to the provisions of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 as amended ("URA"), 42 USC 4601 et seq. and the regulations promulgated thereunder. All relocation payments and expenses shall be borne by the Borrower.

- J. Protection of Affordability Requirements – City Purchase Option. The Affordability Requirements may terminate upon foreclosure or transfer in lieu of foreclosure at the sole election of the Director. In the event of a pending or threatened foreclosure, once applicable notice and cure periods have expired, the City is hereby granted an option and a right of first refusal to purchase the Project before foreclosure or deed in lieu of foreclosure to preserve affordability. The City may exercise its right to purchase the Project in any reasonable manner following the City's receipt of written notice of pending or threatened foreclosure proceedings and/or a possible deed in lieu of foreclosure, which notice Borrower hereby agrees to provide to City. The purchase price shall be the assessed value of the Project at the time of the City's exercise of its purchase rights, less any financial obligations assumed by the City at the time of the City's acquisition of the Project. The City further reserves the right to revive any affordability restrictions according to the original terms of the Loan Agreement if, during the HOME Affordability Period (as defined herein), the owner of record before the foreclosure, or deed in lieu of foreclosure, or any entity that includes the former owner or those with whom the former owner has or had family or business ties, obtains an ownership interest in the Project or property.

V. DEFAULT

If a violation of any of the foregoing covenants occurs, the City may, after thirty (30) days written notice, the default meanwhile not having been cured, institute and prosecute any proceeding at law or in equity or as otherwise provided for in this Covenant Agreement, or Related Documents, to abate, prevent, or enjoin any such violation or to compel specific performance by the Borrower of its obligations hereunder, including, without limitation of other remedies, the exercise of the City's purchase rights described herein. No delay in enforcing the provisions hereof as to any breach or violation shall impair, damage or waive the right of any party entitled to enforce the provisions hereof or to obtain relief against or recover for the continuation or repetition of such breach or violation or any similar breach or violation hereof at any later time.

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

BASALT ROCK, LLC

Date: _____

Date:

On this ____ day of _____, 2018, personally appeared before me **Konstantin Y. Vasilenko**, to me known to be a **Member** of **Basalt Rock, LLC**, a Washington limited liability company, executed the within and foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said person and the Grantor, for the uses and purposes therein mentioned, and on oath stated that he was authorized to execute the said instrument.

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

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

STATE OF WASHINGTON)
) ss.
County of Spokane)

On this ____ day of _____, 2018, personally appeared before me **Tatyana A. Vasilenko**, to me known to be a **Member** of **Basalt Rock, LLC**, a Washington limited liability company, that executed the within and foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said person and the Grantor, for the uses and purposes therein mentioned, and on oath stated that she was authorized to execute the said instrument.

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

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

By: _____
David A. Condon, Mayor

ATTEST:

By: Terri L. Pfister, City Clerk

By: _____
Assistant City Attorney

STATE OF WASHINGTON)
) ss.
County of Spokane)

On this ____ day of _____, 2018, personally appeared before me **David A. Condon** and **Terri L. Pfister**, to me known to be the **Mayor** and **City Clerk**, respectively, of and for the **City of Spokane**, Washington, the municipal corporation that executed the within and foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said municipal corporation, for the uses and purposes therein mentioned, and on oath stated that they were authorized to execute the said instrument.

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

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

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**CITY OF SPOKANE
BASALT ROCK, LLC**

EAST 7TH AVENUE DUPLEX

PROMISSORY NOTE 1

OPR #2018-_____

Borrower: Basalt Rock, LLC
14 E. Mission Avenue, #3
Spokane, WA 99202

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

Principal: \$37,500.00

Date: _____

1. PROMISE TO REPAY: FOR VALUE RECEIVED, the undersigned Basalt Rock, LLC, a Washington limited liability company, hereinafter referred to as "Borrower", promises to repay to the order of the City of Spokane, a Washington state municipal corporation, or its successors and assigns (hereinafter called "Lender") the maximum principal sum of **THIRTY-SEVEN THOUSAND FIVE HUNDRED DOLLARS (\$37,500.00)** or so much of said sum or sums as may now or hereafter be loaned or disbursed to the Borrower by the Lender, for the purpose of providing a portion of the financing for the Borrower's East 7th Avenue Duplex project, located at 2413 East 7th Avenue in Spokane, WA (the "Project"). This Promissory Note 1 (the "Note") is part of a transaction further reflected in Promissory Note 2, a HOME Program Loan Agreement ("Loan Agreement") and HOME Program Loan Covenant Agreement ("Covenant Agreement") of even date herewith. Promissory Note 1 and Promissory Note 2 are collectively referred to as "Notes." Lender's disbursements under the Loan Agreement and the Notes are further secured by a Deed of Trust of even date herewith ("Deed of Trust"). The terms of said documents are incorporated herein as if fully set forth herein, and together shall be referenced as the "Related Documents". The capitalized terms in said Related Documents shall have the same meaning in this Note unless the context clearly suggests otherwise. In the event of conflict or ambiguity in the terms of any of these documents, the terms most favorable to Lender shall apply.

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

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

3. REPAYMENT; MATURITY:

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

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

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

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

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

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

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

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5. THIS LOAN IS made for the purpose of financing a portion of the costs of the demolition of a house and construction of 2 units on the property at 2413 East 7th Avenue and legally described in the Deed of Trust and Loan Agreement. As a condition of receiving this loan, Borrower agrees to abide by all of the terms and conditions of this Note, Note 2, the Deed of Trust, the Loan Agreement and associated Covenant Agreement, incorporated herein by reference as if fully set forth.

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

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

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

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

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that this Note and the Related Documents constitute the legal, valid and binding obligations of the Transferee;

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

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

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

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

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

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

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

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

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

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

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

IN WITNESS WHEREOF, the Borrower executed this Promissory Note on this ____ day of _____, 2018.

BASALT ROCK, LLC

By: _____
Konstantin Y. Vasilenko, Member

Date: _____

By: _____
Tatyana A. Vasilenko, Member

Date: _____

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**CITY OF SPOKANE
BASALT ROCK, LLC**

EAST 7TH AVENUE DUPLEX

PROMISSORY NOTE 2

OPR #2018-_____

Borrower: Basalt Rock, LLC
14 E. Mission Avenue, #3
Spokane, WA 99202

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

Principal: \$137,500.00

Date: _____

1. PROMISE TO REPAY: FOR VALUE RECEIVED, the undersigned Basalt Rock, LLC, hereinafter referred to as "Borrower", promises to repay to the order of the City of Spokane, a Washington state municipal corporation, or its successors and assigns (hereinafter called "Lender") the maximum principal sum of **ONE HUNDRED THIRTY-SEVEN THOUSAND FIVE HUNDRED DOLLARS (\$137,500.00)** or so much of said sum or sums as may now or hereafter be loaned or disbursed to the Borrower by the Lender, for the purpose of providing a portion of the financing for the Borrower's East 7th Avenue Duplex project, located at 2413 East 7th Avenue in Spokane, WA (the "Project"). This Promissory Note 2 (the "Note") is part of a transaction further reflected in Promissory Note 1, a HOME Program Loan Agreement ("Loan Agreement") and HOME Program Loan Covenant Agreement ("Covenant Agreement") of even date herewith. Promissory Note 1 and Promissory Note 2 are collectively referred to as "Notes." Lender's disbursements under the Loan Agreement and the Notes are further secured by a Deed of Trust of even date herewith ("Deed of Trust"). The terms of said documents are incorporated herein as if fully set forth herein, and together shall be referenced as the "Related Documents". The capitalized terms in said Related Documents shall have the same meaning in this Note unless the context clearly suggests otherwise. In the event of conflict or ambiguity in the terms of any of these documents, the terms most favorable to Lender shall apply.

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

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

3. REPAYMENT; MATURITY:

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

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

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

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

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

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

G. Potential Debt Forgiveness: Repayment shall further be subject to provisions and applicable sections of the Loan Agreement, which allows for debt forgiveness in exchange compliance with the Affordability Requirements during the

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Forgiveness Period, as defined in the Loan Agreement, subject to conditions specified in the Loan Agreement.

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

5. THIS LOAN IS made for the purpose of financing a portion of the costs of the demolition of a house and construction of 2 units on the property at 2413 East 7th Avenue and legally described in the Deed of Trust and Loan Agreement. As a condition of receiving this loan, Borrower agrees to abide by all of the terms and conditions of this Note, Note 1, the Deed of Trust, the Loan Agreement and associated Covenant Agreement, incorporated herein by reference as if fully set forth.

6. IF THE BORROWER SHALL default in the payment of any amount due under this Note, and such default is not cured within ten (10) days after such payment is due, or if any other Event of Default occurs under Note 1, the Deed of Trust, the Loan Agreement or the Covenant Agreement and such default is not cured within the cure period, if any, applicable thereto, the entire unpaid principal amount of this Note, together with accrued interest, shall immediately become due and payable, at Lender's option, upon notice to the Borrower. Failure of Lender to exercise such option shall not constitute a waiver of default. If Lender exercises its option to declare the entire amount of Borrower's loan immediately due and payable as provided above, Borrower agrees to pay Lender's cost and expenses of collection, including reasonable attorney's fees and court costs. If this Note is reduced to judgment, the judgment shall bear interest at the maximum rate permissible on judgments in the State of Washington.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

IN WITNESS WHEREOF, the Borrower executed this Promissory Note on this ____ day of _____, 2018.

BASALT ROCK, LLC

By: _____
Konstantin Y. Vasilenko, Member

Date: _____

By: _____
Tatyana A. Vasilenko, Member

Date: _____

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AFTER RECORDING MAIL TO:

City of Spokane

Department of Community, Housing, and Human Services

808 W. Spokane Falls Blvd., Room 650

Spokane, WA 99201

OPR #2018-_____

**CITY OF SPOKANE
BASALT ROCK, LLC**

EAST 7TH AVENUE DUPLEX

DEED OF TRUST

Grantor: Basalt Rock, LLC, a Washington limited liability company

Beneficiary: City of Spokane, a Washington state municipal corporation

Assessor's Parcel No.: 35214.0410

Legal Description: LOT 10, BLOCK 4, MAP OF ALTAMONT, AS PER PLAT RECORDED
IN VOLUME "A" OF PLATS, PAGE(S) 172 AND 173;

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

THIS DEED OF TRUST, made this _____ day of _____, 2018, by and between **Basalt Rock, LLC**, a Washington limited liability company, referred to herein as GRANTOR, whose address is 14 E. Mission Avenue, Suite #3, Spokane, WA 99202, **First American Title Insurance Company**, TRUSTEE, whose address is 40 East Spokane Falls Blvd., Spokane, WA 99202 and the **City of Spokane**, Washington, a Washington state municipal corporation, BENEFICIARY, whose address is City of Spokane, c/o Community, Housing, and Human Services Department, 808 W. Spokane Falls Blvd., Room 650, Spokane, WA 99201.

This Deed of Trust is part of a transaction further reflected in a HOME Program Loan Agreement ("Loan Agreement"), HOME Program Loan Covenant Agreement ("Covenant Agreement"), and Promissory Note 1, and Promissory Note 2, secured by this Deed of Trust. Collectively, Promissory Note 1 and Promissory Note 2 may be referred to as "Promissory Notes." The terms of said agreements are incorporated into this Deed of Trust, and the capitalized terms in said agreements shall have the same meaning in this Deed of Trust unless the context clearly suggests otherwise. In the event of conflict in the terms of any of these documents, the terms most favorable to Beneficiary shall apply.

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

LOT 10, BLOCK 4, MAP OF ALTAMONT, AS PER PLAT RECORDED IN VOLUME "A" OF PLATS, PAGE(S) 172 AND 173;

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

APN: 35214.0410

PROPERTY ADDRESS: 2413 EAST 7th AVENUE, SPOKANE, WA 99202

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

This Deed of Trust is for the purpose of securing performance of each agreement of Grantor herein contained and as further contained in the Loan Agreement, Covenant Agreement, and Promissory Notes, secured by this Deed of Trust, and for the purpose of securing payment of the sum of **ONE HUNDRED SEVENTY-FIVE THOUSAND AND NO/100 DOLLARS (\$175,000.00)** with interest, in accordance with the terms of two Promissory Notes of even date herewith, payable to Beneficiary, and made by Grantor, and all renewals, modifications, and extensions thereof, and also such further sums as may be advanced or loaned by Beneficiary to Grantor, or any of his/her/their successors or assigns, together with interest thereon at such rate as shall be agreed upon. This Deed of Trust also secures to Beneficiary: (a) the payment of other sums, with interest, advanced to protect the security of this Deed of Trust; and (b) the performance of Grantor's covenants and agreements under this Deed of Trust and the Promissory Notes, Covenant Agreement and Loan Agreement of even date herewith.

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

COVENANTS: Grantor and Beneficiary covenant and agree as follows:

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

2. APPLICATION OF PAYMENTS. Unless applicable law provides otherwise, all payments received by Beneficiary under Paragraph 1 shall be applied: first, to any late

charges due under the Promissory Notes; second, to interest; and third, to principal due under the Promissory Notes.

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

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

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

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

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

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

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

process, gave materially false or inaccurate information or statements to Beneficiary (or failed to provide Beneficiary with any material information) in connection with the loan evidenced by the Promissory Notes. If this Deed of Trust is on a leasehold, Grantor shall comply with all the provisions of the lease. If Grantor acquires fee title to the property, the leasehold and the fee title shall not merge unless Beneficiary agrees to the merger in writing.

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

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

C. Grantor covenants and agrees to defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee, and to pay all costs and expenses, including the cost of title search and any and all attorney's fees actually incurred, in any such action or proceeding, and in any suit brought by Beneficiary to foreclose this Deed of Trust.

D. Grantor further covenants and agrees to pay any and all costs, fees, and expenses in connection with this Deed of Trust, including the expenses of the Trustee incurred in enforcing the obligations secured hereby and Trustee's and attorney's fees actually incurred, as provided by statute.

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

9. CONDEMNATION. A. The proceeds of any award or claim for damages, direct or consequential, in connection with any condemnation or other taking of the Property or any part thereof, or for conveyance in lieu of condemnation, are hereby assigned and shall be paid to Beneficiary. In the event of a total taking of the Property, the proceeds shall be applied to the sums secured by this Deed of Trust and other liens as approved by the Beneficiary, whether or not then due, with any excess paid to Grantor. In the event of a partial taking of the Property in which the fair market value of the Property immediately before the taking is equal to or greater than the amount of the sums secured by this Deed of Trust immediately before the taking, unless Grantor and

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

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

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

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

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

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

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

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

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

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

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

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

17. GRANTOR'S RIGHT TO REINSTATE FOLLOWING ACCELERATION. If Grantor meets the conditions outlined in this paragraph, Grantor shall have the right to have enforcement by acceleration of this Deed of Trust discontinued at any time prior to the earlier of: (i) 10 days (or such other period as applicable law may specify for reinstatement) before sale of the Property pursuant to any power of sale contained in this Deed of Trust; or (ii) entry of a judgment enforcing this Deed of Trust. The

conditions which Grantor must meet are that Grantor shall: pay Beneficiary all sums which then would be due under this Deed of Trust and the Promissory Notes as if no acceleration had occurred; cure any default of any other covenants or agreements; pay all expenses incurred in enforcing this Deed of Trust, including, but not limited to, reasonable attorneys' fees, and; take such action as Beneficiary may reasonably require to assure that the lien of this Deed of Trust, Beneficiary's rights in the Property, and Grantor's obligation to pay the sums secured by this Deed of Trust continue unchanged. Upon reinstatement by Grantor, this Deed of Trust and the obligations secured hereby shall remain fully effective as if no acceleration had occurred. However, this right to reinstate shall not apply in the case of acceleration caused by Grantor's selling or transferring all or any part of the Property or any interest in it (or if a beneficial interest of Grantor is sold or transferred and Grantor is not a natural person) without Beneficiary's prior written consent.

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

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

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

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

all necessary remedial actions in accordance with Environmental Law and shall bear all costs and expenses thereof.

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

20. ACCELERATION: REMEDIES. A. Beneficiary shall give notice to Grantor prior to acceleration, following Grantor's breach of any covenant or agreement noted in this Deed of Trust, the Loan Agreement, or the Covenant Agreement. The notice shall specify: (a) the nature of the default; (b) the action required to cure the default; (c) a date, not less than thirty (30) days from the date the notice is given to Grantor, by

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

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

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

D. The power of sale conferred by this Deed of Trust and by the Deed of Trust Act of the State of Washington is not an exclusive remedy. Beneficiary may cause this Deed of Trust to be foreclosed as a mortgage.

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

22. SUBSTITUTE TRUSTEE. In the event of the death, incapacity, disability, or resignation of Trustee, or at Beneficiary's reasonable discretion, Beneficiary may appoint in writing a successor trustee, and upon the recording of such appointment in the mortgage records of the county in which this Deed of Trust is recorded, the successor trustee shall be vested with all powers of the original trustee. The trustee is not obligated to notify any party hereto of pending sale under any other Deed of Trust

or of an action or proceeding in which Grantor, Trustee, or Beneficiary shall be a party unless such action or proceeding is brought by the Trustee.

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

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

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

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

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

BASALT ROCK, LLC

By: _____
Konstantin Y. Vasilenko, Member

Date: _____

By: _____
Tatyana A. Vasilenko, Member

Date: _____

STATE OF WASHINGTON)
) ss.
County of Spokane)

On this ____ day of _____, 2018, personally appeared before me **Konstantin Y. Vasilenko**, to me known to be a **Member** of **Basalt Rock, LLC**, a Washington limited liability company that executed the within and foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said person and the Grantor, for the uses and purposes therein mentioned, and on oath stated that he was authorized to execute the said instrument.

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

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

On this ____ day of _____, 2018, personally appeared before me **Tatyana A. Vasilenko**, to me known to be a **Member** of **Basalt Rock, LLC**, a Washington limited liability company that executed the within and foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said person and the Grantor, for the uses and purposes therein mentioned, and on oath stated that she was authorized to execute the said instrument.

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

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

By: _____
David A. Condon, Mayor

13

**REAL ESTATE PURCHASE AND SALE AGREEMENT
CITY AS SELLER**

This Agreement, is made and entered into by and between the CITY OF SPOKANE, a Washington State municipal corporation (the "City") and BASALT ROCK, LLC, a Washington limited liability company, whose address is 14 East Mission Avenue, Suite #3, Spokane, WA 99202, (the "Purchaser") jointly referred to as the "parties."

Whereas, this Agreement is part of a transaction further reflected in a HOME Program Loan Agreement, two Promissory Notes, a HOME Program Loan Covenant Agreement, and a Deed of Trust (collectively referred to as the "Related Documents"), all of which Related Documents relate to the property described in this Agreement.

Whereas, the Purchaser and City are desirous of entering into an agreement whereby the Purchaser will purchase property owned by the City.

NOW, THEREFORE, in consideration of the following terms, conditions and covenants and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. **SALE OF PROPERTY.** The City agrees to sell, convey, and transfer to the Purchaser, and the Purchaser agrees to purchase, acquire, and take from the City, the real property located in the City of Spokane, Spokane County, Washington, legally described as:

LOT 10, BLOCK 4, MAP OF ALTAMONT, AS PER PLAT RECORDED IN VOLUME "A" OF PLATS, PAGE(S) 172 AND 173;

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

APN: 35214.0410

ADDRESS: 2413 E 7th AVE, SPOKANE, WA 99202

and all hereditments, appurtenances, improvements, and buildings belonging or in any way appertaining (the "Property").

2. **PURCHASE PRICE.** As consideration for the City's transfer of the Property to Purchaser, Purchaser has agreed to provide affordable housing on the Property for a period of not less than thirty (30) years, pursuant to the terms and conditions set forth in the Related Documents.

3. **CONDITION OF PROPERTY.** Purchaser acknowledges that Seller makes no representations whatsoever regarding the physical condition of the property. Purchaser offers to purchase the Property in and "as is" condition, with all physical defects, including those that cannot be observed by casual inspection. Seller shall have no obligation to repair or remedy any physical defects of the Property.

Prior to closing, Purchaser may conduct a review with respect to the Property and satisfy itself with respect to the condition of and other matters related to the Property and its suitability for Purchaser's intended use (the "Feasibility Study"). The Feasibility Study may include all inspections and studies Purchaser deems necessary or desirable, in its sole discretion. Purchaser and Purchaser's agents, representatives, consultants, architects and engineers will have the right, from time to time, from and after the date of this Agreement to enter onto the Property and make borings, drive test piles, and conduct any other test and studies that may be necessary or desirable to ascertain the condition and suitability of the Property for Purchaser's intended use. Such tests and inspections are to be performed in a manner not disruptive to tenants or to the operation of the Property. Purchaser shall protect, defend and indemnify the City from and against any construction or other liens or encumbrances arising out of or in connection with its exercise of this right of entry and shall cause any such liens or encumbrances to be promptly released. If Purchaser does not purchase the Property, it shall return the Property to the condition in which it existed prior to Purchaser's feasibility study activities on the Property.

4. **CLOSING.** Closing shall occur simultaneous with the closing of the Related Documents.

5. **SELLER'S CLOSING DOCUMENTS.** At the closing, the City shall, at its expense, deliver the following to the Purchaser:

(A) a Quit Claim Deed (The "Deed"), duly executed and acknowledged in a recordable form, in substantial form and content as set forth in Exhibit "A" to this Agreement, conveying to the Purchaser title to the Property free and clear of all liens and encumbrances except those expressly agreed to by the Purchaser, on the condition that, if Purchaser fails comply with the Affordability Requirements set forth in that certain HOME PROGRAM LOAN COVENANT AGREEMENT, of even date herewith, wherein BASALT ROCK, LLC, is Grantor and the City of Spokane is Beneficiary, then the City may re-enter and repossess the Property.;

(B) a detailed statement, prepared by the escrow officer and/or the closing attorney, setting forth the appropriate adjustments and prorations to be made at the closing;

(C) all other documentation reasonably required by the Purchaser.

6. **EXPENSES.**

A. **Expenses of Seller.** The Seller shall pay:

- (i) real estate taxes prorated to the date of closing; and
- (ii) all assessments, liens, mortgages, deeds of trust or other encumbrances.

B. **Expenses of Purchaser.** The Purchaser shall pay:

- (i) all recording fees;
- (ii) its attorney fees;
- (iii) real estate taxes due after the closing date; and
- (iv) title insurance premiums.

7. **POSSESSION.** The City shall deliver possession of the Property to the Purchaser on the date of closing.

8. **TIME.** Time is of the essence of this Agreement.

9. **TITLE EXAMINATION.** Purchaser may elect to obtain a preliminary commitment for title insurance no later than fifteen (15) days from the date the Purchase Agreement is fully executed. Purchaser will have seven (7) days thereafter to review the condition of title and make any objections thereto in writing to Seller or it shall be deemed that Purchaser has accepted the condition of title. Should Purchaser so notify Seller of any objections to the status of title, Seller will have twenty (20) days after receipt of such objections to resolve the same or to indicate that it will not be in a position to resolve such title objections.

10. **COMMISSION.** Each party warrants and represents to the other that no real estate brokerage commission or fees of any kind or type are or will be payable by such other party as a result of the transaction herein provided for, or if any such commissions or fees are payable, the warranting party shall pay the same and hereby indemnifies such other party of, from and against any and all claims, for any real estate brokerage commission or fee which may arise as a result of any acts of the warranting party.

11. **ENVIRONMENTAL CONDITION.** As part of its process as a potential lender of federal HOME funds, the Seller will conduct, or has conducted, a review under the National Environmental Policy Act; a copy will be available to Purchaser upon its completion. Purchaser agrees that should it elect to remove any hazardous substance from the Property, it will do so with the assistance of a properly qualified removal or

abatement specialist pursuant to applicable federal, state and local laws and will further hold the Seller harmless from any and all loss, liability, cost, expenses, claims or suits including the obligation to defend the Seller should a claim be brought by any party against the Seller as a result of Purchaser's abatement activities.

12. **NOTICES**. Any notices required or permitted to be given shall be in writing and delivered either in person or by certified mail, return receipt requested, postage pre-paid, addressed as follows or such other address as may be designated by either party:

Seller: City of Spokane
Attn: Community, Housing, and Human Services Department
808 W. Spokane Falls Blvd.
Spokane, WA 99201

Copy to: City of Spokane
Office of the City Attorney
808 W. Spokane Falls Blvd.
Spokane, WA 99201

Purchaser: Basalt Rock, LLC
c/o Konstantin and Tatyana Vasilenko
14 E. Mission Ave, Suite #3
Spokane, Washington 99202

Any notice given pursuant to this Agreement, shall be deemed effective the day it is personally delivered or three (3) business days after the date it is deposited in the United States mails.

13. **ENTIRE AGREEMENT/MODIFICATION**. This written Agreement constitutes the entire and complete Agreement between the parties hereto and supersedes any prior oral or written agreements between the parties with respect to the Property. It is expressly agreed that there are no verbal understandings or agreements which in any way change the terms, covenants and conditions herein set forth. No modifications of this Agreement and waiver of any of its terms and conditions shall be effective unless in writing and duly executed by the parties hereto.

14. **BINDING EFFECT**. All covenants, agreements, warranties and provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, executors, administrators, personal representatives, successors and assigns.

15. **GOVERNMENTAL APPROVAL**. Purchaser acknowledges that this Agreement does not bind the City of Spokane until the City Administrator executes this Agreement following approval by the City Council.

16. **WAIVER OF SELLER DISCLOSURE STATEMENT**. Purchaser expressly waives Purchaser's right to receive from Seller a signed and dated Real Property Transfer Disclosure Statement as contemplated by RCW 64.06.020.

In witness whereof, the parties hereto have signed this Agreement this _____ day of _____, 2018.

CITY OF SPOKANE

By: _____
Name: _____
Title: _____

Attest: _____
Terri L. Pfister, City Clerk

Approved as to form:

Assistant City Attorney

STATE OF WASHINGTON:

County of Spokane :ss.
:

On this _____ day of _____, 2018, before me personally appeared _____ and Terri L. Pfister, to me known to be the _____ and the City Clerk, respectively, of the CITY OF SPOKANE, a municipal corporation, that executed the within and foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of the corporation, for the uses and purposes therein mentioned, and on oath stated that they were authorized to execute said instrument and that the seal affixed is the corporate seal of said corporation.

In witness whereof I have hereunto set my hand and affixed my official seal the day and year first above written.

Notary Public in and for the State
of Washington, residing at Spokane
My Appointment expires _____

BASALT ROCK, LLC

Date: _____

Date: _____

On this ____ day of _____, 2018, personally appeared before me **Konstantin Y. Vasilenko**, to me known to be a **Member of Basalt Rock, LLC**, a Washington limited liability company, the person who executed the within and foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said person and the Grantor, for the uses and purposes therein mentioned, and on oath stated that he was authorized to execute the said instrument.

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

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

STATE OF WASHINGTON)
) ss.
County of Spokane)

On this _____ day of _____, 2018, personally appeared before me **Tatyana A. Vasilenko**, to me known to be a **Member** of **Basalt Rock, LLC**, a Washington limited liability company, the person who executed the within and foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said person and the Grantor, for the uses and purposes therein mentioned, and on oath stated that she was authorized to execute the said instrument.

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

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

Exhibit "A"

Form of Quit Claim Deed

WHEN RECORDED RETURN TO:

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

OPR 201_-_____

QUIT CLAIM DEED

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

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

DATED this ____ day of _____, 201_.

By: _____
David A. Condon, Mayor or
Theresa M. Sanders, City Administrator

Attest:

Approved as to form:

Terri L. Pfister, Clerk

Assistant City Attorney

STATE OF WASHINGTON)
) ss.
County of Spokane)

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

DATED: _____

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

RCW 64.06.020

Improve residential real property – Seller's duty – Format of disclosure statement – Minimum information.

Under a Purchase and Sale Agreement, the buyer has waived the right to receive the disclosure statement under RCW 64.06.010. However, if the answer would be "yes" to any of the questions under the section titled "Environmental", the buyer may not waive receipt of that section of the disclosure statement.

INSTRUCTIONS TO THE SELLER

Please complete the following form. Do not leave any spaces blank. If the questions clearly do not apply to the property write "NA." If the answer is "yes" to any * items, please explain on attached sheets. Please refer to the line number(s) of the question(s) when you provide your explanation(s). For your protection you must date and sign each page of this disclosure statement and each attachment. Delivery of the disclosure statement must occur not later than five business days, unless otherwise agreed, after mutual acceptance of a written contract to purchase between a buyer and a seller.

NOTICE TO THE BUYER

THE FOLLOWING DISCLOSURES ARE MADE BY SELLER ABOUT THE CONDITION OF THE PROPERTY LOCATED AT 2413 E. 7th S. Bkme ("THE PROPERTY"), OR AS LEGALLY DESCRIBED ON ATTACHED EXHIBIT A.

SELLER MAKES THE FOLLOWING DISCLOSURES OF EXISTING MATERIAL FACTS OR MATERIAL DEFECTS TO BUYER BASED ON SELLER'S ACTUAL KNOWLEDGE OF THE PROPERTY AT THE TIME SELLER COMPLETES THIS DISCLOSURE STATEMENT. UNLESS YOU AND SELLER OTHERWISE AGREE IN WRITING, YOU HAVE THREE BUSINESS DAYS FROM THE DAY SELLER OR SELLER'S AGENT DELIVERS THIS DISCLOSURE STATEMENT TO YOU TO RESCIND THE AGREEMENT BY DELIVERING A SEPARATELY SIGNED WRITTEN STATEMENT OF RESCISSION TO SELLER OR SELLER'S AGENT. IF THE SELLER DOES NOT GIVE YOU A COMPLETED DISCLOSURE STATEMENT, THEN YOU MAY WAIVE THE RIGHT TO RESCIND PRIOR TO OR AFTER THE TIME YOU ENTER INTO A SALE AGREEMENT.

THE FOLLOWING ARE DISCLOSURES MADE BY SELLER AND ARE NOT THE REPRESENTATIONS OF ANY REAL ESTATE LICENSEE OR OTHER PARTY. THIS INFORMATION IS FOR DISCLOSURE ONLY AND IS NOT INTENDED TO BE A PART OF ANY WRITTEN AGREEMENT BETWEEN BUYER AND SELLER.

FOR A MORE COMPREHENSIVE EXAMINATION OF THE SPECIFIC CONDITION OF THIS PROPERTY YOU ARE ADVISED TO OBTAIN AND PAY FOR THE SERVICES OF QUALIFIED EXPERTS TO INSPECT THE PROPERTY, WHICH MAY INCLUDE, WITHOUT LIMITATION, ARCHITECTS, ENGINEERS, LAND SURVEYORS, PLUMBERS, ELECTRICIANS, ROOFERS, BUILDING INSPECTORS, ON-SITE WASTEWATER TREATMENT INSPECTORS, OR STRUCTURAL PEST INSPECTORS. THE PROSPECTIVE BUYER AND SELLER MAY WISH TO OBTAIN PROFESSIONAL ADVICE OR INSPECTIONS OF THE PROPERTY OR TO

PROVIDE APPROPRIATE PROVISIONS IN A CONTRACT BETWEEN THEM WITH RESPECT TO ANY ADVICE, INSPECTION, DEFECTS OR WARRANTIES.

Seller is not occupying the property.

7. ENVIRONMENTAL

- [] Yes [] No [X] Don't know *A. Have there been any flooding, standing water, or drainage problems on the property that affect the property or access to the property?
- [] Yes [] No [X] Don't know *B. Does any part of the property contain fill dirt, waste, or other fill material?
- [] Yes [] No [X] Don't know *C. Is there any material damage to the property from fire, wind, floods, beach movements, earthquake, expansive soils, or landslides?
- [] Yes [] No [X] Don't know D. Are there any shorelines, wetlands, floodplains, or critical areas on the property?
- [] Yes [] No [X] Don't know *E. Are there any substances, materials, or products in or on the property that may be environmental concerns, such as asbestos, formaldehyde, radon gas, lead-based paint, fuel or chemical storage tanks, or contaminated soil or water?
- [] Yes [] No [X] Don't know *F. Has the property been used for commercial or industrial purposes?
- [] Yes [] No [X] Don't know *G. Is there any soil or groundwater contamination?
- [] Yes [] No [X] Don't know *H. Are there transmission poles or other electrical utility equipment installed, maintained, or buried on the property that do not provide utility service to the structures on the property?
- [] Yes [] No [X] Don't know *I. Has the property been used as a legal or illegal dumping site?
- [] Yes [] No [X] Don't know *J. Has the property been used as an illegal drug manufacturing site?
- [] Yes [] No [X] Don't know *K. Are there any radio towers in the area that cause interference with cellular telephone reception?

8. MANUFACTURED AND MOBILE HOMES

If the property includes a manufactured or mobile home,

- [] Yes [] No [] Don't know *A. Did you make any alterations to the home? If yes, please describe the alterations:
- [] Yes [] No [] Don't know *B. Did any previous owner make any alterations to the home?
- [] Yes [] No [] Don't know *C. If alterations were made, were permits or variances for these alterations obtained?

9. FULL DISCLOSURE BY SELLERS

A. Other conditions or defects:

☐ Yes ☐ No ☒ Don't know *Are there any other existing material defects affecting the property that a prospective buyer should know about?

B. Verification:

The foregoing answers and attached explanations (if any) are complete and correct to the best of my/our knowledge and I/we have received a copy hereof. I/we authorize all of my/our real estate licensees, if any, to deliver a copy of this disclosure statement to other real estate licensees and all prospective buyers of the property.

Completed By:


Paul Trautman, Program Manager

Date

2/19/2018

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

OPR 2018-_____

QUIT CLAIM DEED

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

LOT 10, BLOCK 4, MAP OF ALTAMONT, AS PER PLAT RECORDED IN
VOLUME "A" OF PLATS, PAGE(S) 172 AND 173;

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

APN: 35214.0410

ADDRESS: 2413 East 7th Avenue, Spokane, WA 99202

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

DATED this ____ day of _____, 2018.

By: _____
Name: _____
Title: _____

Attest:

Approved as to form:

Terri L. Pfister, Clerk

Assistant City Attorney

STATE OF WASHINGTON)
) ss.
County of Spokane)

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

DATED: _____

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

Briefing Paper

Urban Experience Committee

Division & Department:	Neighborhood & Business Services Division Community, Housing, & Human Services Dept.
Subject:	Review of HOME-funded housing projects
Date:	February 12, 2018
Author (email & phone):	Melora Sharts (msharts@spokanecity.org , x6840)
City Council Sponsor:	
Executive Sponsor:	
Committee(s) Impacted:	Urban Experience
Type of Agenda item:	<input checked="" type="checkbox"/> Consent <input type="checkbox"/> Discussion <input type="checkbox"/> Strategic Initiative
Alignment: (link agenda item to guiding document – i.e., Master Plan, Budget, Comp Plan, Policy, Charter, Strategic Plan)	HUD Consolidated Plan
Strategic Initiative:	Urban Experience – available housing
Deadline:	
Outcome: (deliverables, delivery duties, milestones to meet)	If all new allocations move forward, 3 housing projects with 54 new units would be developed and one housing project with 43 existing units would be updated.
<p>Background/History: The City receives federal funds from the U. S. Department of Housing and Urban Development (HUD) through its HOME Investment Partnerships Program (HOME), which is administered by the CHHS Dept. Eligible uses include the construction, rehabilitation, and acquisition of rental properties, which are affordable to low-income tenants. Eligible recipients include for-profit and non-profit housing providers and housing authorities. Some funding is restricted to non-profits designated as Community Housing Development Organizations (CHDO).</p> <p>Following an RFP process and review by its Affordable Housing (AH) subcommittee, the CHHS Board recommends projects for allocation of HOME funds. The most recent allocations are listed in the attachment. As plans and funding sources solidify, loan documents will be brought to Council for approval.</p>	
<p>Executive Summary:</p> <ul style="list-style-type: none"> In October 2017, 3 projects involving new construction were recommended for funding by the AH Committee meeting and affirmed by the CHHS Board on 11/1/17. Two projects will be developed by Basalt Rock, LLC (owned by the Vasilenkos). The City-owned lots at 2418 E First Ave and 2413 E 7th Ave will be transferred to Basalt Rock, LLC and it will develop a 4-plex and a duplex. The six units will be 2- and 3-bedroom units and be affordable to households with incomes at or below 30% and 50% of area median income (AMI) for at least 20 years. (For a 4-person household, 30% of AMI is \$19,700 and 50% of AMI is \$32,850.) These projects should come before Council this Spring. Spokane Housing Ventures (SHV) will develop a 48-unit apartment complex with 24 2-bedroom units, 23 3-bedroom units, and a manager's unit. The 4 designated HOME units will be affordable to households \leq 30% AMI and others target households with incomes \leq 60% AMI. SHV applied for other funds, including low-income housing tax credits, bonds, and funds from the WA State Housing Trust Fund. Project timing project depends upon other funds. Information on these and other projects is in the attached table. 	

Budget Impact:

Approved in current year budget? ☒ Yes ☐ No

Annual/Reoccurring expenditure? ☐ Yes ☒ No

If new, specify funding source:

Other budget impacts: (revenue generating, match requirements, etc.) HOME match requirements have already been met.

Operations Impact:

Consistent with current operations/policy? ☒ Yes ☐ No

Requires change in current operations/policy? ☐ Yes ☒ No

Specify changes required:

Known challenges/barriers:

**HOME-FUNDED RENTAL PROJECTS
PROPOSED AND UNDERWAY**

Pending (allocations recommended by Community, Housing & Human Services Board for approval by Council)

Project name	Owner/Sponsor	Ownership type	City HOME funds	Total cost	Leverage 1 to X	Total no. of units	Unit type & approx sq. ft.	Cost/ unit	Cost/ sq. ft.	Tenant income level	AH Committee Allocation	CHHS Board approval
Resident Court 1203 W 5th (Downtown) Bus: 42 (0 ft.)	Spokane Neighborhood Action Partners	Non-profit CHDO	\$250,000	\$250,000	0.0	43	25 stu/273-421 sf 11 1bd/480 sf 6 2bd/804-818 sf 1 2bd mngvr/818sf	\$5,814	\$9	ELI, VLI-50	n.a.	CHE 6/5/17
East First Ave Fourplex 2418 E 1st Ave (East Central) Bus: 90 (2 blocks)	Basalt Rock, LLC/Vasilenko	For-profit	\$245,000	\$294,313	0.2	4	2 2bd/1120 sf 2 3bd/1380 sf	\$73,578	\$59	ELI, VLI-50	10/31/17	11/1/17
East 7th Avenue Duplex 2413 E 7th Ave (East Central) Bus: 94 (.3 mi)	Basalt Rock, LLC/Vasilenko	For-profit	\$175,000	\$237,420	0.4	2	2 3bd/1380 sf	\$118,710	\$86	ELI, VLI-50	10/31/17	11/1/17
Jayne Auld Manor 2830 E Francis, 6205-11 N Regal (Hilgard) Bus: 27 (.5 mi)	J Auld Apts LLC/Spokane Housing Ventures	For-profit owner/Non-profit sponsor, LIHTC, bonds	\$320,000	\$10,040,250	30.4	48	2 bd/846 sf 3bd/1098-1231 sf	\$209,172	\$204	ELI, LI-60	10/31/17	11/1/17
	Total		\$990,000	\$10,821,983		97						

Previously Approved by City Council (Underway)

Project name	Owner/Sponsor	Ownership type	City HOME funds	Total cost	Leverage 1 to X	Total no. of units	Unit type/ approx sq. ft.	Cost/ unit	Cost/ sq. ft.	Tenant income level	Allocation date	Council approval
1 South Madelia 1 & 51 S Madelia (East Central) Buses: 90	1 South Madelia LLC/Community Frameworks	For-profit owner/Non-profit sponsor, LIHTC	\$300,000	\$9,064,665	29.2	36	6 1bd/552 sf 11 2bd/768-1028 18 3bd/1209-1219 1 2 bd mngvr	\$251,796	\$301	ELI, VLI-40, VLI-50, LI-60	10/13/15	2016-0487 6/20/16
Special Skills Duplex 2418 E 4th (East Central) Buses: 94 (blocks), 90 (5 blocks)	Inland Empire Residential Resources	Non-profit CHDO	\$280,000	\$281,500	0.0	2	1 2bd/1248 sf 1 3bd/1248 sf	\$140,750	\$113	ELI	5/3/16	2016-0488 6/20/16
1808 E 1st 1808 E First (East Central) Bus: 90	Basalt Rock, LLC/Vasilenko	For profit	\$180,000	\$320,215	0.8	4	3 2bd/1000 sf 1 3bd/1824 sf	\$80,054	\$66	ELI, VLI-50	5/3/16	2016-0821 11/7/16
Hifumi En Apartments 926 E 8th Ave (East Central) Bus: 45 (2 blocks)	Spokane Housing Authority	Public housing authority	\$330,000	\$422,419	0.3	41	11 HOME units 41 1bd/550sf	\$38,402	\$70	ELI, VLI-50	10/11/16	2017-0352 5/22/17
Transitions Permanent Supportive Housing N Hemlock (Audubon-Downriver) Buses: 33 (.2 mi), 23 (.3 mi)	Transitions LIHTC LLC/Transitional Programs for Women	For-profit owner/Non-profit sponsor, LIHTC	\$650,000	\$6,702,068	9.3	24	5 stu/416 sf 4 1bd/540 sf 12 2bd/650 sf 3 3bd/950 sf	\$279,253	\$376	ELI, VLI-50	10/13/15	2017-0492 7/24/17
	Total		\$1,740,000	\$16,790,867		107						

Income levels relate to Spokane area median income (AMI):

- Extremely low-income (ELI)
- Very low-income (VLI-45)
- Very low-income (VLI-50)
- Low-income (LI-60)
- Market (MKT)
- Household income at or below 30% AMI.
- Household income at or below 45% AMI.
- Household income at or below 50% AMI.
- Household income at or below 60% AMI.
- Unrestricted income.

**Agenda Sheet for City Council Meeting of:**

03/19/2018

Date Rec'd

2/28/2018

Clerk's File #

OPR 2018-0158

Renews #**Submitting Dept**

SOLID WASTE DISPOSAL

Cross Ref #**Contact Name/Phone**

CHUCK 625-6524

Project #**Contact E-Mail**

CCONKLIN@SPOKANECITY.ORG

Bid #

4420-17

Agenda Item Type

Contract Item

Requisition #

CR 19093

Agenda Item Name

4500 & 4490 - CONTRACT WITH BARR-TECH FOR COMPOSTING RESIDENTIAL

Agenda Wording

Five-year contract, with option for one five-year extension, with Barr-Tech LLC (Sprague, WA) for transporting, processing, and composting residential organics -- annual estimated expenditure \$1,300,000.

Summary (Background)

A Request for Proposals (RFP), #4420-17, was send out to 21 potentially interested firms, with one response received. Barr-Tech, LLC met all requirements in the RFP to provide services of transporting, processing and composting organics for both of the city's Solid Waste Departments. A few of the initial contract terms were renegotiated and agreed upon by all parties. These include the tonnage rate, fuel surcharge, annual price adjustment, and eliminating

Fiscal Impact

Grant related? NO

Budget Account

Public Works? NO

Expense \$ 800,000

4500-44200-37148-54201

Expense \$ 500,000

4490-44500-37148-54201

Select \$

#

Select \$

#

Approvals**Council Notifications****Dept Head**

CONKLIN, CHUCK

Study Session

PIES 02-26-18

Division Director

SIMMONS, SCOTT M.

Other**Finance**

CLINE, ANGELA

Distribution List**Legal**

ODLE, MARI

cconklin@spokanecity.org

For the Mayor

DUNIVANT, TIMOTHY

swindsor@spokanecity.org

Additional Approvals

jsalstrom@spokanecity.org

Purchasing

WAHL, CONNIE

rschoonover@spokanecity.org

SOLID WASTE

WINDSOR, SCOTT

mdorgan@spokanecity.org

cwahl@spokanecity.org

Taxes & Licenses



Continuation of Wording, Summary, Budget, and Distribution

Agenda Wording

Summary (Background)

commercial "food waste only" loads. The Solid Waste Collection Department will deliver organic materials collected curbside to Barr-Tech's transfer station in southwest Spokane. Barr-Tech will transport organic materials, that are self-hauled by the public, from the Waste to Energy Facility to their main compost facility in Sprague, WA. Over the last several years, approximately 17,000 tons of organics have been collected annually from Solid Waste Collection's residential customers. The public has hauled approximately 10,000 tons of organics to the Waste to Energy Facility annually. Diversion of organics from the main waste stream provides savings to our customers and has a positive environmental impact.

<u>Fiscal Impact</u>		<u>Budget Account</u>
Select	\$	#
Select	\$	#
<u>Distribution List</u>		
		bpaschal@spokanecity.org
		tedc@barr-tech.net

Briefing Paper

Public Infrastructure, Environment, and Sustainability

Division & Department:	Public Works / 4500 – Solid Waste Collection
Subject:	Contract with Barr-Tech, LLC.
Date:	February 26, 2018
Author (email & phone):	Scott Windsor (swindsor@spokanecity.org) 509.625.7806
City Council Sponsor:	Mike Fagan
Executive Sponsor:	Scott Simmons, Public Works Director
Committee(s) Impacted:	Public Infrastructure, Environment and Sustainability
Type of Agenda item:	<input checked="" type="checkbox"/> Consent <input type="checkbox"/> Discussion <input type="checkbox"/> Strategic Initiative
Alignment: (link agenda item to guiding document – i.e., Master Plan, Budget, Comp Plan, Policy, Charter, Strategic Plan)	Solid Waste Collection & Disposal Departments' Operating Budgets
Strategic Initiative:	
Deadline:	Current short-term contract extension expires February 28, 2018
Outcome: (deliverables, delivery duties, milestones to meet)	Allows both departments to compost organic materials collected curbside from residential accounts or self-hauled to the Waste to Energy Facility by city and county customers.
Background/History: <i>Five-year contract, with option to extend for one (1) five-year period, to transport, process and compost residential organics – annual estimated expenditure \$1,300,000. RFP #17-4420 was issued to 21 firms that provide services in the solid waste industry. Barr-Tech, LLC was the only response received and met all qualifications as set forth in the RFP.</i>	
Executive Summary: <ul style="list-style-type: none"> <i>\$46.75/ton for Solid Waste Collection to deliver residential organics to Barr-Tech's transfer station (Action Materials located at 9518 South Grove Road, Spokane, WA 99224) – estimated annual expenditure \$800,000.</i> <i>\$46.75/ton for Barr-Tech to collect residential organics at the Waste to Energy Facility and transport 22 miles to compost facility (Barr Regional Bio-Industrial Park located at 9117 Kallenberger Road North, Sprague, WA 99032) – estimated annual expenditure \$500,000.</i> <i>Barr-Tech may request an annual price adjustment in writing based on the Consumer Price Index (CPI) of the previous year.</i> <i>A fuel surcharge is being negotiated for instances when diesel reaches an excess of \$3.00 per gallon.</i> <i>Composting organics diverts materials out of the main waste stream which creates a positive environmental impact.</i> <i>Complies with Department of Agriculture's restrictions on shipments of yard waste.</i> <i>Solid Waste Collection & Disposal have been doing business with Barr-Tech since 2011 with satisfactory results.</i> 	
Budget Impact: Approved in current year budget? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Annual/Reoccurring expenditure? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If new, specify funding source: Other budget impacts: (revenue generating, match requirements, etc.)	
Operations Impact: Consistent with current operations/policy? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Requires change in current operations/policy? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Specify changes required: Known challenges/barriers:	



City of Spokane

CONTRACT

**Title: TRANSPORTING, PROCESSING, AND
COMPOSTING OF RESIDENTIAL ORGANICS**

THIS CONTRACT is between the **CITY OF SPOKANE**, a Washington State municipal corporation, as ("City"), and **BARR-TECH, LLC**, whose address is 9117 Kallenberger Road North, Sprague, Washington 99032, as ("Operator"). Individually hereafter referenced as a "party", and together as the "parties".

The parties agree as follows:

1. **PERFORMANCE**. The Operator will do all work, furnish all labor, materials, tools, construction equipment, transportation, supplies, supervision, organization, and other items of work and costs necessary for the proper execution and completion of the work described in the City's Request For Proposal (RFP # 4420-17) entitled **Transporting, Processing, and Composting of Residential and Commercial Organics** for the City's Solid Waste Department(s) and in accordance with the attached Operator's Response to the City's RFP # 4420-17.
2. **CONTRACT DOCUMENTS**. This Contract, the RFP, and the Operator's Response to RFP constitute the contract documents and are complementary. Federal and state requirements and the terms of this Contract, respectively, supersede other inconsistent provisions. These contract documents are on file with Solid Waste Collection, 915 N. Nelson St., Spokane, Washington 99202, and are incorporated into this Contract by reference as if they were set forth at length.
3. **SCOPE**. The Operator is to provide for the processing and marketing of the following materials:
 - (1) Residential Yard Debris and Residential Food Waste ("Residential Organics") collected curbside from City of Spokane customers;
 - (2) Residential Yard Debris and Residential Food Waste ("Residential Organics") self-hauled by the public to the Waste to Energy Plant;
 - (3) Commercial Yard Debris and Commercial Food Waste ("Commercial Organics") self-hauled by businesses to the Waste to Energy Facility; and

In addition to the duties outlined and contained in supporting documents and above in Sections 1 and 2 of this contract the following additional terms have been agreed upon by the Parties:

- a. Solid Waste Collection and Solid Waste Disposal will pay \$46.75 per ton for organics.
- b. Solid Waste Collection will deliver residential organics to the designated transfer station for Barr-Tech.
- c. Solid Waste Disposal will have Barr-Tech pick up self-hauled organics at the Waste to Energy Plant and haul to their main facility.
- d. No commercial food waste will be collected and delivered to either Barr-Tech's transfer station or main facility.
- e. Barr-Tech may request a price adjustment annually in writing based on the CPI of the previous year.
- f. All residential and self-hauled organic waste collected by either department will be delivered to a Barr-Tech facility.

4. **FUEL ADJUSTMENT – SURCHARGE.** In the event that during the term of this Agreement, diesel fuel prices rise to over \$3.00 a gallon, then for every five (5) cents that diesel prices increase in excess of the \$3.00 per gallon, the City will pay Barr-Tech \$1.00 per five cent increment per roundtrip (see Exhibit C). A monthly average price per gallon will be used based off of the US Energy Information and Administration reports for "West Coast less California" diesel prices (www.eia.gov). The fuel charges will be itemized and included on the regular monthly bill for each department. The Fuel Adjustment Surcharge will be firm for a period of three (3) years after which time can be renegotiated. Renegotiations can be initiated in writing by either party.

5. **TIME OF PERFORMANCE.** The Contract shall begin on March 1, 2018, and run through December 31, 2022. This Contract may be renewed by written agreement of the parties not to exceed one additional five year period.

6. **TERMINATION.** Either party may terminate this Contract by ninety (90) days written notice to the other party. In the event of such termination, the City shall pay the Operator for all work previously authorized and performed prior to the termination date.

7. **COMPENSATION.** The City will pay, in accordance with Operator's Response to RFP attached as Exhibit A, a maximum amount not to exceed **ONE MILLION THREE HUNDRED THOUSAND AND NO/100 (\$1,300,000.00)**, not including taxes as applicable, as full compensation for everything furnished and done under this Contract, subject to allowable additions and deductions as provided.

8. **PAYMENT.** The Operator will send its applications for payment accordingly to either the Director of Solid Waste Collection, 915 North Nelson Street, Spokane, Washington 99202, or the Director of Solid Waste Disposal, 2900 South Geiger Boulevard, Spokane, Washington 99224. Payment will be made within thirty (30) days after receipt of the Operator's application except as provided in RCW 39.76. **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. Five percent (5%) of the Contract price may be retained by the City, in accord with RCW 60.28 for a minimum of forty five (45) days after final acceptance, as a trust fund for the protection and payment of: the claims of any

person arising under the Contract; and the State with respect to taxes imposed pursuant to Titles 50, 51 and 82 RCW which may be due from the Operator.

9. INDEMNIFICATION.

- A. The Operator is an independent Operator and not the agent or employee of the City. No liability shall attach to the City for entering into this Contract or because of any act or omission of the Operator except as expressly provided.
- B. The Operator agrees to defend, indemnify and hold the City harmless from any and all claims, demands, losses and liabilities to or by third parties arising from, resulting from or connected with services performed or to be performed under this Contract by the Operator, its agents or employees to the fullest extent permitted by law. The Operator's duty to indemnify the City shall not apply to liability for damages arising out of bodily injury to persons or damage to property caused by or resulting from the sole negligence of the City, its agents or employees. The Operator's duty to indemnify the City for liability for damages arising out of bodily injury to persons or damage to property caused by or resulting from the concurrent negligence of (a) the City or its agents or employees, and (b) the Operator or its agents or employees, shall apply only to the extent of negligence of the Operator or its agents or employees. The Operator's duty to defend, indemnify and hold the City harmless shall include, as to all claims, demands, losses and liability to which it applies, the City's personnel-related costs, reasonable attorneys' fees, court costs and all other claim-related expenses.
- C. **The Operator waives immunity under Title 51 RCW to the extent necessary to protect the City's interests under this indemnification. This provision has been specifically negotiated.**

10. INSURANCE. The Operator represents that it and its employees, agents and subcontractors, in connection with the Contract, are protected against the risk of loss by the insurance coverages required in the contract documents. The policies shall be issued by companies that meet with the approval of the City Risk Manager. The policies shall not be canceled without at least minimum required written notice to the City as Additional Insured.

11. SUBCONTRACTOR RESPONSIBILITY.

- A. The Operator shall include the language of this section in each of its first tier subcontracts, and shall require each of its subcontractors to include the same language of this section in each of their subcontracts, adjusting only as necessary the terms used for the contracting parties. Upon request of the City, the Operator shall promptly provide documentation to the City demonstrating that the subcontractor meets the subcontractor responsibility criteria below. The requirements of this section apply to all subcontractors regardless of tier.
- B. At the time of subcontract execution, the Operator shall verify that each of its first tier subcontractors meets the following bidder responsibility criteria:

1. Have a current certificate of registration in compliance with chapter 18.27 RCW, which must have been in effect at the time of subcontract bid submittal;
2. Have a current Washington Unified Business Identifier (UBI) number;
3. If applicable, have:
 - a. Have Industrial Insurance (workers' compensation) coverage for the subcontractor's employees working in Washington, as required in Title 51 RCW;
 - b. A Washington Employment Security Department number, as required in Title 50 RCW;
 - c. A Washington Department of Revenue state excise tax registration number, as required in Title 82 RCW;
 - d. An electrical Operator license, if required by Chapter 19.28 RCW;
 - e. An elevator Operator license, if required by Chapter 70.87 RCW.
4. Not be disqualified from bidding on any public works contract under RCW 39.06.010 or 39.12.065 (3).

12. DEBARMENT AND SUSPENSION.

The Operator 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. 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 Operator 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 Operator.

14. ASSIGNMENTS. The Operator may not assign, transfer or sublet any part of the work under this Contract, or assign any monies due, without the written approval of the City, except as may be required by law. In the event of assignment of accounts or monies due under this Contract, the Operator specifically agrees to give immediate written notice to the City Administrator, no later than five (5) business days after the assignment.

15. 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 the Contract.

16. COMPLIANCE WITH LAWS. Each party shall comply with all applicable federal, state, and local laws and regulations applicable to the subject matter of this Contract, and are incorporated herein by reference.
17. 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.
18. SEVERABILITY. In the event any provision of this Contract should become invalid, the rest of the Contract shall remain in full force and effect.
19. AUDIT / RECORDS. The Operator 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 Operator and its subcontractor 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.
20. 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 Operator shall be responsible for contacting the State of Washington Business License Services at <http://bls.dor.wa.gov> or 1-800-451-7985 to obtain a business registration. If the Operator 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.
21. CONSTRUAL. The Operator acknowledges receipt of a copy of the contract documents and agrees to comply with them. The silence or omission in the contract documents concerning any detail required for the proper execution and completion of the work means that only the best general practice is to prevail and that only material and workmanship of the best quality are to be used. This Contract shall be construed neither in favor of nor against either party.
22. OPERATOR'S ACKNOWLEDGEMENT. The Operator acknowledges that it has visited the site of the work, has examined it, and is qualified to perform the work required by this Contract.
23. MODIFICATIONS. The City may modify this Contract and order changes in the work whenever necessary or advisable. The Operator will accept modifications when ordered in writing by the Director of Solid Waste Collection or the Director of Solid Waste Disposal and the Contract time and compensation will be adjusted accordingly.
24. INTEGRATION. This Contract, including any and all exhibits and schedules referred to herein or therein set forth the entire Agreement and understanding between the parties pertaining to the subject matter and merges all prior agreements, negotiations and discussions between them on the same subject matter.
25. FORCE MAJEURE. Neither party shall be liable to the other for any failure or delay in performing its obligations hereunder, or for any loss or damage resulting therefrom, due to: (1) acts of God or public enemy, acts of government, riots, terrorism, fires, floods, strikes, lock outs, epidemics, act or failure to act by the other party, or unusually severe weather affecting City,

Operator or its subcontractors, or (2) causes beyond their reasonable control and which are not foreseeable (each a "Force Majeure Event"). In the event of any such Force Majeure Event, the date of delivery or performance shall be extended for a period equal to the time lost by reason of the delay.

BARR-TECH, 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

Attachment that is a part of this Contract:

Exhibit A – Barr-Tech, LLC's Response to RFP
Exhibit B – Certificate Regarding Debarment
Exhibit C – Fuel Adjustment Surcharge Table

18-002a

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

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

<div style="border-bottom: 1px solid black; margin-bottom: 5px;"></div> Name of Subrecipient / Operator / Consultant (Type or Print)	<div style="border-bottom: 1px solid black; margin-bottom: 5px;"></div> Program Title (Type or Print)
<div style="border-bottom: 1px solid black; margin-bottom: 5px;"></div> Name of Certifying Official (Type or Print)	<div style="border-bottom: 1px solid black; margin-bottom: 5px;"></div> Signature
<div style="border-bottom: 1px solid black; margin-bottom: 5px;"></div> Title of Certifying Official (Type or Print)	<div style="border-bottom: 1px solid black; margin-bottom: 5px;"></div> Date (Type or Print)

Exhibit C - Fuel Adjustment Surcharge

In the event that diesel prices rise above \$3.00 per gallon, the City will pay Barr-Tech the following in excess of \$3.00 per load (round trip):

Minimum Price	Maximum Price	Fee to City (round trip)
\$3.01	\$3.05	\$1.00
\$3.06	\$3.10	\$2.00
\$3.11	\$3.15	\$3.00
\$3.16	\$3.20	\$4.00
\$3.21	\$3.25	\$5.00
\$3.26	\$3.30	\$6.00
\$3.31	\$3.35	\$7.00
\$3.36	\$3.40	\$8.00
\$3.41	\$3.45	\$9.00
\$3.46	\$3.50	\$10.00
\$3.51	\$3.55	\$11.00
\$3.56	\$3.60	\$12.00
\$3.61	\$3.65	\$13.00
\$3.66	\$3.70	\$14.00
\$3.71	\$3.75	\$15.00
\$3.76	\$3.80	\$16.00
\$3.81	\$3.85	\$17.00
\$3.86	\$3.90	\$18.00
\$3.91	\$3.95	\$19.00
\$3.96	\$4.00	\$20.00
\$4.01	\$4.05	\$21.00
\$4.06	\$4.10	\$22.00
\$4.11	\$4.15	\$23.00
\$4.16	\$4.20	\$24.00
\$4.21	\$4.25	\$25.00
\$4.26	\$4.30	\$26.00
\$4.31	\$4.35	\$27.00
\$4.36	\$4.40	\$28.00
\$4.41	\$4.45	\$29.00
\$4.46	\$4.50	\$30.00
\$4.51	\$4.55	\$31.00
\$4.56	\$4.60	\$32.00
\$4.61	\$4.65	\$33.00
\$4.66	\$4.70	\$34.00
\$4.71	\$4.75	\$35.00
\$4.76	\$4.80	\$36.00
\$4.81	\$4.85	\$37.00
\$4.86	\$4.90	\$38.00
\$4.91	\$4.95	\$39.00
\$4.96	\$5.00	\$40.00

Table does not reflect the maximum rate and is for reference only.

**Agenda Sheet for City Council Meeting of:**

03/19/2018

<u>Date Rec'd</u>	3/15/2018
<u>Clerk's File #</u>	CPR 2018-0002
<u>Renews #</u>	
<u>Cross Ref #</u>	
<u>Project #</u>	
<u>Bid #</u>	
<u>Requisition #</u>	

<u>Submitting Dept</u>	ACCOUNTING
<u>Contact Name/Phone</u>	LEONARD DAVIS 625-6028
<u>Contact E-Mail</u>	LDAVIS@SPOKANECITY.ORG
<u>Agenda Item Type</u>	Claim Item
<u>Agenda Item Name</u>	5600-CLAIMS-2018

Agenda Wording

Report of the Mayor of pending claims & payments of previously approved obligations through: 3/9/18.
Total:\$ 4,998,537.73 with Parks & Library claims being approved by their respective boards. Claims excluding
Parks & Library Total:\$ 4,906,534.05

Summary (Background)

Pages 1-24 Check numbers: 546828 - 547058 ACH payment numbers: 47868 - 48052 On file for review in City
Clerks Office: 24 Page listing of Claims NOTE:

<u>Fiscal Impact</u>	Grant related?	<u>Budget Account</u>
	Public Works? NO	
Expense \$ 4,906,534.05		# Various
Select \$		#
Select \$		#
Select \$		#
<u>Approvals</u>	<u>Council Notifications</u>	
<u>Dept Head</u>	HUGHES, MICHELLE	<u>Study Session</u>
<u>Division Director</u>	MARCHAND, CRYSTAL	<u>Other</u>
<u>Finance</u>	DOVAL, MATTHEW	<u>Distribution List</u>
<u>Legal</u>	PICCOLO, MIKE	
<u>For the Mayor</u>	DUNIVANT, TIMOTHY	
<u>Additional Approvals</u>		
<u>Purchasing</u>		

REPORT: PG3620
SYSTEM: FMSAP
USER: MANAGER
RUN NO: 10

APPROVAL FUND SUMMARY

DATE: 03/12/18
TIME: 07:50
PAGE: 1

FUND	FUND NAME	AMOUNT
0100	GENERAL FUND	435,813.88
1100	STREET FUND	73,392.46
1200	CODE ENFORCEMENT FUND	745.05
1360	MISCELLANEOUS GRANTS FUND	243.72
1380	TRAFFIC CALMING MEASURES	117.51
1400	PARKS AND RECREATION FUND	660.06
1450	UNDER FREEWAY PARKING FUND	3,111.42
1460	PARKING METER REVENUE FUND	1,004.80
1560	FORFEITURES & CONTRIBUTION FND	2,984.00
1590	HOTEL/MOTEL TAX FUND	234,805.82
1620	PUBLIC SAFETY & JUDICIAL GRANT	108,463.24
1630	COMBINED COMMUNICATIONS CENTER	10.37
1640	COMMUNICATIONS BLDG M&O FUND	888.04
1680	CD/HS OPERATIONS	57.94
1695	CDBG REVOLVING LOAN FUND	3,203.78
1710	HOME PROGRAM	0.00
1970	FIRE/EMS FUND	93,448.12
3200	ARTERIAL STREET FUND	14,692.01
4100	WATER DIVISION	95,190.78
4250	INTEGRATED CAPITAL MANAGEMENT	18,203.65
4300	SEWER FUND	72,872.63
4340	WATER/WW REVENUE BOND FUND	2,127,536.31
4480	SOLID WASTE FUND	64,998.80
4490	SOLID WASTE DISPOSAL	147,008.87
4700	DEVELOPMENT SVCS CENTER	18,729.02
5100	FLEET SERVICES FUND	71,719.10
5200	PUBLIC WORKS AND UTILITIES	345.64
5300	IT FUND	59,635.39
5400	REPROGRAPHICS FUND	8,614.18
5600	ACCOUNTING SERVICES	44.49
5700	MY SPOKANE	115.88
5800	RISK MANAGEMENT FUND	67,488.33
5810	WORKERS' COMPENSATION FUND	1,870.08
5830	EMPLOYEES BENEFITS FUND	751,923.33
5900	ASSET MANAGEMENT FUND OPS	11,027.72
5901	ASSET MANAGEMENT FUND CAPITAL	255,725.79
6070	FIREFIGHTERS' PENSION FUND	96,548.39
6080	POLICE PENSION FUND	63,293.45
TOTAL:		4,906,534.05

REPORT: PG3630
SYSTEM: FMSAP
USER: MANAGER
RUN NO: 10

DATE: 03/12/18
TIME:
PAGE: 1

HONORABLE MAYOR
AND COUNCIL MEMBERS

03/12/18
PAGE 2

PROCESSING OF VOUCHERS RESULTS IN CLAIMS AS FOLLOWS:

0020 - NONDEPARTMENTAL

FARM HOUSE ESTHETICS PO BOX 393	OTHR BUS REGISTRATIONS/PERMITS CHECK NO. - 00546884	123.00
JODI DEMILLE 3605 S COOK ST	OTHR BUS REGISTRATIONS/PERMITS CHECK NO. - 00546842	56.50
PJ'S PUB ATTN: MEADOW FRANK	NON BUSINESS LICENSES/PERMITS CHECK NO. - 00546885	52.20
SAGEVIEW CONSULTING GROUP, LLC	SURVEYS/STUDIES ACH PMT NO. - 80047975	4,159.00
STARPLEX CORP	ALARM/SECURITY SERVICES ACH PMT NO. - 80047977	9,860.40

TOTAL FOR 0020 - NONDEPARTMENTAL 14,251.10

0030 - POLICE OMBUDSMAN

COPIERS NORTHWEST INC	OPERATING RENTALS/LEASES ACH PMT NO. - 80047883	127.38
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TOTAL FOR 0030 - POLICE OMBUDSMAN 127.38

0100 - GENERAL FUND

1 SOUTH MADELIA LLC	GRANT CASH PASS THRU ACCOUNT ACH PMT NO. - 80047945	30,000.00
BASALT ROCK LLC	GRANT CASH PASS THRU ACCOUNT ACH PMT NO. - 80047950	71,648.63
CASCADE EARTH SCIENCES NATURAL SOLUTIONS FOR WATER	GRANT CASH PASS THRU ACCOUNT CHECK NO. - 00546830	4,204.35
CODY ANDREW KIRKENDALL 300 W HAWTHORN RD	DEPOSIT-REFUNDS IN PROGRESS CHECK NO. - 00546840	136.00
GENE LISIECKI 1012 W 23RD AVE	DEPOSIT - RESTITUTION CHECK NO. - 00546841	20.00
INLAND EMPIRE RESIDENTIAL RESOURCES	GRANT CASH PASS THRU ACCOUNT CHECK NO. - 00546878	60,841.97
JULIA ROBERTSON 5020 N MORTON ST	DEPOSIT - RESTITUTION CHECK NO. - 00546843	200.00
KEVIN DUDLEY 2118 E 30TH AVE	DEPOSIT - RESTITUTION CHECK NO. - 00546844	25.00
MEG HARPER 3214 S LLOYD LN	DEPOSIT - RESTITUTION CHECK NO. - 00546845	135.00

HONORABLE MAYOR
AND COUNCIL MEMBERS

03/12/18
PAGE 3

PROCESSING OF VOUCHERS RESULTS IN CLAIMS AS FOLLOWS:

MICHAEL SEAN CRANDELL PO BOX 427	DEPOSIT-CASH BAIL BONDS CHECK NO. - 00546846	1,500.00
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ROTO ROOTER 6214 E ALKI	PERMIT REFUNDS PAYABLE CHECK NO. - 00546883	150.00
SPOKANE COMMUNITY COLLEGE 1810 N GREENE ST	DEPOSIT - RESTITUTION CHECK NO. - 00546847	25.00
SPOKANE COUNTY PROSECUTING ATTORNEY	COUNTY CRIME VICTIM & WITNESS CHECK NO. - 00546894	1,387.63
SPOKANE COUNTY TREASURER	DEPOSIT-COUNTY ACH PMT NO. - 80047905	11,422.50
US BANK	PCARD ADVANCE PYMT REC ACH PMT NO. - 80047910	88,470.06
WA STATE TREASURER	DEPOSIT-STATE BLDG CODE FEE CHECK NO. - 00546898	1,194.00

TOTAL FOR 0100 - GENERAL FUND	-----	271,360.14
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0230 - CIVIL SERVICE

COPIERS NORTHWEST INC	OPERATING RENTALS/LEASES ACH PMT NO. - 80047883	228.95
CRAIG E HULT	OTHER MISC CHARGES ACH PMT NO. - 80047983	35.00
DEVRIES INFORMATION MANAGEMENT	MISC SERVICES/CHARGES ACH PMT NO. - 80047886	8.96
JUDITH GILMORE	OTHER MISC CHARGES ACH PMT NO. - 80047966	35.00
MARK E LINDSEY	OTHER MISC CHARGES ACH PMT NO. - 80047985	35.00
PAMELA DECOUNTER	OTHER MISC CHARGES ACH PMT NO. - 80047958	35.00
SCOTT A STEPHENS	OTHER MISC CHARGES ACH PMT NO. - 80047978	35.00

TOTAL FOR 0230 - CIVIL SERVICE	-----	412.91
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0330 - PUBLIC AFFAIRS/COMMUNICATIONS

VERIZON WIRELESS BELLEVUE	IT/DATA SERVICES ACH PMT NO. - 80048047	40.01
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TOTAL FOR 0330 - PUBLIC AFFAIRS/COMMUNICATIONS	-----	40.01
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HONORABLE MAYOR
AND COUNCIL MEMBERS

03/12/18
PAGE 4

PROCESSING OF VOUCHERS RESULTS IN CLAIMS AS FOLLOWS:

0370 - ENGINEERING SERVICES

ARAMARK UNIFORM SERVICES AUS WEST LOCKBOX	LAUNDRY/JANITORIAL SERVICES ACH PMT NO. - 80047991	23.83
T-MOBILE	CELL PHONE CHECK NO. - 00546895	98.58

T-MOBILE	IT/DATA SERVICES	
	CHECK NO. - 00546895	123.48

TOTAL FOR 0370 - ENGINEERING SERVICES	245.89
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0430 - GRANTS MANAGEMENT

VERIZON WIRELESS BELLEVUE	CELL PHONE	
	ACH PMT NO. - 80047981	57.94

TOTAL FOR 0430 - GRANTS MANAGEMENT	57.94
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0450 - COMM & NEIGHBHD SVCS DIVISION

VERIZON WIRELESS BELLEVUE	CELL PHONE	
	ACH PMT NO. - 80048047	175.96

TOTAL FOR 0450 - COMM & NEIGHBHD SVCS DIVISION	175.96
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0470 - HISTORIC PRESERVATION

COWLES PUBLISHING COMPANY	ADVERTISING	
DBA THE SPOKESMAN-REVIEW	ACH PMT NO. - 80047884	91.49

VERIZON WIRELESS BELLEVUE	CELL PHONE	
	ACH PMT NO. - 80048047	57.94

TOTAL FOR 0470 - HISTORIC PRESERVATION	149.43
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0500 - LEGAL

C & C YARD CARE	LANDSCAPE/GROUNDS MAINT	
	ACH PMT NO. - 80047993	293.76

COPIERS NORTHWEST INC	OPERATING RENTALS/LEASES	
	ACH PMT NO. - 80047883	372.07

DEVRIES INFORMATION MANAGEMENT	MISC SERVICES/CHARGES	
	ACH PMT NO. - 80047960	13.44

EASTERN WASHINGTON ATTORNEY	LEGAL SERVICES	
SERVICES INC	CHECK NO. - 00546874	50.00

HONORABLE MAYOR	03/12/18
AND COUNCIL MEMBERS	PAGE 5

PROCESSING OF VOUCHERS RESULTS IN CLAIMS AS FOLLOWS:

JENNY TUPPER MOOMAW	INTERPRETER COSTS	
DBA INTERPRETER SERVICES	ACH PMT NO. - 80047999	250.00

JRM ENTERPRISES INC	INTERPRETER COSTS	
DBA PROFESSIONAL LANGUAGE	ACH PMT NO. - 80047897	1,127.00

TOTAL FOR 0500 - LEGAL	2,106.27
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0550 - NEIGHBORHOOD SERVICES

VERIZON WIRELESS BELLEVUE	CELL PHONE	
	ACH PMT NO. - 80048047	254.81
VERIZON WIRELESS BELLEVUE	IT/DATA SERVICES	
	ACH PMT NO. - 80048047	10.00
TOTAL FOR 0550 - NEIGHBORHOOD SERVICES		264.81

0560 - MUNICIPAL COURT

COPIERS NORTHWEST INC	OPERATING RENTALS/LEASES	
	ACH PMT NO. - 80047883	930.51
WA STATE TREASURER	AUTO THEFT PREVENTION	
	CHECK NO. - 00546898	5,566.26
WA STATE TREASURER	BLOOD/BREATH TEST FEE	
	CHECK NO. - 00546898	241.30
WA STATE TREASURER	DEATH INVESTIGATIONS	
	CHECK NO. - 00546898	164.46
WA STATE TREASURER	DNA COLLECTOR FEE	
	CHECK NO. - 00546898	25.60
WA STATE TREASURER	HIGHWAY SAFETY	
	CHECK NO. - 00546898	334.75
WA STATE TREASURER	JIS ACCOUNT	
	CHECK NO. - 00546898	14,715.07
WA STATE TREASURER	PSEA (SHB 1869)	
	CHECK NO. - 00546898	23,757.89
WA STATE TREASURER	PSEA3	
	CHECK NO. - 00546898	604.67
WA STATE TREASURER	SCHOOL ZONE SAFETY	
	CHECK NO. - 00546898	175.68
WA STATE TREASURER	SPECIAL ASSESSMENT	
	CHECK NO. - 00546898	42,256.83
WA STATE TREASURER	TRAUMATIC BRAIN INJ/TRAUMA	
	CHECK NO. - 00546898	3,970.71

HONORABLE MAYOR
AND COUNCIL MEMBERS

03/12/18
PAGE 6

PROCESSING OF VOUCHERS RESULTS IN CLAIMS AS FOLLOWS:

WA STATE TREASURER	VEHICLE LICENSE FRAUD	
	CHECK NO. - 00546898	6.96
WA STATE TREASURER	WSP HIGHWAY	
	CHECK NO. - 00546898	930.18
TOTAL FOR 0560 - MUNICIPAL COURT		93,680.87

0620 - HUMAN RESOURCES

DELL MARKETING LP	COMPUTERS	
%DELL USA LP	ACH PMT NO. - 80047959	2,047.37

DEVRIES INFORMATION MANAGEMENT	MISC SERVICES/CHARGES	
	ACH PMT NO. - 80047994	4.48
OCCUPATIONAL MEDICINE	MEDICAL SERVICES	
ASSOCIATES PS	ACH PMT NO. - 80048040	2,476.50
VERIZON WIRELESS BELLEVUE	CELL PHONE	
	ACH PMT NO. - 80048007	183.82

TOTAL FOR 0620 - HUMAN RESOURCES	-----	4,712.17
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0650 - PLANNING SERVICES

COWLES PUBLISHING COMPANY	ADVERTISING	
DBA THE SPOKESMAN-REVIEW	ACH PMT NO. - 80047922	390.40

TOTAL FOR 0650 - PLANNING SERVICES	-----	390.40
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0680 - POLICE

ACRANET CBS BRANCH/DIV OF	BACKGROUND CHECKS	
CBS REPORTING INC	ACH PMT NO. - 80047870	128.00
AT&T MOBILITY	MOBILE BROADBAND	
	CHECK NO. - 00546829	168.00
CENTURYLINK	ALARM/SECURITY SERVICES	
	CHECK NO. - 00546864	107.42
COPIERS NORTHWEST INC	EQUIPMENT REPAIRS/MAINTENANCE	
	ACH PMT NO. - 80047921	140.98
COPIERS NORTHWEST INC	OPERATING RENTALS/LEASES	
	ACH PMT NO. - 80047955	337.81
CW NIELSEN MFG CORP	OPERATING SUPPLIES	
	ACH PMT NO. - 80047923	540.74
FBI NATIONAL ACADEMY	OTH DUES/SUBSCRIPTNS/MEMBERSHP	
	CHECK NO. - 00546875	110.00

HONORABLE MAYOR
AND COUNCIL MEMBERS

03/12/18
PAGE 7

PROCESSING OF VOUCHERS RESULTS IN CLAIMS AS FOLLOWS:

FIKES NORTHWEST INC/DIV OF	OPERATING SUPPLIES	
VIKING LOGIC INC	ACH PMT NO. - 80047889	67.78
GRAINGER INC	OPERATING SUPPLIES	
	ACH PMT NO. - 80047926	1,123.96
KERSHAW INC	OPERATING SUPPLIES	
	ACH PMT NO. - 80047898	2,247.11
LEXIS-NEXIS RISK & ANALYTICS	BACKGROUND CHECKS	
GROUP ACCURINT-ACCT 1189340	ACH PMT NO. - 80047899	66.91
SENSKE PEST CONTROL	LANDSCAPE/GROUNDS MAINT	
SENSKE LAWN & TREE CARE	ACH PMT NO. - 80047976	391.68
SENSKE PEST CONTROL	SNOW REMOVAL SERVICES	
SENSKE LAWN & TREE CARE	ACH PMT NO. - 80047976	598.40
SPOKANE COUNTY TREASURER	TELEPHONE	

	ACH PMT NO. - 80047937	1,437.07
SPOKANE EXERCISE EQUIPMENT SALES AND SERVICE	EQUIPMENT REPAIRS/MAINTENANCE ACH PMT NO. - 80047938	702.86
SPOKANE INTERNAL MEDICINE PS	MEDICAL SERVICES CHECK NO. - 00546856	168.32
T-MOBILE	MOBILE BROADBAND CHECK NO. - 00546868	20.36
UNITED PARCEL SERVICE	POSTAGE CHECK NO. - 00546869	27.61
VERIZON WIRELESS BELLEVUE	SMART PHONES, IPAD, TABLETS ACH PMT NO. - 80047912	1,540.57
WA STATE CRIMINAL JUSTICE TRAINING COMMISSION	REGISTRATION/SCHOOLING ACH PMT NO. - 80047942	28,683.00
WCP SOLUTIONS	OPERATING SUPPLIES ACH PMT NO. - 80047943	5,013.22
TOTAL FOR 0680 - POLICE		43,621.80
0690 - PROBATION SERVICES		
ABSOLUTE DRUG TESTING LLC	PROFESSIONAL SERVICES ACH PMT NO. - 80047986	180.00
COPIERS NORTHWEST INC	OPERATING RENTALS/LEASES ACH PMT NO. - 80047883	51.79
JRM ENTERPRISES INC DBA PROFESSIONAL LANGUAGE	INTERPRETER COSTS ACH PMT NO. - 80047897	153.00
VERIZON WIRELESS BELLEVUE	CELL PHONE ACH PMT NO. - 80047981	115.88
HONORABLE MAYOR AND COUNCIL MEMBERS		03/12/18 PAGE 8
PROCESSING OF VOUCHERS RESULTS IN CLAIMS AS FOLLOWS:		
VERIZON WIRELESS BELLEVUE	IT/DATA SERVICES ACH PMT NO. - 80047981	40.01
TOTAL FOR 0690 - PROBATION SERVICES		540.68
0700 - PUBLIC DEFENDER		
C & C YARD CARE	LANDSCAPE/GROUNDS MAINT ACH PMT NO. - 80047993	293.76
COPIERS NORTHWEST INC	OPERATING RENTALS/LEASES ACH PMT NO. - 80047883	317.64
FIKES NORTHWEST INC/DIV OF VIKING LOGIC INC	OPERATING SUPPLIES ACH PMT NO. - 80047889	6.78
TOTAL FOR 0700 - PUBLIC DEFENDER		618.18
0750 - ECONOMIC DEVELOPMENT		

NATIONAL COUNCIL FOR COM DEV	CONTRACTUAL SERVICES	
NATIONAL DEVELOPMENT COUNCIL	ACH PMT NO. - 80048039	3,000.00
VERIZON WIRELESS BELLEVUE	CELL PHONE	
	ACH PMT NO. - 80048047	57.94

TOTAL FOR 0750 - ECONOMIC DEVELOPMENT		3,057.94
1100 - STREET FUND		

ADVANCED TRAFFIC PRODUCTS INC	OTHER REPAIRS/MAINT SUPPLIES	
	ACH PMT NO. - 80047988	586.70
ANATEK LABS INC	CONTRACTUAL SERVICES	
	ACH PMT NO. - 80047872	520.00
COPIERS NORTHWEST INC	OPERATING RENTALS/LEASES	
	ACH PMT NO. - 80047883	509.95
OCCUPATIONAL MEDICINE ASSOCIATES PS	MEDICAL SERVICES	
	ACH PMT NO. - 80048040	529.25
SPOKANE COUNTY WATER DIST NO 3	PUBLIC UTILITY SERVICE	
	CHECK NO. - 00546867	12.82
TRAFFIC SAFETY SUPPLY INC	OTHER REPAIRS/MAINT SUPPLIES	
	ACH PMT NO. - 80047909	30,664.25
WA STATE DEPT OF REVENUE	OTHER REPAIRS/MAINT SUPPLIES	
	-	2,758.20
WESTERN PACIFIC SIGNAL LLC	OTHER REPAIRS/MAINT SUPPLIES	
	ACH PMT NO. - 80048011	31,343.20
HONORABLE MAYOR AND COUNCIL MEMBERS		03/12/18 PAGE 9
PROCESSING OF VOUCHERS RESULTS IN CLAIMS AS FOLLOWS:		
WESTERN SYSTEMS INC	OTHER REPAIRS/MAINT SUPPLIES	
	CHECK NO. - 00547005	6,468.09

TOTAL FOR 1100 - STREET FUND		73,392.46
1200 - CODE ENFORCEMENT FUND		

DEVRIES INFORMATION MANAGEMENT	MISC SERVICES/CHARGES	
	ACH PMT NO. - 80047924	4.48
VERIZON WIRELESS BELLEVUE	CELL PHONE	
	ACH PMT NO. - 80048047	480.51
VERIZON WIRELESS BELLEVUE	IT/DATA SERVICES	
	ACH PMT NO. - 80048047	260.06

TOTAL FOR 1200 - CODE ENFORCEMENT FUND		745.05
1360 - MISCELLANEOUS GRANTS FUND		

CASCADE EARTH SCIENCES	CONTRACTUAL SERVICES	
NATURAL SOLUTIONS FOR WATER	CHECK NO. - 00546830	4,204.35

CASCADE EARTH SCIENCES	GRANT CASH PASS THRU ACCOUNT	
NATURAL SOLUTIONS FOR WATER	CHECK NO. - 00546830	4,204.35-

US ENVIRONMENTAL PROTECTION	ENVIRONMENTAL PROTECTION AGENC	
AGENCY, LAS VEGAS FINANCE CTR	CHECK NO. - 00546848	243.72

TOTAL FOR 1360 - MISCELLANEOUS GRANTS FUND	243.72
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1380 - TRAFFIC CALMING MEASURES

AVISTA UTILITIES	UTILITY LIGHT/POWER SERVICE	
	ACH PMT NO. - 80048017	117.51

TOTAL FOR 1380 - TRAFFIC CALMING MEASURES	117.51
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1400 - PARKS AND RECREATION FUND

COPIERS NORTHWEST INC	OPERATING RENTALS/LEASES	
	ACH PMT NO. - 80047883	315.06

OCCUPATIONAL MEDICINE	MEDICAL SERVICES	
ASSOCIATES PS	ACH PMT NO. - 80048040	345.00

TOTAL FOR 1400 - PARKS AND RECREATION FUND	660.06
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1450 - UNDER FREEWAY PARKING FUND

HONORABLE MAYOR	03/12/18
AND COUNCIL MEMBERS	PAGE 10

PROCESSING OF VOUCHERS RESULTS IN CLAIMS AS FOLLOWS:

AVISTA CORPORATION	UTILITY LIGHT/POWER SERVICE	
	ACH PMT NO. - 80048016	3,111.42

TOTAL FOR 1450 - UNDER FREEWAY PARKING FUND	3,111.42
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1460 - PARKING METER REVENUE FUND

COPIERS NORTHWEST INC	OPERATING RENTALS/LEASES	
	ACH PMT NO. - 80047883	89.79

PARKEON INC	OPERATING SUPPLIES	
	ACH PMT NO. - 80048002	915.01

TOTAL FOR 1460 - PARKING METER REVENUE FUND	1,004.80
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1560 - FORFEITURES & CONTRIBUTION FND

ABC LEGAL SERVICES INC	LEGAL SERVICES	
	ACH PMT NO. - 80047915	221.00

CRAIG MEIDL OR JUSTIN LUNDGREN	CONFIDENTIAL FUNDS	
CRAIG MEIDL TRUSTEE	CHECK NO. - 00546857	1,960.00

FIRST AMERICAN TITLE INS	LEGAL SERVICES	
	ACH PMT NO. - 80047890	544.00

MARK C PROTHERO	SALE OF SCRAP/JUNK/SURPLUS	
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CHECK NO. - 00546888 259.00

TOTAL FOR 1560 - FORFEITURES & CONTRIBUTION FND 2,984.00

1590 - HOTEL/MOTEL TAX FUND

SPOKANE PUBLIC FACILITIES IG PAYMENT FROM FED/STATE/LOCL
DISTRICT ACH PMT NO. - 80048005 234,805.82

TOTAL FOR 1590 - HOTEL/MOTEL TAX FUND 234,805.82

1620 - PUBLIC SAFETY & JUDICIAL GRANT

AARDVARK PROTECTIVE GEAR/CLOTHING
ACH PMT NO. - 80047868 38,779.40

BUD CLARY CHEVROLET JEEP EAGLE VEHICLES
ACH PMT NO. - 80047951 69,683.84

TOTAL FOR 1620 - PUBLIC SAFETY & JUDICIAL GRANT 108,463.24

1630 - COMBINED COMMUNICATIONS CENTER

HONORABLE MAYOR 03/12/18
AND COUNCIL MEMBERS PAGE 11

PROCESSING OF VOUCHERS RESULTS IN CLAIMS AS FOLLOWS:

FASTENAL CO OPERATING SUPPLIES
ACH PMT NO. - 80047888 10.37

TOTAL FOR 1630 - COMBINED COMMUNICATIONS CENTER 10.37

1640 - COMMUNICATIONS BLDG M&O FUND

FASTENAL CO OPERATING SUPPLIES
ACH PMT NO. - 80047963 888.04

TOTAL FOR 1640 - COMMUNICATIONS BLDG M&O FUND 888.04

1680 - CD/HS OPERATIONS

VERIZON WIRELESS BELLEVUE CELL PHONE
ACH PMT NO. - 80048047 57.94

TOTAL FOR 1680 - CD/HS OPERATIONS 57.94

1695 - CDBG REVOLVING LOAN FUND

SPOKANE CITY TREASURER DEPOSIT-MISCELLANEOUS DEPOSITS
CHECK NO. - 00547003 3,203.78

TOTAL FOR 1695 - CDBG REVOLVING LOAN FUND 3,203.78

1710 - HOME PROGRAM

1 SOUTH MADELIA LLC	CONTRACTUAL SERVICES ACH PMT NO. - 80047945	30,000.00
1 SOUTH MADELIA LLC	GRANT CASH PASS THRU ACCOUNT ACH PMT NO. - 80047945	30,000.00-
BASALT ROCK LLC	CONTRACTUAL SERVICES ACH PMT NO. - 80047950	71,648.63
BASALT ROCK LLC	GRANT CASH PASS THRU ACCOUNT ACH PMT NO. - 80047950	71,648.63-
INLAND EMPIRE RESIDENTIAL RESOURCES	CONTRACTUAL SERVICES CHECK NO. - 00546878	60,841.97
INLAND EMPIRE RESIDENTIAL RESOURCES	GRANT CASH PASS THRU ACCOUNT CHECK NO. - 00546878	60,841.97-
TOTAL FOR 1710 - HOME PROGRAM		0.00

1970 - FIRE/EMS FUND

HONORABLE MAYOR
AND COUNCIL MEMBERS

03/12/18
PAGE 12

PROCESSING OF VOUCHERS RESULTS IN CLAIMS AS FOLLOWS:

BRIDGESTONE AMERICAS INC dba GCR TIRES & SERVICE	VEHICLE REPAIR & MAINT SUPPLY ACH PMT NO. - 80047917	267.22
CITY SERVICE VALCON LLC	MOTOR FUEL-OUTSIDE VENDOR ACH PMT NO. - 80047953	8,090.76
DEACONESS MEDICAL CENTER PHARMACY	SAFETY SUPPLIES CHECK NO. - 00546865	4,272.20
FASTENAL CO	OPERATING SUPPLIES ACH PMT NO. - 80047963	2,657.09
FASTENAL CO	REPAIR & MAINTENANCE SUPPLIES ACH PMT NO. - 80047963	357.58
L N CURTIS & SONS	EQUIPMENT REPAIRS/MAINTENANCE ACH PMT NO. - 80047928	3,094.04
MATTHEW KRONVALL	TUITION REIMBURSEMENT ACH PMT NO. - 80047984	318.00
MUNICIPAL EMERGENCY SERVICES DEPOSITORY ACCOUNT	CLOTHING ACH PMT NO. - 80047929	6,489.22
NORCO INC	SAFETY SUPPLIES ACH PMT NO. - 80047930	298.32
OPEN INC DBA SAFETY PAD	CONTRACTUAL SERVICES ACH PMT NO. - 80047931	56,203.00
ROSE CITY LABEL DBA THE BADGER	PROMOTIONAL SUPPLIES ACH PMT NO. - 80047933	470.00
SCOTT TECHNOLOGIES INC DBA SCOTT SAFETY	EQUIPMENT REPAIRS/MAINTENANCE ACH PMT NO. - 80047934	2,662.38
SIX ROBBLEES INC	VEHICLE REPAIR & MAINT SUPPLY CHECK NO. - 00546866	2,407.71

SPOKANE FIRE DEPARTMENT IMPREST FUND	CLOTHING ALTERATIONS & REPAIRS CHECK NO. - 00546855	43.56
SPOKANE FIRE DEPARTMENT IMPREST FUND	REPAIR & MAINTENANCE SUPPLIES CHECK NO. - 00546855	21.49
THE MEN'S WEARHOUSE INC	CLOTHING ALTERATIONS & REPAIRS CHECK NO. - 00546886	65.28
TRI AIR TESTING INC	REPAIRS/MAINTENANCE ACH PMT NO. - 80047940	165.00
UNIFIRE POWER BLOWERS INC c/o TRIUMPH BUSINESS CAPITAL	PERSONAL PROTECTIVE EQUIPMENT ACH PMT NO. - 80047941	578.05
WA STATE DEPT OF REVENUE	CONTRACTUAL SERVICES -	4,945.86
WA STATE DEPT OF REVENUE	PROMOTIONAL SUPPLIES -	41.36

HONORABLE MAYOR
AND COUNCIL MEMBERS

03/12/18
PAGE 13

PROCESSING OF VOUCHERS RESULTS IN CLAIMS AS FOLLOWS:

TOTAL FOR 1970 - FIRE/EMS FUND

93,448.12

3200 - ARTERIAL STREET FUND

EPIC LAND SOLUTIONS INC	RIGHT OF WAY ACH PMT NO. - 80047995	828.75
HISTORICAL RESEARCH ASSOCIATES	CONSTRUCTION OF FIXED ASSETS ACH PMT NO. - 80047998	304.85
KPFF CONSULTING ENGINEERS	CONSTRUCTION OF FIXED ASSETS ACH PMT NO. - 80048000	13,348.41
THAXTON PARKINSON PLLC	CONSTRUCTION OF FIXED ASSETS ACH PMT NO. - 80047908	210.00

TOTAL FOR 3200 - ARTERIAL STREET FUND

14,692.01

4100 - WATER DIVISION

CINTAS CORPORATION NO 3 LOC 606	LAUNDRY/JANITORIAL SERVICES ACH PMT NO. - 80048020	2,501.36
COLUMBIA FORD INC	VEHICLES ACH PMT NO. - 80047881	59,021.64
COPIERS NORTHWEST INC	OPERATING RENTALS/LEASES ACH PMT NO. - 80047883	452.78
COPIERS NORTHWEST INC	REPAIRS/MAINTENANCE ACH PMT NO. - 80048024	1,366.94
CPM DEVELOPMENT CORP DBA CENTRAL PRE-MIX CONCRETE CO	REPAIR & MAINTENANCE SUPPLIES ACH PMT NO. - 80047952	5,964.16
FASTENAL CO	REPAIR & MAINTENANCE SUPPLIES ACH PMT NO. - 80048026	486.85
HASKINS STEEL CO INC	REPAIR & MAINTENANCE SUPPLIES	

	ACH PMT NO. - 80047996	2,374.15
HORIZON DISTRIBUTORS	REPAIR & MAINTENANCE SUPPLIES	
	CHECK NO. - 00546834	735.98
INDUSTRIAL SOFTWARE SOLUTIONS- WONDERWARE LLC	PERMITS/OTHER FEES	
	ACH PMT NO. - 80047969	10,080.32
NORCO INC	REPAIR & MAINTENANCE SUPPLIES	
	ACH PMT NO. - 80047970	21.93
NORTHWEST INDUSTRIAL SERVICES DBA AMERICAN ON SITE SERVICES	OPERATING RENTALS/LEASES	
	ACH PMT NO. - 80048015	65.00
OCCUPATIONAL MEDICINE ASSOCIATES PS	MEDICAL SERVICES	
	ACH PMT NO. - 80048040	543.00

HONORABLE MAYOR
AND COUNCIL MEMBERS

03/12/18
PAGE 14

PROCESSING OF VOUCHERS RESULTS IN CLAIMS AS FOLLOWS:

SPOKANE CITY TREASURER	DEPOSIT - U-HELP	
	CHECK NO. - 00546854	245.50
SPOKANE CITY TREASURER	OTHER MISC CHARGES	
	CHECK NO. - 00546854	853.27
SPOKANE CITY TREASURER	REFUNDS	
	CHECK NO. - 00546893	1,893.75
SPOKANE INT'L AIRPORT	OTH DUES/SUBSCRIPTNS/MEMBERSHP	
	ACH PMT NO. - 80047906	35.00
SPRING ENVIRONMENTAL INC	REGISTRATION/SCHOOLING	
	ACH PMT NO. - 80047907	4,600.00
SUSAN J CRAMER dba SUPERIOR TOWING NORTHWEST TOWING	OTHER MISC CHARGES	
	CHECK NO. - 00546859	238.00
VAN NESS FELDMAN LLP	LEGAL SERVICES	
	ACH PMT NO. - 80047980	480.00
VERIZON WIRELESS BELLEVUE	CELL PHONE	
	ACH PMT NO. - 80047981	365.84
WA STATE DEPT OF HEALTH	PERMITS/OTHER FEES	
	CHECK NO. - 00546897	2,653.00
WATER DEPARTMENT IMPREST FUND	PARKING/TOLLS (LOCAL)	
	CHECK NO. - 00546860	16.00
WATER DEPARTMENT IMPREST FUND	PERMITS/OTHER FEES	
	CHECK NO. - 00546860	195.00
WATER DEPARTMENT IMPREST FUND	REPAIR & MAINTENANCE SUPPLIES	
	CHECK NO. - 00546860	1.31

TOTAL FOR 4100 - WATER DIVISION

95,190.78

4250 - INTEGRATED CAPITAL MANAGEMENT

AHBL INC	CONSTRUCTION OF FIXED ASSETS	
	ACH PMT NO. - 80047990	380.00
EPIC LAND SOLUTIONS INC	RIGHT OF WAY	
	ACH PMT NO. - 80047995	906.25

HATCH ASSOCIATES CONSULTANTS INC	CONSTRUCTION OF FIXED ASSETS ACH PMT NO. - 80047997	1,806.00
JEFF FERGUSON	CONSTRUCTION OF FIXED ASSETS ACH PMT NO. - 80047965	10,500.00
PERKINS COIE LLP	PROFESSIONAL SERVICES ACH PMT NO. - 80047972	827.05
RIVER PARK SQUARE LLC	CONSTRUCTION OF FIXED ASSETS ACH PMT NO. - 80048004	254.50

HONORABLE MAYOR
AND COUNCIL MEMBERS

03/12/18
PAGE 15

PROCESSING OF VOUCHERS RESULTS IN CLAIMS AS FOLLOWS:

SPOKANE CITY TREASURER	REFUNDS CHECK NO. - 00546852	56.80
WA STATE DEPT OF ECOLOGY CASHERING UNIT	CONSTRUCTION OF FIXED ASSETS ACH PMT NO. - 80048009	61.61
WA STATE DEPT/TRANSPORTATION	CAPITALIZED RENTS/LEASES ACH PMT NO. - 80048008	3,411.44
TOTAL FOR 4250 - INTEGRATED CAPITAL MANAGEMENT		18,203.65

4300 - SEWER FUND

SPOKANE CITY TREASURER	REFUNDS CHECK NO. - 00546852	69.01
TOTAL FOR 4300 - SEWER FUND		69.01

4310 - SEWER MAINTENANCE DIVISION

AVISTA UTILITIES	UTILITY LIGHT/POWER SERVICE ACH PMT NO. - 80048017	144.38
CITY SERVICE VALCON LLC	MOTOR FUEL-OUTSIDE VENDOR ACH PMT NO. - 80047880	5,427.87
COPIERS NORTHWEST INC	OPERATING RENTALS/LEASES ACH PMT NO. - 80047883	270.10
EPIC LAND SOLUTIONS INC	PROFESSIONAL SERVICES ACH PMT NO. - 80047995	708.90
OCCUPATIONAL MEDICINE ASSOCIATES PS	MEDICAL SERVICES ACH PMT NO. - 80048040	137.00
SPOKANE CITY TREASURER	OTHER MISC CHARGES CHECK NO. - 00546854	853.27
TRENCHLESS RESOURCES INTL LLC	REGISTRATION/SCHOOLING CHECK NO. - 00547004	810.00
T-MOBILE	CELL PHONE CHECK NO. - 00546895	477.75
WCP SOLUTIONS	REPROGRAPHICS ACH PMT NO. - 80047914	654.23

WSF LLC	EQUIPMENT REPAIRS/MAINTENANCE	
dba WESTERN SYSTEMS &	ACH PMT NO. - 80047982	2,197.36

TOTAL FOR 4310 - SEWER MAINTENANCE DIVISION	11,680.86
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4320 - RIVERSIDE PARK RECLAMATION FAC

HONORABLE MAYOR
AND COUNCIL MEMBERS

03/12/18
PAGE 16

PROCESSING OF VOUCHERS RESULTS IN CLAIMS AS FOLLOWS:

ALS LABORATORY GROUP	TESTING SERVICES ACH PMT NO. - 80047946	6,850.00
AVISTA UTILITIES	UTILITY LIGHT/POWER SERVICE ACH PMT NO. - 80047874	177.11
AVISTA UTILITIES	UTILITY NATURAL GAS ACH PMT NO. - 80047874	62.38
CINTAS CORPORATION NO 3 LOC 606	LAUNDRY/JANITORIAL SERVICES ACH PMT NO. - 80047879	25,823.00
COPIERS NORTHWEST INC	OPERATING RENTALS/LEASES ACH PMT NO. - 80047883	222.81
COWLES PUBLISHING COMPANY DBA THE SPOKESMAN-REVIEW	ADVERTISING ACH PMT NO. - 80047956	263.05
DALLY ENVIRONMENTAL LLC	OTH DUES/SUBSCRIPTNS/MEMBERSHP ACH PMT NO. - 80047957	2,883.68
DELL MARKETING LP %DELL USA LP	MINOR EQUIPMENT ACH PMT NO. - 80047885	2,078.56
EUROFINS FRONTIER GLOBAL SCIENCES INC	TESTING SERVICES ACH PMT NO. - 80047962	1,040.00
FEDERAL EXPRESS CORP/DBA FEDEX	POSTAGE ACH PMT NO. - 80047964	819.32
FIKES NORTHWEST INC/DIV OF VIKING LOGIC INC	MISC SERVICES/CHARGES ACH PMT NO. - 80047889	47.45
L J WING/DIV OF MESTEX LTD	EQUIPMENT REPAIRS/MAINTENANCE CHECK NO. - 00546836	17,398.21
OCCUPATIONAL MEDICINE ASSOCIATES PS	MEDICAL SERVICES ACH PMT NO. - 80048040	166.00
POINTE PEST CONTROL	CONTRACTUAL SERVICES ACH PMT NO. - 80047973	1,463.36
SPOKANE INT'L AIRPORT	PERMITS/OTHER FEES ACH PMT NO. - 80047906	35.00
TELEDYNE ISCO INC	OTHER MISC CHARGES ACH PMT NO. - 80047979	1,123.36
TESTAMERICA LABORATORIES INC	TESTING SERVICES ACH PMT NO. - 80047939	444.50
T-MOBILE	CELL PHONE CHECK NO. - 00546895	11.02
VISIONARY COMMUNICATIONS, INC	TELEPHONE	

TOTAL FOR 4320 - RIVERSIDE PARK RECLAMATION FAC

60,981.93

HONORABLE MAYOR
AND COUNCIL MEMBERS03/12/18
PAGE 17

PROCESSING OF VOUCHERS RESULTS IN CLAIMS AS FOLLOWS:

4330 - STORMWATER

AVISTA UTILITIES	UTILITY LIGHT/POWER SERVICE ACH PMT NO. - 80047949	82.18
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CENTURYLINK	TELEPHONE CHECK NO. - 00546872	58.65
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TOTAL FOR 4330 - STORMWATER

140.83

4340 - WATER/WW REVENUE BOND FUND

AECOM TECHNICAL SERVICES INC	CONSTRUCTION OF FIXED ASSETS ACH PMT NO. - 80047989	987.51
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BERNARDO-WILLS ARCHITECTS PC	CONSTRUCTION OF FIXED ASSETS ACH PMT NO. - 80047876	3,592.50
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CH2M HILL ENGINEERS INC	CONSTRUCTION OF FIXED ASSETS CHECK NO. - 00546873	2,119,332.48
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GROUNDWATER SOLUTIONS INC dba GSI WATER SOLUTIONS INC	CONSTRUCTION OF FIXED ASSETS ACH PMT NO. - 80047968	3,623.82
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TOTAL FOR 4340 - WATER/WW REVENUE BOND FUND

2,127,536.31

4480 - SOLID WASTE FUND

SPOKANE CITY TREASURER	REFUNDS CHECK NO. - 00546852	65.16
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TOTAL FOR 4480 - SOLID WASTE FUND

65.16

4490 - SOLID WASTE DISPOSAL

AMEC FOSTER WHEELER NORTH AMERICA CORP	OTHER REPAIRS/MAINT SUPPLIES ACH PMT NO. - 80048014	2,919.60
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ANATEK LABS INC	CONTRACTUAL SERVICES ACH PMT NO. - 80047947	652.00
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AVISTA UTILITIES	UTILITY NATURAL GAS ACH PMT NO. - 80048017	19,292.39
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BANNER FURNACE & FUEL	OPERATING SUPPLIES ACH PMT NO. - 80048019	205.63
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BRENNTAG PACIFIC INC	CHEMICAL/LAB SUPPLIES CHECK NO. - 00546863	44,741.09
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BROADWAY TRUCK STOP/DIV OF ALSAKER CORP	MOTOR FUEL-OUTSIDE VENDOR CHECK NO. - 00546871	141.38
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PROCESSING OF VOUCHERS RESULTS IN CLAIMS AS FOLLOWS:

COPIERS NORTHWEST INC	OPERATING RENTALS/LEASES ACH PMT NO. - 80047955	704.71
DICK IRVIN INC.	CONTRACTUAL SERVICES ACH PMT NO. - 80047961	5,414.00
ELJAY OIL CO INC	MOTOR FUEL-OUTSIDE VENDOR ACH PMT NO. - 80047925	781.75
FASTENAL CO	OPERATING SUPPLIES ACH PMT NO. - 80048026	383.33
FASTENAL CO	OTHER REPAIRS/MAINT SUPPLIES ACH PMT NO. - 80048026	5,361.25
FASTENAL CO	PERSONAL PROTECTIVE EQUIPMENT ACH PMT NO. - 80048026	730.11
FASTENAL CO	SAFETY SUPPLIES ACH PMT NO. - 80048026	17.41
GARVEY SCHUBERT BARER	PROFESSIONAL SERVICES ACH PMT NO. - 80048027	794.34
GENERAL KINEMATICS CORPORATION	OTHER REPAIRS/MAINT SUPPLIES ACH PMT NO. - 80047891	3,814.91
GRAYMONT CAPITAL INC.	CHEMICAL/LAB SUPPLIES ACH PMT NO. - 80048030	46,910.20
HYDRAULICS PLUS INC	EQUIPMENT REPAIRS/MAINTENANCE ACH PMT NO. - 80048032	2,632.18
MCCOY POWER CONSULTANTS INC	CONTRACTUAL SERVICES ACH PMT NO. - 80048036	6,250.00
NORCO INC	CHEMICAL/LAB SUPPLIES ACH PMT NO. - 80047970	482.57
NORTHWEST INDUSTRIAL SERVICES DBA AMERICAN ON SITE SERVICES	OPERATING RENTALS/LEASES ACH PMT NO. - 80047916	118.00
SPECIALTY MACHINING & MFG CO	OTHER REPAIRS/MAINT SUPPLIES ACH PMT NO. - 80048045	3,329.28
UNITED RENTALS NW INC	OPERATING RENTALS/LEASES CHECK NO. - 00546870	938.06
V BELT GLOBAL SUPPLY INC	OTHER REPAIRS/MAINT SUPPLIES ACH PMT NO. - 80047911	58.97
WA STATE DEPT OF REVENUE	OTHER REPAIRS/MAINT SUPPLIES -	335.71

TOTAL FOR 4490 - SOLID WASTE DISPOSAL 147,008.87

4500 - SOLID WASTE COLLECTION

PROCESSING OF VOUCHERS RESULTS IN CLAIMS AS FOLLOWS:

ACTION MEDICAL INC	OPERATING SUPPLIES ACH PMT NO. - 80047871	111.30
AVISTA UTILITIES	UTILITY LIGHT/POWER SERVICE ACH PMT NO. - 80047992	2,093.54
AVISTA UTILITIES	UTILITY NATURAL GAS ACH PMT NO. - 80047992	1,369.23
COPIERS NORTHWEST INC	OPERATING RENTALS/LEASES ACH PMT NO. - 80047883	665.53
CRAMBLIT INC dba HOTSY OF SPOKANE	OPERATING SUPPLIES ACH PMT NO. - 80047896	7,082.88
LINN MACHINE & MFG	IT/DATA SERVICES ACH PMT NO. - 80047901	50,738.52
OCCUPATIONAL MEDICINE ASSOCIATES PS	MEDICAL SERVICES ACH PMT NO. - 80048040	362.00
SPOKANE CITY TREASURER	OTHER MISC CHARGES CHECK NO. - 00546854	853.27
SPOKANE COUNTY TREASURER	UTIL GARBAGE/WASTE REMOVAL ACH PMT NO. - 80047905	1,657.37
TOTAL FOR 4500 - SOLID WASTE COLLECTION		64,933.64

4700 - DEVELOPMENT SVCS CENTER

ACCOUNTING IMPREST FUND	PARKING/TOLLS (LOCAL) CHECK NO. - 00546828	23.65
ADT LLC ATTN:KRISTY PEREZ	PERMIT REFUNDS PAYABLE CHECK NO. - 00546837	15.00
BOUTEN CONSTRUCTION COMPANY PO BOX 3507	PERMIT REFUNDS PAYABLE CHECK NO. - 00546879	511.30
GREGG C POWELL	LOCAL MILEAGE CHECK NO. - 00546851	101.37
MAINSTREAM ELECTRIC INC PO BOX 3436	PERMIT REFUNDS PAYABLE CHECK NO. - 00546882	45.00
SPOKANE TRANSIT AUTHORITY ATTN:JESSICA CHARLTON	PERMIT REFUNDS PAYABLE CHECK NO. - 00546838	18,017.70
STURM HEATING 1112 N NELSON ST	PERMIT REFUNDS PAYABLE CHECK NO. - 00546839	15.00
TOTAL FOR 4700 - DEVELOPMENT SVCS CENTER		18,729.02

5100 - FLEET SERVICES FUND

HONORABLE MAYOR
AND COUNCIL MEMBERS

03/12/18
PAGE 20

PROCESSING OF VOUCHERS RESULTS IN CLAIMS AS FOLLOWS:

AVISTA UTILITIES	UTILITY LIGHT/POWER SERVICE
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	ACH PMT NO. - 80047992	1,377.83
AVISTA UTILITIES	UTILITY NATURAL GAS	
	ACH PMT NO. - 80047992	2,469.37
BATTERY SYSTEMS INC	OTHER REPAIRS/MAINT SUPPLIES	
	ACH PMT NO. - 80047875	317.48
BRAD L WHITE	OTHER REPAIRS/MAINT SUPPLIES	
dba SUPERIOR FLUID POWER	CHECK NO. - 00546858	3,922.24
CHEVRON USA INC	MOTOR FUEL-OUTSIDE VENDOR	
	CHECK NO. - 00546832	259.27
CINTAS CORPORATION NO 3	LAUNDRY/JANITORIAL SERVICES	
LOC 606	ACH PMT NO. - 80047919	1,576.99
CONNELL OIL INC	OTHER REPAIRS/MAINT SUPPLIES	
DBA CO-ENERGY	ACH PMT NO. - 80047920	5,722.82
COPIERS NORTHWEST INC	OPERATING RENTALS/LEASES	
	ACH PMT NO. - 80047883	216.58
DELL MARKETING LP	COMPUTERS	
%DELL USA LP	ACH PMT NO. - 80047885	752.29
DIVERSIFIED INSPECTIONS/ILT	EQUIPMENT REPAIRS/MAINTENANCE	
INC	ACH PMT NO. - 80047887	6,900.00
FLEET SERVICES IMPREST FUND	OTHER REPAIRS/MAINT SUPPLIES	
	CHECK NO. - 00546876	793.25
FLEET SERVICES IMPREST FUND	PARKING/TOLLS (LOCAL)	
	CHECK NO. - 00546876	2.50
INDUSTRIAL WELDING CO INC	EQUIPMENT REPAIRS/MAINTENANCE	
	CHECK NO. - 00546835	12,196.23
MCLOUGHLIN & EARDLEY GROUP	OTHER REPAIRS/MAINT SUPPLIES	
dba SIRENNET.COM	ACH PMT NO. - 80048001	2,784.11
OCCUPATIONAL MEDICINE	MEDICAL SERVICES	
ASSOCIATES PS	ACH PMT NO. - 80048040	331.25
PETROCARD SYSTEMS INC	MOTOR FUEL-OUTSIDE VENDOR	
PACIFIC PRIDE	CHECK NO. - 00547002	57.71
SOLID WASTE SYSTEMS INC	EQUIPMENT REPAIRS/MAINTENANCE	
dba SWS EQUIPMENT INC	ACH PMT NO. - 80047904	10,783.15
SOLID WASTE SYSTEMS INC	OTHER REPAIRS/MAINT SUPPLIES	
dba SWS EQUIPMENT INC	ACH PMT NO. - 80047935	21,120.42
WHITE BEAR WEST INC	OTHER REPAIRS/MAINT SUPPLIES	
	ACH PMT NO. - 80047944	135.61

TOTAL FOR 5100 - FLEET SERVICES FUND

71,719.10

HONORABLE MAYOR
AND COUNCIL MEMBERS

03/12/18
PAGE 21

PROCESSING OF VOUCHERS RESULTS IN CLAIMS AS FOLLOWS:

5200 - PUBLIC WORKS AND UTILITIES

DELL MARKETING LP	COMPUTERS	
%DELL USA LP	ACH PMT NO. - 80047885	228.47

VERIZON WIRELESS BELLEVUE	CELL PHONE	
	ACH PMT NO. - 80047981	117.17

TOTAL FOR 5200 - PUBLIC WORKS AND UTILITIES	345.64
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5300 - IT FUND

ARAMARK UNIFORM SERVICES	LAUNDRY/JANITORIAL SERVICES	
AUS WEST LOCKBOX	ACH PMT NO. - 80047991	24.91
AT&T MOBILITY	CELL PHONE	
	CHECK NO. - 00547001	245.38
CENTURYLINK	TELEPHONE	
	CHECK NO. - 00547046	4,461.76
CONTRACT DESIGN ASSOCIATES INC	OFFICE FURNITURE (NON CAPITAL)	
	ACH PMT NO. - 80047954	1,971.24
NORTHWEST VITAL RECORDS	ALARM/SECURITY SERVICES	
CENTER INC	ACH PMT NO. - 80047971	665.00
PITNEY BOWES	OPERATING RENTALS/LEASES	
	CHECK NO. - 00546887	137.09
PITNEY BOWES RESERVE ACCOUNT	PREPAID POSTAGE	
POSTAGE BY PHONE RESERVE ACCT	CHECK NO. - 00546850	50,000.00
RIVER PARK SQUARE LLC	PARKING/TOLLS (LOCAL)	
	ACH PMT NO. - 80047974	740.00
VERIZON WIRELESS BELLEVUE	CELL PHONE	
	ACH PMT NO. - 80048047	1,390.01

TOTAL FOR 5300 - IT FUND	59,635.39
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5400 - REPROGRAPHICS FUND

COPIERS NORTHWEST INC	OPERATING RENTALS/LEASES	
	ACH PMT NO. - 80047883	7,793.41
GARLAND PRINTING CO	OPERATING SUPPLIES	
	CHECK NO. - 00546877	108.80
GREAT WESTERN INK INC	OPERATING SUPPLIES	
	CHECK NO. - 00546833	255.92
WCP SOLUTIONS	OPERATING SUPPLIES	
	ACH PMT NO. - 80047914	456.05

HONORABLE MAYOR
AND COUNCIL MEMBERS

03/12/18
PAGE 22

PROCESSING OF VOUCHERS RESULTS IN CLAIMS AS FOLLOWS:

TOTAL FOR 5400 - REPROGRAPHICS FUND	8,614.18
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5600 - ACCOUNTING SERVICES

DEVRIES INFORMATION MANAGEMENT	MISC SERVICES/CHARGES	
	ACH PMT NO. - 80047886	4.48

VERIZON WIRELESS BELLEVUE	IT/DATA SERVICES	
	ACH PMT NO. - 80047981	40.01
TOTAL FOR 5600 - ACCOUNTING SERVICES		44.49
5700 - MY SPOKANE		
VERIZON WIRELESS BELLEVUE	CELL PHONE	
	ACH PMT NO. - 80048047	115.88
TOTAL FOR 5700 - MY SPOKANE		115.88
5800 - RISK MANAGEMENT FUND		
US BANK OR CITY TREASURER	INSURANCE CLAIMS	
LIABILITY CLAIMS	ACH PMT NO. - 80048006	67,488.33
TOTAL FOR 5800 - RISK MANAGEMENT FUND		67,488.33
5810 - WORKERS' COMPENSATION FUND		
CONTRACT DESIGN ASSOCIATES INC	OFFICE FURNITURE (NON CAPITAL)	
	ACH PMT NO. - 80048022	1,628.02
COPIERS NORTHWEST INC	OPERATING RENTALS/LEASES	
	ACH PMT NO. - 80047883	141.76
DEVRIES INFORMATION MANAGEMENT	MISC SERVICES/CHARGES	
	ACH PMT NO. - 80047960	8.96
VERIZON WIRELESS BELLEVUE	CELL PHONE	
	ACH PMT NO. - 80047981	91.34
TOTAL FOR 5810 - WORKERS' COMPENSATION FUND		1,870.08
5830 - EMPLOYEES BENEFITS FUND		
KAISER FOUNDATION HEALTH PLAN	INSURANCE CLAIMS	
OF WASHINGTON	ACH PMT NO. - 80048031	63,284.03
LIFEWISE ASSURANCE CO	INSURANCE PREMIUMS	
	ACH PMT NO. - 80047900	35,253.29
HONORABLE MAYOR		03/12/18
AND COUNCIL MEMBERS		PAGE 23
PROCESSING OF VOUCHERS RESULTS IN CLAIMS AS FOLLOWS:		
PREMERA BLUE CROSS	INSURANCE ADMINISTRATION	
	ACH PMT NO. - 80047932	50,438.24
PREMERA BLUE CROSS OR	INSURANCE CLAIMS	
SPOKANE CITY TREASURER	ACH PMT NO. - 80048003	518,268.16
WASHINGTON DENTAL SERVICE OR	INSURANCE ADMINISTRATION	
CITY OF SPOKANE	ACH PMT NO. - 80048048	7,693.90
WASHINGTON DENTAL SERVICE OR	INSURANCE CLAIMS	
CITY OF SPOKANE	ACH PMT NO. - 80048048	76,985.71

TOTAL FOR 5830 - EMPLOYEES BENEFITS FUND

751,923.33

5900 - ASSET MANAGEMENT FUND OPS

ARAMARK UNIFORM SERVICES	LAUNDRY/JANITORIAL SERVICES	
AUS WEST LOCKBOX	ACH PMT NO. - 80047991	133.82
NAC ARCHITECTURE	BUILDING REPAIRS/MAINTENANCE	
	ACH PMT NO. - 80047902	8,417.50
WCP SOLUTIONS	OPERATING SUPPLIES	
	ACH PMT NO. - 80048049	2,476.40

TOTAL FOR 5900 - ASSET MANAGEMENT FUND OPS

11,027.72

5901 - ASSET MANAGEMENT FUND CAPITAL

ADAMS & CLARK INC	BUILDING IMPROVEMENTS	
	ACH PMT NO. - 80047987	1,000.00
BUD CLARY CHEVROLET JEEP EAGLE	VEHICLES	
	ACH PMT NO. - 80047951	153,822.19
COLUMBIA FORD INC	VEHICLES	
	ACH PMT NO. - 80047881	96,156.23
CONTRACT DESIGN ASSOCIATES INC	BUILDING IMPROVEMENTS	
	ACH PMT NO. - 80047882	4,747.37

TOTAL FOR 5901 - ASSET MANAGEMENT FUND CAPITAL

255,725.79

6200 - FIREFIGHTERS' PENSION FUND

LIFEWISE ASSURANCE CO	INSURANCE ADMINISTRATION	
	ACH PMT NO. - 80047900	6,192.16
PREMERA BLUE CROSS	INSURANCE ADMINISTRATION	
	ACH PMT NO. - 80047932	8,862.88
PREMERA BLUE CROSS OR SPOKANE CITY TREASURER	SERVICE REIMBURSEMENT	
	ACH PMT NO. - 80048003	81,493.35

HONORABLE MAYOR
AND COUNCIL MEMBERS

03/12/18
PAGE 24

PROCESSING OF VOUCHERS RESULTS IN CLAIMS AS FOLLOWS:

TOTAL FOR 6200 - FIREFIGHTERS' PENSION FUND

96,548.39

6300 - POLICE PENSION

LIFEWISE ASSURANCE CO	INSURANCE ADMINISTRATION	
	ACH PMT NO. - 80047900	4,763.20
PREMERA BLUE CROSS	INSURANCE ADMINISTRATION	
	ACH PMT NO. - 80047932	6,817.60
PREMERA BLUE CROSS OR SPOKANE CITY TREASURER	SERVICE REIMBURSEMENT	
	ACH PMT NO. - 80048003	51,712.65

TOTAL FOR 6300 - POLICE PENSION

63,293.45

TOTAL CLAIMS

4,906,534.05

REPORT: PG3640
 SYSTEM: FMSAP
 USER: MANAGER
 RUN NO: 10

CITY OF SPOKANE
 COUNCIL CHECK RANGE/TOTAL

DATE: 03/12/18
 TIME: 07:50
 PAGE: 1

CHECK #	VENDOR	CITY	LIBRARY	PARKS
	USE TAX AMOUNTS	8,081.13		
00546828	ACCOUNTING IMPREST FUND	23.65		
00546829	AT&T MOBILITY	168.00		
00546830	CASCADE EARTH SCIENCES	4,204.35		
00546831	CENTURYLINK	54.70		
00546832	CHEVRON USA INC	259.27		
00546833	GREAT WESTERN INK INC	255.92		
00546834	HORIZON DISTRIBUTORS	735.98		
00546835	INDUSTRIAL WELDING CO INC	12,196.23		
00546836	L J WING/DIV OF MESTEX LTD	17,398.21		
00546837	ADT LLC	15.00		
00546838	SPOKANE TRANSIT AUTHORITY	18,017.70		
00546839	STURM HEATING	15.00		
00546840	CODY ANDREW KIRKENDALL	136.00		
00546841	GENE LISIECKI	20.00		
00546842	JODI DEMILLE	56.50		
00546843	JULIA ROBERTSON	200.00		
00546844	KEVIN DUDLEY	25.00		
00546845	MEG HARPER	135.00		
00546846	MICHAEL SEAN CRANDELL	1,500.00		
00546847	SPOKANE COMMUNITY COLLEGE	25.00		
00546848	US ENVIRONMENTAL PROTECTION	243.72		
00546849	PETROCARD SYSTEMS INC	28.80		
00546850	PITNEY BOWES RESERVE ACCOUNT	50,000.00		
00546851	GREGG C POWELL	101.37		
00546852	SPOKANE CITY TREASURER	330.18		
00546853	SPOKANE CITY TREASURER	90.00		
00546854	SPOKANE CITY TREASURER	2,805.31		
00546855	SPOKANE FIRE DEPARTMENT	65.05		
00546856	SPOKANE INTERNAL MEDICINE PS	168.32		
00546857	CRAIG MEIDL OR JUSTIN LUNDGR	1,960.00		
00546858	BRAD L WHITE	3,922.24		
00546859	SUSAN J CRAMER dba SUPERIOR	238.00		
00546860	WATER DEPARTMENT	212.31		
00546863	BRENNTAG PACIFIC INC	44,741.09		
00546864	CENTURYLINK	52.72		
00546865	DEACONESS MEDICAL CENTER	4,272.20		
00546866	SIX ROBBLEES INC	2,407.71		
00546867	SPOKANE COUNTY WATER DIST NO	12.82		
00546868	T-MOBILE	20.36		
00546869	UNITED PARCEL SERVICE	27.61		
00546870	UNITED RENTALS NW INC	938.06		
00546871	BROADWAY TRUCK STOP/DIV OF	141.38		
00546872	CENTURYLINK	58.65		
00546873	CH2M HILL ENGINEERS INC	2,119,332.48		
00546874	EASTERN WASHINGTON ATTORNEY	50.00		
00546875	FBI NATIONAL ACADEMY	110.00		
00546876	FLEET SERVICES IMPREST FUND	795.75		
00546877	GARLAND PRINTING CO	108.80		
00546878	INLAND EMPIRE RESIDENTIAL	60,841.97		
00546879	BOUTEN CONSTRUCTION COMPANY	511.30		
00546880	MAINSTREAM ELECTRIC INC	15.00		
00546881	MAINSTREAM ELECTRIC INC	15.00		

REPORT: PG3640
 SYSTEM: FMSAP
 USER: MANAGER
 RUN NO: 10

CITY OF SPOKANE
 COUNCIL CHECK RANGE/TOTAL

DATE: 03/12/18
 TIME: 07:50
 PAGE: 2

CHECK #	VENDOR	CITY	LIBRARY	PARKS
00546882	MAINSTREAM ELECTRIC INC	15.00		
00546883	ROTO ROOTER	150.00		
00546884	FARM HOUSE ESTHETICS	123.00		
00546885	PJ'S PUB	52.20		
00546886	THE MEN'S WEARHOUSE INC	65.28		
00546887	PITNEY BOWES	137.09		
00546888	MARK C PROTHERO	259.00		
00546889	SPOKANE CITY TREASURER	603.22		
00546890	SPOKANE CITY TREASURER	371.32		
00546891	SPOKANE CITY TREASURER	75.00		
00546892	SPOKANE CITY TREASURER	520.00		
00546893	SPOKANE CITY TREASURER	95.00		
00546894	SPOKANE COUNTY PROSECUTING	1,387.63		
00546895	T-MOBILE	710.83		
00546896	VISIONARY COMMUNICATIONS, IN	73.12		
00546897	WA STATE DEPT OF HEALTH	2,653.00		
00546898	WA STATE TREASURER	93,944.36		
00547001	AT&T MOBILITY	245.38		
00547002	PETROCARD SYSTEMS INC	28.91		
00547003	SPOKANE CITY TREASURER	3,203.78		
00547004	TRENCHLESS RESOURCES INTL LL	810.00		
00547005	WESTERN SYSTEMS INC	6,468.09		
00547006	CHRIS OLSON			135.00
00547007	DAVE ALLEN			12.45
00547008	KRISTINA BAKER			98.00
00547009	SID BANKEY			132.00
00547010	BETH BASFORD			48.00
00547011	ERIC BIESEN			23.00
00547012	KANDI CARPER			15.00
00547013	LARA CAVINESS			120.00
00547014	CLARA CLARK			3.00
00547015	JACKIE COOK			42.00
00547016	JIALU GAO			21.00
00547017	WILLIAM GILLIS			78.00
00547018	SUSAN HART-ANDERSON			46.00
00547019	DICK HATTERMAN			30.00
00547020	JENNIFER HAVIN			15.00
00547021	CAROL HOLZER			37.00
00547022	ELIZABETH KILLIAN			96.00
00547023	ERIN KING			180.00
00547024	CLAYTON KLIPPET			48.00
00547025	KATHRYN LICHFIELD			40.00
00547026	KATE MAKINSON			15.00
00547027	CAROLE MANN			62.00
00547028	TOMMIJO MCKEEN			125.00
00547029	EMILY MURPHY			48.00
00547030	CHRISTY NETTLES			15.00
00547031	JESS NETTLES			15.00
00547032	KRISTEN OA,A'DEA			40.00
00547033	BRIANA RANDALL			15.00
00547034	CARY RUX			12.00
00547035	DOUG SAMS			42.00
00547036	TANYA SAVAS			70.00

REPORT: PG3640
SYSTEM: FMSAP
USER: MANAGER
RUN NO: 10

CITY OF SPOKANE
COUNCIL CHECK RANGE/TOTAL

DATE: 03/12/18
TIME: 07:50
PAGE: 3

CHECK #	VENDOR	CITY	LIBRARY	PARKS
00547037	LORI SHARAPATA			140.00

00547038	JESSICA SLACKMAN		10.00
00547039	KURTIS STARKEL		48.00
00547040	LESLIE STURDIVANT		25.00
00547041	HEATHER TABISH		48.00
00547042	MARIE WALKER		50.00
00547043	LYNDA WARREN		20.00
00547044	BRYAN WHITAKER		70.00
00547045	SHANTI WOODSIDE		104.00
00547046	CENTURYLINK	4,461.76	
00547047	RAE-LYNN BARDEN		28.69
00547048	JENNILYN WEIGHT		50.00
00547049	SHAWN WASHINGTON		50.00
00547050	MARC ROBINSON		50.00
00547051	JUSTIN MARTIN		50.00
00547052	JENNILYN WEIGHT		50.00
00547053	JESSICA SPURR		62.50
00547054	JESSICA SPURR		62.50
00547055	ROBERT BARTLETT		75.00
00547056	STEPHEN PITTERS		75.00
00547057	KURTIS ROBINSON		75.00
00547058	SPOKANE CITY TREASURER		865.00
80047868	AARDVARK	38,779.40	
80047869	ABC LEGAL SERVICES INC	49.50	
80047870	ACRANET CBS BRANCH/DIV OF	128.00	
80047871	ACTION MEDICAL INC	111.30	
80047872	ANATEK LABS INC	520.00	
80047873	AVISTA CORPORATION	38.30	
80047874	AVISTA UTILITIES	298.47	
80047875	BATTERY SYSTEMS INC	317.48	
80047876	BERNARDO-WILLS ARCHITECTS PC	3,592.50	
80047877	BUD CLARY CHEVROLET JEEP EAG	133,292.35	
80047878	CPM DEVELOPMENT CORP DBA	2,972.81	
80047879	CINTAS CORPORATION NO 3	26,609.97	
80047880	CITY SERVICE VALCON LLC	8,081.85	
80047881	COLUMBIA FORD INC	155,177.87	
80047882	CONTRACT DESIGN ASSOCIATES I	4,747.37	
80047883	COPIERS NORTHWEST INC	13,049.39	
80047884	COWLES PUBLISHING COMPANY	91.49	
80047885	DELL MARKETING LP	3,059.32	
80047886	DEVRIES INFORMATION MANAGEME	13.44	
80047887	DIVERSIFIED INSPECTIONS/ILT	6,900.00	
80047888	FASTENAL CO	2,313.21	
80047889	FIKES NORTHWEST INC/DIV OF	122.01	
80047890	FIRST AMERICAN TITLE INS	544.00	
80047891	GENERAL KINEMATICS CORPORATI	3,814.91	
80047892	GRAINGER INC	207.17	
80047893	GRAYMONT CAPITAL INC.	15,562.75	
80047894	HASKINS STEEL CO INC	122.73	
80047895	HISTORICAL RESEARCH ASSOCIAT	114.32	
80047896	CRAMBLIT INC	7,082.88	
80047897	JRM ENTERPRISES INC	1,280.00	
80047898	KERSHAW'S INC	2,247.11	

REPORT: PG3640
SYSTEM: FMSAP
USER: MANAGER
RUN NO: 10

CITY OF SPOKANE
COUNCIL CHECK RANGE/TOTAL

DATE: 03/12/18
TIME: 07:50
PAGE: 4

CHECK #	VENDOR	CITY	LIBRARY	PARKS
80047899	LEXIS-NEXIS RISK & ANALYTICS	66.91		
80047900	LIFEWISE ASSURANCE CO	46,208.65		
80047901	LINN MACHINE & MFG	50,738.52		
80047902	NAC ARCHITECTURE	8,417.50		
80047903	NORCO INC	249.35		

80047904	SOLID WASTE SYSTEMS INC	26,623.42
80047905	SPOKANE COUNTY TREASURER	13,079.87
80047906	SPOKANE INT'L AIRPORT	70.00
80047907	SPRING ENVIRONMENTAL INC	4,600.00
80047908	THAXTON PARKINSON PLLC	210.00
80047909	TRAFFIC SAFETY SUPPLY INC	30,664.25
80047910	US BANK	88,470.06
80047911	V BELT GLOBAL SUPPLY INC	58.97
80047912	VERIZON WIRELESS BELLEVUE	1,540.57
80047913	WASHINGTON DENTAL SERVICE OR	42,017.63
80047914	WCP SOLUTIONS	6,102.49
80047915	ABC LEGAL SERVICES INC	171.50
80047916	NORTHWEST INDUSTRIAL SERVICE	118.00
80047917	BRIDGESTONE AMERICAS INC	267.22
80047918	CPM DEVELOPMENT CORP DBA	2,654.50
80047919	CINTAS CORPORATION NO 3	790.02
80047920	CONNELL OIL INC	5,722.82
80047921	COPIERS NORTHWEST INC	0.36
80047922	COWLES PUBLISHING COMPANY	390.40
80047923	CW NIELSEN MFG CORP	540.74
80047924	DEVRIES INFORMATION MANAGEME	4.48
80047925	ELJAY OIL CO INC	781.75
80047926	GRAINGER INC	916.79
80047927	GRAYMONT CAPITAL INC.	7,099.85
80047928	L N CURTIS & SONS	3,094.04
80047929	MUNICIPAL EMERGENCY SERVICES	6,489.22
80047930	NORCO INC	298.32
80047931	OPEN INC	56,203.00
80047932	PREMERA BLUE CROSS	66,118.72
80047933	ROSE CITY LABEL	470.00
80047934	SCOTT TECHNOLOGIES INC	2,662.38
80047935	SOLID WASTE SYSTEMS INC	5,280.15
80047936	SPECIALTY MACHINING & MFG CO	1,588.48
80047937	SPOKANE COUNTY TREASURER	1,437.07
80047938	SPOKANE EXERCISE EQUIPMENT	702.86
80047939	TESTAMERICA LABORATORIES INC	444.50
80047940	TRI AIR TESTING INC	165.00
80047941	UNIFIRE POWER BLOWERS INC	578.05
80047942	WA STATE CRIMINAL JUSTICE	28,683.00
80047943	WCP SOLUTIONS	21.01
80047944	WHITE BEAR WEST INC	135.61
80047945	1 SOUTH MADELIA LLC	30,000.00
80047946	ALS LABORATORY GROUP	6,850.00
80047947	ANATEK LABS INC	652.00
80047948	ARAMARK UNIFORM SERVICES	1.52
80047949	AVISTA UTILITIES	23.20
80047950	BASALT ROCK LLC	71,648.63
80047951	BUD CLARY CHEVROLET JEEP EAG	90,213.68

REPORT: PG3640	CITY OF SPOKANE
SYSTEM: FMSAP	COUNCIL CHECK RANGE/TOTAL
USER: MANAGER	
RUN NO: 10	

DATE: 03/12/18
TIME: 07:50
PAGE: 5

CHECK #	VENDOR	CITY	LIBRARY	PARKS
80047952	CPM DEVELOPMENT CORP DBA	336.85		
80047953	CITY SERVICE VALCON LLC	5,436.78		
80047954	CONTRACT DESIGN ASSOCIATES I	1,971.24		
80047955	COPIERS NORTHWEST INC	839.86		
80047956	COWLES PUBLISHING COMPANY	263.05		
80047957	DALLY ENVIRONMENTAL LLC	2,883.68		
80047958	PAMELA DECOUNTER	35.00		
80047959	DELL MARKETING LP	2,047.37		
80047960	DEVRIES INFORMATION MANAGEME	22.40		

80047961	DICK IRVIN INC.	5,414.00
80047962	EUROFINS FRONTIER GLOBAL	1,040.00
80047963	FASTENAL CO	6,255.88
80047964	FEDERAL EXPRESS CORP/DBA FED	819.32
80047965	JEFF FERGUSON	10,500.00
80047966	JUDITH GILMORE	35.00
80047967	GRAYMONT CAPITAL INC.	7,097.24
80047968	GROUNDWATER SOLUTIONS INC	3,623.82
80047969	INDUSTRIAL SOFTWARE SOLUTION	10,080.32
80047970	NORCO INC	255.15
80047971	NORTHWEST VITAL RECORDS	665.00
80047972	PERKINS COIE LLP	827.05
80047973	POINTE PEST CONTROL	1,463.36
80047974	RIVER PARK SQUARE LLC	740.00
80047975	SAGEVIEW CONSULTING GROUP, L	4,159.00
80047976	SENSKE PEST CONTROL	990.08
80047977	STARPLEX CORP	9,860.40
80047978	SCOTT A STEPHENS	35.00
80047979	TELEDYNE ISCO INC	1,123.36
80047980	VAN NESS FELDMAN LLP	480.00
80047981	VERIZON WIRELESS BELLEVUE	828.19
80047982	WSF LLC	2,197.36
80047983	CRAIG E HULT	35.00
80047984	MATTHEW KRONVALL	318.00
80047985	MARK E LINDSEY	35.00
80047986	ABSOLUTE DRUG TESTING LLC	180.00
80047987	ADAMS & CLARK INC	1,000.00
80047988	ADVANCED TRAFFIC PRODUCTS IN	586.70
80047989	AECOM TECHNICAL SERVICES INC	987.51
80047990	AHBL INC	380.00
80047991	ARAMARK UNIFORM SERVICES	181.04
80047992	AVISTA UTILITIES	7,309.97
80047993	C & C YARD CARE	587.52
80047994	DEVRIES INFORMATION MANAGEME	4.48
80047995	EPIC LAND SOLUTIONS INC	2,443.90
80047996	HASKINS STEEL CO INC	2,251.42
80047997	HATCH ASSOCIATES CONSULTANTS	1,806.00
80047998	HISTORICAL RESEARCH ASSOCIAT	190.53
80047999	JENNY TUPPER MOOMAW	250.00
80048000	KPFF CONSULTING ENGINEERS	13,348.41
80048001	MCLOUGHLIN & EARDLEY GROUP	2,784.11
80048002	PARKEON INC	915.01
80048003	PREMERA BLUE CROSS OR	651,474.16
80048004	RIVER PARK SQUARE LLC	254.50

REPORT: PG3640
 SYSTEM: FMSAP
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CITY OF SPOKANE
 COUNCIL CHECK RANGE/TOTAL

DATE: 03/12/18
 TIME: 07:50
 PAGE: 6

CHECK #	VENDOR	CITY	LIBRARY	PARKS
80048005	SPOKANE PUBLIC FACILITIES	234,805.82		
80048006	US BANK OR CITY TREASURER	67,488.33		
80048007	VERIZON WIRELESS BELLEVUE	241.76		
80048008	WA STATE DEPT/TRANSPORTATION	3,411.44		
80048009	WA STATE DEPT OF ECOLOGY	61.61		
80048010	WCP SOLUTIONS	1,238.20		
80048011	WESTERN PACIFIC SIGNAL LLC	31,343.20		
80048012	ABC OFFICE EQUIPMENT COMPANY		32.05	
80048013	ALSCO DIVISION OF ALSCO INC		47.24	
80048014	AMEC FOSTER WHEELER NORTH	2,919.60		
80048015	NORTHWEST INDUSTRIAL SERVICE	65.00		
80048016	AVISTA CORPORATION	3,073.12		
80048017	AVISTA UTILITIES	19,554.28	14,497.02	

80048018	BAKER & TAYLOR BOOKS		34,725.89	
80048019	BANNER FURNACE & FUEL	205.63		
80048020	CINTAS CORPORATION NO 3	2,501.36		
80048021	COCHRAN INC			7,856.23
80048022	CONTRACT DESIGN ASSOCIATES I	1,628.02		
80048023	CONTROL SOLUTIONS NW INC		4,933.86	
80048024	COPIERS NORTHWEST INC	1,366.94		
80048025	ENVISIONWARE INC		8,977.62	
80048026	FASTENAL CO	2,322.94		
80048027	GARVEY SCHUBERT BARER	794.34		
80048028	GLOBAL EQUIPMENT COMPANY		6,891.62	
80048029	GRAINGER INC		1,323.01	
80048030	GRAYMONT CAPITAL INC.	17,150.36		
80048031	KAISER FOUNDATION HEALTH PLA	63,284.03		
80048032	HYDRAULICS PLUS INC	2,632.18		
80048033	INTERLINE BRANDS INC dba		99.60	
80048034	LEVEL 3 COMMUNICATIONS LLC		444.47	
80048035	MAINTENANCE SOLUTIONS INC		626.54	
80048036	MCCOY POWER CONSULTANTS INC	6,250.00		
80048037	MCKINSTRY CO LLC		428.65	
80048038	MIDWEST TAPE		260.99	
80048039	NATIONAL COUNCIL FOR COM DEV	3,000.00		
80048040	OCCUPATIONAL MEDICINE	4,890.00		
80048041	OVERDRIVE INC		1,781.70	
80048042	RECORDED BOOKS INC		862.90	
80048043	SAVEMORE BUILDING SUPPLY/DIV		1,008.94	
80048044	SIMPLEXGRINNELL LP		2,065.88	
80048045	SPECIALTY MACHINING & MFG CO	1,740.80		
80048046	SPOKANE POWER TOOL & HDWE		978.06	
80048047	VERIZON WIRELESS BELLEVUE	2,843.12		
80048048	WASHINGTON DENTAL SERVICE OR	42,661.98		
80048049	WCP SOLUTIONS	1,238.20		
80048050	WHOLESALE FLOORS NW LLC		380.80	
80048051	PATRICIA A BONNER		66.22	
80048052	LARRY B HUGHES		27.25	
		-----	-----	-----
		4,906,534.05	81,954.00	10,049.68
				=====
	CITYWIDE TOTAL:			4,998,537.73

**Agenda Sheet for City Council Meeting of:**

03/19/2018

<u>Date Rec'd</u>	3/14/2018
<u>Clerk's File #</u>	CPR 2018-0003
<u>Renews #</u>	
<u>Cross Ref #</u>	
<u>Project #</u>	
<u>Bid #</u>	
<u>Requisition #</u>	

<u>Submitting Dept</u>	ACCOUNTING
<u>Contact Name/Phone</u>	MICHELLE HUGHES 6320
<u>Contact E-Mail</u>	MHUGHES@SPOKANECITY.ORG
<u>Agenda Item Type</u>	Claim Item
<u>Agenda Item Name</u>	5600-ACCOUNTING-PAYROLL

Agenda Wording

Report of the Mayor of pending payroll claims of previously approved obligations through: March 10, 2018.
Payroll check #548192 through check #548309 \$6,603,822.04

Summary (Background)

N/A

<u>Fiscal Impact</u>	Grant related? NO	<u>Budget Account</u>
	Public Works? NO	
Expense	\$ 6,603,822.04	# N/A
Select	\$	#
Select	\$	#
Select	\$	#
<u>Approvals</u>	<u>Council Notifications</u>	
<u>Dept Head</u>	HUGHES, MICHELLE	<u>Study Session</u>
<u>Division Director</u>	MARCHAND, CRYSTAL	<u>Other</u>
<u>Finance</u>	DOVAL, MATTHEW	<u>Distribution List</u>
<u>Legal</u>	PICCOLO, MIKE	
<u>For the Mayor</u>	DUNIVANT, TIMOTHY	
<u>Additional Approvals</u>		
<u>Purchasing</u>		

PAYROLL RECAP BY FUND
PAY PERIOD ENDING MARCH 24, 2018

FUND	FUND NAME	TOTAL
0100	GENERAL FUND	
0030	POLICE OMBUDSMAN	7,859.45
0230	CIVIL SERVICE	23,975.76
0260	CITY CLERK	12,872.80
0320	COUNCIL	33,669.57
0330	PUBLIC AFFAIRS / COMMUNICATIONS	25,203.33
0370	ENGINEERING SERVICES	170,417.51
0410	FINANCE	26,490.40
0430	GRANTS MNGMT & FINANCIAL ASSIST	13,494.40
0450	CD/HS DIVISION	7,565.60
0470	HISTORIC PRESERVATION	3,857.60
0500	LEGAL	112,444.20
0520	MAYOR	26,483.08
0550	NEIGHBORHOOD SERVICES	11,916.00
05601	MUNICIPAL COURT	101,763.04
05602	PARKING VIOLATIONS	0.00
0570	OFFICE OF HEARING EXAMINER	6,752.00
0620	HUMAN RESOURCES	29,066.31
0650	PLANNING SERVICES	42,649.62
0680	POLICE	1,522,223.34
0690	PROBATION SERVICES	30,627.39
0700	PUBLIC DEFENDERS	83,578.70
0750	ECONOMIC DEVELOPMENT	11,479.20
0860	TREASURER	8,609.60
	TOTAL GENERAL FUND	2,312,998.90

FUND	FUND NAME	TOTAL
1100	STREET	233,186.24
1200	CODE ENFORCEMENT	33,715.36
1300	LIBRARY	172,979.73
1390	URBAN FORESTRY FUND	0.00
1400	PARKS AND RECREATION	246,435.27
1460	PARKING METER	35,049.69
1510	LAW ENFORCEMENT INFO SYSTEM FUND	3,840.80
1620	PUBLIC SAFETY & JUDICIAL GRANT	26,751.56
1630	COMBINED COMMUNICATIONS CENTER	68,337.96
1680	CD/HS	41,855.06
1970	EMS FUND	0.00
4100	WATER	1,314,076.42
4250	INTEGRATED CAPITAL FUND	389,641.49
4300	SEWER	43,085.84
4480	REFUSE	471,090.10
4490	SOLID WASTE	261,986.52
4600	GOLF	255,626.68
4700	GENERAL SERVICES FUND	20,749.16
5100	FLEET SERVICE	143,043.34
5200	PUBLIC WORKS & UTILITY FUND	87,824.09
5300	MIS	43,857.30
5400	REPROGRAPHICS	165,154.29
5500	PURCHASING	8,208.01
5600	ACCOUNTING SERVICES	14,241.45
5700	MY SPOKANE	93,577.88
5810	WORKER'S COMPENSATION	23,365.05
5830	SELF-FUNDED MEDICAL/DENTAL	17,137.60
5900	ASSET MANAGEMENT	10,929.60
6060	CITY RETIREMENT	24,628.12
6750	REGIONAL PLAN	10,380.00
		30,068.53
	TOTAL	6,603,822.04

MINUTES OF SPOKANE CITY COUNCIL

Monday, February 26, 2018

BRIEFING SESSION

The Briefing Session of the Spokane City Council held on the above date was called to order at 3:30 p.m. in the Council Briefing Center in the Lower Level of the Municipal Building, 808 West Spokane Falls Boulevard, Spokane, Washington.

Roll Call

On roll call, Council President Stuckart and Council Members Burke, Fagan, Kinnear, and Stratton were present. Council Members Beggs and Mumm entered the meeting at 3:31 p.m.

Finance and Administration Division Director Tim Dunivant, City Council's Policy Advisor Brian McClatchey, and City Clerk Terri Pfister were also present on the dais.

Advance Agenda Review

The City Council received an overview from staff on the March 5, 2018, Advance Agenda items.

Final Reading Ordinance C35593

Council President Stuckart referenced a revised version of Ordinance C35593 (relating to reality-based police show program filming) and reviewed revisions to the ordinance. He requested a motion to substitute versions of Ordinance C35593 (thereby replacing the previously filed version with the revised version of the ordinance).

Motion by Council Member Beggs, seconded by Council Member Kinnear, to so move (**to substitute** Ordinance C35593 as presented by Council President Stuckart); **6-1 (Council Member Fagan voting "no")**.

Intertie Agreement with the City of Medical Lake (OPR 2017-0726) (deferred from November 13, 2017, Agenda)

Council President Stuckart noted there is a forum pertaining to this matter tomorrow (February 27). Council Member Beggs indicated the Council is hoping to put this matter off a little bit longer so the Council can have the forum and then the idea is to have the Council consider an ordinance that would cover all intertie agreements; and then the Council can start to consider the Intertie Agreement with Medical Lake. The following action was taken:

Motion by Council Member Beggs, seconded by Council Member Mumm, **to defer** the Intertie Agreement with the City of Medical Lake to supply water in the event of shortages and emergency needs to April 30, 2018, for a final vote; **carried unanimously**.

Action to Approve March 5, 2018, Advance Agenda

Following staff reports and Council inquiry and discussion regarding the March 5, 2018, Advance Agenda items, the City Council took the following action (pursuant to Council Rule 2.1.2):

Motion by Council Member Fagan, seconded by Council Member Kinnear, **to approve** the Advance Agenda for Monday, March 5, 2018 (as amended); **carried unanimously**.

ADMINISTRATIVE SESSION

Current Agenda Review

The City Council received an overview from staff on the February 26, 2018, Advance Agenda items.

Contract with Greater Spokane, Inc. (OPR 2018-0027)

Council President Stuckart requested a motion to amend the Contract with Greater Spokane, Inc. for economic development services by adding the following language on the signature page of the contract:

“To ensure regular feedback and collaboration between the City of Spokane and Greater Spokane Incorporated, GSI will work with the Director of Neighborhood and Business Services to provide regular updates and seek feedback on projects through the Council Committee process. This may include briefings, presentations, or discussions made at the request of Council, the administration, or GSI at the Urban Experience committee meeting held monthly by the City Council.”

The following action was taken:

Motion by Council Member Fagan, seconded by Council Member Stratton, to so move (**to amend** the Contract with Greater Spokane, Inc. as presented by Council President Stuckart); **carried unanimously**.

Letter to the Association of Washington Cities

Council President Stuckart requested a motion to suspend the rules in order to add a Letter expressing City of Spokane’s support for the Washington Voting Rights Act to the Association of Washington Cities. The following actions were taken:

Motion by Council Member Burke, seconded by Council Member Mumm, **to suspend** the Council Rules; **carried unanimously**.

Motion by Council Member Mumm, seconded by Council Member Burke, to so move (**to add** the February 26, 2018, Current Agenda a Letter

expressing City of Spokane's support for the Washington Voting Rights Act to the Association of Washington Cities); **carried 6-1 (Council Member Fagan voting "no")**.

Action to Approve February 26, 2018, Current Agenda

Following staff reports and Council inquiry and discussion regarding the February 26, 2018, Current Agenda items, the City Council took the following action (pursuant to Council Rule 2.1.2):

Motion by Council Member Fagan, seconded by Council Member Mumm, **to approve** the Current Agenda for Monday, February 26, 2018 (as amended); **carried unanimously**.

CONSENT AGENDA

Upon motion by Council Member Fagan, seconded by Council Member Stratton, the City Council unanimously approved Staff Recommendations for the following:

One-year Contract with Greater Spokane, Inc. (Spokane, WA) (as amended) for economic development services—\$56,400. (Deferred from January 22, 2018, Agenda) (OPR 2018-0027)

Value Blanket Renewal with San Diego Police Equipment (San Diego, CA) to purchase ammunition for the Spokane Police Department in 2018 and 2019—\$295,000. (OPR 2017-0313 / BID 4320-17)

Contract Addendum with Costs with MurraySmith, Inc, (Spokane, WA) to add Task 6 - Construction Services, which was not included in the original contract, in conjunction with the Central Avenue Well #2 Rehabilitation project—\$25,000. (PRO 2017-0018 / ENG 2016133)

Interlocal Agreement with Spokane County, Spokane County Fire District 9, Spokane County Sheriff, and Spokane County Emergency Communications Board to allocate the costs associated with the Backup Combined Communications Center. (OPR 2018-0100)

Memorandum of Understanding between the City, Spokane County, Spokane Hoopfest Association and Lilac Bloomsday Association to promote compliance with RCW 70.93.093 for public event recycling by managing a Lending Library program. (OPR 2018-0101)

Renewal of the Memorandum of Understanding with Spokane Arts Commission and Spokane Arts Fund for arts services. The City will pay an amount equal to one-third of the prior full years admissions tax received each year—estimated \$265,000. (OPR

2012-0856)

Report of the Mayor of pending:

- a. Claims and payments of previously approved obligations, including those of Parks and Library, through February 16, 2018, total \$11,354,887.35 (Check Nos. 545743-546150; ACH Payment Nos. 46976-47403), with Parks and Library claims approved by their respective boards. Warrants excluding Parks and Library total \$10,266,552.93. (CPR 2018-0002)
- b. Payroll claims of previously approved obligations through February 10, 2018; \$7,069,526.99. (CPR 2018-0003)

City Council Meeting Minutes: February 5, 2018; February 12, 2018; and February 15, 2018. (CPR 2018-0013)

Low Bid of Red Diamond Construction, Inc. (OPR 2018-0099 / ENG 2017145) (taken separately)

Upon 6-1 Voice Vote (Council Member Fagan voting “no”), the City Council **approved** the Low Bid of Red Diamond Construction, Inc., (Spokane, WA) for Monroe Street 2 - Grace Avenue to Kiernan Avenue—\$4,488,895.70. An administrative reserve of \$448,889.57, which is 10% of the contract price, will be set aside. (Emerson/Garfield and North Hill Neighborhoods)

Letter to the Association of Washington Cities (CPR 2018-0030) (taken separately)

Upon 6-1 Voice Vote (Council Member Fagan voting “no”), the City Council **approved** Letter expressing City of Spokane’s support for the Washington Voting Rights Act to the Association of Washington Cities.

Council Recess/Executive Session

The City Council adjourned at 4:02 p.m. The City Council immediately reconvened into an executive session to discuss pending litigation matters for 20 minutes. City Attorney Mike Ormsby and Assistant City Attorney Mike Piccolo attended the Executive Session. The City Council reconvened again at 6:00 p.m. for the Regular Legislative.

LEGISLATIVE SESSION

Pledge of Allegiance

The Pledge of Allegiance was led by Council President Stuckart.

Roll Call

Council President Stuckart and Council Members Beggs, Burke, Fagan, Kinnear, Mumm, and Stratton were present.

City Council's Policy Advisor Brian McClatchey and City Clerk Terri Pfister were also present.

PROCLAMATIONS

February 28, 2018 *Rare Disease Day in Spokane*

Council Member Kinnear read the proclamation. The proclamation is in participation of the National Organization for Rare Disorders' nationwide observance. A representative accepted the proclamation.

ADMINISTRATIVE REPORTS

Performance Measures Quarterly Update

Mayor Condon reported on the Administration's performance measures. He pointed out the performance measures have been realigned with the new strategic initiative committees. The Mayor highlighted performance measures for property crime, clean river faster, online permitting, and an evolving measure of looking at day-to-day measures, in this case Utility Billing, and how that impacts the City, and looking at dash boards because of our new investments in software.

COUNCIL COMMITTEE REPORTS

Finance and Administration Committee Meeting

Council Member Mumm requested a pass on reporting on the Finance and Administration Committee meeting in light of the Mayor's report on performance measures. She commented that Finance is working toward some great endeavors and she hopes to have a report in April.

Public Infrastructure Committee Meeting

Council Member Beggs reported on the Public Infrastructure Committee meeting held earlier today (February 26, 2018). Minutes of the Public Infrastructure Committee meeting are filed with the City Clerk's Office and are available for review following approval by the Public Infrastructure Committee.

COMMITTEE APPOINTMENT

Citizens Transportation Advisory Board (CPR 2018-0032)

Motion by Council Member Fagan, seconded by Council Member Mumm, **to defer** for one week the two appointments to the Citizens Transportation Advisory Board (so the candidates can be interviewed); **carried unanimously.**

OPEN FORUM

Jason Alleman remarked on the Council President's idea of instituting a Seattle based gun and ammunition tax. He believes the proposed tax initiative is incredibly short

sighted and is based on emotions and knee jerk reactions to guns and so-called gun violence. He stated on the national and local level, experts agree the root cause of such violence is mental illness. He suggested the Council instead propose a special Spokane County resident mental health initiative that will levy a \$1 per month per household tax to solely fund mental health programs in Spokane County.

Mara Spitzer noted she sat in the audience for a year before getting up to the mike. She announced a new group that is working with the MAC Movement, as well as Tenants Union of Washington State, called Walk With Me Spokane. She stated the group is here to walk with people up to the mike and support them speaking at the mike if they need any help with that. She further noted she is fortunate to live in Canterbury Court where residents are protected with no cause eviction.

Terri Anderson noted she is the interim executive director for the Tenants Union of Washington State. She remarked on housing conditions for renters in Spokane and noted they are deteriorating and it's getting worse and effecting the quality of life for tenants and people who rent their homes.

John Lemus referenced an email he sent to City Council in regards to a compassionate city and where he thought we were at with the disability community. He stated the Administration has been steadily working towards creating a supported employment program within city government and noted he greatly appreciates the efforts. He further stated he greatly appreciates the efforts of the Mayor and HR Director Cavanaugh for caring the banner for this program. He remarked that for the past few years he's felt the City Council has looked at people with disabilities from a social service standpoint. He asked the Council to consider a more empowerment approach. He noted he invited Charly Walters from WISE, and stated she is the project manager for the HireAbility Spokane Campaign.

Charly Walters noted HireAbility Spokane is an employment initiative of Spokane County in partnership with WISE, a local statewide nonprofit, to support individuals in the community with developmental disabilities and their goals of employment. She noted that currently only 28 percent of individuals nationally are employed. She stated the workforce and the entire economy are strongest when we embrace diversity to its fullest and that means opening doors of opportunities to everyone and recognizing that the American dream excludes no one. She noted there will be a HireAbility Spokane breakfast event on March 15 at the Grand Hotel from 7:30 a.m. to 9:00 a.m. and encouraged City Council to attend. Ms. Walters then displayed a video that was just released pertaining to HireAbility Spokane.

Rick Bocook remarked on the sit and lie and transit shelter ordinances and provided examples and stated the two laws criminalize people. He said just about every ticket that has been given, every citation, and every arrest has targeted the homeless.

Jeffrey Russell stated he is with the Tenant's Union and shared the story of his house. He stated he, along with his wife and three kids, has been living in a substandard

unhealthy house for the last year and a half and noted his landlord is refusing and declining to repair anything that needs to be done.

George McGrath stated he saw in the newspaper that Spokane is going to make it difficult for people to own guns and ammunition even though part of the Constitution says we have the right to do that.

David Bilsland stated 40 years ago the Reverend Martin Luther King began a poor people's campaign, which was quashed in April of 1968. He stated that recently several leaders from that area of expertise have taken up the baton, including the Reverend Dr. William Barber, and the Poor People's Campaign is going to be very important to follow. He referenced an event at a church on 27th and Ray on March 15 at 6:00 p.m. and invited poor people to come to tell their stories.

Jackie Murray remarked on a proposed gun and ammunition tax and stated she finds it disgusting and disgraceful that it appears the City Council were hoping for a tragedy such as occurred in Florida to advance a money grabbing tax plan. She stated more money will not come pouring in and people will simply shop elsewhere and the people it will harm are small businesses, and she provided other remarks.

LEGISLATIVE AGENDA

SPECIAL BUDGET ORDINANCE

Special Budget Ordinance C35589

Upon Unanimous Roll Call Vote, the City Council **passed Special Budget Ordinance C35589** amending Ordinance No. C35565 passed by the City Council December 11, 2017, and entitled, "An Ordinance adopting the Annual Budget of the City of Spokane for 2018, making appropriations to the various funds, departments and programs of the City of Spokane government for the fiscal year ending December 31, 2018, and providing it shall take effect immediately upon passage, and declaring an emergency and appropriating funds in:

Purchasing Fund

FROM: Misc. Service Charters, \$3,000 and
Registration/Schooling, \$6,041;

TO: Various Accounts, same amount.

(This action implements classification and pay adjustments in accordance with approved union agreements and City policies.)

Special Budget Ordinance C35590

Upon Unanimous Roll Call Vote, the City Council **passed Special Budget Ordinance C35590** amending Ordinance No. C35565 passed by the City Council December 11, 2017, and entitled, "An Ordinance adopting the Annual Budget of the City of Spokane for 2018, making appropriations to the various funds, departments and

programs of the City of Spokane government for the fiscal year ending December 31, 2018, and providing it shall take effect immediately upon passage, and declaring an emergency and appropriating funds in:

Library Fund

FROM: Private Gift/Pledge/Grants/Requests, \$152,000;

TO: Machinery/Equipment, same amount.

(This action provides funding for a 24/7 Library location not anticipated in the 2018 budget process.)

There were no **Emergency Ordinances**.

RESOLUTIONS

Resolution 2018-0014

Council Member Beggs provided an overview of Resolution 2018-0014. Public testimony was received and there was an opportunity for Council commentary, after which the following action was taken:

Upon Unanimous Roll Call Vote, the City Council **adopted Resolution 2018-0014** to establish a working group to provide recommendations to City Council regarding municipal broadband solutions for the City of Spokane.

Resolution 2018-0015

Upon Unanimous Roll Call Vote, the City Council **adopted Resolution 2018-0015** setting hearing before the City Council for March 26, 2018 for the vacation of the alley between Sinto Ave and Sharp Ave, from South Riverton Ave to Helena St; and the east 15 feet of South Riverton Ave from Sinto Ave to Sharp Ave, in the City of Spokane from owners having an interest in real estate abutting the above right-of-way.

There were no **Final Reading Ordinances**.

FIRST READING ORDINANCES

ORD C35591 Relating to permit fees for solar energy projects and electric vehicle charging stations; enacting new sections 15.05.005, 15.05.040, and 15.05.050 of the Spokane Municipal Code.

ORD C35592 Relating to early termination of skywalk permits; amending sections 12.02.0430 and 12.02.0505 of the Spokane Municipal Code.

ORD C35593 Relating to reality-based police show program filming; enacting a new chapter 10.56 to the Spokane Municipal Code.

ORD C35594 Of the city of Spokane, Spokane County, Washington, confirming the formation of the Spokane Housing Authority as a Joint Housing Authority; providing for matters required pursuant to RCW 35.82.300; repealing certain Resolutions; adding a new Chapter to Title 6 of the Spokane Municipal Code and other matters relating thereto.

For Council action on First Reading Ordinance C35595, see section of minutes under “Hearings.”

For Council action on First Reading Ordinance C35596, see section of minutes under “Hearings.”

There were no **Special Considerations**.

HEARINGS

Hearing on Vacation of Sheridan Street and Related First Reading Ordinance C35595

The City Council held a hearing on the vacation of Sheridan Street from the north right of way line of Riverside Avenue to twenty-five feet north of the north right of way line of Riverside Avenue as requested by Avista Corp. Subsequent to an opportunity for public testimony, with no individuals requesting to speak, the following action was taken:

Upon Unanimous Voice Vote (in the affirmative), the City Council **approved, subject to conditions** (in the Street Vacation Report dated (October 24, 2017), the vacation of Sheridan Street from the north right of way line of Riverside Avenue to twenty-five feet north of the north right of way line of Riverside Avenue.

In conjunction with the hearing, Ordinance C35595—vacating Sheridan Street from the north right of way line of Riverside Avenue to twenty-five feet north of the north right of way line of Riverside Avenue—was read the first time, with further action deferred.

Hearing on Vacation of a portion of 7th Avenue and Chestnut and Related First Reading Ordinance C35596

The City Council held a hearing on the vacation of a portion of 7th Avenue and Chestnut as requested by Namva Chan. Subsequent to an opportunity for public testimony, with no individuals requesting to speak, the following action was taken:

Upon Unanimous Voice Vote (in the affirmative), the City Council **approved, subject to conditions** (in the Street Vacation Report dated

December 11, 2017), the vacation of a portion of 7th Avenue and Chestnut.

In conjunction with the hearing, Ordinance C35596—vacating a portion of 7th Avenue and Chestnut—was read the first time, with further action deferred.

SECOND OPEN FORUM

Martin Hauser remarked on the issue of fire arms and ammunition and taxing them and stated the issue has been pretty well addressed. He stated people will go elsewhere if that be the case. He stated the City Council is keenly aware of our Police force and Sheriff's Department and what they do in this area. He suggested the City Council revisit the whole area of schools and hardening of schools and find out what is really going on out there and making schools a safer place to be.

Andrea G. stated she is a representative from MAC and also a Spokane Tenant's Union's new vista community organizer with the housing and preservation project. She stated one of MAC's slogan's is "MAC's got your back." She stated MAC has a free dinner with "a side of free speech" to try to make people comfortable to come in and speak and, if they don't feel comfortable to speak, MAC is here to tell their story for them. She shared testimony of tenants who lived in a building and finally moved after living conditions became so bad they no longer could live there.

Jennifer Bates stated she frequently speaks with her sister on Facebook and they have been going back and forth on the gun issue. Ms. Bates shared what she wrote on her (Facebook) page.

Alan McDowell remarked on AR-15s and bump stocks and passing lightning fast legislation without bringing all parties together. He also remarked on changing law enforcement reporting procedures and stated the City needs an accurate reporting system.

Closing Remarks Regarding Vehicle Prowling

Council President Stuckart noted that over 70 percent of vehicle prowling in the City of Spokane is because people leave their doors unlocked or leave something out in their car that looks like its valuable, so he encouraged people to lock their doors.

ADJOURNMENT

There being no further business to come before the City Council, the Regular Legislative Session of the Spokane City Council adjourned at 7:14 p.m.

Minutes prepared and submitted for publication in the March 7, 2018, issue of the *Official Gazette*.

Terri Pfister
Spokane City Clerk

Approved by Spokane City Council on _____, 2018.

Ben Stuckart
City Council President

MINUTES OF SPOKANE CITY COUNCIL

Monday, March 5, 2018

BRIEFING SESSION

The Briefing Session of the Spokane City Council held on the above date was called to order at 3:30 p.m. in the Council Briefing Center in the Lower Level of the Municipal Building, 808 West Spokane Falls Boulevard, Spokane, Washington.

Roll Call

On roll call, Council President Stuckart and Council Members Beggs, Burke, Fagan, Kinnear, and Stratton were present. Council Member Mumm was absent.

Finance and Administration Division Director Tim Dunivant, City Council's Policy Advisor Brian McClatchey, and City Clerk Terri Pfister were also present on the dais.

Advance Agenda Review

The City Council received an overview from staff on the March 12, 2018, Advance Agenda items.

First Reading Ordinance C35602 Relating to the Standards and Processes for Procurement

Council President Stuckart indicated he sent out proposed changes to Ordinance C35602. He highlighted the changes under SMC 7.06.060 ("Minor" Defined) indicating the amount will be rounded to the nearest multiple of one thousand dollars, and he requested a motion to accept the changes. The following action was taken:

Motion by Council Member Fagan, seconded by Council Member Kinnear, to so move **(to accept** the changes as presented by Council President Stuckart); **carried unanimously (Council Member Mumm absent).**

(Clerical Note: As part of the above action, the following language was also removed from SMC 7.06.060 under two places: "by the comptroller." These additional amendments were included as part of the requested changes by Council President Stuckart, as provided to the City Clerk prior to the meeting.)

Council Member Beggs proposed an amendment to Ordinance C35602 which parses out not hiring outside counsel for the purpose of initiating or starting litigation without checking with Council. He presented a motion to amend SMC 7.06.060(A) ("Minor" Defined), seconded by Council Member Kinnear, by adding the following language: "does not involve the procurement of legal services for the purpose of initiating litigation." Following Council discussion and commentary by City Attorney Mike Ormsby, Mr. Beggs indicated he was willing to withdraw his motion for a week.

Action to Approve March 12, 2018, Advance Agenda

Following staff reports and Council inquiry and discussion regarding the March 12, 2018, Advance Agenda items, the City Council took the following action (pursuant to Council Rule 2.1.2):

Motion by Council Member Fagan, seconded by Council Member Burke, **to approve** the Advance Agenda for Monday, March 12, 2018; **carried unanimously (Council Member Mumm absent).**

ADMINISTRATIVE SESSION

Current Agenda Review

The City Council reviewed the March 5, 2018, Current Agenda for any changes.

Final Reading Ordinance C35591

Council President Stuckart referenced Final Reading Ordinance C35591 (relating to permit fees for solar energy projects and electric vehicle charging stations) and noted he sent out a change the middle of last week that is not substantive to the text but clarifies the waiving of permit fees would be for the portions of the solar energy products and the electric vehicle charging stations, and the waiver wouldn't apply to the entire product because it could be misconstrued that permit fee of thousands of dollars would be waived. He requested a motion to accept the change. The following action was taken:

Motion by Council Member Fagan, seconded by Council Members Burke and Kinnear, to so move (**to accept** the change as presented by Council President Stuckart); **carried unanimously (Council Member Mumm absent).**

(In light of the above action, SMC 15.05.040(B) of the ordinance is amended to include the following additional language: "The permit fee waiver is limited to the building and construction of a solar energy system. The permit fee waiver does not apply to permits and fees not connected to the solar energy system." Also, SMC 15.05.050(B) of the ordinance is amended to include the following language: "The permit fee waiver is limited to the construction and installation of an electric vehicle charging station. The permit fee waiver does not apply to permits and fees not specifically connected to the construction of electric vehicle charging station.")

CONSENT AGENDA

Upon motion by Council Member Fagan, the City Council unanimously (Council Member Mumm absent) approved Staff Recommendations for the following:

Orders for Miscellaneous Waterworks Products from:

- a. Core & Main: Item #3 Compression Brass Fittings, Item #5 Ductile Iron Fittings, Item #7 Megalug Field Lok Gaskets, Item #9 Ductile Iron Pipe, Item #10 Poly Pipe, Item #12 Tapping Sleeves, Item #13 Valves, Item #16 Coiled Pit Setter Meter Boxes, Item #18 Dilly Lugs/Eye Bolt—\$814,587.79 (incl. tax) (OPR 2018-0122 / BID 4433-18).
- b. M&L Supply: Item #6 Galvanized Fittings, Item #8 Copper Pipe—\$150,879.32 (incl. tax). (OPR 2018-0123 / BID 4433-18)
- c. HD Fowler: Item #1 Brass, Item #4 Repair Couplers, Item #11 Service Saddles, Item #17 All Thread—\$65,707.07 (incl. tax). (OPR 2018-0124 / BID 4433-18)
- d. Ferguson: Item #2 Clamps, Item #14 Butterfly Valves, Item #15 Combination Valves—\$35,011.70 (incl. tax). (OPR 2018-0125 / BID 4433-18)

Total estimated purchase of \$1,200,000 (incl. tax).

Contract with Polydyne, Inc., (Riceboro, GA) to supply dry and liquid polymer to Riverside Park Water Reclamation Facility—\$449,402.75. (OPR 2018-0127 / BID 4438-18)

One-year Contract Extensions with:

- a. Evoqua Water Technologies, LLC (Sarasota, FL) to supply Bioxide® from April 1, 2018 through March 31, 2019—\$184,405.55. (Last of three one-year renewal options) (OPR 2014-0451)
- b. CH2M (Spokane, WA) for Groundwater Monitoring Data Analysis and Report Writing Services for the Northside Landfill Closed Cell, Northside Landfill Open Cell, and Southside Landfill for 2018 quarterly and annual reports—\$49,771. (First of 4 one-year extensions) (OPR 2017-0140 / RFQ 4304-16)

Report of the Mayor of pending:

- a. Claims and payments of previously approved obligations, including those of Parks and Library, through February 23, 2018, total \$6,893,912.40 (Check Nos. 546153-546450; ACH Payment Nos. 47404-47621), with Parks and Library claims approved by their respective boards. Warrants excluding Parks and Library total \$6,654,839.85. (CPR 2018-0002)
- b. Payroll claims of previously approved obligations through February 24, 2018; \$6,582,709.06 (Payroll Check Nos. 548088-548191). (CPR 2018-0003)

Low Bid of Murphy Brothers, Inc. (OPR 2018-0126 / ENG 2015054) (taken separately)

Upon 5-1 Voice Vote (Council Member Fagan voting “no”), the City Council **approved** the Low Bid of Murphy Brothers, Inc. (Spokane, WA) for Monroe Street 1 - Indiana Avenue to Chelan Avenue—\$4,275,000. An administrative reserve of \$427,500, which is 10% of the contract price, will be set aside. (Emerson Garfield Neighborhood) (OPR 2018-0126 / ENG 2015054)

Council Recess/Executive Session

The City Council adjourned at 3:53 p.m. No Executive Session was held. The City Council reconvened again at 6:00 p.m. for the Regular Legislative.

LEGISLATIVE SESSION

Pledge of Allegiance

The Pledge of Allegiance was led by Council President Stuckart.

Roll Call

Council President Stuckart and Council Members Beggs, Burke, Fagan, Kinnear, and Stratton were present. Council Member Mumm was absent.

City Council's Policy Advisor Brian McClatchey and City Clerk Terri Pfister were also present.

PROCLAMATIONS

Month of March 2018 *American Red Cross Month*

Council Member Kinnear read the proclamation and presented it to Megan Snow, Executive Director of the American Red Cross-Greater Inland Northwest. The proclamation encourages citizens to recognize the distinctive value of this great organization in our community and celebrate the extraordinary and long lived partnership we share with the American Red Cross.

COMMITTEE APPOINTMENTS

Citizens Transportation Advisory Board (CPR 2018-0032) (deferred from February 26, 2018)

Motion by Council Member Fagan, seconded by Council Member Kinnear, **to defer** for one week the two appointments to the Citizens Transportation Advisory Board (so the candidates can be interviewed); **carried unanimously (Council Member Mumm absent).**

Spokane Public Library Board of Trustees (CPR 1984-0400) and Hotel Advisory Commission (CPR 2004-0017)

Motion by Council Member Fagan, seconded by Council Member Beggs, **to approve** the following appointments; **carried unanimously (Council Member Mumm absent):**

- Reappointment of Nathan Smith to a five-year term on the Spokane Public Library Board of Trustees effective April 1, 2018, through March 31, 2023.
- Reappointment of Dan Zimmerer to a three-year term on the Hotel Advisory Commission from January 1, 2018, through December 31, 2020.

ADMINISTRATIVE REPORTS

Carpenters Apprenticeship Program

Jerry Beaver, a business representative for the Pacific Northwest Regional Council of Carpenters, provided an overview of Career Connections, a program based off of everything that was done back in the '60s, '70s, and '80s, with the shop program in high schools, to learn basic skills such as how to read a tape measure, how to build for yourself, and soft skills: how to work as a team, be coached, fail, learn, and grow. He further noted that Career Connections is a pre-apprenticeship program designed to give high school students a safe and applied alternative to college. He asked for City Council's support, as well as the citizens of Spokane, in getting these high school programs back. He stated that as a union brother, the Carpenters has a full four-year apprenticeship that teaches students, as well as gives them college credits, for learning and earning on the job. Mr. Beaver stated the Career Connections program comes with a job attached to it once the student finishes the apprenticeship.

COUNCIL COMMITTEE REPORTS

Public Safety and Community Health Committee

Council Member Kinnear reported on the Public Safety and Community Health Committee meeting held earlier today (March 5, 2018). Minutes of the Public Safety and Community Health Committee meeting are filed with the City Clerk's Office and are available for review following approval by the Public Safety and Community Health Committee.

OPEN FORUM

John Lemus thanked those Council Members who have registered for the HireAbility breakfast and stated he would really appreciate it if the rest of City Council would register for the breakfast.

Mara Spitzer noted she was contacted by two women today who are having problems with being houseless. She indicated she has spoken with Council Member Burke about one and they have come up with a plan to help the woman. She stated she didn't know how to advise the other woman and shared the woman's experience. She also commented on mobility issues and asked that people who are putting out event pages

to consider the handicap and consider the people who can't get out to the event and the ability to have access online.

James Earl stated he stands before Council as a disgruntled, discouraged, and unemployed cannabis user. He stated he proposed in October that the cannabis tax should be used for the homeless and referred to an Inlander article.

Robert Smith noted the topic he wanted to speak about is specific to the cops tv item (Ordinance C35593) so he deferred to the next person to speak.

Bob Orth stated he is the President of the Spokane Rifle Club and he expressed concerns regarding the rumored tax increase on fire arms and ammunition. He spoke regarding the success of the junior shooting program and noted that over the last 40 years four graduates of the program have been sent to the Olympic Training Center. He questioned why the City would want to put an additional burden on parents just because their kid wants to participate in their chosen sport.

Will Parks noted he is a business owner in the Spokane area, has a master's degree from Whitworth University, and is a veteran of both the Army and Air Force; and he further noted he has a cat rescue with ten cats. He also stated he is head of the Inland Northwest Action Shooters and represents about 500 action shooters that monthly compete in matches. Mr. Parks expressed concerns regarding the proposed tax on fire arms and ammunition.

William Godley noted he is disabled and is against a tax on ammunition and fire arms in the City. He stated such a tax will destroy any businesses staying locally and they will move to the Valley or further away or shut down, and the City will lose employment. He questioned how he is supposed to defend himself if he can't practice with the ammunition he needs to stay responsible.

Alfredo Llamedo presented the majority of his remarks in Spanish. He remarked in English that "If you didn't understand what I said, translate it," and that this is what the City should be doing if someone comes up and speaks anything other than English.

David Brookbank spoke on two matters. First, he expressed remarks objecting to the rule that limited residents of Spokane to one three-minute open forum participation per month, which he feels is an anti-democratic policy and should be reversed. He provided an example, saying it will now be a month before he can address the County Sheriff's use of Blackwater to train local residents in the use of AR-15s and M-16s. Second, he addressed what he referred to as the long history and culture of corruption and criminal conduct by the Spokane Police Department and spoke regarding various cases and incidents.

Henry Valder stated the homeless count was completed and that homelessness increased by 17 percent. He further stated last year 47 people died on our streets. He challenged the members of Council to spend 12 hours homeless with him and a group

of people. He stated he wants to take the Council through the last 12 hours of Doug Dodson's life, an individual who was burnt on our streets. He also remarked on Billy Graham, Psalms 119, and provided other remarks.

LEGISLATIVE AGENDA

SPECIAL BUDGET ORDINANCES

Special Budget Ordinance C35597

Upon Unanimous Roll Call Vote (Council Member Mumm absent), the City Council passed **Special Budget Ordinance C35597** amending Ordinance No. C35565 passed by the City Council December 11, 2017, and entitled, "An Ordinance adopting the Annual Budget of the City of Spokane for 2018, making appropriations to the various funds, departments and programs of the City of Spokane government for the fiscal year ending December 31, 2018, and providing it shall take effect immediately upon passage, and declaring an emergency and appropriating funds in:

General Fund

FROM: Unappropriated Reserves, \$500,000;

TO: Transfer to Library, same amount.

and

Library Fund

FROM: Transfer from General Fund, \$500,000;

TO: Professional Services, same amount.

(This action allows budgeting for pre-design work related to the Library Facility Plan.)

Special Budget Ordinance C35598

Upon Unanimous Roll Call Vote (Council Member Mumm absent), the City Council passed **Special Budget Ordinance C35598** amending Ordinance No. C35565 passed by the City Council December 11, 2017, and entitled, "An Ordinance adopting the Annual Budget of the City of Spokane for 2018, making appropriations to the various funds, departments and programs of the City of Spokane government for the fiscal year ending December 31, 2018, and providing it shall take effect immediately upon passage, and declaring an emergency and appropriating funds in:

General Fund

FROM: Unappropriated Reserves, \$150,000;

TO: Contractual Services, same amount.

(This action allows budgeting for façade improvements in conjunction with the 2018 Monroe Street rebuild project.)

Special Budget Ordinance C35599

Upon Unanimous Roll Call Vote (Council Member Mumm absent), the City Council passed **Special Budget Ordinance C35599** amending Ordinance No. C35565 passed by the City Council December 11, 2017, and entitled, "An Ordinance adopting the Annual Budget of the City of Spokane for 2018, making appropriations to the various funds, departments and programs of the City of Spokane government for the fiscal year ending December 31, 2018, and providing it shall take effect immediately upon passage, and declaring an emergency and appropriating funds in:

General Fund

FROM: Unappropriated Reserves, \$250,000;

TO: Contractual Services, same amount.

(This action allows budgeting for a one-time supplemental funding to support the City's Public Development Authorities.)

Special Budget Ordinance C35600

Upon Unanimous Roll Call Vote (Council Member Mumm absent), the City Council passed **Special Budget Ordinance C35600** amending Ordinance No. C35565 passed by the City Council December 11, 2017, and entitled, "An Ordinance adopting the Annual Budget of the City of Spokane for 2018, making appropriations to the various funds, departments and programs of the City of Spokane government for the fiscal year ending December 31, 2018, and providing it shall take effect immediately upon passage, and declaring an emergency and appropriating funds in:

General Fund

FROM: Unappropriated Reserves, \$150,000;

TO: Contractual Services, same amount.

(This action allows budgeting for a one-time funding to support the City's Sub-area Planning efforts.)

Special Budget Ordinance C35601

Upon Unanimous Roll Call Vote (Council Member Mumm absent), the City Council passed **Special Budget Ordinance C35601** amending Ordinance No. C35565 passed by the City Council December 11, 2017, and entitled, "An Ordinance adopting the Annual Budget of the City of Spokane for 2018, making appropriations to the various funds, departments and programs of the City of Spokane government for the fiscal year ending December 31, 2018, and providing it shall take effect immediately upon passage, and declaring an emergency and appropriating funds in:

General Fund

FROM: Unappropriated Reserves, \$50,000;

TO: Contractual Services, same amount.

(This action allows budgeting for a one-time funding to provide additional support for cultural events in 2018.)

There were no **Emergency Ordinances**.

RESOLUTIONS

Resolution 2018-0016

Upon Unanimous Roll Call Vote (Council Member Mumm absent), the City Council **passed Resolution 2018-0016** declaring Huber EscaMax perforated plate screen system a sole source provider and authorizing the purchase and installation of replacement parts from Huber Technology Inc., and authorizes contract for \$400,000 including tax and shipping without public bidding.

(Clerical Note: The agenda submission sheet for Resolution 2018-0016 noted the resolution was for the purchase and “installation” of replacement parts. The Public Works and Utilities Briefing Paper references the subject of the resolution as “resolution and contract...” and also notes the sole source resolution is for the purchase and installation of replacement parts. Due to a clerical oversight, the resolution as filed with the City Clerk’s Office did not reference installation of the parts and did not mention authorization to enter into contract. Based on the agenda submission sheet and the briefing paper, as well as the accompanying contract attached to the resolution (all of which appeared in the City Council’s agenda packet material), the City Clerk made clerical revisions to the resolution to make clear that the City Council authorizes the purchase “and installation” of replacement parts from Huber Technology, Inc., “and authorizes contract” for \$400,000.00 including tax and shipping without public bidding.)

FINAL READING ORDINANCES

Final Reading Ordinance C35591

Council President Stuckart provided an overview of Final Reading Ordinance C35591. Public testimony was received and Council commentary held, after which the following action was taken:

Upon Unanimous Roll Call Vote (Council Member Mumm absent), the City Council **passed Final Reading Ordinance C35591** (as amended during the 3:30 p.m. Administrative Session) relating to permit fees for solar energy projects and electric vehicle charging stations; enacting new sections 15.05.005, 15.05.040, and 15.05.050 of the Spokane Municipal Code.

Final Reading Ordinance C35592

Council President Stuckart provided an overview of Final Reading Ordinance C35592. Public testimony was received from one individual and there was an opportunity for Council commentary, after which the following action was taken:

Upon Unanimous Roll Call Vote (Council Member Mumm absent), the City Council **passed Final Reading Ordinance C35592** relating to early termination of skywalk permits; amending sections 12.02.0430 and 12.02.0505 of the Spokane Municipal Code.

Final Reading Ordinance C35593

Council President Stuckart provided an overview of Final Reading Ordinance C35593. Public testimony was received and Council commentary held. The following action was taken:

Upon 5-1 Roll Call Vote (Council Member Fagan voting “no” and Council Member Mumm absent), the City Council **passed Final Reading Ordinance C35593** relating to reality-based police show program filming; enacting a new chapter 10.56 to the Spokane Municipal Code.

Final Reading Ordinance C35594

Council Member Stratton provided an overview of Final Reading Ordinance C35594. Public testimony was received from one individual and there was an opportunity for Council commentary. The following action was taken:

Upon Unanimous Roll Call Vote (Council Member Mumm absent), the City Council **passed Final Reading Ordinance C35594** of the City of Spokane, Spokane County, Washington, confirming the formation of the Spokane Housing Authority as a Joint Housing Authority; providing for matters required pursuant to RCW 35.82.300; repealing certain Resolutions; adding a new Chapter to Title 6 of the Spokane Municipal Code and other matters relating thereto.

FIRST READING ORDINANCES

ORD C35602 Relating to the standards and processes for procurement; repealing sections 7.06.0295, 7.06.162, 7.06.177, 7.06.269, 7.06.272, and 7.06.550; amending sections 7.06.020, 7.06.0225, 7.06.030, 7.06.035, 7.06.060, 7.06.097, 7.06.100, 7.06.110, 7.06.120, 7.06.130, 7.06.140, 7.06.150, 7.06.160, 7.06.165, 7.06.167, 7.06.170, 7.06.173, 7.06.174, 7.06.180, 7.06.182, 7.06.185, 7.06.190, 7.06.200, 7.06.220, 7.06.250, 7.06.260, 7.06.261, 7.06.262, 7.06.264, 7.06.267, 7.06.270, 7.06.271, 7.06.274, 7.06.275, 7.06.276, 7.06.280, 7.06.290, 7.06.310, 7.06.320, 7.06.330, 7.06.340, 7.06.400, 7.06.420, 7.06.430, 7.06.500, 7.06.510, 7.06.520, 7.06.530, 7.06.540, 7.06.600, 7.06.610, 7.06.620, 7.06.700, 7.06.710, 7.06.720, 7.06.730, 7.06.750, 7.06.760, and 7.06.770; and enacting a new section 7.06.155 of the Spokane Municipal Code.

ORD C35603 Terminating the inactive ambassador incentive program; repealing chapter 03.08 of the Spokane Municipal Code.

There were no **Special Considerations**.

There were no **Hearings**.

ANNOUNCEMENT

Council President Stuckart announced, on behalf of David Bilsland, the Poor People's Campaign meeting on Thursday, March 15, from 5:30 p.m. to 8:30 p.m. and the location has changed to the Morning Star Church at 3909 West Rowan and it's on STA Bus Line 22.

SECOND OPEN FORUM

Kristine Schuler commented on the homeless and stated landlords require your income to be three times your rent and that is what is causing homelessness. She suggested the council make a law that says that's discrimination, when you discriminate against someone because their income is not three times their rent. She noted her income has never been three times her rent, and she referenced affordable housing. She suggested there be an ordinance that says landlords cannot discriminate against somebody whose income isn't three times what they are charging because some people do know how to live within their means.

ADJOURNMENT

There being no further business to come before the City Council, the Regular Legislative Session of the Spokane City Council adjourned at 8:19 p.m.

Minutes prepared and submitted for publication in the March 14, 2018, issue of the *Official Gazette*.

Terri Pfister
Spokane City Clerk

Approved by Spokane City Council on _____, 2018.

Ben Stuckart
City Council President

STUDY SESSION MEETING MINUTES
SPOKANE CITY COUNCIL
Thursday, March 8, 2018

A Special Meeting of the Spokane City Council was held on the above date at 3:34 p.m. in the City Council Briefing Center, Lower Level – City Hall, 808 West Spokane Falls Boulevard, Spokane, Washington. Council President Stuckart and Council Members Beggs, Burke, Kinnear and Stratton were present. Council Members Fagan and Mumm were absent.

The following topics were discussed:

- Spokane Regional Health District
- 24/7 Shelter Models

The meeting was open to the public but was conducted in a study session format. No public testimony was taken and discussion was limited to appropriate officials and staff.

The meeting adjourned at 4:50 p.m.

Minutes prepared and submitted for publication in the March 28, 2018, issue of the Official Gazette:

Terri L. Pfister, MMC
Spokane City Clerk

Approved by City Council on _____, 2018.

Ben Stuckart
City Council President

MINUTES OF SPOKANE CITY COUNCIL

Monday, March 12, 2018

BRIEFING SESSION

The Briefing Session of the Spokane City Council held on the above date was called to order at 3:30 p.m. in the Council Briefing Center in the Lower Level of the Municipal Building, 808 West Spokane Falls Boulevard, Spokane, Washington.

Roll Call

On roll call, Council President Stuckart and Council Members Beggs, Burke, Fagan, Kinnear, and Stratton were present. Council Member Mumm was absent.

Finance and Administration Division Director Tim Dunivant, City Council's Policy Advisor Brian McClatchey, and City Clerk Terri Pfister were also present on the dais.

Advance Agenda Review

The City Council received an overview from staff on the March 19, 2018, Advance Agenda items.

Action to Approve March 19, 2018, Advance Agenda

Following staff reports and Council inquiry and discussion regarding the March 19, 2018, Advance Agenda items, the City Council took the following action (pursuant to Council Rule 2.1.2):

Motion by Council Member Fagan, seconded by Council Member Beggs, **to approve** the Advance Agenda for Monday, March 19, 2018; **carried unanimously (Council Member Mumm absent).**

ADMINISTRATIVE SESSION

Current Agenda Review

The City Council considered the March 12, 2018, Current Consent Agenda.

CONSENT AGENDA

Upon motion by Council Member Fagan, seconded by Council Member Kinnear, the City Council unanimously (Council Member Mumm absent) approved Staff Recommendations for the following:

Purchases using State Contract #05916 of two $\frac{3}{4}$ ton pick-up trucks for the Street Department—\$87,682.59 (incl. tax) and two Escapes and one cargo van for the Water

Department—\$80,870.75 (incl. tax). Total Purchase Amount: \$168,553.32 (OPR 2018-0141)

Low bid of Bacon Concrete, Inc., (Spokane, WA) for Greene and Ermina Intersection Signalization—\$293,057. An administrative reserve of \$29,305.70, which is 10% of the contract price, will be set aside. (Chief Gary Park Neighborhood) (OPR 2018-0142 / ENG 2015132)

Supplemental Agreement No. 2 with Budinger & Associates, Inc. (Spokane Valley WA) requesting an increase in the funds to the Federal Geotechnical Engineering On-Call Contract—\$125,000. Total Contract Amount: \$325,000. (OPR 2015-0972 / ENG 2015173)

Contract with Safway Services, LLC, (Spokane Valley, WA) for various scaffolding services at the Waste to Energy Facility from April 1, 2018 through March 31, 2019—\$300,000 (plus tax). (OPR 2017-0155 / RFB 4308-16)

Contract with Knight Construction & Supply, Inc., (Deer Park, WA) for mechanical repairs at the Waste to Energy Facility from April 1, 2018 through March 31, 2019—\$1,800,000 (incl. tax). (OPR 2017-0257 / RFB 4337-17)

Agreement with Washington State Department of Transportation to pay the City to create engineering designs to prepare for removal, replacement or construction of City utilities as needed along Wellesley Avenue—estimated amount of \$241,110. (OPR 2018-0143)

Purchase & Sale Agreement with Sonneland Residential Properties, LLC (Colbert, WA) for acquisition of real properties located at 3121 South Napa Street and 2105 East 32nd Avenue for a future water reservoir—\$281,801.60. (OPR 2018-0144)

Interlocal Cooperation Agreement with Spokane County for Hearing Examiner services from January 1, 2018 through December 31, 2018—\$145.56 per hour. (OPR 2016-0307)

Amendment to grant from the Spokane County Department of Emergency Management, FY2016 State Homeland Security Program Grant, for Hazmat Training changing start date, end date and allocation amounts. No change in total grant amount of \$70,000. (OPR 2017-0685)

Contract with HDR Engineering (Spokane, WA) for Biosolids Incineration Feasibility Study to evaluate the technical and regulatory feasibility of incinerating Riverfront Park Water Reclamation Facility biosolids at the Waste to Energy Facility rather than land-applying them on farm fields—\$126,200. (OPR 2018-0145)

Report of the Mayor of pending claims and payments of previously approved obligations, including those of Parks and Library, through March 2, 2018, total \$11,043,449.81 (Check Nos. 546452-546824; ACH Payment Nos. 47622-47867), with

Parks and Library claims approved by their respective boards. Warrants excluding Parks and Library total \$10,220,449.82. (CPR 2018-0002)

City Council Meeting Minutes: March 1, 2018.

Council Recess/Executive Session

The City Council adjourned at 3:43 p.m. The City Council (Council Member Mumm absent) immediately reconvened into an Executive Session to discuss labor negotiations for ten minutes. City Attorney Mike Ormsby was present during the Executive Session. The City Council reconvened again at 6:00 p.m. for the Regular Legislative.

LEGISLATIVE SESSION

Pledge of Allegiance

The Pledge of Allegiance was led by Council President Stuckart.

Roll Call

Council President Stuckart and Council Members Beggs, Burke, Fagan, Kinnear, and Stratton were present. Council Member Mumm was absent.

City Council's Policy Advisor Brian McClatchey and City Clerk Terri Pfister were also present.

PROCLAMATIONS

March 11-18, 2018 *The Week of the Irish*

Council President Stuckart read the proclamation and presented it to Pat Cadagan, a member of the Board of the Friendly Sons of St. Patrick and the Board of the Limerick Sister City Society. The proclamation notes The Friendly Sons of St. Patrick will host the 40th Annual St. Patrick's Day Parade on Saturday, March 17, 2018, which is the harboring of spring and one of the largest Irish events on the West Coast. Mr. Cadagan and Keats McLaughlin, President of the Friendly Sons of St. Patrick, remarked on the St. Patrick's parade and support for the Irish community in Spokane. Mr. McLaughlin then introduced the Haran Irish Dancers who performed a dance for the viewing audience.

There were no **Administrative Reports**.

There were no **Council Committee Reports**.

OPEN FORUM

Monica Tittle spoke regarding victim rights and resources. She stated victims have a right and need to be heard. She also provided thanks for what was done with the Washington Apartments. She further noted that all the resources that are available to victims aren't really there, and she encouraged pushing for laws that are there for the victims.

COMMITTEE APPOINTMENTS

Design Review Board (CPR 1993-0063), Plan Commission (CPR 1981-0295), and CTAB (CPR 2018-0032)

Upon Unanimous Voice Vote (Council Member Mumm absent), the City Council **approved** (and thereby confirmed) the following appointments and reappointment:

- Appointment of J. Alex Maxwell to the Design Review Board, Urban Designer position, for a term of three years, expiring on March 12, 2021.
- Appointment of Greg Francis to the Plan Commission for a term of four years, to expire on December 31, 2021.
- Reappointment of Sylvia St. Clair to a term of four years on the Plan Commission, expiring December 31, 2021.
- Appointment of Randy McGlenn, a PETT Board Member, to CTAB.
- Appointment of Ryan Patterson, a Bicycle Advisory Board Member, to CTAB.

LEGISLATIVE AGENDA

SPECIAL BUDGET ORDINANCE

Special Budget Ordinance C35604

Subsequent to public testimony from one individual and Council commentary, the following action was taken:

Upon Unanimous Roll Call Vote (Council Member Mumm absent), the City Council **passed Special Budget Ordinance C35604** amending Ordinance No. C35565 passed by the City Council December 11, 2017, and entitled, "An Ordinance adopting the Annual Budget of the City of Spokane for 2018, making appropriations to the various funds, departments and programs of the City of Spokane government for the fiscal year ending December 31, 2018, and providing it shall take effect immediately upon passage, and declaring an emergency and appropriating funds in:

Street Fund

FROM: Roadway Maintenance, \$371,410;

TO: Various Accounts, same amount.

[This action budgets for four positions, Street Maintenance Operator II (from 0 to 2 Positions) and Laborer II (from 0 to 2 Positions), to support the City's alley maintenance efforts.]

There were no **Emergency Ordinances**.

RESOLUTIONS

Resolution 2018-0017 (CR: OPR 2016-0235)

Upon Unanimous Roll Call Vote (Council Member Mumm absent), the City Council **passed Resolution 2018-0017** declaring Cityworks by Azteca Systems, LLC, as a sole source for GIS based asset management systems software and authorizing staff to negotiate and execute a contract with Azteca Systems, Inc. for the procurement—\$76,160 (incl. tax).

Resolution 2018-0018

Subsequent to an introduction of Resolution 2018-0018 by Human Resources Director Chris Cavanaugh, who was accompanied by Kelly Keenan at the podium; the opportunity for public testimony, with no individuals requesting to speak; and Council commentary, the following action was taken:

Upon Unanimous Roll Call Vote (Council Member Mumm absent), the City Council **adopted Resolution 2018-0018** approving the appointment of Kelly Keenan as Director – Community, Housing and Human Services for the City of Spokane.

(Clerical Note: Prior to the 6:00 p.m. Legislative Session, clerical corrections were made to Resolution 2018-0018 to correctly reflect the title of the position as “Director – Community, Housing and Human Services,” which matches the title reflected in the Spokane Municipal Code. The title previously read “Director- Community Development & Human Services.”)

Resolution 2018-0019

Council President Stuckart provided a brief overview of Resolution 2018-0019. There was an opportunity for public testimony, with no individuals requesting to speak, after which the following action was taken:

Upon Unanimous Roll Call Vote (Council Member Mumm voting “no”), the City Council **adopted Resolution 2018-0019** regarding the City of Spokane’s official intent to reimburse certain expenditures from bond proceeds issued for the 2018 Library Facilities and Future Service Project.

FINAL READING ORDINANCES

Final Reading Ordinance C35602

Council President Stuckart provided an overview of Final Reading Ordinance C35602. Public testimony was received from one individual and Council commentary held. Council Member Beggs noted that last week he proposed an amendment to remove, under (the definition of) “minor,” contracts with outside law firms that would initiate litigation without consultation with Council. He noted he had some good discussion with City Attorney Ormsby who met with the Mayor and the Mayor agrees that what happened before with the Fish and Wildlife lawsuit should not happen, and they are going to put together an administrative policy to make it clear that any mayor is not going to start lawsuits without consulting with the City Council ahead of time. Council Member Beggs noted with that, he is satisfied (and therefore no need for his proposed amendment). The following action was taken:

Upon Unanimous Roll Call Vote (Council Member Mumm absent), the City Council **passed Final Reading Ordinance C35602** (as amended on March 5, 2018) relating to the standards and processes for procurement; repealing sections 7.06.0295, 7.06.162, 7.06.177, 7.06.269, 7.06.272, and 7.06.550; amending sections 7.06.020, 7.06.0225, 7.06.030, 7.06.035, 7.06.060, 7.06.097, 7.06.100, 7.06.110, 7.06.120, 7.06.130, 7.06.140, 7.06.150, 7.06.160, 7.06.165, 7.06.167, 7.06.170, 7.06.173, 7.06.174, 7.06.180, 7.06.182, 7.06.185, 7.06.190, 7.06.200, 7.06.220, 7.06.250, 7.06.260, 7.06.261, 7.06.262, 7.06.264, 7.06.267, 7.06.270, 7.06.271, 7.06.274, 7.06.275, 7.06.276, 7.06.280, 7.06.290, 7.06.310, 7.06.320, 7.06.330, 7.06.340, 7.06.400, 7.06.420, 7.06.430, 7.06.500, 7.06.510, 7.06.520, 7.06.530, 7.06.540, 7.06.600, 7.06.610, 7.06.620, 7.06.700, 7.06.710, 7.06.720, 7.06.730, 7.06.750, 7.06.760, and 7.06.770; and enacting a new section 7.06.155 of the Spokane Municipal Code.

Final Reading Ordinance C35603

Subsequent to an opportunity for public testimony, with no individuals requesting to speak, the City Council took the following action:

Upon Unanimous Roll Call Vote (Council Member Mumm absent), the City Council **passed Final Reading Ordinance C35603** terminating the inactive ambassador incentive program; repealing chapter 03.08 of the Spokane Municipal Code.

There were no **First Reading Ordinances**.

SPECIAL CONSIDERATIONS

Letter to Governor Jay Inslee urging the signing of H.B. 2887, the Responsible Representation Act (CPR 2018-0030)

The following actions were taken:

Motion by Council Member Burke, seconded by Council Member Fagan, **to suspend** the Council Rules; **carried unanimously (Council Member Mumm absent)**.

Motion by Council Member Burke, seconded by Council Member Beggs, **to add** to the Council's agenda the letter to Governor Jay Inslee supporting the signing of H.B. 2887, the Responsible Representation Act; **carried unanimously (Council Member Mumm absent)**.

Council Member Burke provided an overview of the letter and public testimony was received from one individual, after which the following action was taken:

Upon Unanimous Roll Call Vote (Council Member Mumm absent), the City Council **approved** the Letter to Governor Jay Inslee urging the signing of H.B. 2887, the Responsible Representation Act.

There were no **Hearings**.

ANNOUNCEMENT

Council President Stuckart announced that next week's 6:00 p.m. City Council meeting will be a Town Hall meeting at the East Central Community Center. (Note: The 3:30 p.m. Briefing Session on that date will be held in the City Council Chambers.)

No individuals spoke during the **Second Open Forum**.

ADJOURNMENT

There being no further business to come before the City Council, the Regular Legislative Session of the Spokane City Council adjourned at 6:30 p.m.

Minutes prepared and submitted for publication in the March 21, 2018, issue of the *Official Gazette*.

Terri Pfister
Spokane City Clerk

Approved by Spokane City Council on _____, 2018.

Ben Stuckart
City Council President

**Agenda Sheet for City Council Meeting of:**

03/19/2018

Date Rec'd	3/6/2018
Clerk's File #	RES 2018-0020
Renews #	
Cross Ref #	
Project #	
Bid #	SOLE SOURCE
Requisition #	CR#19110

Submitting Dept	FIRE
Contact Name/Phone	MARK JOHN 625-7000
Contact E-Mail	MJOHN@SPOKANECITY.ORG
Agenda Item Type	Resolutions
Agenda Item Name	0440 - FIRE DEPARTMENT REPAIR OF WATER RESCUE BOAT

Agenda Wording

Resolution declaring North River Inc. (Roseburg, OR) a sole source provider and authorizing remanufacturing services for the City of Spokane Fire Department's custom water rescue boat - \$75,000.00 (including tax)

Summary (Background)

The Spokane Fire Department swift water rescue boat was placed into service in 2003. Minor repairs have been completed on an "as needed" basis over the past 15 years. Currently a major overhaul is needed to return the boat to service. It was determined that a major overhaul completed by the manufacturer would be more cost effective than replacing the boat. Additionally the new version of the boat is larger and would be less operationally effective in shallow water as the current boat.

<u>Fiscal Impact</u>	Grant related? YES	<u>Budget Account</u>
	Public Works? NO	

Expense	\$ 75,000.00	# 5901-79125-94000-56401-43004
Select	\$	#
Select	\$	#
Select	\$	#

<u>Approvals</u>		<u>Council Notifications</u>	
<u>Dept Head</u>	MEIERS, BRANDON	<u>Study Session</u>	
<u>Division Director</u>	MEIERS, BRANDON	<u>Other</u>	PS&CH 3/5/18
<u>Finance</u>	BUSTOS, KIM	<u>Distribution List</u>	
<u>Legal</u>	DALTON, PAT	tprince	
<u>For the Mayor</u>	DUNIVANT, TIMOTHY	dstockdill	
<u>Additional Approvals</u>		mdoval	
<u>Purchasing</u>	PRINCE, THEA	klamoreaux	
<u>CITY COUNCIL</u>	MCDANIEL, ADAM	taxes & licenses	
<u>GRANTS &</u>	BROWN, SKYLER		

SOLE-SOURCE RESOLUTION

A RESOLUTION declaring North River, Inc., (Roseburg, OR) a sole-source provider and authorizing remanufacturing services for the City of Spokane Fire Department's custom water rescue boat for \$75,000.00, without public bidding.

WHEREAS, the City of Spokane Fire Department purchased a custom-made rescue boat from ALMAR in approximately 2002, after which ALMAR was bought out by North River, Inc.; and

WHEREAS, North River, Inc., is essentially the original equipment manufacturer and has trained technicians who are equipped specifically for warranty work and repair of the ALMAR lines of boats; and

WHEREAS, a new boat would cost approximately \$80,000 using our trailer but would be two feet longer and would draft 2 more inches which is not conducive for use on local rivers; and

WHEREAS, North River, Inc., is going to remanufacture the boat we have by examining the hull and repairing and replacing any structural components that are damaged and this can only be done correctly at the original factory due to the fact that they have the original specs and tooling that was used to make the boat in the first place; and

WHEREAS, the cost of the cost of the remanufacture of this boat exceeds the 2018 minor contract threshold of \$49,000 for these services;

-- Now, Therefore,

BE IT RESOLVED by the City Council for the City of Spokane that it hereby declares the remanufacture/repair work for the City's Fire Dept. water-rescue boat from North River, Inc., a sole-source purchase; and

BE IT FURTHER RESOLVED that the City Council authorizes the remanufacture/repair/rebuild of the City Fire Department's water rescue boat from North River, Inc. and the associated contract for \$75,000, without public bidding.

ADOPTED BY THE CITY COUNCIL ON _____

City Clerk

Approved as to form:

Assistant City Attorney

16-493a