

OFFICE OF THE CITY CLERK
808 W. SPOKANE FALLS BLVD.
SPOKANE, WASHINGTON 99201-3342
(509) 625-6350

JOHN T. POWERS, JR.
MAYOR

July 29, 2003

City Clerk File Nos.:
CPR 03-2
RES 03-74
ORD C33279
RES 03-75
OPR 03-658

COUNCIL ACTION MEMORANDUM

RE: CONVENTION CENTER EXPANSION ITEMS: RESOLUTION 03-74,
ORDINANCE C33279, AND RESOLUTION 03-75

During the Spokane City Council 6 p.m. Legislative Session held Monday, July 21, 2003, upon Council's consideration of the Convention Center Expansion items (Resolution 03-74, Ordinance C33279, and Resolution 03-75), City Attorney Mike Connelly supplemented the record with the following documents (and filed them with the City Clerk):

1. "List of Contacts with the City Council RE: Convention Center Expansion Project;"
2. "City of Spokane Convention Center Expansion Project – Memorandum and Attachments for Interlocal and Transfer Agreements," dated December 18, 2002;
3. "City of Spokane Convention Center Expansion Project – Draft Interlocal and Property Transfer Agreements with attachments," dated January 15, 2003;
4. "Financing of the Spokane Convention Center Expansion Project - Draft Documents," dated April 3, 2003; and
5. "City of Spokane Convention Center Expansion Project Documents," dated July 1, 2003.

Mr. Connelly then advised the Council of an amendment to the Interlocal Agreement wherein on Page 10, Section 6.3, last sentence of the second paragraph, the "not to exceed the sum of blank dollars" was deleted. He noted this was deleted as he is not positive that all final bills from bond counsel have been received.

Chief Financial Officer Gavin Cooley provided a presentation on the financial aspects of the Convention Center Expansion and responded to Council inquiries. Subsequent to public testimony, Council comment and inquiry, and response by Public Facilities District Board Member Shaun Cross, the following actions were taken:

Upon 6-1 Roll Call Vote (Council Member Rodgers voting "no"), the Spokane City Council adopted Resolution 03-74 providing for the Intergovernmental Transfer of the Spokane Convention Center, Spokane Opera House, Washington State Agricultural Trade Center and Spokane Center Parking Lots.

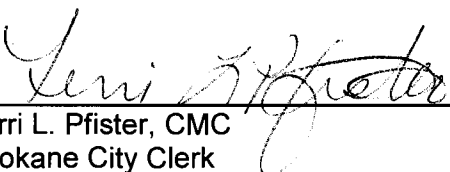
July 29, 2003

Upon 6-1 Roll Call Vote (Council Member Rodgers voting "no"), the Spokane City Council **passed Final Reading Ordinance C33279** approving certain appropriations relative to the Spokane Public Facilities District's acquisition, expansion and operation of the Convention Center, Opera House and Washington State Agricultural Trade Center, together with contiguous parking facilities.

Upon 6-1 Roll Call Vote (Council Member Rodgers voting "no"), the Spokane City Council **adopted Resolution 03-75** approving certain agreements providing for, among other things: (1) the Spokane Public Facilities District's acquisition of certain ownership and leasehold interests in the Convention Center, Opera House and Washington State Agricultural Trade Center, together with contiguous parking facilities; (2) the District's operation of said facilities; (3) the District's expansion of the Convention Center; (4) the City's transfer to the District of certain admission taxes and lodging taxes; and (5) for certain operating payments to the District to cover operational losses related to the District's operation of said facilities.

Following a five-minute recess, the following action was taken subsequent to Council discussion:

Motion by Council Member French, seconded by Council Member Corker, to have the Public Works Committee and the Finance Committee bring forward a councilmanic bond proposal to fund street repair in the amount of no less than seven and a half million dollars to be serviced by the revenue that was derived from the savings as presented by the Chief Financial Officer in the amount of \$511,000 annually (resulting from the transfer of assets to the Public Facilities District) **carried unanimously.**



Terri L. Pfister, CMC
Spokane City Clerk

c: Entertainment Facilities
Finance
Roger Flint, PW&U

Public Facilities District
Mayor/Administrator

Accounting
Legal



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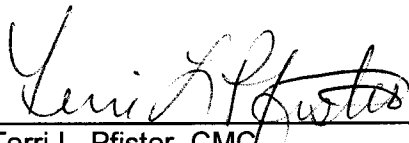
COUNCIL ACTION MEMORANDUM

RE: CONVENTION CENTER EXPANSION ITEMS: RESOLUTION 03-74,
ORDINANCE C33279, AND RESOLUTION 03-75

During the Spokane City Council 6 p.m. Legislative Session held Monday, July 14, 2003, City Attorney Mike Connelly and Public Facilities District Board Member Shaun Cross reported on the following Convention Center Expansion items and responded to Council inquiries:

- Resolution 03-74 providing for the Intergovernmental Transfer of the Spokane Convention Center, Spokane Opera House, Washington State Agricultural Trade Center and Spokane Center Parking Lots.
- First Reading Ordinance C33279 approving certain appropriations relative to the Spokane Public Facilities District's acquisition, expansion and operation of the Convention Center, Opera House and Washington State Agricultural Trade Center, together with contiguous parking facilities.
- Resolution 03-75 approving certain agreements providing for, among other things: (1) the Spokane Public Facilities District's acquisition of certain ownership and leasehold interests in the Convention Center, Opera House and Washington State Agricultural Trade Center, together with contiguous parking facilities; (2) the District's operation of said facilities; (3) the District's expansion of the Convention Center; (4) the City's transfer to the District of certain admission taxes and lodging taxes; and (5) for certain operating payments to the District to cover operational losses related to the District's operation of said facilities.

Subsequent to public testimony, the matters were deferred to July 21, 2003, for final action.



Terri L. Pfister, CMC
Spokane City Clerk

c: Entertainment Facilities
Finance

Public Facilities District
Mayor/Administrator

Accounting
Legal



AGENDA SHEET FOR COUNCIL MEETING OF: July 21, 2003

Submitting Dept.
Office of the Mayor

Contact Person
Jack Lynch

Phone No.
625-6268

ADMINISTRATIVE SESSION

- ☐ Contract
- ☐ Report
- ☐ Claims

LEGISLATIVE SESSION

- ☐ Emergency Ord
- ☐ Resolution
- ☐ Final Reading Ord
- ☐ First Reading Ord
- ☒ Special Consideration
- ☐ Hearing

CITY PRIORITY

- ☐ Communications
- ☐ Economic Development
- ☐ Growth Management
- ☐ Human Services
- ☐ Neighborhoods
- ☐ Public Safety
- ☒ Quality Service Delivery
- ☐ Racial Equity/Cultural Diversity
- ☐ Rebuild/Maintain Infrastructure

CLERK'S FILE

RENEWS

CROSS REF

ENG

BID

REQUISITION

Neighborhood/Commission/Committee Notified:

Action Taken:

STANDING COMMITTEES

(Date of Notification)

- ☐ Finance
- ☐ Neighborhoods
- ☐ Planning/Community & Econ Dev
- ☐ Public Safety
- ☐ Public Works

AGENDA WORDING:

AN ORDINANCE APPROVING CERTAIN APPROPRIATIONS RELATIVE TO THE SPOKANE PUBLIC FACILITIES DISTRICT'S ACQUISITION, EXPANSION, AND OPERATION OF THE CONVENTION CENTER, OPERA HOUSE, AND WASHINGTON STATE AGRICULTURAL TRADE CENTER, TOGETHER WITH CONTIGUOUS PARKING FACILITIES.

BACKGROUND:

(Attach additional sheet if necessary)

By Resolution 01-095, the City Council endorsed plans to expand the City's convention facilities, generally consistent with recommendations of the Facilities 2000 Working Group. Among the Working Group's recommendations, was a transfer of the City's convention facilities to the Spokane Public Facilities District. Thereafter, on May 21, 2002, a majority of Spokane County voters authorized the District to acquire and operate the City's convention facilities, and to significantly renovate and expand the facilities. Since the election, representatives of the City and the District have been negotiating the terms of an Interlocal Cooperation Agreement, Property Transfer Agreement, and Lease. The Interlocal Agreement provides for the transfer by the City to the District of certain Arena Admission Taxes, Center Admission Taxes, and Lodging Taxes collected by the City, and also provides for operating payments from the City to the District under certain circumstances.

RECOMMENDATION: Approve.

Fiscal Impact: ☐

Budget Account: ☐

☐ Expenditure: \$

#

☐ Revenue: \$

#

☐ Budget Neutral

ATTACHMENTS: Include in Packets: Ordinance C - _____, with attached agreements.
On file for Review in Office of City Clerk:

SIGNATURES:

Department Head

Division Director

Finance

Legal

City Administrator for Mayor

Council President

DISTRIBUTION:

Entertainment Facilities
Finance

Public Facilities District
Mayor/Administrator

Accounting
Legal

COUNCIL ACTION:

FIRST READING OF THE
ABOVE ORDINANCE WAS HELD ON

July 14, 2003
AND FURTHER ACTION WAS DEFERRED

CITY CLERK

* PASSED BY
SPOKANE CITY COUNCIL:

JUL 21 2003

CITY CLERK

(ORIGINAL DOCUMENT)

C33279

* See Council Action memo dated 7/29/03.

C33279

ORDINANCE NO. C 3 3 2 7 9

AN ORDINANCE APPROVING CERTAIN APPROPRIATIONS RELATIVE TO THE SPOKANE PUBLIC FACILITIES DISTRICT'S ACQUISITION, EXPANSION, AND OPERATION OF THE CONVENTION CENTER, OPERA HOUSE, AND WASHINGTON STATE AGRICULTURAL TRADE CENTER, TOGETHER WITH CONTIGUOUS PARKING FACILITIES.

WHEREAS, the City owns the Spokane Convention Center, the Spokane Opera House, the Washington State International Agricultural Trade Center, and associated parking facilities ("Existing Center Facilities").

WHEREAS, Chapter 39.34 RCW authorizes the Spokane Public Facilities District ("District") and the City to enter into agreements for joint or cooperative action to exercise any power or powers, privileges, or authority exercised or capable of exercise by either the District or the City.

WHEREAS, Chapter 35.59 RCW authorizes the City, either individually or jointly with any other municipality such as the District, to acquire and to construct, install, add to, improve, replace, repair, maintain, operate and regulate the use of multi-purpose community centers located within the City, and to pay for any investigations and any engineering, planning, financial, legal and professional services incident to the development and operation of such multi-purposes community centers, and further authorizes the City to appropriate and/or expend any public moneys available for carrying out such purposes.

WHEREAS, Chapter 67.28 RCW authorizes the City to convey or lease any lands, properties or facilities to any other municipality for the development by such other municipality of tourism-related facilities, or to participate in the financing of all or any part of the public facilities on such terms as may be fixed by agreement between the respective legislative bodies.

WHEREAS, the District and the City have negotiated various agreements providing for the District's acquisition and operation of the Existing Center Facilities by the District, and the expansion and improvement of the Spokane Convention Center, namely an Interlocal Cooperation Agreement and a Property Transfer Agreement, in form and content as set forth in Exhibits "A" and "B" to Resolution 03-75 ("Project Agreements").

WHEREAS, the Project Agreements provide for the transfer by the City to the District of certain tax revenues levied by the City pursuant to RCW 35.21.280 and City of Spokane Ordinances C25958 and C32337, and collected from persons who pay an admission charge to the Existing Convention Facilities ("Center Admission Tax").

C33279

C 3 3 2 7 9

WHEREAS, the Project Agreements provide for the transfer by the City to the District of certain tax revenues levied by the City pursuant to RCW 35.21.280 and City Ordinances C25958 and C32337, and collected from persons who pay an admission charge to the Spokane Veterans Memorial Arena ("Arena Admission Tax").

WHEREAS, the Project Agreements provide for the transfer by the City to the District of certain taxes imposed by the City pursuant to RCW 67.28.181 and City of Spokane Ordinance C24847 on the sale or charges for furnishing of lodging that is subject to tax under Chapter 82.08 RCW ("Lodging Tax").

WHEREAS, the Project Agreements call for the City to reimburse the District for certain operational losses experienced by the District in its operation of the Existing Center Facilities during and after expansion of the same ("City Operating Payment").

WHEREAS, historically, the City has supported operation, maintenance, and capital improvements of the Existing Center Facilities with the Center Admission Tax, Arena Admission Tax, and the Lodging Tax.

WHEREAS, historically, the City has further supported the financial needs of the Existing Center Facilities with payments from the City's General Fund.

NOW, THEREFORE, The City of Spokane does ordain:

Section 1. The City hereby finds and determines that the Project Agreements, and the provisions calling for the appropriation of the Center Admissions Tax, the Arena Admissions Tax, the Lodging Tax, and the City Operating Payment are mutually fair and advantageous to the District and the City.

Section 2. Approving Appropriations of Center Admission Tax. The Mayor is authorized to execute agreements providing for the appropriation of the Center Admission Tax, including without limitation the Project Agreements, consistent with the terms of the Project Agreements and subject to such further actions as are required by state and local budgeting rules and requirements.

Section 3. Approving Appropriations of Arena Admission Tax. The Mayor is authorized to execute agreements providing for the appropriation of the Arena Admission Tax, including without limitation the Project Agreements, consistent with the terms of the Project Agreements and subject to such further actions as are required by state and local budgeting rules and requirements.

Section 4. Approving Appropriations of Lodging Tax. The Mayor is authorized to execute agreements providing for the appropriation of the Lodging Tax, including without limitation the Project Agreements, consistent with the

terms of the Project Agreements and subject to such further actions as are required by state and local budgeting rules and requirements.

Section 5. Approving City Operating Payment. The Mayor is authorized to execute agreements providing for the appropriation of the City Operating Payment, including without limitation the Project Agreements, consistent with the terms of the Project Agreements and subject to such further actions as are required by state and local budgeting rules and requirements.

PASSED by the Spokane City Council this 21st day of July, 2003.

08-24-03

EFFECTIVE DATE

Rob Higgins
Rob Higgins, Council President

Attest:

Jeri M. Foster
City Clerk

John T. Powers, Jr. 07.25.03
Mayor John T. Powers, Jr. Date

Approved as to form:

James P.
Assistant City Attorney



AGENDA SHEET FOR COUNCIL MEETING OF: July 21, 2003.



Submitting Dept.
Office of the Mayor

Contact Person
Jack Lynch

Phone No.
625-6268

ADMINISTRATIVE SESSION

- o Contract
- o Report
- o Claims

LEGISLATIVE SESSION

- o Emergency Ord
- o Resolution
- o Final Reading Ord
- o First Reading Ord
- o Special Consideration
- o Hearing

CITY PRIORITY

- o Communications
- o Economic Development
- o Growth Management
- o Human Services
- o Neighborhoods
- o Public Safety
- o Quality Service Delivery
- o Racial Equity/Cultural Diversity
- o Rebuild/Maintain Infrastructure

CLERK'S FILE

RENEWS

CROSS REF

ENG

BID

REQUISITION

Neighborhood/Commission/Committee Notified:

Action Taken:

AGENDA WORDING:

A Resolution providing for the Intergovernmental Transfer of the Spokane Convention Center, Spokane Opera House, Washington State Agricultural Trade Center, and Spokane Center Parking Lots.

BACKGROUND:

(Attach additional sheet if necessary)

By Resolution 01-095, the City Council endorsed plans to expand the City's convention facilities, generally consistent with recommendations of the Facilities 2000 Working Group. Among the Working Group's recommendations, was a transfer of the City's convention facilities to the Spokane Public Facilities District. Thereafter, on May 21, 2002, a majority of Spokane County voters authorized the District to acquire and operate the City's convention facilities, and to significantly renovate and expand the facilities. Since the election, representatives of the City and the District have been negotiating the terms of an Interlocal Cooperation Agreement, a Property Transfer Agreement, and a Lease, each of which is scheduled for the Council's consideration per Ordinance C - 33279 along with this Resolution. Those agreements provide for the transfer to the District of certain ownership and leasehold interests in the City's convention facilities, and the District's assumption of ownership and operational responsibility for the same, and further provide for the District undertaking a significant expansion of the Convention Center.

RECOMMENDATION:

Approve.

Fiscal Impact:

- o Expenditure: \$
- o Revenue: \$
- o Budget Neutral

Budget Account:

#

ATTACHMENTS: Include in Packets: Resolution
On file for Review in Office of City Clerk:

SIGNATURES:

Department Head

Legal

Division Director Mayor

City Administrator for Mayor

Finance

Council President

DISTRIBUTION:

(ORIGINAL DOCUMENT)

COUNCIL ACTION:

* ADOPTED BY
SPOKANE CITY COUNCIL:

July 21, 2003
Leri H. Bales
CITY CLERK

See Council Action Memo
date 8 July 29, 2003

155 03-74
322-1

RESOLUTION

A RESOLUTION PROVIDING FOR THE INTERGOVERNMENTAL TRANSFER OF THE SPOKANE CONVENTION CENTER, SPOKANE OPERA HOUSE, WASHINGTON STATE AGRICULTURAL TRADE CENTER, AND SPOKANE CENTER PARKING LOTS.

WHEREAS, the City of Spokane is the owner of certain property commonly known the Spokane Convention Center, the Spokane Opera House, and the Washington State Agricultural Trade Center, situated in the City and County of Spokane, State of Washington, and shown on Exhibit "A" hereto ("Existing Convention Facilities"); and

WHEREAS, the City of Spokane is the owner of other properties situated in the vicinity of the Existing Convention Facilities, which properties are presently used for Spokane Center Parking, and are legally described in Exhibit "B" hereto ("Center Parking Lots"); and

WHEREAS, Chapter 36.100 RCW authorizes the creation of public facilities districts to carry out certain objectives of local municipalities, including acquisition, construction, ownership, remodeling, maintenance, repair and operation of convention facilities, together with contiguous parking facilities; and

WHEREAS, consistent with Chapter 36.100 RCW, the City and County of Spokane created the Spokane Public Facilities District ("District") to carry out certain objectives of the City, the County, and their citizenry, including acquisition, construction, and operation of certain public facilities; and

WHEREAS, a majority of Spokane County voters have authorized the District to acquire and operate the Existing Convention Facilities, and to expand and improve the Spokane Convention Center; and

WHEREAS, by Resolution 01-095, the City of Spokane expressed its support for expansion and improvement of the Spokane Convention Center, generally consistent with the conclusions and recommendations of the Facilities 2000 Working Group; and

WHEREAS, by a certain Interlocal Cooperation Agreement, Property Transfer Agreement, and Lease, the City and the District have provided for the City's transfer to the District of certain leasehold and ownership interests and operational responsibility for the Existing Convention Facilities and Center Parking Lots, consistent with the provisions and intent of Chapter 36.100 RCW; and

WHEREAS, with the City having agreed to transfer to the District and the

RES 03-74
S2A-2

District having agreed to assume certain leasehold and ownership interests and operational responsibility for the Existing Convention Facilities and Center Parking Lots, the City of Spokane finds that the facilities will no longer be needed by the City and are hereby declared to be surplus to the City's needs, as of the date of Closing, as set forth in the Property Transfer Agreement; and

WHEREAS, RCW 35.22.280(3) authorizes the City to dispose of surplus property and RCW 36.100.010(7) authorizes the City to transfer property to the Spokane Public Facilities District; and

WHEREAS, RCW 39.33.020 provides the method for disposing of surplus City property with an estimated value in excess of fifty thousand dollars (\$50,000.00); and

WHEREAS, on December 12, 2002, on April 15, 2003, and again on July 1, 2003, the City caused to be published in the Spokesman Review, a newspaper of general circulation, notice of reasonable size in display advertising form, setting for the date, time, and place of the Council's hearing on this Resolution, copies of which are attached to this resolution.

NOW, THEREFORE - - it is hereby resolved by the Spokane City Council;

1. The Existing Convention Facilities and Center Parking Lots are hereby declared to be surplus to the City's existing and foreseeable needs, as of the date of Closing (as set forth in the Property Transfer Agreement), and no longer needed as of such date for the present and foreseeable public uses of the City of Spokane, as the District shall have assumed responsibility for the public purpose of owning, leasing and operating the facilities as of the date of Closing.

2. City staff are authorized to execute documents necessary to convey to the District certain leasehold and ownership interests in the Existing Convention Facilities and Center Parking Lots, consistent with the terms of City Resolution 03-75, and its attached Interlocal Cooperation Agreement, Property Transfer Agreement, and Lease, of even date herewith.

3. The City finds that, pursuant to Resolution 03-75, the City is receiving adequate value from the District in exchange for the City's transfer of certain leasehold and ownership interests in the Existing Convention Facilities and Center Parking Lots.

ADOPTED by the Spokane City Council this 21st day of July, 2003.

Leri Affato
City Clerk

Approved as to form:

Samuel R. R.
Assistant City Attorney



EXHIBIT A

**ATTACHMENT 1.14
SPOKANE CENTER
PROPERTY TRANSFER AGREEMENT
EXISTING CENTER REAL PROPERTY**

The real property that the City will lease with purchase option to the District ("Real Property") includes the site on which the Spokane Opera House, the Spokane Convention Center, and the Washington State Agricultural Trade Center are located, and also five parcels which the City presently is using for parking purposes. The Real Property is described in more detail below, and the Real Property legal descriptions are set forth in the attached Supplemental Report No. 1 from First American Title Company of Spokane dated February 20, 2003, Order No. 283495-CB ("Title Report").

Parcel A:

Parcel A consists of the land on which the Spokane Opera House, the Spokane Convention Center, and the Washington State Agricultural Trade Center are located, as shown on the attached drawing, titled "Boundary Line Adjustment". Parcel A recently was the subject of City of Spokane Boundary Line Adjustment #Z03B0036. Parcel A formerly was part of Spokane County Assessor Tax Parcel No. 35185.0070. The City will apply for a tax parcel segregation including a new tax parcel number for Parcel A. This description of Parcel A may be amended to include the new tax parcel number when a new number is assigned to Parcel A.

The legal description for Parcel A is the same property described as "Parcel 1" in the Title Report.

Parcel B:

Parcel B consists of:

1. A parking area located at the NE corner of the Main Avenue and Washington Street Intersection, with a street address of 204 N. Washington Street, Tax Parcel No. 35184.2107.
2. A parking area located on the North side of Main avenue, with a street address of 330 W. Main Avenue, Tax Parcel No. 35184.2108.
3. A parking area located on the North side of Main avenue, with a street address of 334 W. Main Avenue, North Side, Parcel 35184.2109.
4. A parking area located on the North side of Main avenue, with a street address of 316 W. Main Avenue, Tax Parcel 35184.2112.

The legal description for Parcel B is the same property described as "Parcel D" in the Title Report.

Parcel C:

Parcel C is a parking area located on the North side of Spokane Falls Boulevard to the east of Spokane Falls Court, with an unknown street address, Parcel No. 35184.0412.

The legal description for Parcel C is the same property described as "Parcel E" in the Title Report.



FIRST AMERICAN TITLE COMPANY OF SPOKANE

1020 NORTH WASHINGTON STREET, SPOKANE, WASHINGTON 99201

PHONE (509) 838-5281 FAX (509) 838-3028

SUPPLEMENTAL REPORT NO. 1

TO: LUKINS & ANNIS, P.S.
717 WEST SPRAGUE, SUITE 1600
SPOKANE, WA, 99204
ATTN: TED STILES

OUR ORDER NO. 283495-CB

LOAN NO.: OPERA HOUSE

CC: TAYLOR ENGINEERING/RICK

XX THE PROPERTY COVERED BY OUR PENDING COMMITMENT HAS NOT BEEN REEXAMINED AND THIS SUPPLEMENTAL REPORT DOES NOT EXTEND THE EFFECTIVE DATE OF THE COMMITMENT, OR ANY SUPPLEMENTAL REPORTS TO THE COMMITMENT.

THERE HAVE BEEN NO CHANGES IN THE TITLE TO THE PROPERTY COVERED BY OUR PRELIMINARY COMMITMENT SINCE OUR LAST REPORT EXCEPT AS FOLLOWS:

THE LEGAL DESCRIPTION IS HEREBY AMENDED TO READ: SEE ATTACHED

DATED: FEBRUARY 20, 2003 AT 7:30 A.M.

BY:

Mark S. Coppenberg

LEGAL DESCRIPTION

ORDER NO. 283495-CB-

PARCEL 1:

A PORTION OF HAVERMALE'S SECOND ADDITION, ACCORDING TO PLAT RECORDED IN VOLUME "A" OF PLATS, PAGE 148, AND A PORTION OF THE SOUTHEAST QUARTER OF SECTION 18, TOWNSHIP 25 NORTH, RANGE 43 EAST, W.M., CITY OF SPOKANE, SPOKANE COUNTY, WASHINGTON, DESCRIBED, AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE EAST RIGHT OF WAY LINE OF WASHINGTON STREET AND THE NORTH RIGHT OF WAY LINE OF SPOKANE FALLS BOULEVARD;
THENCE NORTH 87°05'15" EAST, ALONG THE NORTH LINE OF SAID SPOKANE FALLS BOULEVARD, 712.00 FEET TO THE SOUTHWEST CORNER OF SPOKANE FALLS COURT;
THENCE NORTH 02°50'49" WEST, ALONG THE WEST LINE OF SAID SPOKANE FALLS COURT AND PARALLEL WITH THE EAST RIGHT OF WAY LINE OF WASHINGTON STREET, 157.95 FEET (REC. 158.00 FEET);
THENCE NORTH 87°05'15" EAST, ALONG THE NORTH LINE OF SPOKANE FALLS COURT AND PARALLEL TO THE NORTH LINE OF SPOKANE FALLS BOULEVARD, 32.51 FEET (REC. 32.50 FEET);
THENCE NORTH 10°19'39" WEST, 10.14 FEET (REC. 10.08 FEET);
THENCE NORTH 12°34'07" WEST, 10.14 FEET;
THENCE NORTH 14°30'20" WEST, 10.21 FEET;
THENCE NORTH 15°36'04" WEST, 10.25 FEET;
THENCE NORTH 16°24'59" WEST, 10.23 FEET;
THENCE NORTH 18°01'49" WEST, 10.36 FEET;
THENCE NORTH 20°55'29" WEST, 10.51 FEET;
THENCE NORTH 25°56'46" WEST, 10.87 FEET;
THENCE NORTH 24°58'06" WEST, 3.82 FEET;
THENCE NORTH 02°50'49" WEST, PARALLEL WITH THE EAST RIGHT OF WAY LINE OF WASHINGTON STREET, 48.01 FEET (REC. 47.95 FEET);
THENCE NORTH 35°58'22" EAST, 10.24 FEET TO THE BEGINNING OF A CURVE TO THE RIGHT, THE RADIUS OF WHICH BEARS SOUTH 33°45'06" EAST, A DISTANCE OF 25.00 FEET;
THENCE ALONG SAID CURVE TO THE RIGHT, THROUGH A CENTRAL ANGLE OF 30°08'53", AN ARC DISTANCE OF 13.15 FEET TO A POINT 742.00 FEET EAST OF THE EAST RIGHT OF WAY LINE OF WASHINGTON STREET AND 301.00 FEET NORTH OF THE NORTH RIGHT OF WAY LINE OF SPOKANE FALLS BOULEVARD;
THENCE NORTH 02°50'49" WEST, 12.00 FEET;
THENCE NORTH 35°58'22" EAST, 67.76 FEET;
THENCE NORTH 42°07'28" EAST, 40.45 FEET;
THENCE NORTH 56°26'07" EAST, 68.56 FEET;
THENCE SOUTH 31°58'44" EAST, 47.24 FEET (REC. 47.23) FEET TO A POINT 895.01 FEET EAST OF THE EAST RIGHT OF WAY LINE OF WASHINGTON STREET AND 388.00 FEET NORTH OF THE NORTH RIGHT OF WAY LINE OF SPOKANE FALLS BOULEVARD;
THENCE NORTH 87°05'15" EAST, 730.36 FEET (REC. 730.38 FEET) TO THE WEST RIGHT OF WAY LINE OF DIVISION STREET;

THENCE NORTH 03°05'15" WEST, ALONG SAID WEST RIGHT OF WAY LINE 77.03 FEET TO THE BEGINNING OF A CURVE TO THE LEFT THE RADIUS OF WHICH BEARS SOUTH 03°05'15" EAST, A DISTANCE OF 195.00 FEET;

THENCE ALONG SAID CURVE TO THE LEFT, THROUGH A CENTRAL ANGLE OF 31°23'12", AN ARC DISTANCE OF 106.82 FEET TO THE BEGINNING OF A REVERSE CURVE THE RADIUS OF WHICH BEARS NORTH 34°28'27" WEST, A DISTANCE OF 150.00 FEET;

THENCE ALONG SAID REVERSE CURVE, THROUGH A CENTRAL ANGLE OF 18°18'01", AN ARC DISTANCE OF 47.91 FEET TO A POINT 145.71 FEET WEST OF THE WEST RIGHT OF WAY LINE OF DIVISION STREET AND 418.00 FEET NORTH OF THE NORTH RIGHT OF WAY LINE OF SPOKANE FALLS BOULEVARD;

THENCE SOUTH 87°05'15" WEST, PARALLEL WITH SAID NORTH RIGHT OF WAY LINE, 251.29 FEET TO A POINT 397.00 FEET WEST OF THE WEST RIGHT OF WAY LINE OF DIVISION STREET;

THENCE NORTH 03°05'15" WEST, PARALLEL WITH SAID WEST RIGHT OF WAY LINE, 130.46 FEET;

THENCE NORTH 80°44'15" EAST, 84.09 FEET;

THENCE NORTH 84°21'00" EAST, 176.33 FEET;

THENCE NORTH 80°36'00" EAST, 86.86 FEET;

THENCE NORTH 82°33'30" EAST, 51.06 FEET (REC. 51.05 FEET) TO THE WEST RIGHT OF WAY LINE OF DIVISION STREET;

THENCE NORTH 03°05'15" WEST, ALONG SAID WEST RIGHT OF WAY LINE, 26.40 FEET;

THENCE SOUTH 73°18'46" WEST, 19.39 FEET;

THENCE SOUTH 63°12'14" WEST, 32.63 FEET;

THENCE SOUTH 72°13'24" WEST, 20.32 FEET;

THENCE SOUTH 82°06'10" WEST, 21.05 FEET;

THENCE SOUTH 85°05'30" WEST, 53.94 FEET;

THENCE SOUTH 85°36'01" WEST, 37.38 FEET;

THENCE SOUTH 81°27'48" WEST, 91.18 FEET;

THENCE SOUTH 81°28'18" WEST, 27.40 FEET;

THENCE SOUTH 81°39'06" WEST, 28.26 FEET;

THENCE SOUTH 81°22'21" WEST, 31.57 FEET;

THENCE SOUTH 82°48'52" WEST, 24.37 FEET;

THENCE SOUTH 79°50'33" WEST, 22.96 FEET;

THENCE SOUTH 81°13'51" WEST, 9.30 FEET;

THENCE SOUTH 83°01'55" WEST, 74.81 FEET;

THENCE SOUTH 82°41'31" WEST, 46.90 FEET;

THENCE SOUTH 82°54'44" WEST, 68.90 FEET;

THENCE SOUTH 86°30'10" WEST, 50.81 FEET;

THENCE SOUTH 88°24'39" WEST, 51.00 FEET;

THENCE NORTH 89°55'42" WEST, 31.12 FEET;

THENCE SOUTH 89°19'43" WEST, 29.16 FEET;

THENCE SOUTH 87°35'15" WEST, 28.09 FEET;

THENCE SOUTH 82°33'35" WEST, 29.40 FEET;

THENCE SOUTH 72°57'28" WEST, 5.64 FEET;

THENCE SOUTH 63°30'04" WEST, 4.49 FEET;

THENCE SOUTH 62°26'42" WEST, 23.20 FEET;

THENCE SOUTH 62°23'20" WEST, 27.23 FEET;

THENCE SOUTH 76°42'03" WEST, 41.02 FEET;

THENCE SOUTH 71°49'34" WEST, 46.60 FEET;

THENCE SOUTH 41°58'06" WEST, 41.14 FEET;

THENCE SOUTH 42°05'55" WEST, 101.61 FEET;
THENCE SOUTH 42°02'23" WEST, 50.88 FEET;
THENCE SOUTH 42°06'30" WEST, 62.27 FEET;
THENCE SOUTH 60°16'28" WEST, 2.58 FEET;
THENCE SOUTH 42°00'29" WEST, 42.09 FEET;
THENCE SOUTH 41°59'51" WEST, 83.72 FEET;
THENCE SOUTH 87°05'09" WEST, 50.65 FEET;
THENCE SOUTH 86°58'38" WEST, 109.39 FEET;
THENCE SOUTH 87°06'04" WEST, 138.61 FEET;
THENCE NORTH 69°30'57" WEST, 15.06 FEET TO THE BEGINNING OF A NON-TANGENT CURVE TO
THE LEFT THE RADIUS OF WHICH BEARS SOUTH 79°07'08" WEST, A DISTANCE OF 14.93 FEET;
THENCE ALONG SAID CURVE TO THE LEFT, THROUGH A CENTRAL ANGLE OF 232°50'37", AN ARC
DISTANCE OF 60.68 FEET;
THENCE SOUTH 03°07'55" EAST, 19.91 FEET;
THENCE SOUTH 00°46'51" WEST, 3.96 FEET;
THENCE SOUTH 42°06'21" WEST, 75.74 FEET TO THE EAST RIGHT OF WAY LINE OF WASHINGTON
STREET;
THENCE SOUTH 02°50'49" EAST, ALONG SAID EAST RIGHT OF WAY LINE, 141.20 FEET TO THE
POINT OF BEGINNING.

EXCEPT ANY PORTION OF DEEDED TO STATE OF WASHINGTON ON MARCH 13, 1990, RECORDED
APRIL 9, 1990 UNDER AUDITOR'S FILE NO. 9004090075, IN SPOKANE COUNTY, WASHINGTON, FOR
STATE ROUTE #2, SPOKANE RIVER BRIDGE VICINITY AND DIVISION STREET.

AND EXCEPT ALL THAT PORTION CONDEMNED BY CAUSE NO. 91201392-1, SUPERIOR COURT OF
THE STATE OF WASHINGTON, IN AND FOR SPOKANE COUNTY, WASHINGTON FOR STATE ROUTE
#2, SPOKANE RIVER BRIDGE VICINITY AND DIVISION STREET.

PARCEL D:

ALL OF LOTS 6, 7 AND 10, AND LOT 9, EXCEPT THE WEST 47 FEET THEREOF, BLOCK 8,
RESURVEY AND ADDITION TO SPOKANE FALLS, ACCORDING TO PLAT RECORDED IN VOLUME
"A" OF PLATS, PAGE 1, IN THE CITY OF SPOKANE, SPOKANE COUNTY, WASHINGTON;

ALSO A STRIP OR PARCEL OF LAND ADJOINING ON THE EAST THEREOF, MORE PARTICULARLY
DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHEAST CORNER OF SAID LOT 10, AND RUNNING THENCE EAST 13.8
FEET, MORE OR LESS, TO THE WEST LINE OF BLOCK 7, HAVERMALE'S ADDITION;
THENCE SOUTH ALONG THE WEST LINE OF SAID BLOCK 7 TO THE NORTH LINE OF MAIN
AVENUE;
THENCE WEST ALONG THE NORTH LINE OF MAIN AVENUE, 13.8 FEET, MORE OR LESS, TO THE
SOUTHEAST CORNER OF SAID LOT 10;
THENCE NORTH ALONG THE EAST LINE THEREOF TO THE PLACE OF BEGINNING.

PARCEL E:

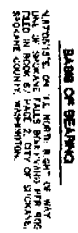
ALL THAT PORTION OF BLOCK 2 OF HAVERMALE'S SECOND ADDITION, AS PER PLAT THEREOF RECORDED IN VOLUME "A" OF PLATS, PAGE 148, INCLUDING VACATED ALLEY AND VACATED MCCLELLAN STREET (ORIGINALLY CENTER STREET), LYING WITHIN, DEFINED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE EAST LINE OF SPOKANE FALLS COURT AND THE NORTH LINE OF SPOKANE FALLS BOULEVARD;
THENCE EAST ALONG THE NORTH LINE OF SPOKANE FALLS BOULEVARD TO THE EAST LINE OF VACATED MCCLELLAN STREET;
THENCE NORTH ALONG THE EAST LINE OF VACATED MCCLELLAN STREET 158 FEET TO A POINT;
THENCE WEST ALONG A LINE 158 FEET NORTH OF AND PARALLEL TO THE NORTH LINE OF SPOKANE FALLS BOULEVARD TO A POINT 744.50 FEET EAST OF THE EAST LINE OF WASHINGTON STREET;
THENCE SOUTHEASTERLY ALONG A STRAIGHT LINE TO A POINT THAT IS 747 FEET EAST OF THE EAST LINE OF WASHINGTON STREET AND 116 FEET NORTH OF THE NORTH LINE OF SPOKANE FALLS BOULEVARD;
THENCE EAST ALONG A LINE 116 FEET NORTH OF AND PARALLEL TO THE NORTH LINE OF SPOKANE FALLS BOULEVARD 45 FEET TO A POINT;
THENCE SOUTH ALONG A LINE 792 FEET EAST OF AND PARALLEL TO THE EAST LINE OF WASHINGTON STREET TO THE NORTH LINE OF SPOKANE FALLS BOULEVARD AND THE POINT OF BEGINNING;

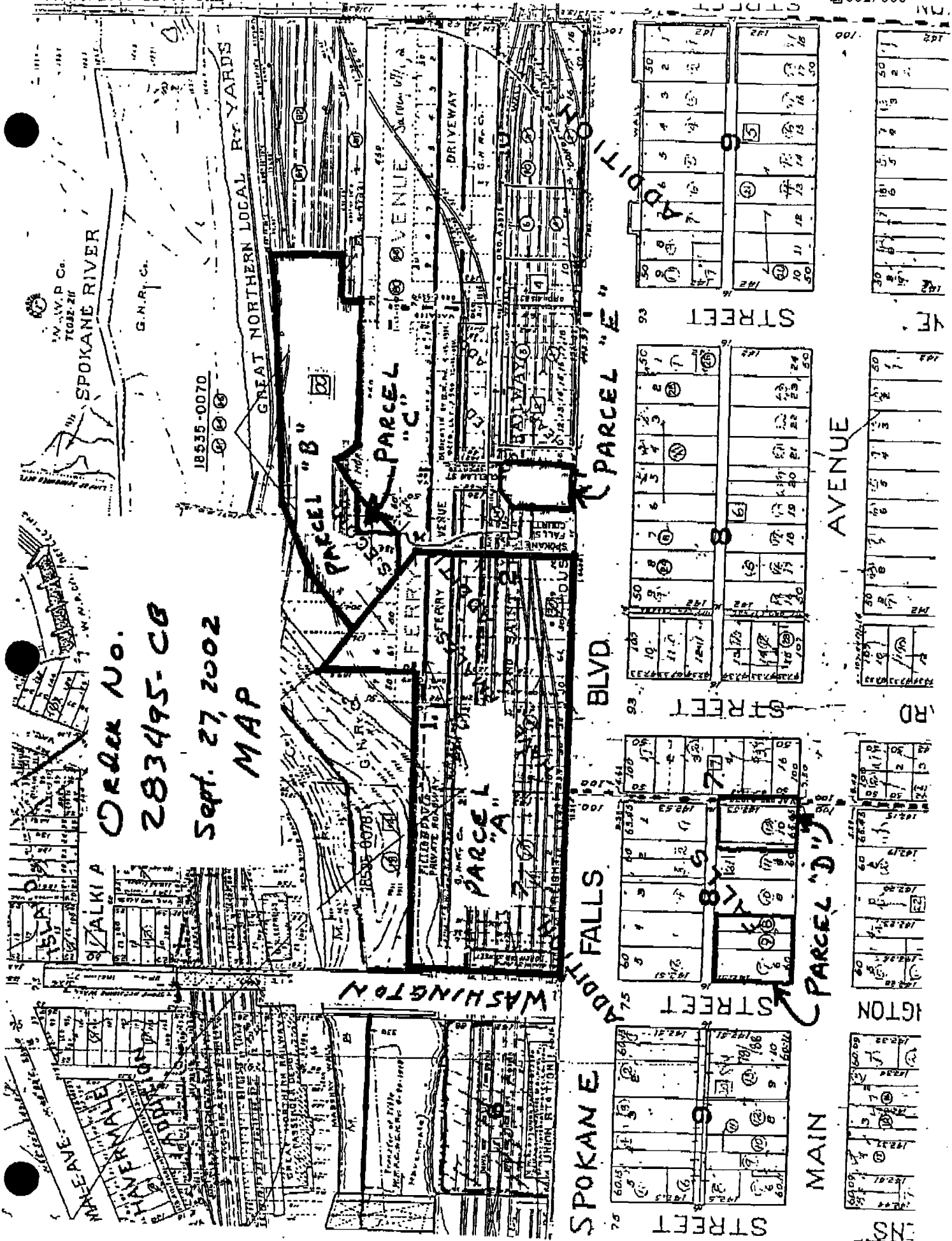
EXCEPT THAT PORTION DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT 747 FEET EAST OF THE EAST LINE OF WASHINGTON STREET AND 116 FEET NORTH OF THE NORTH LINE OF SPOKANE FALLS BOULEVARD;
THENCE NORTH IN A STRAIGHT LINE TO A POINT 744.5 FEET EAST OF THE EAST LINE OF WASHINGTON STREET AND 158 FEET NORTH OF THE NORTH LINE OF SPOKANE FALLS BOULEVARD;
THENCE EAST PARALLEL WITH THE NORTH LINE OF SPOKANE FALLS BOULEVARD TO THE EAST LINE OF VACATED MCCLELLAN STREET;
THENCE SOUTH ALONG THE EAST LINE OF MCCLELLAN STREET A DISTANCE OF 20 FEET;
THENCE WEST PARALLEL WITH THE NORTH LINE OF SPOKANE FALLS BOULEVARD TO THE WEST LINE OF VACATED MCCLELLAN STREET;
THENCE SOUTHWESTERLY TO A POINT 116 FEET NORTH OF THE NORTH LINE OF SPOKANE FALLS BOULEVARD AND 792 FEET EAST OF THE EAST LINE OF WASHINGTON STREET;
THENCE WEST PARALLEL WITH THE NORTH LINE OF SPOKANE FALLS BOULEVARD TO THE POINT OF BEGINNING.

A PORTION OF THE SOUTHEAST 1/4 OF SECTION 16, T.25N., R.4E., W.M.,
CITY OF SPOKANE, SPOKANE COUNTY, WASHINGTON



9-4321 1-1-89 1-1-89		CONVENTION CENTER CO. CENTER CITY		Taylor Engineering, Inc. One Taylor Building 1000 Taylor Building (408) 441-1111	
DATE: 1-1-89 TIME: 1-1-89		DATE: 1-1-89 TIME: 1-1-89		DATE: 1-1-89 TIME: 1-1-89	



Order No.
283495-CB
Sept. 27, 2002
MAP

SPokane

Falls

BLVD.

PARCEL "E"

PARCEL "C"

PARCEL "B"

PARCEL "A"

MAIN

PARCEL "D"

AVENUE

STREET

STREET

STREET

STREET

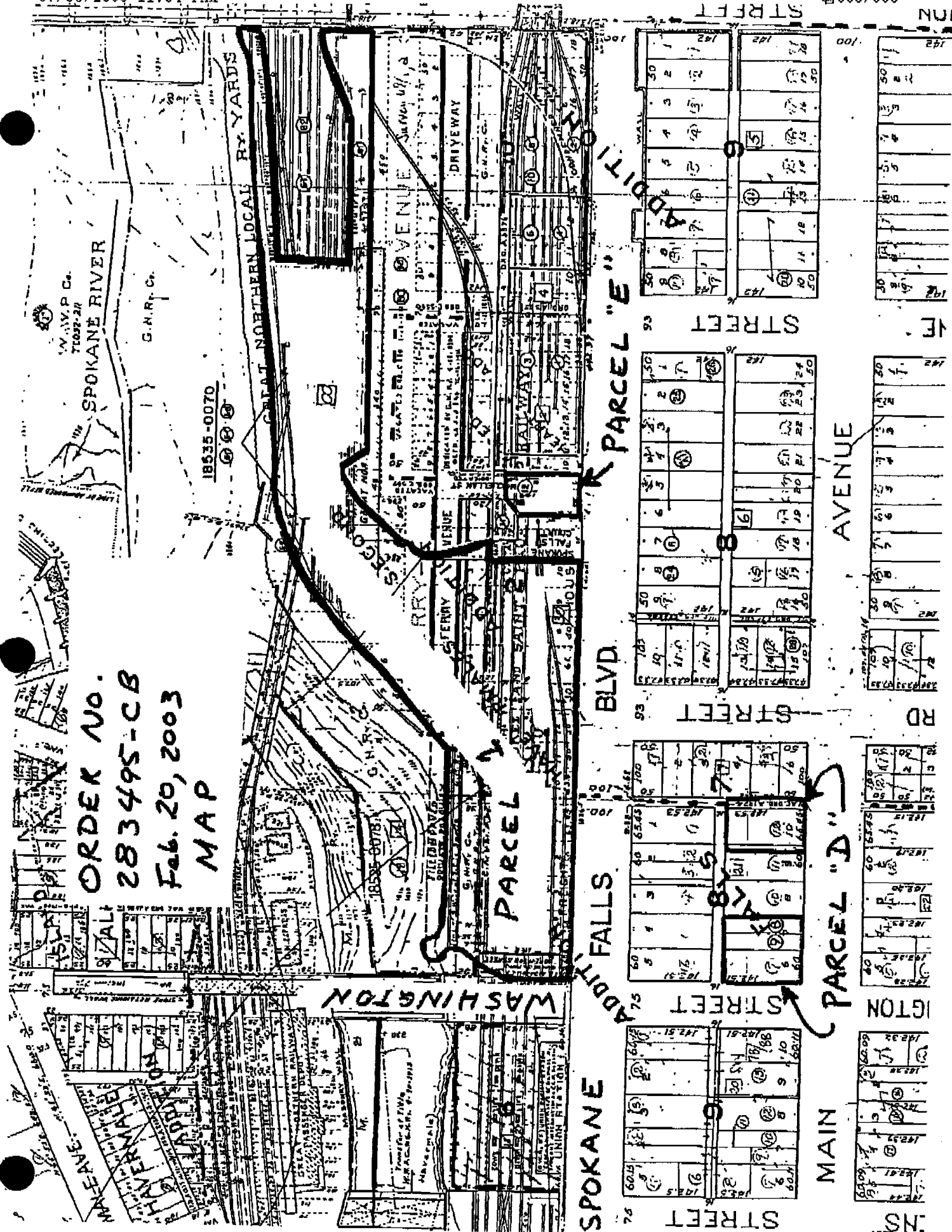
NS

IGTON

RD

4E

ORDER NO.
283495-CB
Feb. 20, 2003
MAP



AGENDA SHEET FOR COUNCIL MEETING OF: July 21, 2003



Submitting Dept.
Office of the Mayor

Contact Person
Jack Lynch

Phone No.
625-6268

ADMINISTRATIVE SESSION

- ☐ Contract
- ☐ Report
- ☐ Claims

LEGISLATIVE SESSION

- ☐ Emergency Ord
- ☐ Resolution
- ☐ Final Reading Ord
- ☐ First Reading Ord
- ☒ Special Consideration
- ☐ Hearing
- ☐ Public Safety
- ☐ Public Works

CITY PRIORITY

- ☐ Communications
- ☐ Economic Development
- ☐ Growth Management
- ☐ Human Services
- ☐ Neighborhoods
- ☐ Public Safety
- ☒ Quality Service Delivery
- ☐ Racial Equity/Cultural Diversity
- ☐ Rebuild/Maintain Infrastructure

CLERK'S FILE

RENEWS

CROSS REF

ENG

BID

REQUISITION

Neighborhood/Commission/Committee Notified:

Action Taken:

STANDING COMMITTEES

(Date of Notification)

- ☐ Finance
- ☐ Neighborhoods
- ☐ Planning/Community & Econ Dev

AGENDA WORDING:

A RESOLUTION APPROVING CERTAIN AGREEMENTS PROVIDING FOR, AMONG OTHER THINGS, (1) THE SPOKANE PUBLIC FACILITIES DISTRICT'S ACQUISITION OF CERTAIN OWNERSHIP AND LEASEHOLD INTERESTS IN THE CONVENTION CENTER, OPERA HOUSE, AND WASHINGTON STATE AGRICULTURAL TRADE CENTER, TOGETHER WITH CONTIGUOUS PARKING FACILITIES; (2) THE DISTRICT'S OPERATION OF SAID FACILITIES; (3) THE DISTRICT'S EXPANSION OF THE CONVENTION CENTER; (4) THE CITY'S TRANSFER TO THE DISTRICT OF CERTAIN ADMISSION TAXES AND LODGING TAXES; AND (5) FOR CERTAIN OPERATING PAYMENTS TO THE DISTRICT TO COVER OPERATIONAL LOSSES RELATED TO THE DISTRICT'S OPERATION OF SAID FACILITIES.

BACKGROUND:

(Attach additional sheet if necessary)

By Resolution 01-095, the City Council endorsed plans to expand the City's convention facilities, generally consistent with recommendations of the Facilities 2000 Working Group. Among the Working Group's recommendations, was a transfer of the City's convention facilities to the Spokane Public Facilities District. Thereafter, on May 21, 2002, a majority of Spokane County voters authorized the District to acquire and operate the City's convention facilities, and to significantly renovate and expand the facilities. Since the election, representatives of the City and the District have been negotiating the terms of an Interlocal Cooperation Agreement, Property Transfer Agreement, and Lease. The Property Transfer Agreement provides for the City's transfer to the District of certain ownership and leasehold interests in the City's convention facilities, and the District's assumption of certain obligations associated with ownership and operation of the Spokane Center and related parking lots. The Interlocal Agreement sets forth the terms of the continuing relationship between the City and the District with respect to (1) the District's acquisition of the convention facilities; (2) the District's operation and expansion of the same; (3) the City's transfer of certain tax revenues to the District; and (4) for operating payments from the City to the District under certain circumstances.

RECOMMENDATION: Approve.

Fiscal Impact: ☐

Budget Account: ☐

☐ Expenditure: \$

#

☐ Revenue: \$

#

☐ Budget Neutral

ATTACHMENTS: Include in Packets: Resolution _____, with attached agreements.

On file for Review in Office of City Clerk:

SIGNATURES:

Department Head

Division Director

Finance

Legal

City Administrator for Mayor

Council President

DISTRIBUTION:

Entertainment Facilities
Finance

Public Facilities District
Mayor/Administrator

Accounting
Legal

(ORIGINAL DOCUMENT)

RES 03-15

522-1

COUNCIL ACTION:

July 14, 2003: See Council Action Memo dated July 29, 2003 for Council Action
ON July 14, 2003.

* ADOPTED BY
SPOKANE CITY COUNCIL:

July 21, 2003

[Signature]

CITY CLERK

* See Council Action
Memo dated July 29, 2003.

RESOLUTION

A RESOLUTION APPROVING CERTAIN AGREEMENTS PROVIDING FOR, AMONG OTHER THINGS, (1) THE SPOKANE PUBLIC FACILITIES DISTRICT'S ACQUISITION OF CERTAIN OWNERSHIP AND LEASEHOLD INTERESTS IN THE CONVENTION CENTER, OPERA HOUSE, AND WASHINGTON STATE AGRICULTURAL TRADE CENTER, TOGETHER WITH CONTIGUOUS PARKING FACILITIES; (2) THE DISTRICT'S OPERATION OF SAID FACILITIES; (3) THE DISTRICT'S EXPANSION OF THE CONVENTION CENTER; (4) THE CITY'S TRANSFER TO THE DISTRICT OF CERTAIN ADMISSION TAXES AND LODGING TAXES; AND (5) FOR CERTAIN OPERATING PAYMENTS TO THE DISTRICT TO COVER OPERATIONAL LOSSES RELATED TO THE DISTRICT'S OPERATION OF SAID FACILITIES.

WHEREAS, the City owns the Spokane Convention Center, the Spokane Opera House, the Washington State International Agricultural Trade Center, and associated parking facilities ("Existing Center Facilities").

WHEREAS, the convention and tourism business is one of the region's largest industries and employers.

WHEREAS, there is a general consensus that the Existing Center Facilities are in need of renovations and expansion in order to preserve and enhance the region's role in the convention and tourism industry.

WHEREAS, Washington's legislature authorized the creation of public facilities districts in Chapter 36.100 RCW to carry out certain objectives of local municipalities, including acquisition, construction, ownership, remodeling, maintenance, repair and operation of convention facilities, together with contiguous parking facilities, and further equipped such public facilities districts with the financial resources to carry out such objectives, including approximately \$30 million in today's dollars provided by RCW 82.14.390, which is available only to public facilities districts.

WHEREAS, consistent with the legislature's authorization, the City and County of Spokane created the District to carry out certain objectives of the City, the County, and their citizenry, including acquisition, construction, operation, and public access and use of certain public facilities, including construction and operation of Spokane Veterans Memorial Arena ("Arena").

WHEREAS, in order to achieve the region's goal of renovating and expanding the Existing Center Facilities, and in order to take advantage of certain financial resources available only to public facilities districts, by City of Spokane Resolution 01-095 and County of Spokane Resolution 1 1213, the City and County of Spokane have previously endorsed expansion of the

RES 05-75
SAC

District's authority, to include operation and expansion of the Existing Center Facilities.

WHEREAS, RCW 36.100.040 provides that a public facilities district may submit an authorizing proposition to the voters of the district to impose an excise tax on the sale of or charge made for the furnishing of lodging by a hotel, rooming house, tourist court, motel or trailer camp, and the granting of any similar license to use real property on premises having more than 40 lodging units; the proceeds of which tax shall be used for the acquisition, design, construction, remodeling, maintenance, equipping, re-equipping, repairing, and operation of its public facilities.

WHEREAS, RCW 82.14.048 provides that a public facilities district may submit an authorizing proposition to the voters of the district to impose a sales and use tax at a rate not to exceed $\frac{2}{10}$ of 1% of the selling price in the case of a sales tax, or value of the article used, in the case of a use tax, the proceeds of which tax shall be used for the financing, design, acquisition, construction, equipping, operating, maintaining, remodeling, repairing, and re-equipping of its public facilities.

WHEREAS, the District has submitted proposals to its qualified electors, and on May 21, 2002, the qualified electors approved proposals to expand the powers of the District and extend the District's existing sales and use tax and existing hotel/motel tax to enable the District to acquire and operate the Existing Center Facilities and to expand the Spokane Convention Center.

WHEREAS, Chapter 39.34 RCW authorizes the District and the City to enter into agreements for joint or cooperative action to exercise any power or powers, privileges, or authority exercised or capable of exercise by either the District or the City.

WHEREAS, Chapter 35.59 RCW authorizes the City, either individually or jointly with any other municipality such as the District, to acquire and to construct, install, add to, improve, replace, repair, maintain, operate and regulate the use of multi-purpose community centers located within the City, and to pay for any investigations and any engineering, planning, financial, legal and professional services incident to the development and operation of such multi-purposes community centers, and further authorizes the City to appropriate and/or expend any public moneys available for carrying out such purposes.

WHEREAS, Chapter 67.28 RCW authorizes the City to convey or lease any lands, properties or facilities to any other municipality for the development by such other municipality of tourism-related facilities, or to participate in the financing of all or any part of the public facilities on such terms as may be fixed by agreement between the respective legislative bodies.

SAC-4

WHEREAS, the District and the City have negotiated various agreements providing for the District's acquisition and operation of the Existing Center Facilities by the District, and the expansion and improvement of the Spokane Convention Center, namely an Interlocal Cooperation Agreement and a Property Transfer Agreement ("Project Agreements").

WHEREAS, to facilitate the District's operation and expansion of the Existing Center Facilities, the Project Agreements provide for the transfer of certain lodging and admission taxes to the District, and further provide for a limited subsidy of losses experienced by the District in the operation of such facilities.

WHEREAS, while a final determination has not been made regarding the site development strategy for the expanded and upgraded Spokane Convention Center and related parking facilities, two principle options remain under consideration, both of which retain the campus-oriented environment, and call for a convention center with approximately 100,000 square feet of exhibit space, 30,000 square feet of ballroom space, and 37,500 square feet of meeting space, together with adequate contiguous parking facilities consisting of approximately 800 parking spaces (the "Project").

WHEREAS, the Project also calls for capital improvements to the Spokane Convention Center, the Spokane Opera House, and the Washington State International Agricultural Trade Center, to augment overall facility quality, as well as enhance circulation.

WHEREAS, the District has determined that the amount necessary to undertake and accomplish the Project, including expenses incidental thereto, will not exceed \$77,000,000.00.

WHEREAS, the District plans to issue its Sales/Use Tax and Hotel/Motel Tax Bonds, 2003, in one or more series, in an aggregate principle amount of approximately \$70,000,000.00 and to use the proceeds for the purpose of acquiring and constructing the Project, and plans to raise such additional funds as reasonably may be needed to complete the Project.

WHEREAS, the Existing Center Facilities are encumbered with certain debt and in need of major capital renovations, and the City and the District intend to provide adequate sources of revenue to retire the existing indebtedness and fund the needed renovations.

WHEREAS, the Project will establish a concentrated management structure for the region's convention and entertainment facilities, thereby allowing for potential increases in operating efficiencies and economies of scale.

NOW, THEREFORE - - it is hereby resolved by the Spokane City Council;

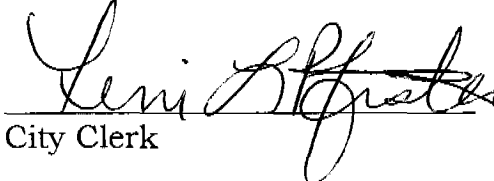
520-5

1. The City hereby finds and determines that the Project Agreements are mutually fair and advantageous to the District and the City.

2. Approval of Interlocal Cooperation Agreement. On behalf of the City of Spokane, the Mayor is authorized to execute the Interlocal Cooperation Agreement, in substantial form and content as attached hereto as Exhibit "A", together with such other documents and incidental agreements as are reasonably necessary to carry out the transactions contemplated in the Project Agreements.

3. Approval of Property Transfer Agreement and Lease. The Mayor is hereby authorized to execute the Property Transfer Agreement, together with the Lease attached to it, in substantial form and content as attached hereto as Exhibit "B", together with such other documents and incidental agreements as are reasonably necessary to carry out the transactions contemplated in the Project Agreements.

ADOPTED by the Spokane City Council this 21st day of July, 2003.


City Clerk

Approved as to form:


Assistant City Attorney

Attachment: Exhibits "A" & "B"



EXHIBIT A

INTERLOCAL AGREEMENT AND ATTACHMENTS



4976789
Page: 1 of 26
10/07/2003 04:34P
Spokane Co, WA

RETURN TO:

MICHAEL F. CONNELLY
OFFICE OF THE CITY ATTORNEY
808 W. SPOKANE FALLS BLVD.
SPOKANE, WA 99201

RECEIVED

DEC 19 2003

CITY CLERK'S OFFICE OFFICE OF THE CITY ATTORNEY
SPOKANE, WA

AFFIDAVIT OF JAMES A. RICHMAN AS TO
ORIGINALITY OF ATTCHED INTERLOCAL COOPERATION
AGREEMENT FOR RECORDING IN COUNTY RECORDS

State of Washington)
County of Spokane) ss.

Grantor(s): City of Spokane

Grantee(s): Spokane Public Facilities District

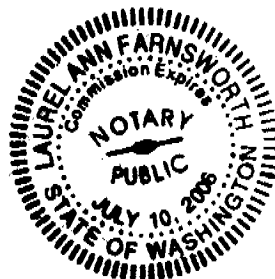
I, JAMES A. RICHMAN, being duly sworn hereby states under oath that:

1. I am Assistant City Attorney in the Office of the Spokane City Attorney, Spokane, Washington. I have personal knowledge of the facts set forth herein.

2. Attached to this affidavit for the purposes of recording in the public records of Spokane County is an exact copy of the original Interlocal Cooperation Agreement between the parties set forth therein, and first effective as of August 20, 2003. Attachments referenced in the Agreement are lodged with the Clerk of the City of Spokane under File No. Res 03-75.

I declare under penalty of perjury that the foregoing is true and correct.

Dated this 7th day of October, 2003.



James A. Richman
James A. Richman

Laurel Ann Farnsworth
(Signature of Notary)

Laurel Ann Farnsworth
Notary public in and for the state
Of Washington residing at Spokane.

My appointment expires 7-10-06

Sign below only if your document is Non-Standard: I am requesting an emergency non-standard recording for an additional fee as provided in RCW 36.18.010. I understand that the recording processing requirements may cover up or otherwise obscure some parts of the text of the original document. Fee for non-standard processing is \$50.

James A. Richman
James A. Richman
(Signature of requesting party)



INTERLOCAL COOPERATION AGREEMENT

THIS INTERLOCAL COOPERATION AGREEMENT is made effective the 20th day of August, 2003, by and between the SPOKANE PUBLIC FACILITIES DISTRICT, a municipal corporation ("District"), and the CITY OF SPOKANE, WASHINGTON, a first-class charter city (the "City"), hereinafter collectively referred to as the "Parties."

RECITALS

- A. The City owns the Spokane Convention Center, the Spokane Opera House, the Washington State International Agricultural Trade Center, and associated parking facilities ("Existing Center Facilities").
- B. Convention and tourism business in the Spokane area is one of the region's largest industries.
- C. There is a general consensus that the Existing Center Facilities are in need of renovations and expansion in order to preserve and enhance the region's role in the convention and tourism industry.
- D. Washington's legislature authorized the creation of public facilities districts in Chapter 36.100 RCW to carry out certain objectives of local municipalities, including acquisition, construction, ownership, remodeling, maintenance, repair and operation of convention facilities, together with contiguous parking facilities, and further equipped such public facilities districts with the financial resources to carry out such objectives, including approximately \$30 million in today's dollars provided by RCW 82.14.390, which is available only to public facilities districts.
- E. Consistent with the legislature's authorization, the City and County of Spokane created the District to carry out certain objectives of the City, the County, and their citizenry, including acquisition, construction, operation, and public access and use of certain public facilities, including construction and operation of Spokane Veterans Memorial Arena ("Arena").
- F. In order to achieve the region's goal of renovating and expanding the Existing Center Facilities, and in order to take advantage of certain financial resources available only to public facilities districts, the City and County of Spokane have endorsed expansion of the District's authority, to include operation and expansion of the Existing Center Facilities. City of Spokane Resolution 01-095; County of Spokane Resolution 1 1213.
- G. RCW 36.100.040 provides that a public facilities district may submit an authorizing proposition to the voters of the district to impose an excise tax on the sale of or charge made for the furnishing of lodging by a hotel, rooming house, tourist court, motel or trailer camp, and the granting of any similar license to use real property on premises having more than 40 lodging units; the proceeds of which tax shall be used for the acquisition, design, construction, remodeling, maintenance, equipping, re-equipping, repairing, and operation of its public facilities.



- H. RCW 82.14.048 provides that a public facilities district may submit an authorizing proposition to the voters of the district to impose a sales and use tax at a rate not to exceed 2/10 of 1% of the selling price in the case of a sales tax, or value of the article used, in the case of a use tax, the proceeds of which tax shall be used for the financing, design, acquisition, construction, equipping, operating, maintaining, remodeling, repairing, and re-equipping of its public facilities.
- I. The District has submitted proposals to its qualified electors, and on May 21, 2002, the qualified electors approved proposals to expand the powers of the District and extend the District's existing sales and use tax and existing hotel/motel tax to enable the District to acquire and operate the Existing Center Facilities and to expand the Spokane Convention Center.
- J. Chapter 39.34 RCW authorizes the District and the City to enter into agreements for joint or cooperative action to exercise any power or powers, privileges, or authority exercised or capable of exercise by either the District or the City.
- K. Chapter 35.59 RCW authorizes the City, either individually or jointly with any other municipality such as the District, to acquire and to construct, install, add to, improve, replace, repair, maintain, operate and regulate the use of multi-purpose community centers located within the City, and to pay for any investigations and any engineering, planning, financial, legal and professional services incident to the development and operation of such multi-purposes community centers, and further authorizes the City to appropriate and/or expend any public moneys available for carrying out such purposes.
- L. Chapter 67.28 RCW authorizes the City to convey or lease any lands, properties or facilities to any other municipality for the development by such other municipality of tourism-related facilities, or to participate in the financing of all or any part of the public facilities on such terms as may be fixed by agreement between the respective legislative bodies.
- M. The District and the City desire to enter into this Agreement to provide for the District's acquisition and operation of the Existing Center Facilities by the District, and the expansion and improvement of the Spokane Convention Center.
- N. While a final determination has not been made regarding the site development strategy for the expanded and upgraded Spokane Convention Center and related parking facilities, two principle options remain under consideration, both of which retain the campus-oriented environment, and call for a convention center with approximately 100,000 square feet of exhibit space, 30,000 square feet of ballroom space, and 37,500 square feet of meeting space, together with adequate contiguous parking facilities consisting of approximately 800 parking spaces.
- O. The Project also calls for capital improvements to the Spokane Convention Center, the Spokane Opera House, and the Washington State International Agricultural Trade Center, to augment overall facility quality, as well as enhance circulation.



- P. The District has determined that the amount necessary to undertake and accomplish the Project, including expenses incidental thereto, will be approximately \$76,000,000.00.
- Q. The District has approved the issuance and sale of its Sale/Use Tax and Hotel/Motel Tax Bonds, 2003, to be issued in one or more series, in the aggregate principal amount of approximately \$70,000,000.00 to finance a portion of the costs of undertaking and accomplishing the Project, and the District plans to raise such additional funds as reasonably may be needed for the Project.
- R. The Parties acknowledge and agree that the Existing Center Facilities are encumbered with certain debt and in need of major capital renovations, and by this Agreement, intend to provide adequate sources of revenue to retire the existing indebtedness and fund the needed renovations.
- S. Simultaneous with the approval of this Agreement, the Parties have also approved a Property Transfer Agreement and Lease, the terms of which are incorporated into this Agreement ("Transaction").
- T. The Transaction will establish a concentrated management structure for the region's convention and entertainment facilities, thereby allowing for potential increases in operating efficiencies and economies of scale.
- U. The District and the City each hereby find and determine that this Agreement is mutually fair and advantageous to the District and the City.

NOW, THEREFORE, in consideration of the foregoing, and the mutual covenants contained herein, the Parties agree as follows:

1. DEFINITIONS. As used in this Agreement, the following terms have the meanings provided in this Section:

1.1 Additional Center Property means any real property, other than Existing Center Property, acquired by the District or the City for the purpose of completing the Project.

1.2 Adjusted Cap is defined in Section 7.7.5 below.

1.3 Agreement means this Interlocal Cooperation Agreement.

1.4 Appraised Value means the appraised value of a parcel of real property, as determined by the Appraiser.

1.5 Appraiser means an independent appraiser retained by the City and/or District to provide property acquisition, appraisal, and evaluation services from time-to-time as necessary prior to completion of the Project. All services provided by the Appraiser shall require prior approval by the District as to the scope of such services and the fees to be charged.



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1.6 Acquisition Costs shall mean any and all costs pertaining to efforts to acquire, and acquisition of, Additional Center Property, whether or not such costs arise out of the activities of the City and/or its officers, agents, and/or employees. Without limiting the generality of the foregoing, such costs may include: (a) amounts payable as an option and/or purchase price to the seller(s) of Additional Center Property, including attorneys fees and costs, if any, which are either due or payable as part of any settlement relating to voluntary acquisition of Additional Center Property; (b) amounts awarded by a court/jury to the owner(s) of Additional Center Property as just compensation following trial, including any attorneys fees and costs awarded by the court to the owner(s) and/or their attorneys; (c) amounts paid to the owner(s) of Additional Center Property and/or their attorneys as attorneys fees and costs upon discontinuance and/or abandonment of efforts to acquire Additional Center Property by eminent domain; (d) any relocation assistance paid to such owner(s) or seller(s), whether or not required under Chapter 8.26 RCW; (e) costs of necessary appraisals and title insurance to acquire Additional Center Property; (f) environmental compliance services, demolition, and site preparation costs; (g) amounts payable as a result of any claim against the City that a property owner suffered damages or that such owner's property was inversely condemned as a result of any pre-condemnation activities occurring after the City Council's adoption of Resolution 01-095 on October 8, 2001; and (h) legal and other professional costs and fees incurred by the City to acquire Additional Center Property as provided in Section 6.2.7 below.

1.7 Arena means that sports and entertainment facility owned by the District, together with associated parking facilities, located at 720 W. Mallon Avenue, Spokane, Washington, and known as the Spokane Veterans Memorial Arena.

1.8 Arena Admissions Tax means that certain tax levied by the City pursuant to RCW 35.21.280 and City Ordinance Nos. C25958 and C32337, and collected from persons who pay an admission charge to the Arena.

1.9 Authority means any government, authority, department, commission, court, arbitrator, board, bureau, agency, unit, or instrumentality having jurisdiction over the City or the District. The term "Authority" includes the United States of America, the State, the County, and the City.

1.10 Center Admissions Tax means that certain tax levied by the City pursuant to RCW 35.21.280 and City of Spokane Ordinances C25958 and C32337, and collected from persons who pay an admission charge to the Spokane Center.

1.11 Center Operating Expenses means, except as expressly set forth in this Section, all expenses incurred by the District as a result of its operation of the Existing Center Facilities and/or Spokane Center including costs of labor, administration and management, operating supplies, tools, repairs, regular cleaning, and maintenance, promotions, advertising and marketing, insurance, utilities, information and communication systems, and advertising and sponsorship and costs of providing concessions, catering, parking, and merchandise, accounted for in accordance with Generally Accepted Accounting Principles. The term "Center Operating Expenses," however, shall not include debt service on the District Bonds or any other bonds sold or intra-District inter-fund loans made by the District to finance the Project, any sums paid



by the District to the CVB, any expenses incurred by the District solely as a result of its operation of the Arena, consistent with Generally Accepted Accounting Principles, or any sums payable by the District to the County of Spokane or the City of Spokane Valley under the Interlocal Agreement For the Development of Regional Center Projects.

1.12 Center Operating Loss means, with regard to any given calendar year, the amount (if any) by which Center Operating Expenses exceed Center Operating Revenues.

1.13 Center Operating Profit means, with regard to any given calendar year, the amount (if any) by which Center Operating Revenues exceed Center Operating Expenses.

1.14 Center Operating Revenue means, except as expressly set forth in this Section, the entire amount payable to, or received by, the District, accounted for in accordance with Generally Accepted Accounting Principles, as a result of the District's use and operation of the Spokane Center, or any part thereof or any use thereof by any of the District's agents or employees, or by any other person, firm, assignee, sublessee, concessionaire, licensee or corporation, and shall include, without limitation, sales and charges for cash or credit, and deliveries of goods and services directly to customers from or through the Spokane Center. Amounts representing accounts payable deemed to be uncollectible in accordance with Generally Accepted Accounting Principles may be deducted from Center Operating Revenues in the period in which such determination is made. The term "Center Operating Revenue" shall include, without limiting the generality of the foregoing: rent; the District's actual receipts from concessions, catering, parking, and merchandise sales; box office fees; special events income; technical services charges; advertising and sponsorship income; Arena Admissions Taxes; and Center Admission Taxes. The term "Center Operating Revenue" shall not include any Lodging Tax Revenues received from the City, sales or use taxes or hotel/motel taxes received by the District, or any other revenues received by the District (other than Arena Admission Taxes) for goods or services unrelated to the District's use and operation of the Spokane Center.

1.15 City means the City of Spokane, Washington, a first-class charter city duly organized and existing under and by virtue of the Constitution and laws of the State and the Charter of the City.

1.16 City Council means the City Council of the City of Spokane, Washington.

1.17 City's Existing Debt Service Obligations means the City's existing bond debt and repayment schedule attributable to expenditures made for tourism related facilities consistent with Chapter 67.28 RCW – i.e., the Existing Center Facilities, as set forth in the Debt Retirement Schedule, Attachment 1.17 hereto.

1.18 City Operating Payment is defined in Section 7.7.4 below.

1.19 Closing means the closing of the transactions contemplated in this Agreement.



1.20 **Closing Date** means the date of Closing, which shall in no event be later than September 1, 2003, unless extended by the mutual written consent of the City and the District.

1.21 **Contract** means all oral or written contracts, licenses, and other agreements to which the City is a party, which relate to the Property (as defined in the Property Transfer Agreement).

1.22 **County** means Spokane County, Washington, a Class A county duly organized and existing under and by virtue of the constitution and the laws of the State.

1.23 **CVB** means the Spokane Regional Convention and Visitors Bureau, a Washington non-profit corporation.

1.24 **District** means the Spokane Public Facilities District, a municipal corporation organized pursuant to Chapter 36.100 RCW, and an independent taxing authority within Article VII, Section 1 of the Constitution of the State, and a taxing district within the meaning of Article VII, Section 2 of the Constitution of the State.

1.25 **District Bonds** shall have the meaning given such term in the Interlocal Agreement for Development of Regional Center Projects.

1.26 **District Operating Payment** is defined in Section 7.7.6 below.

1.27 **Effective Date** means _____, 2003.

1.28 **Estimated Incremental Sales Tax Increase** means the following: The City's share of annual general sales tax revenues for a given year which are attributable to the District's operation of Spokane Center minus (-) City's share of 2003 general sales tax revenues attributable to operation of the Spokane Center equals (=) Estimated Incremental Sales Tax Increase, as calculated by the method set forth on Attachment 1.28, which method the parties agree represents a reasonable means of calculating the increase in sales taxes payable to the City which is attributable to the Project. The City and the District acknowledge that the actual increase in sales taxes attributable to the Project may be more or less than the Estimated Incremental Sales Tax Increase.

1.29 **Existing Center Property** shall have the meaning given such term in the Property Transfer Agreement.

1.30 **Existing Center Facilities** shall have the meaning given such term in the Property Transfer Agreement.

1.31 **Interlocal Agreement for Development of Regional Center Projects** means the Interlocal Agreement described in Section 5 below.

1.32 **Legal Proceeding** means an action, suit, proceeding, hearing, or investigation before any Authority.



1.33 Lodging Tax Advisory Committee means that certain lodging tax advisory committee established by the City under City Ordinance No. C-32534, consistent with the provisions of RCW 67.28.1817.

1.34 Lodging Tax Revenues means that certain tax imposed by the City pursuant to RCW 67.28.181 and City of Spokane Ordinance number C24847 on the sale or charges for the furnishing of lodging that is subject to tax under Chapter 82.08 RCW.

1.35 Permits means all licenses, permits, approvals, waivers, and consents applicable to the Property, issued by any Authority.

1.36 Project means the expansion of the Spokane Convention Center, including, without limitation, associated parking facilities, generally as follows: While a final determination has not been made regarding the site development strategy for the expanded and upgraded Spokane Convention Center and related parking facilities, two principle options remain under consideration, both of which retain the campus-oriented environment, and call for a convention center having at least 100,000 square feet of exhibit space, 30,000 square feet of ballroom space, and 37,500 square feet of meeting space, together with adequate contiguous parking facilities consisting of approximately 800 parking spaces (the "Project"). Attachment 1.36 is provided for illustrative purposes relative to the expanded exhibit hall and contemplated parking facilities. The Project also calls for capital improvements to the Spokane Convention Center, the Spokane Opera House, and the Washington State International Agricultural Trade Center, to augment overall facility quality, as well as enhance circulation.

1.37 Property Transfer Agreement means the Property Transfer Agreement described in Section 4 below.

1.38 Spokane Center means the Existing Center Facilities, as improved and expanded as part of the Project, including, without limitation, the improvements and expansion to be situated on Additional Center Property.

1.39 State means the State of Washington.

1.40 Title Company means First American Title Insurance Company of Spokane.

1.41 Title Policy means an ALTA Extended policy of title insurance, insuring title to a parcel of real property in an amount not less than its Appraised Value.

1.42 Title Report means a preliminary commitment for a Title Policy, issued by the Title Company.

2. PURPOSES. The purposes of this Agreement are to set forth certain agreements between the City and the District relating to (a) the financing and control of the Project, (b) the District's acquisition of the Existing Center Facilities, and (c) the operation and maintenance of the Existing Center Facilities and the Arena.



3. **TERMINATION OF ARENA OPERATING AGREEMENT.** Contemporaneously with the execution of this Agreement, the City and the District shall execute a Memorandum of Understanding, in the form attached as Attachment 3, providing for the termination of the City's operation of the Arena.

4. **TRANSFER OF EXISTING CENTER FACILITIES.** Contemporaneously with the execution of this Agreement, the City and the District shall execute a Property Transfer Agreement, in the form attached as Attachment 4, the terms of which are hereby incorporated.

5. **INTERLOCAL AGREEMENT FOR DEVELOPMENT OF REGIONAL CENTER PROJECTS.** Contemporaneously with the execution of this Agreement, the District, the County, and the City of Spokane Valley shall execute the Interlocal Agreement for Development of Regional Center Projects in substantial form and content as set forth in Attachment 5 hereto.

6. **THE PROJECT**

6.1 **Acquisition of Additional Center Property.**

6.1.1 **Identification and Acquisition.** The City shall cooperate with the District and its consulting architects to identify appropriate parcels of real property as potential Additional Center Property, and thereafter shall cooperate with the District in acquiring such Additional Center Property consistent with the terms of this Agreement and shall lease the same to the District consistent with the terms of the Property Transfer Agreement and Ground Lease.

6.1.2 **Title Insurance.** Subject to the District's prior consent, the City shall obtain Title Reports from the Title Company for all parcel(s) identified as potential Additional Center Property.

6.2 **Appraisals.** At the District's request, the City will direct the Appraiser to appraise the fair market value of all parcel(s) identified as potential Additional Center Property.

6.2.1 **Review Appraisal.** The Parties shall cooperate to establish an appraisal review process consistent with the provisions of RCW 8.26.180 and WAC 468-100-103, to ensure that the appraisals meet industry standards, including whether the Appraiser's documentation supports its opinion of value ("Review Appraisal"). A review appraiser shall certify the value of the property and explain the basis for the determination.

6.2.2 **Determination of Fair Market Value.** After reviewing the appraisal, and after consultation with the City, the District shall establish an amount it believes to be the fair market value (i.e., just compensation) to be offered for each parcel of potential Additional Center Property, and shall give notice to the City of the established fair market value.

6.2.3 **Owner Contact and Negotiation.** The City and the District shall cooperate to contact and negotiate with the owner(s) of any potential Additional



Center Property. The City shall obtain advance approval from the District with regard to all acquisition terms to be offered to any such owner(s). The purpose of such negotiation will be to obtain binding commitments from the owners to sell the Additional Center Property to the City, on terms acceptable to the District.

6.2.4 Eminent Domain. To the extent allowed by law, and upon the written request of the District, the City may join the District in acquiring Additional Center Property by eminent domain, consistent with the provisions of Chapters 8.12, 8.25, 8.28, 35.59, and 67.28 RCW. Prior to receiving the District's written request, the City will not commence any legal proceedings to acquire Additional Center Property. With its written request, the District shall submit to the City (a) a finding that the subject property is necessary for the Project; (b) that best efforts have been exercised to acquire the subject property through negotiation; and (c) that the acquisition of the subject property is necessary or advisable to further the Parties' joint interests in the Project. The District acknowledges that any actual condemnation award payable to the owner(s) of the acquired Additional Center Property may exceed any estimate of the District or the City. The title to Additional Center Property acquired by eminent domain shall vest in the City and remain vested with the City consistent with and subject to the terms of the Property Transfer Agreement and Lease—including, without limitation, the District's purchase option under the Lease.

6.2.5 Relocation Assistance. To the extent allowed by law, the Parties elect not to comply with the provisions of Chapter 8.26 RCW, and the regulations promulgated thereunder. To the extent this election is invalid, or to the extent either of the Parties remains subject to the provisions of Chapter 8.26 RCW, relocation assistance shall be made available to eligible owners and tenants of Additional Center Property, if necessary to acquire Additional Center Property, with any amounts paid to eligible owners pursuant to this Section falling within the definition of Acquisition Costs herein.

6.2.6 Responsibility for Acquisition Costs. In recognition that the acquisition, construction, and installation of the Project is a District responsibility and that the acquisition of Additional Center Property is necessary for the Project, the District shall be responsible for and hereby agrees to pay all Acquisition Costs. The City in its discretion may advance, or refer to the District for payment, the reasonable and necessary costs of any title reports, appraisals, condemnation litigation costs, and incidental costs associated with the activities described in this Section. To the extent the City advances such costs, the District shall repay the same to the City within thirty (30) days of the City's request, subject to the City providing to the District invoices, statements, or other reasonable written verification of the nature and amounts of such advances.

6.2.7 Compensation for City Employee Time. The District hereby agrees to reimburse the City for the labor and services provided by the City with respect to the acquisition of Additional Center Property, as follows: The District shall reimburse the City for the labor and services provided by the City's Deputy



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Director of Public Works & Utilities, or his duly authorized designee, at his or her effective hourly rate; in the event the City is asked to commence litigation to acquire Additional Center Property, the District shall reimburse the City its legal and professional costs associated with the acquisition of Additional Center Property, whether or not such costs arise out of the activities of the City Attorney's Office or such outside counsel as the City deems necessary, in its sole discretion. The City shall provide statements to the District no later than the tenth of each month with labor and services for the prior month itemized by date, description of services, time spent, and names and hourly rates of City employees providing labor and services. The District shall reimburse the City for the labor and services provided within thirty (30) days of the City's submission of each statement to the District.

6.2.8 Confidential Information. The Parties acknowledge that they, with the support of counsel, architects, appraisers, and other consultants, are engaging in a cooperative venture for their joint benefit. In furtherance of this cooperative venture and the Parties' common interests in obtaining Additional Center Property, the Parties and their respective legal counsel agree to share information relating to such efforts. Such exchanges and disclosures will be for the exclusive purpose of facilitating the Parties' common interests in the acquisition of Additional Center Property and will not diminish in any way the confidentiality of the materials exchanged, nor will this exchange constitute a waiver of any of the Parties' attorney-client or work product privileges. To the extent allowed by law, and consistent with the Parties' respective obligations under the Public Records Act, Chapter 42.17 RCW, the District and the City each agree to preserve and protect the confidentiality of all financial, valuation, and other proprietary information that they may obtain, and to create and preserve any applicable attorney/client and litigation work product privileges, and public record disclosure exemptions, in compliance with applicable State law.

6.3 Financing. The District shall be responsible for obtaining financing for the Acquisition of Additional Center Property and the Project through the sale of District Bonds and other sources.

The District shall pay the costs and expenses to be incurred in connection with the financing of the Project—including bond discount costs, printing expenses, Registrar fees, capitalized interest, and the District's legal and other professional costs associated with financing the Project. The District shall reimburse the City for any services provided to the City by Ater Wynne, LLP and Orrick, Herrington & Sutcliffe, LLP with respect to the District's financing of the Project.

6.4 Control of Project. Although the City may consult and assist the District with the acquisition of the Additional Center Property and the Project, subject to the provisions of Section 6.2.4 above, the District shall retain final decision making authority and discretion regarding such acquisition and the completion of the Project—including matters relating to the selection of the Additional Center Property, as well as the design and financing of the Project.



The District shall pay the costs and expenses to be incurred in connection with the construction of the Project—including costs of demolition, labor, services, materials, supplies, and equipment, costs of obtaining required governmental approvals, as well as the District's legal, architectural, engineering, environmental and other professional costs associated with the construction of the Project. Except as set forth elsewhere in this Agreement, the District shall not be required to reimburse the City for any services provided, or costs incurred, by the City with respect to the District's construction of the Project; provided, the City does not, with respect to the Project, waive the right to collect building and/or development fees or to impose such conditions as are customarily collected by or imposed by the City for construction projects (*e.g.*, and without limitation, building permit fees, mitigation measures, etc.).

7. FUTURE OPERATIONS OF SPOKANE CENTER

7.1 Control; Compliance with Laws. After its acquisition of the Existing Center Facilities, the District shall have sole control and discretion regarding the operation of the Existing Center Facilities, and after its completion of the Project, the District shall have sole control and discretion regarding the operation of the Spokane Center. The District shall operate the Existing Center Facilities/Spokane Center as a first class venue for conventions and other arts, heritage, cultural, and recreational events, in compliance with all laws, regulations, ordinances, and rules applicable to the Existing Center Facilities/Spokane Center.

7.2 Transfer of Arena Admission Taxes and Spokane Center Admission Taxes. To the extent permissible under applicable law, the City agrees to transfer to the District upon collection by either the City or the District all Arena Admission Taxes and all Center Admission Taxes, including those resulting from an increase in the present rates of such taxes from five percent (5%), from the Closing Date (as set forth in the Property Transfer Agreement), to the earlier of (a) the date the District ceases to operate the Spokane Center and/or replacement facilities providing substantially similar capacity or (b) December 31, 2038. If this transfer of all Arena Admission Taxes and Spokane Center Admission Taxes is still in effect on December 31, 2038, and the District proposes to continue operation of the Arena and the Spokane Center, or substantially similar facilities, the City and the District agree to consider the negotiation of an extension of the transfer of the Arena Admission Taxes and Center Admission Taxes on mutually agreeable terms, including any additional Arena Admission Taxes and Center Admission Taxes collected as a result of increases in the rate(s) of said taxes from the rate of five percent (5%), whether such increases are authorized by changes in state law or by legislative action of the City. The City shall consult with the District regarding the advisability of increasing Arena Admission Taxes or Center Admission Taxes, particularly the impact that increases might have on demand for Arena or Center event tickets or facility bookings, prior to imposing any increases in the current rates of such taxes. The City shall continue to use best efforts to collect such taxes in the ordinary course of business, and to transfer the same to the District as collected, consistent with the foregoing.



7.3 Application of Center Operating Revenues. The District shall apply Center Operating Revenues in the following order:

7.3.1 First, to Center Operating Expenses;

7.3.2 Second, to Spokane Center lawful purpose expenditures.

7.4 Transfer of Lodging Tax Revenues. Except as provided herein, and to the extent permissible under applicable law, but conditioned on the procedures set forth in Section 7.6 below, the City hereby agrees to forward to the District all Lodging Tax Revenues at the present rate of two percent (2%), as the taxes are received by the City from the Washington State Department of Revenue, from the Closing Date (as established under the Property Transfer Agreement) through December 31, 2038; provided, the City shall keep and reserve sufficient Lodging Tax Revenues to service the City's Existing Debt Service payments, as set forth in Attachment 1.17 hereto, which Attachment 1.17 the Parties agree to amend from time to time according to their respective needs, consistent with the provisions of Section 7.6 below; provided further, commencing on January 1, 2004, and on an annual basis thereafter, the City shall also keep and reserve for allocation by the Lodging Tax Advisory Committee the first \$100,000 of such Lodging Tax Revenues. If this transfer of Lodging Tax Revenues is still in effect on December 31, 2038, and the District proposes to continue operation of the Arena and the Spokane Center, or substantially similar facilities, the City and the District agree to consider the negotiation of an extension of the transfer of the Lodging Tax Revenues on mutually agreeable terms. The City shall continue to use best efforts to collect such Lodging Tax Revenues in the ordinary course of business, and to transfer the same to the District as collected, consistent with the foregoing.

In the event the Lodging Tax rate is increased beyond its present rate of two percent (2%), the City and District agree to consider the negotiation of transferring the incremental increase in Lodging Tax Revenues associated with such rate increase to the District on mutually agreeable terms, but in no event shall the City be required to enter into such an agreement.

7.5 Application of Lodging Tax Revenues. The District shall apply Lodging Tax Revenues received from the City in the following order:

7.5.1 First, to payments by the District to the CVB to support its promotion of tourism related activities consistent with Chapter 67.28 RCW, in amount equal to fifty (50) percent of the City's Lodging Tax Revenues, net of the \$100,000 reserved for allocation by the Lodging Tax Advisory Committee;

7.5.2 Second, to Spokane Center replacements and capital improvements, or reserve accounts for the same purposes, consistent with Chapter 67.28 RCW. Attachment 7.5.2 represents the District's present forecast for such improvements and expenditures.

7.5.3 Third, for funding tourism related activities or any other purpose authorized by Chapter 67.28 RCW, so long as such proposed application of



Lodging Tax Revenues is submitted to the Lodging Tax Advisory Committee for review and comment in accordance with Section 7.6 of this Agreement.

7.6 Lodging Tax Advisory Committee.

7.6.1 Submission of Transfer to Lodging Tax Advisory Committee. The proposed transfer and allocation of Lodging Tax Revenues outlined Sections 7.4 and 7.5 above was submitted to the Lodging Tax Advisory Committee for review and comment on June 18, 2003. Consistent with RCW 67.28.1817 and City Ordinance No. C-32534, the City's obligation to transfer Lodging Tax Revenues under this Agreement, and the proposed use of Lodging Tax Revenues, as set forth in Sections 7.4 (City's Existing Debt Service) and 7.5 above, are expressly contingent and wholly conditioned on final action on the proposal by the City Council on or after August 4, 2003.

7.6.2 Future Involvement by Lodging Tax Advisory Committee. Consistent with the requirements of RCW 67.28.1817 and City Ordinance No. C-32534, prior to proposing to vary from the application/allocation of Lodging Tax Revenues set forth in Section 7.5 above, the District shall submit the proposal to the City, which may in turn submit the proposal to the Lodging Tax Advisory Committee for review and comment at least 45 days before final action on the proposal is anticipated. In no event shall the District vary from the application/allocation of Lodging Tax Revenues set forth in Section 7.5 above without the City's written consent, after review and comment by the Lodging Tax Advisory Committee.

7.7 City Operating Payment

7.7.1 Background. The City and the District acknowledge that the Existing Center Facilities historically have operated at a loss (i.e., operating expenses have exceeded operating revenues). As a material incentive for the District to execute this Agreement and to undertake the Project, and under only those circumstances described in this Agreement, the City agrees to reimburse the District for Center Operating Losses, subject to the limitations set forth in this Section.

7.7.2 Prior to Project Completion. Regardless of actual Center Operating Losses, and after Closing, the City agrees to pay the District a sum for each calendar year prior to the completion of the Project (including the calendar year in which the Project is completed); provided, in no event shall the City's obligation to pay such sum without regard for actual Center Operating Losses continue beyond calendar year 2006. The sum for each such calendar year shall be paid by the City to the District within ninety (90) days following the expiration of such calendar year. The initial payment shall be for calendar year 2003 (payable within ninety (90) days of the expiration thereof). For calendar year 2003, the sum shall be Two Hundred Fifty Thousand Dollars (\$250,000.00), such sum to be prorated in the event of a mid-year Closing (per the Property Transfer Agreement), as indicated below. The sum payable for each calendar year



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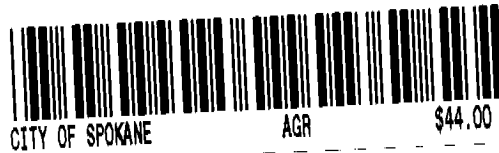
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thereafter shall be one hundred three percent (103%) of the sum payable for the immediately preceding calendar year. For example, if the Project is completed in calendar year 2006, the sums to be paid by the City for calendar years 2003 through 2006, regardless of actual Center Operating Losses, would be \$250,000 (for 2003), \$257,500 (for 2004), \$265,225 (for 2005), and \$273,181.75 (for 2006).

In the event Closing occurs on a date other than January 1, 2003, the sum payable for calendar year 2003 shall be prorated on a 365-day basis – *i.e.*, in the event of a September 30, 2003 Closing, the City will pay the District the sum of \$62,500.00 as an Operating Payment for the calendar year 2003. Such proration shall not affect the calculation of the amount to be paid for subsequent calendar years, as described in the foregoing paragraph (*i.e.*, for purposes of calculating amounts payable in subsequent calendar years, the amount “payable” for 2003 shall be deemed to have been \$250,000). The sum also shall be prorated on a 365-day basis in the event of a mid-year completion of the Project.

7.7.3 Certificate of Completion. The District shall provide a certification of completion of the Project to the City within thirty (30) days after receipt by the District of a certificate of occupancy.

7.7.4 After Project Completion. Commencing with the second full calendar year after the calendar year in which the Project is completed, on or before March 31 of each such calendar year, the District shall provide the City with a written statement, the accuracy of which is sworn to by an officer of the District, of the Center Operating Loss or Center Operating Profit for the prior calendar year, as the case may be. For example, if the Project is completed in calendar year 2006, the first written statement would be provided by the District on or before March 31, 2008 (reporting results from calendar year 2007). Such statement shall be in reasonable detail, in accordance with Generally Accepted Accounting Principles, and shall show the actual amount of Center Operating Revenues and Center Operating Expenses, as defined in this Agreement, and any other revenues the District has excluded from Center Operating Revenues, including those generated as a result of the District’s operation of the Arena. Together with the District’s written statement, it shall also submit its calculation of the Estimated Incremental Sales Tax Increase, as determined and documented per formula and proposal included in Attachment 1.28, which documentation the District hereby agrees to gather and produce. The District acknowledges and agrees that the City’s obligation to reimburse the District for Center Operating Losses, as provided herein, shall be contingent upon the District providing such documentation to the City’s satisfaction. Within thirty (30) days of the City’s receipt of the District’s written statement, and in the event of a Center Operating Loss for the prior calendar year, the City shall pay to the District as a “City Operating Payment” a sum equal to the lesser of (a) such Center Operating Loss, or (b) the sum calculated in Section 7.7.5 below.



7.7.5 Maximum City Operating Payment. The maximum City Operating Payment payable by the City shall be as follows:

(a) For Center Operating Losses incurred during calendar years after the calendar year in which the Project is completed, the City Operating Payment shall not exceed the lesser of:

(i) the Adjusted Cap (defined below); or

(ii) One-half of the Estimated Incremental Sales Tax Increase for such calendar year.

(b) The "Adjusted Cap" for the first full calendar year after completion of the Project shall be a sum equal to one hundred three percent (103%) of the amount payable by the City for the immediately preceding calendar year pursuant to Section 7.7.2 above. For example, assume the Project is completed during calendar year 2006. Pursuant to Section 7.7.2 above, the sum payable for 2006 will be \$273,181.75. The "Adjusted Cap" for 2007 (the first full calendar year after completion of the Project) would be \$281,377.20 (103% of the sum payable for 2006). Thereafter, the Adjusted Cap for each subsequent calendar year shall be one hundred three percent (103%) of the Adjusted Cap for the immediately preceding calendar year.

7.7.6 District Operating Payment. Within thirty (30) days of the City's receipt of the District's written statement, per Section 7.7.4 above, and in the event of a Center Operating Profit, the District shall pay the City as a "District Operating Payment" a sum equal to thirty three percent (33%) of such Center Operating Profit.

7.7.7 City/District Operating Payment Dispute Resolution. Any dispute regarding the computation of the Estimated Incremental Sales Tax Increase, or the computation of the City Operating Payment or the District Operating Payment, shall be resolved by binding arbitration administered by the American Arbitration Association pursuant to its rules with the hearing venue to be Spokane, Washington.

7.7.8 Periodic Review of Operating Payments. On or before March 31 of the calendar year following the fifth calendar year in which the Project is completed, and on or before March 31 of each fifth calendar year thereafter, the Parties agree to re-evaluate the City Operating Payment and District Operating Payment in light of actual operations and cash reserves resulting from the District's ownership and operation of the Spokane Center, and to bargain in good faith and make such adjustments in the City Operating and District Operating Payment as may be equitable for, and agreed to by the Parties.

7.7.9 City Services. The City and District acknowledge that after the District's acquisition of the Spokane Center, the District may desire to utilize, and the City



may desire to provide to the District, certain services—such as purchasing services, motor pool services, information systems services, real estate services, and retirement programs. Nothing contained in this Agreement shall obligate the City to provide, or the District to accept, any such services. Any such services, if desired by the Parties, shall be the subject of separate agreements between the City and the District.

7.8 City's Use of Spokane Center. The City shall have the following rights, exercisable upon reasonable notice, without being deemed a disturbance in any manner of the District's ownership of the Existing Center Facilities/Spokane Center, and without relieving the Parties of their respective covenants and obligations under this Agreement: Consistent with the City's historical use of the Existing Center Facilities, the City shall have the right to use any portion of the Existing Center Facilities/Spokane Center, without paying rent, but with the obligation to pay direct costs (such as labor, materials, equipment rental, utilities, custodial services and catering) for such use, on the following terms and conditions: (1) The City will provide written notice to the District of its desire to use the Existing Center Facilities/Spokane Center, setting forth the date and time of the event; and (2) If the District has no other confirmed reservations for the requested dates, the District will, within three (3) days of receipt of such notice, confirm the City's reservations in writing. The District, however, shall retain the ability to book the Existing Center Facilities/Spokane Center for the City's reserved date(s) and shall have the right to cancel the City's reservations in the event those portions of the Existing Center Facilities/Spokane Center reserved by the City are booked by a rent-paying customer; provided, the District shall offer to the City such other reasonable and equivalent portions of the facilities to the extent available. The City shall not have the right under this section to use the Existing Center Facilities/Spokane Center for (1) commercial purposes, that is, to provide use of the facilities to a third party that otherwise would be obligated to compensate the District for such use, or (2) political purposes, that is, to promote a candidate for elective public office, or to campaign for or against an issue that is the subject of a public vote.

7.9 Public Use and Access to Spokane Center. Historically, the Existing Center Facilities have been a community focal point for residents and visitors alike, and have offered a place for entertainment, education, and celebration. The District covenants and agrees to design the Project with this historical use in mind, and to make the Existing Center Facilities/Spokane Center available for public use and access consistent with the City's present and historical practices and policies, and new policies adopted by the District, consistent with its riverfront setting and connection to Riverfront Park. The District acknowledges that public use and access is part of the consideration for the City's commitments under this Agreement.

8. INSURANCE. During the District's operation of the Existing Center Facilities/Spokane Center, the District shall maintain the insurance policies described on Attachment 8 and shall name the City as an additional insured on such policies. The District reserves the right to amend Attachment 8 from time-to-time to reflect insurance provisions that the District reasonably determines are commercially reasonable.



9. **INDEMNIFICATION.** Except for the City's Operating Payment obligations under Section 7.7 above, the District hereby agrees to indemnify, defend, and hold harmless the City, its officers, agents, employees and representatives, from and against any and all legal proceedings, claims, demands, damages, fines, losses, costs, liabilities, interests, expenses, and attorneys' fees relating, directly or indirectly, to the construction of the Project, the District's acquisition (whether by lease or transfer) and/or operation of the Existing Center Property/Existing Center Facilities/Spokane Center to the fullest extent allowed by law. The District's obligation to indemnify and hold the City harmless also includes those indemnifications contained in the Property Transfer Agreement relating to Environmental Laws and Hazardous Materials. The District and the City agree that the terms "Environmental Laws" and "Hazardous Materials," defined in the Property Transfer Agreement, are incorporated herein by this reference.

10. **REPRESENTATIONS AND WARRANTIES OF THE CITY.** The City represents and warrants to the District that the statements contained in this Section are correct and complete as of the Effective Date, will be correct and complete as of the closing dates of the transactions contemplated herein, and shall continue in full force and effect after such closings regardless of what investigations the District may have made with respect to the subject matter thereof. The City acknowledges that the statements contained in this Section are material and are relied upon by the District.

10.1 **Organization.** The City is a first-class charter city, duly organized and validly existing under and by virtue of the constitution and laws of the State, and the Charter of the City.

10.2 **Binding Effect.** The City has full power and authority to execute and deliver this Agreement, and to perform the City's obligations under this Agreement. This Agreement constitutes the valid and legally binding obligation of the City and is enforceable in accordance with its provisions. Prior to Closing, the City shall use best efforts to obtain all consents, permits, approvals, or other authorizations required from any Authority in order for the City to effectuate the transactions contemplated in this Agreement.

10.3 **Authority of Signatories.** All individuals executing this Agreement on behalf of the City have the requisite power and authority to do so.

11. **REPRESENTATIONS AND WARRANTIES OF THE DISTRICT.** The District represents and warrants to the City that the statements contained in this Section are correct and complete as of the Effective Date, will be correct and complete as of the closing dates of the transactions contemplated herein, and shall continue in full force and effect after such closings regardless of what investigations the City may have made with respect to the subject matter thereof. The District acknowledges that the statements contained in this Section are material and are relied upon by the City.

11.1 **Organization.** The District is a municipal corporation, duly organized and validly existing under and by virtue of the Constitution and laws of the State.



11.2 Binding Effect. The District has full power and authority to execute and deliver this Agreement, and to perform the District's obligations under this Agreement. This Agreement constitutes the valid and legally binding obligation of the District and is enforceable in accordance with its provisions. Prior to Closing, the District shall use best efforts to obtain all consents, permits, approvals, or other authorizations required from any Authority in order for the District to effectuate the transactions contemplated in this Agreement.

11.3 Authority of Signatories. All individuals executing this Agreement on behalf of the District have the requisite power and authority to do so.

12. ADDITIONAL COVENANTS. The City and the District agree and covenant as follows:

12.1 Cooperation; Efforts. The City and the District will each use reasonable efforts to take all action and do all things necessary, proper, or advisable in order to consummate and make effective the transactions contemplated in this Agreement (including satisfaction, but not waiver, of the closing conditions set forth in Section 13 below).

12.2 Covenant to Complete the Project and Operate the Spokane Center. The District shall (a) promptly design and complete the Project, consistent with the provisions regarding public use and access to the Spokane Center set forth in Section 7.9 above, and shall take all reasonable actions necessary to maintain or cause to be maintained in good repair, working order and condition all material properties used in the Spokane Center and the operation thereof and, from time to time, make or cause to be made all needed or appropriate repairs, renewals, replacements, additions, betterments and improvements thereto, in a good and workmanlike manner, so that the business carried on in connection therewith may be properly and advantageously conducted, and (b) operate the Spokane Center or cause the Spokane Center to be operate in an efficient manner for only those purposes allowed by law.

In addition to the issuance and sale of the District Bonds, the District in its discretion may provide up to \$7,000,000.00 in additional funds as reasonably may be required for completion of the Project.

The District shall not be in default of its obligations under this Section if the prompt completion of the Project is hindered, delayed, or prevented as a result of fire, explosion, flood, war, accident, interruption, delay in transportation, labor trouble, inability to maintain materials and supplies, unanticipated government regulations, acts of God, or any other causes of like or different character beyond the District's control.

12.3 Record Keeping. The District shall keep true, full and accurate books of account setting forth disbursements and expenditures of Lodging Tax Revenues, Center Operating Revenues and Center Operating Expenses, together with any other information which will in any way affect the determination of the City Operating Payment hereunder, including, without limitation, the documentation described in Attachment 1.28. The City shall keep true, full and accurate books of account setting forth its collection and/or



receipt of Arena Admission Taxes, Center Admission Taxes, and Lodging Tax Revenues. The City shall be allowed after five days' prior notice, to inspect the District's books of account at Spokane Center, including those relating to the Arena, and to procure audits thereof by a certified public accountant. Likewise, the District shall be allowed after five days' prior notice, to inspect the City's records regarding its collection and/or receipt of Arena Admission Taxes, Center Admission Taxes, and Lodging Tax Revenues, and to procure audits thereof by a certified public accountant.

13. CONDITIONS PRECEDENT

13.1 Conditions to Obligation of the District. The obligation of the District to consummate the transactions contemplated by this Agreement and commence construction of the Project is subject to:

13.1.1 Representations and Warranties of the City. The representations and warranties of the City set forth in Section 10 above being true and correct in all material respects.

13.1.2 Performance by the City. The City performing and complying with all of its covenants under this Agreement in all material respects as of the Closing Date.

13.1.3 No Legal Proceedings. No Legal Proceeding shall be pending or threatened, wherein an injunction, judgment, order, decree, ruling, or award would:

13.1.3.1 Prevent consummation of any of the transactions contemplated by this Agreement;

13.1.3.2 Cause any of the transactions contemplated by this Agreement to be rescinded following consummation; or

13.1.3.3 Affect adversely the rights of the District to lease the Existing Center Property, acquire the Existing Center Facilities, acquire the Additional Center Property, or operate or improve the Spokane Center.

13.1.4 Execution of Interlocal Agreement for Development of Regional Center Projects. The District, the County, and the City of Spokane Valley shall have executed the Interlocal Agreement for Development of Regional Center Projects before or simultaneous with this Agreement.

13.1.5 Financing for Project. The District shall have obtained sufficient funds to finance the Project, through the issuance of District Bonds and through other means.

13.1.6 Lodging Tax Committee. The City Council shall have taken final action approving the transfer and application of Lodging Tax Revenues hereunder, consistent with Sections 7.4 through 7.6 above.



CITY OF SPOKANE

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13.1.7 Additional Center Property. The District shall have received commitments, acceptable to the District, enabling the District to acquire additional parcels of real property deemed necessary for completion of the Project.

13.2 Conditions to Obligation of the City. The obligation of the City to consummate the transactions contemplated by this Agreement is subject to satisfaction, or written waiver, of each and every of the following conditions prior to Closing:

13.2.1 Representations and Warranties of the District. The representations and warranties of the District set forth in Section 11 above shall be true and correct in all respects.

13.2.2 Performance by the District. The District shall have performed and complied with all of its covenants under this Agreement in all respects.

13.2.3 Financing for Project. The District shall have obtained, and confirmed to the reasonable satisfaction of the City, sufficient funds to finance the Project, through the issuance of District Bonds and other sources.

13.2.4 Additional Center Property. The District shall have received commitments, acceptable to the City, enabling the District to acquire additional parcels of real property deemed necessary for completion of the Project.

13.2.5 Transfer of Property. Consummation of Closing, as defined in the Property Transfer Agreement.

13.2.6 No Legal Proceedings. No Legal Proceeding shall be pending or threatened, wherein an injunction, judgment, order, decree, ruling, or award would:

13.2.6.1 Prevent consummation of any of the transactions contemplated by this Agreement; or

13.2.6.2 Cause any of the transactions contemplated by this Agreement to be rescinded following consummation.

13.2.7 Lodging Tax Committee. The City Council shall have taken final action approving the transfer and application of Lodging Tax Revenues hereunder, consistent with Sections 7.4 through 7.6 above.

14. TERMINATION

14.1 Termination by Mutual Consent. This Agreement may be terminated by the mutual written consent of the City and the District at any time prior to Closing.



14.2 Failure to Close by December 31, 2003. Either party may immediately terminate this Agreement by written notice to the other party in the event Closing does not occur on or before December 31, 2003.

14.3 Effect of Termination. If the City and/or the District terminates this Agreement pursuant to this Section, all rights and obligations of the City and District under this Agreement shall terminate without liability of one party to the other, provided, however, that any obligation that the District has to reimburse the City for Additional Center Property Acquisition Costs under Section 6 shall survive the termination.

15. EVENTS OF DEFAULT. It shall be an "Event of Default" under this Agreement if either of the Parties fails duly to perform, observe or comply with the covenants, agreements, or conditions on its part contained in this Agreement, the Property Transfer Agreement, the Lease, or in the Contingency Loan Agreement, and such default shall continue for a period of thirty (30) days after written notice of such failure, requesting the same to be remedied, shall have been given to the party in default by the non-defaulting party, provided however that such failure shall not be an Event of Default if it is knowingly and intentionally waived by the non-defaulting party.

16. REMEDIES. Upon the occurrence and continuance of any Event of Default, the non-defaulting party's exclusive remedies shall be specific performance, declaratory judgment and other equitable remedies, and recovery of attorneys fees and other costs for such enforcement action.

17. MISCELLANEOUS

17.1 Additional Documents. Each party hereby agrees, upon the request of any other party, to execute any additional documents reasonably required to effectuate the purposes of the transactions contemplated herein.

17.2 Amendments. This Agreement may not be modified or amended, except by a written document executed by both the District and the City.

17.3 Applicable Law. This Agreement and the rights of the parties hereunder shall be governed by the laws of the State of Washington.

17.4 Dispute Resolution. With the exception of resolution of Operating Payment computation disputes by arbitration as provided in Section 7.7.7, all disputes arising out of this Agreement shall be determined by the Superior Court of the State of Washington, with venue located in Spokane County, Washington. The substantially prevailing party in any arbitration or litigation shall be entitled to recover from the substantially nonprevailing party its reasonable attorney fees and other arbitration or litigation costs.

17.5 Counterparts. This Agreement may be executed in any number of separate counterparts, all of which taken together shall be deemed one original instrument, notwithstanding that all parties are not signatory to the same counterpart.



17.6 Entire Agreement. This Agreement, including all Attachments, contains the entire agreement between the parties with respect to the subject matter hereof, and supercedes all prior understandings, agreements, or representations by or between the parties, written or oral, to the extent they relate in any way to the subject matter hereof.

17.7 Filing and Recordation. This Agreement shall be filed and/or recorded by the District at its expense with the Spokane County, Washington, Auditor, and/or with such other municipality or other public agency located in the State of Washington as such party deems appropriate.

17.8 Headings. The headings used in this Agreement are used solely for convenience of reference and shall not constitute a part of this Agreement or affect its meaning, construction, or effect.

17.9 No Third-Party Beneficiaries. This Agreement shall not confer any rights or remedies upon any person other than the City and the District and their respective successors and permitted assigns.

17.10 No Waiver. The failure to enforce or the delay in enforcement of any provision of this Agreement by a party hereto, or the failure of a party to exercise any right hereunder, shall not be construed to be a waiver of such provision or right (or of any other provision or right hereof, whether of a similar or dissimilar nature) unless such party expressly waives such provision or right in writing.

17.11 Notices. Any notice required or authorized under this Agreement shall be in writing and shall be delivered personally or by certified mail at the following addresses or at such addresses as a party shall have designated to the other party in accordance with this Section. Alternatively, any such notice may be sent by telecopier that transmits a facsimile of the notice. Notice sent by telecopier shall be deemed to be received by a party when dispatched to said party at the telephone number provided by such party and a transmittal sheet verifying the dispatch is received by the sending party.

If to the District:

Spokane Public Facilities District
ATTN: Executive Director
720 W Mallon
Spokane, WA 99201
Fax: (509) 324-7050

If to the City:

Office of the Mayor
ATTN: John Powers, Mayor
W. 808 Spokane Falls Blvd.
Spokane, WA 99201
Fax: (509) 625-6789

Copy to:

City Attorney
W. 808 Spokane Falls Blvd.
Spokane, WA 99201
Fax: (509) 625-6277



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17.12 Successors and Assigns. This Agreement and each and every provision hereof shall be binding upon and shall inure to the benefit of each party hereto, and each and every of their respective successors and permitted assigns. No party's right or obligations under this Agreement may be assigned or otherwise transferred without the prior written consent of the other party.

17.13 Terminology and Interpretation. As used in this Agreement, the masculine, feminine, or neuter gender, and the singular and plural number, shall be deemed to include the others whenever the context so indicates or requires. The words "include," "includes," and "including" shall be deemed to be followed by the phrase "without limitation". Each party agrees that any rule of contract interpretation or construction to the effect that ambiguities or uncertainties are to be resolved against the drafting party or the party who caused it to exist will not be applied in the construction or interpretation of this Agreement.

17.14 Relationship of Parties. This Agreement contemplates a joint venture of the City and the District, undertaken for the public purpose of preserving the region's role in the convention and tourism industry, as authorized under Chapter 36.100 and 67.28 RCW. In the performance of this Agreement, the Parties, and their respective officers, employees, agents, or subcontractors shall not be considered employees or agents of the other party.

17.15 Severability. In the event of a determination by any court of competent jurisdiction that a portion of this Agreement is invalid or unenforceable, such portion shall be deemed modified or eliminated in accordance with the court's order and the remaining portions of this Agreement shall nonetheless be enforced; provided, however, that if the court deems any restriction on the disclosure of information to be unenforceable, such restriction shall be modified by the court only to the extent required to make such restriction reasonable and enforceable.

17.16 Recitals and Attachments. The recitals contained at the beginning of this Agreement, and the Attachments attached to this Agreement, are material parts of this Agreement and are incorporated herein by this reference.

17.17 Duration. This Agreement shall terminate on December 31, 2038, unless otherwise mutually agreed upon in writing by the District and City.

17.18 Separate Legal Entity. This Agreement does not create or seek to create a separate legal entity pursuant to RCW 39.34.030.

IN WITNESS WHEREOF, the parties have executed this Agreement, effective as of the Effective Date.

CITY OF SPOKANE

By: 

Mayor John Powers

7/11/03



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Attest: Shirley M. Ripenger
Acting City Clerk



Approved as to form:

James R.
City Attorney

SPOKANE PUBLIC FACILITIES DISTRICT

Bill Williams, Jr.
Bill Williams, Jr., Chair

Trish McFarland
Trish McFarland, Vice-Chair

Shaun Cross
Shaun Cross, Director

Rich Lafleur
Rich Lafleur, Director

Erik E. Skaggs
Erik E. Skaggs, Director

Attest:

Sherry Leatha
Sherry Leatha, Clerk of the Board

Approved as to form:

H.E. Stiles
H.E. Stiles, General Counsel



INTERLOCAL AGREEMENT ATTACHMENTS

1.17	City's Existing Debt Service Obligations	1
1.28	Estimated Incremental Sales Tax Increase formula.....	2
1.36	Project drawings and Cost Estimates	3
3.0	Termination of Arena Operating Agreement	4
4.0	Property Transfer Agreement	5
5.0	Interlocal Agreement For Development Of Regional Center Projects	6
7.5.2	Spokane Center Capital Improvement Schedule.....	7
8.0	Insurance Requirements.....	8

Interlocal Agreement Attachment 1.17

BOND DEBT SERVICE

City of Spokane PFD Refunding Summary

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service	Bond Balance	Total Bond Value
06/26/2003	-	-	-	-	-	2,700,000	2,700,000
12/01/2003	-	-	53,217.99	53,217.99	53,217.99	2,700,000	2,700,000
06/01/2004	255,000	5.000%	57,706.25	312,706.25	-	2,445,000	2,445,000
12/01/2004	-	-	51,331.25	51,331.25	364,037.50	2,445,000	2,445,000
06/01/2005	265,000	5.000%	51,331.25	316,331.25	-	2,180,000	2,180,000
12/01/2005	-	-	44,706.25	44,706.25	361,037.50	2,180,000	2,180,000
06/01/2006	280,000	3.000%	44,706.25	324,706.25	-	1,900,000	1,900,000
12/01/2006	-	-	40,506.25	40,506.25	365,212.50	1,900,000	1,900,000
06/01/2007	285,000	2.500%	40,506.25	325,506.25	-	1,615,000	1,615,000
12/01/2007	-	-	36,943.75	36,943.75	362,450.00	1,615,000	1,615,000
06/01/2008	300,000	5.000%	36,943.75	336,943.75	-	1,315,000	1,315,000
12/01/2008	-	-	29,443.75	29,443.75	366,387.50	1,315,000	1,315,000
06/01/2009	305,000	2.750%	29,443.75	334,443.75	-	1,010,000	1,010,000
12/01/2009	-	-	25,250.00	25,250.00	359,693.75	1,010,000	1,010,000
06/01/2010	320,000	5.000%	25,250.00	345,250.00	-	690,000	690,000
12/01/2010	-	-	17,250.00	17,250.00	362,500.00	690,000	690,000
06/01/2011	335,000	5.000%	17,250.00	352,250.00	-	355,000	355,000
12/01/2011	-	-	8,875.00	8,875.00	361,125.00	355,000	355,000
06/01/2012	355,000	5.000%	8,875.00	363,875.00	363,875.00	-	-
	2,700,000		619,536.74	3,319,536.74	3,319,536.74		

Interlocal Agreement Attachment 1.28

C.H. JOHNSON CONSULTING, INC.
EXPERTS IN CONVENTION, SPORT AND REAL ESTATE CONSULTING

RECEIVED

JUN 30 2003

OFFICE OF THE CITY ATTORNEY

January 20, 2003

Mr. Kevin Twohig
Executive Director
Spokane Public Facilities District
720 West Mallon Avenue
Spokane, WA 99201

Dear Kevin:

Enclosed please find our proposal to assist the PFD in developing a methodology that will allow the City of Spokane (City) and the Spokane Public Facilities District (SPFD) to calculate, evaluate and present the economic and fiscal impacts associated with the activities occurring at the Spokane Center. Our firm has extensive experience throughout North America in performing economic and fiscal impact studies and developing methodologies that allow entities such as the City and SPFD to report their contribution to the local, state, and regional economy on an annual - and per facility - basis.

Our current work on behalf of the City of Spokane, including an economic and fiscal impact analysis for the convention center expansion, provides us with a clear understanding of the market's existing dynamics and historical operations (as well economic contributions) of the area's public assembly facilities. We will apply our experience gained during these efforts, as well as in other Washington and Pacific Northwest markets, to develop an appropriate range of tools for use by the SPFD.

In this letter, we outline our understanding of the project, our scope of services, timing and fees, and contractual conditions.

Understanding of the Assignment

In compliance with Section 1.23 of the draft interlocal agreement between the City of Spokane and the SPFD, it is both parties' desire to develop economic and fiscal impact analysis methodologies to calculate the incremental sales tax impacts due to the expansion of Spokane Center. The Interlocal agreement specifies a methodology to calculate Incremental Sales Tax Increases, payable to the City under certain criteria, as defined below:

"Estimated Incremental Sales Tax Increase means the following: City's share of annual general sales tax revenues for a given year which are attributable to the District's operation of Spokane Center minus City's share of 2003 general sales tax revenues attributable to operation of the Spokane Center equals Estimate Incremental Sales Tax Increase"

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6/28/03

C.H. JOHNSON CONSULTING, INC.

EXPERTS IN CONVENTION, SPORT AND REAL ESTATE CONSULTING

Our services will be to independently and objectively use an agreed upon methodology to calculate the incremental sales tax, over the year 2003, the specified baseline year.

Understanding of Assignment

In accordance with Section 1.30 of the Interlocal Agreement between the City of Spokane (City) and the Spokane Public Facilities District (PFD), C.H. Johnson, Inc. (Johnson Consulting) will conduct an independent analysis of the Incremental Fiscal Impacts resulting from the expansion of the Spokane Convention Center. This analysis, which will be updated annually, will serve as the basis for determining the annual contribution provided by the City to the PFD to support the operations of the Spokane Center (SC).

This document establishes the methodology for this analysis and exhibits the data fields that will be collected in order to facilitate the analysis. The analysis described herein reflects the definition of Incremental Fiscal Impact set forth in the Interlocal Agreement. The analysis will occur in two phases:

- Phase I, Baseline Analysis: Johnson Consulting will conduct an initial analysis to determine pre-expansion fiscal impact (baseline) of the Spokane Center. Calendar year 2003 shall serve as the baseline year. This analysis will be conducted with support from the PFD as well as the Spokane Regional Convention and Visitors Bureau (CVB).
- Phase II, Recurring Analysis: On an annual basis, Johnson Consulting will independently test spending and impacts measures, and issue a third-party report regarding the fiscal impact of the post-expansion Spokane Center. In keeping with the baseline analysis, annual economic impacts will also be measured.

Scope of Services

The following scope of services describes the work to be undertaken for this project. We will work with the PFD, CVB, City and other organizations to develop appropriate instruments to measure local spending, so that comparisons (and adjustments) can be made to IACVB, as well as others estimates on an ongoing basis.

Phase I: Baseline Analysis

Task 1.1: Orientation

Following receipt of written authorization to proceed, we will meet with PFD and Spokane Center management in order to:

- Confirm the goals and objectives of the analysis,
- Review the monthly input form and finalize it,
- Review data and information related to the first month's compilation (data for January 2003), to be compiled by February 15th, 2003, and work with management to input it,
- Review Johnson Consulting's economic and fiscal impact model with Spokane Center staff, and develop steps where it can be understood and ultimately used by staff,
- Meet with the CVB and discuss delegate spending assumptions for Spokane, and the current IACVB "ExPact" study,
- Meetings and discussions with other appropriate contacts and resources necessary to ensure adequate examination of issues and specific relevant data,
- Memorialize expectations with regard to assistance in baseline and recurring data collection and compilation.

Task 1.2: Monthly Data Input

Johnson Consulting will work with Spokane Center staff to define and summarize event inputs for each month. Staff will compile the survey information and will submit the forms to Johnson Consulting on a monthly basis, circa the 15th of the following month. Johnson Consulting will review it, and may work with staff to test response data for individual shows.

C.H. JOHNSON CONSULTING, INC.

EXPERTS IN CONVENTION, SPORT AND REAL ESTATE CONSULTING

As appropriate, we may add additional questions pertaining to the design of PFD facilities, the desirability of Spokane as a destination, commentary on rate and rental structures, and other topics as discussed with client representatives.

To the extent possible, we will consider a web based approach for use by Spokane Center staff to request and submit individual show data, which will feed into the monthly and annual compilations.

Task 1.3: Annual Roll Up

Johnson Consulting will refine its economic and fiscal impact model for the City of Spokane, Spokane County and Washington State.

At the end of the year, we will consolidate the 12 months of collected data into a yearly total. Johnson Consulting will then use its refined economic and fiscal impact model to present the following for the baseline year.

Direct spending by:

- Sponsoring associations
- Attendees
- The facility itself
- Event contractors
- Independent operators
- Event promoters
- Vendors in the facility
- Other, as appropriate

Summary of Operating Budget Information: The Consulting Team will work with management to summarize line item operating budgets, full time equivalent employee counts, and average salary levels. This information will serve as input into the economic impact model.

Multiplier Impacts: To estimate indirect spending, employment and earnings generated by the direct spending outlined above, Johnson Consulting will utilize the multipliers from RIMS II. This will yield information on direct and indirect spending, employment and wages at the City of Spokane, Spokane County and State of Washington levels.

Fiscal Impact Analysis: The fiscal impact analysis will estimate tax dollars returned to state, county, and city governments annually as a result of business activity and personal income associated with the operation of the SC. Taxes will include income, admissions, sales, hotel and motel, and other major taxes levied by the various levels of government.

Task 1.5. Fiscal Impact Calculation/Reporting

Johnson Consulting will work with the PFD to develop the report on the annual sales tax impact of the SC in the formula format defined in Section 1.3 of the Interlocal Agreement and will opine on the methodology and procedures used to develop the baseline tax amounts.

On approximately February 1, 2004, Johnson Consulting will issue its draft report.

Phase II: Recurring Analysis

Task 2.1 Ongoing Event Analysis

At the end of the first reporting year, Johnson Consulting will provide the PFD with its annual rollup model for the events inventory. SC staff will compile event information on a monthly basis for years following the baseline year. The data captured as of this effort will be maintained by the PFD, and will be sent to Johnson Consulting twice yearly (July 15 and January 15) for testing purposes.

Task 2.2 Fiscal and Economic Analysis/Tax Reporting

Based on the yearend rollup of the information collected in the previous task, Johnson Consulting will conduct fiscal and economic impact analysis based on the methodology presented in Task 1.3. We will subsequently report our findings to the City and PFD in order to calculate incremental sales tax over the baseline year. We will document our findings in a brief annual report, summarizing the "Economic Impact of Spokane Center" and will present our opinion regarding the results.

Report and Procedure Documentation

At the conclusion of our baseline and annual analysis, Johnson Consulting will prepare a draft report and conduct a conference call with the City and PFD to review our findings. Subsequent to the conference call, a final report, outlining our findings will be issued.

If so desired, on an optional basis, we would be pleased to present our findings at a workshop with the City, PFD and other interested stakeholders.

Optional Services

Johnson Consulting would like to earn the position of the preferred service provider to the PFD and the community on convention center and public assembly facility matters. Two other areas of service where we may be helpful are:

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Sales Tax Projections- It may be appropriate to analyze the impact on the District's current revenues going to the Arena (.1% sales, 2% lodging tax) - Upon opening of the expanded SC, there may be an improvement of the financial position (revenues received) of the Arena. Johnson Consulting is qualified and able to develop independent projections of these amounts for either internal planning or for underwriting purposes.

Expansion Strategy and Design Review - Johnson Consulting works on both hotels and convention centers and understands the operations of each. The proposed expansion options are complex and specialized agreements may need to be reached with the Hilton or other hotel operators. We are qualified and able to help define the final program of the expansion plan, assist in determining the best expansion option, address future expansion, and comment on requests made by the hotel, if expansion involves them. Through our Strategic Alliance partner, we can provide plan reviews, on a periodic basis, once the strategic direction is set and design is in process.

We suggest discussing these services during the February meeting, where we first work with SC staff inputting the first month's data.

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Fees and Expenses

Based on the needs of the project, Johnson Consulting anticipates fees of approximately \$14,000 to conduct the baseline analysis. Our fee for the recurring analysis will be \$5,000 with an annual increase of five percent. Expenses will be billed in addition to fees.

Our fees are based on the previously detailed scope of work. Should you determine that changes to the scope of work are necessary, our fees will be adjusted accordingly. Johnson Consulting is prepared to commence work at your request and will complete the project in the time frame stated herein.

Contractual Conditions

Additional services requested outside of this scope of work will be discussed in advance and a separate change order will be developed identifying additional work and compensation.

The findings and recommendations of our research will reflect analyses of primary and secondary sources of information. Estimates and analyses presented in our report will be based on economic trends, market assumptions, and financial data that are subject to variation. Johnson Consulting will use sources that it deems reliable, but will not guarantee their accuracy. Recommendations will be made from information provided by the analyses, internal databases, and from information provided by management.

It is understood in accepting this proposal that neither fees nor payment thereof is contingent upon the findings of the study. Additionally, all outstanding invoices must be current prior to the release of any drafts and final reports.

Johnson Consulting will have no responsibility to update its report for events and circumstances occurring after the date of its report. If you decide not to proceed with the project, or if it appears that the study will result in a finding that the project cannot achieve its required results, Johnson Consulting would, at your request, terminate its work and would only bill you for fees and expenses incurred to that point in time.

If you require us to attend meetings and make presentations beyond the specified scope of services, Johnson Consulting will charge separately for its actual hours of professional time incurred in preparing for and attending the meetings. Professional time will be billed at Johnson Consulting's standard hourly rates plus travel and incidental expenses.

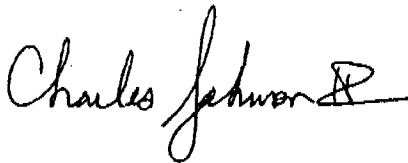
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EXPERTS IN CONVENTION, SPORT AND REAL ESTATE CONSULTING

Invoices outstanding after thirty days of receipt shall accrue at the interest rate of one and a half percent per month until paid. If we need to bring action to enforce the terms contained in this letter, you will be responsible to pay our reasonable attorney's fees, costs and expenses.

On behalf of Johnson Consulting, we look forward to the opportunity of working together. Should you have any questions, please call us at 312-444-1031.

Sincerely yours,
C.H. JOHNSON CONSULTING, INC.



CHARLES H. JOHNSON IV
PRESIDENT

Cc: James Richman

AUTHORIZATION TO PROCEED

Accepted By: Spokane Public Facilities District

Signature: [Handwritten Signature]

Title: Board Chair

Date: February 13, 2003

DRAFT

PROCEDURES - SPOKANE CENTER DEVELOPMENT OF BENCHMARK YEAR INFORMATION IN ORDER TO DERIVE FUTURE YEAR INCREMENTAL SALES TAX IMPACT AMOUNTS.

In accordance with the Interlocal agreement, a calculation of incremental sales tax generated by the Spokane Center will be prepared annually. The year 2003 will serve as the benchmark year. The increment will be calculated using this base year.

For the purpose of the economic and fiscal impact analysis, Spokane Center event visitors are grouped into three categories: consumers, delegates/attendees, and exhibitors. An event summary survey, a draft of which has been reviewed by Spokane Center staff, is to be completed by event organizers or by Spokane Center staff, based on their knowledge of the show, discussions with show personnel, secondary data and interviews with the CVB. The survey will provide summary statistics of the event. This summary survey is mandatory for each "multi day" event held at Spokane Center in 2003.

On the 15th of each month, Spokane Center staff is to forward completed event surveys, in an Excel format, to Johnson Consulting. Johnson Consulting will then apply applicable visitor spending factors, multiplier and tax algorithms to events, using factors based on IACVB's EXPACT survey. These factors will be standardized and incorporated into the benchmark formula. At the end of the month, Johnson Consulting will report the spending and sales tax for the prior month to both the City and the PFD. On or about February 1 2004, using the above procedures, Johnson Consulting will report the aggregate spending and sales tax for 2003, the benchmark year. Johnson Consulting will then either continue providing the monthly compilation service, or transition the tabulation and analysis to Spokane Center staff. If Spokane Center staff performs the monthly analysis and compiles the annual total, circa February 1 of the following year Johnson Consulting will provide an independent review of staff's procedures and calculations.

The formula to be used is presented below.

Incremental Sales Tax Calculation					
	Base Year 2003		Current Year		Increment
	To City	To County	To City	To County	To City To County
Sales Tax					
Source: Johnson Consulting					

A draft survey is presented on the following page.

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EXPERTS IN CONVENTION, SPORT AND REAL ESTATE CONSULTING

DRAFT

Event Summary for Insert Event Name	
To be filled out by event planner/organizer or Spokane County Event Manager	
1 Name of Event	
2 Length of Event (in # of days)	
3 # of Move-in Days	
4 # of Move-out Days	
5 Total # of Registered Exhibiting Firms	
6 Total # of Registered Exhibitor Staff	
7 Total # of Registered Delegates	
8 Total # of Registered Press (include in Attendees)	
9 Total # of Public Day Consumers	
Exhibitor Origins	
10 # of Exhibitor Staff (from line 6)	
Percentage Origin	
11 From City of Spokane	
12 From Outside City, within Spokane County/MSA	
13 From Outside County/MSA within Washington	
14 From Other States in the US	
15 International	
16 Total	100%
17 Average Length of Stay per Person (in # of nights)	
Attendee Origins	
18 # of Delegates and Press (sum of lines 7 & 8)	
Percentage Origin	
19 From City of Spokane	
20 From Outside City, within Spokane County/MSA	
21 From Outside County/MSA within Washington	
22 From Other States in the US	
23 International	
24 Total	100%
25 Average Length of Stay per Person (in # of nights)	
Consumer Origins	
26 # of Delegates and Press (from line 8)	
Percentage Origin	
27 From City of Spokane	
28 From Outside City, within Spokane County/MSA	
29 From Outside County/MSA within Washington	
30 From Other States in the US	
31 International	
32 Total	100%
33 Average Length of Stay per Person (in # of days)	

Convention Center Expansion Site Analysis

Architects are studying two sites that have been under consideration for expanding the existing Spokane Convention Center and Ag Trade Center. One, the "South Site", is the full block directly to the south of the present facility, across Spokane Falls Boulevard. The other, the "East Site", is to the east of the present facility, and the Doubletree Hotel.

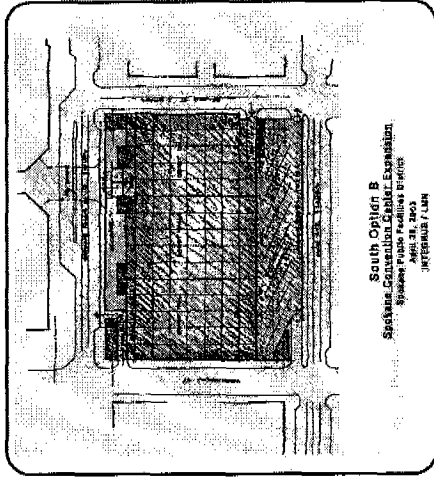
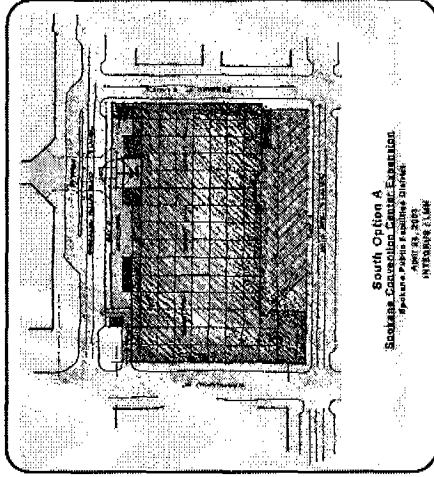
According to the architectural analysis both sites can accommodate a 100,000 square-foot exhibit hall, new lobby and loading areas, covered connections between the facilities and on-site parking.

SOUTH SITE (see site map opposite)

Assumptions for the South Site include that the project will be contained on the single, entire block, the exhibit hall will be located at street level; there will be two levels of parking below grade; the loading dock will be at street level on Main Street (two different loading dock configurations are shown); and some adjustments to the Downtown Plan related to street space may have to be made.

Area Cost Assessment:

Exhibit Hall	100,000 sq. ft.	\$20,000,000
Lobby	20,000 sq. ft.	\$4,000,000
Loading Area (1)	30,000 sq. ft.	\$3,750,000
Parking (2)	800 cars	\$14,000,000
Connecting Bridge (3)	7,500 sq. ft.	\$2,000,000
Improvements to existing facility (meeting rooms, banquet hall, etc.)		\$5,000,000
Contingency		\$5,000,000
Estimated Cost:		\$53,750,000

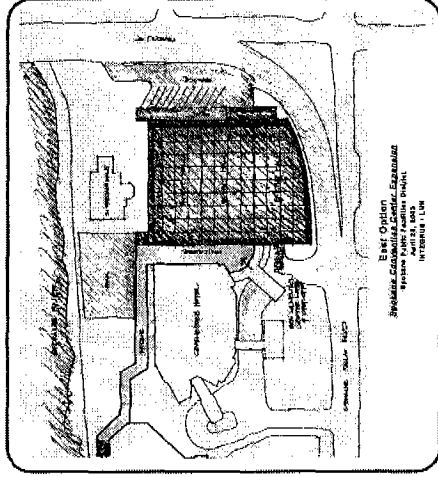


EAST SITE (see site map opposite)

Assumptions for the East Site include that the project will have a service lane and off ramp from Division Street; Shenanigan's restaurant remains in its current location; the Convention Center lobby is accessible from the hotel; and more extensive landscaping options are available.

Area Cost Assessment:

Exhibit Hall	100,000 sq. ft.	\$20,000,000
Lobby	16,000 sq. ft.	\$3,200,000
Loading Area (1)	60,000 sq. ft.	\$7,500,000
Parking (2)	600 cars	\$6,000,000
Connecting Bridge (3)	20,000 sq. ft.	\$6,000,000
Improvements to existing facility (meeting rooms, banquet hall, etc.)		\$5,000,000
Contingency		\$5,000,000
Estimated Cost:		\$52,700,000



NOTES:

- (1) Explanation of Difference**
South - 10 truck docks and drive-in capability on Main Street
East - 10 truck docks and drive-in capability in enclosed service yard, accessed from Division Street.
- (2) Explanation of Difference**
South - two levels of parking below grade and under the exhibit hall.
East - two levels of at and above grade parking under the exhibit hall with 350 spaces reserved for the hotel to replace the existing hotel parking.
- (3) Explanation of Difference**
South - connects the exhibit hall lobby to the existing Opera House and Convention Center via a skywalk over Spokane Falls Blvd.
East - connects the east end of the Ag Trade Center to the new Exhibit Hall lobby via an elevated pedestrian connector.

Interlocal Agreement Attachment 3.0

MEMORANDUM OF UNDERSTANDING

THIS MEMORANDUM OF UNDERSTANDING is between the CITY OF SPOKANE, a Washington first class charter city, ("City") and the SPOKANE PUBLIC FACILITIES DISTRICT, a Washington municipal corporation, ("District"). The City and the District are referred to jointly as the "Parties."

WHEREAS, the District owns the Spokane Veterans Memorial Arena, a public entertainment and sports facility located in Spokane, Washington ("Arena"); and

WHEREAS, the City has been operating the Arena for the District pursuant to the terms of the November 9, 1992, Interlocal Agreement (Arena Operating Agreement), the July 18, 1994, Third Interlocal Cooperation Agreement (Amended and Restated Arena Operating Agreement), the October 4, 1994, First Amendment to Third Interlocal Cooperation Agreement, the January 2, 1996, Second Amendment to Third Interlocal Cooperation Agreement, the March 15, 1996, Memorandum of Understanding, the January 6, 1997, Third Amendment to Third Interlocal Cooperation Agreement, and the April 3, 2002, Memorandum of Understanding, (collectively, "Arena Operating Agreement"); and

WHEREAS, the City and the District contemplate that the Arena Operating Agreement will be terminated upon the closing of certain transactions described in that certain Property Transfer Agreement between the District and the City, dated August 20 2003, with the District assuming responsibility for operating the Arena at that time; and

WHEREAS, should the City and the District terminate the Arena Operating Agreement as described above, the City and the District will need to determine the manner in which they shall between themselves share the Arena Operating Profits and Losses through the date of closing of the transactions described in the Property Transfer Agreement ("Closing Date"). NOW, THEREFORE,

The City and the District agree that:

1. For calendar year 2003, the Annual Operating Profit and Annual Operating Loss shall be determined as of the Closing Date, and the year-end accounting and payments provided for in this Memorandum shall be completed within Ninety (90) days of the Closing Date.
2. In the case of an Annual Operating Profit, the City shall be entitled to any amounts remaining in the City Operating Fund not to exceed the Prorated Profit/Loss Value (defined below). Any Annual Operating Profits in excess of the Prorated Profit/Loss Value shall be paid to the District. In the case of an Annual Operating Loss, the District shall be required to apply surplus sales and use tax revenues to the reimbursement of the City for 2003 Operator Payments not previously reimbursed, but only to the extent such unreimbursed 2003 Operator Payments exceed the Prorated Profit/Loss Value. Any unreimbursed 2003 Operator Payments in an aggregate amount less than or equal to the Prorated Profit/Loss Value shall be for the account of the City and the City shall not be entitled to any reimbursement therefor from the District.

As used in this Memorandum of Understanding, the term "Prorated Profit/Loss Value" shall be a sum equal to the product of:

- (a) One Hundred Thousand Dollars (\$100,000.00), multiplied by
- (b) A fraction, the numerator of which is the actual number of calendar days expired during 2003 up to and including the Closing Date, and the denominator of which is Three Hundred Sixty-Five (365).

For example, if the transactions contemplated in the Property Transfer Agreement close on September 30, 2003 (the 273rd day of calendar year 2003), the Prorated Profit/Loss Value would be calculated as follows:

$$\$100,000.00 \times \frac{273}{365} = \$74,794.52$$

3. This Memorandum of Understanding shall be binding when executed by both parties, and shall be effective upon the Closing Date.

By: John Powers Jr.
CITY OF SPOKANE
City Administrator Mayor
Date: _____

Attest:

Theresa Puppinger 10/20/03
Acting City Clerk/Date

Approved as to form:

James R. 7/25/03
Assistant City Attorney/Date



SPOKANE PUBLIC FACILITIES DISTRICT

By: Don Wilson
Title: Board Chair
Date: 8-20-03

Approved as to Form:

W. C. S. B. 8/20/03
District Counsel/Date

EXHIBIT B

**PROPERTY TRANSFER
AGREEMENT
AND ATTACHMENTS**

To view Interlocal Agreement Attachment 4.0:
Click "PROPERTY TRANSFER AGREEMENT" Bookmark

**PROPERTY TRANSFER
AGREEMENT
AND ATTACHMENTS**

Interlocal Agreement Attachment 5.0

INTERLOCAL AGREEMENT FOR DEVELOPMENT OF REGIONAL CENTER PROJECTS

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**INTERLOCAL AGREEMENT
FOR DEVELOPMENT OF REGIONAL CENTER PROJECTS**

This Interlocal Agreement for Development of Regional Center Projects ("Agreement") is entered into this ____ day of July, 2003, by and among the **SPOKANE PUBLIC FACILITIES DISTRICT** (the "District"), a municipal corporation duly organized and existing under the laws of the State; **SPOKANE COUNTY, WASHINGTON** (the "County"), a class A county duly organized and existing under the laws of the state of Washington (the "State"); and the **CITY OF SPOKANE VALLEY** (the "Valley City"), a municipal corporation duly organized and existing under the laws of the State.

The entities executing this Agreement are each referred to below as a "Party," and are collectively referred to as the "Parties." Unless otherwise defined in this Agreement, each capitalized term used in this Agreement shall have the meaning given in Article II.

RECITALS

A. The District is authorized under RCW 36.100.030(1) to "acquire, construct, own, remodel, maintain, equip, reequip, repair and operate sports facilities, entertainment facilities, convention facilities or regional centers as defined in RCW 35.57.020, together with contiguous parking facilities."

B. RCW 36.100.040 provides that a public facilities district may submit an authorizing proposition to the voters of the district to impose an excise tax on the sale of or charge made for the furnishing of lodging by a hotel, rooming house, tourist court, motel or trailer camp, and the granting of any similar license to use real property on premises having more than 40 lodging units the proceeds of which excise tax must be used for the acquisition, design, construction, remodeling, maintenance, equipping, reequipping, repairing and operation of its public facilities.

C. RCW 82.14.048 provides that a public facilities district may submit an authorizing proposition to the voters of the district to impose a sales and use tax at a rate not to exceed 2/10 of 1% of the selling price in the case of a sales tax, or value of the article used, in the case of a use tax, the proceeds of which sales and use tax shall be used for the financing, design, acquisition, construction, equipping, operating, maintaining, remodeling, repairing and reequipping of its public facilities.

D. RCW 82.14.390 authorizes the governing body of a public facilities district created before July 31, 2002, that commences construction of a new regional center, or improvement or rehabilitation of an existing regional center, before January 1, 2004, to impose a sales and use tax, with the rate of such sales and use tax not to exceed 0.033 percent of the selling price in the case of a sales tax or value of the article used in the case of a use tax, which sales and use tax shall expire when the bonds issued for the construction of the regional center and the related parking facilities are retired, but not more than 25 years after the tax is first collected.

E. The Board of Directors of the District has determined that it is in the best interests of the residents and inhabitants of the District for the District to undertake and accomplish three regional center projects within its boundaries, *i.e.*, the Convention Center Project, the Fair & Expo Center Project and the Mirabeau Point Project (collectively, the "Regional Center Projects").

F. The District submitted proposals to its qualified electors, and on May 21, 2002, those qualified electors approved proposals to expand its powers and to extend its existing sales and use tax and existing hotel/motel tax to enable the District to undertake and accomplish the Regional Center Projects.

G. The District has determined that the amount required to be funded from Regional Tax Revenues (defined hereinafter) to undertake and accomplish the Regional Center Projects, including expenses incidental thereto, does not exceed \$96,000,000.

H. The Parties intend to jointly develop the Regional Center Projects, in accordance with this Agreement, as multipurpose facilities meeting the definition of "regional centers" under RCW 35.57.020, "multi-purpose community centers" under RCW 35.59.010, and, in the case of the Convention Center Project and the Fair & Expo Center Project, "tourism-related facilities" under RCW 67.28.080. The Regional Center Projects are intended to directly serve the County, the District and the Valley City, and their respective residents, as well as serving a broader population in the region and the State. The Valley City, the County and the District desire to work cooperatively under RCW 36.100.030(2), chapter 35.59 RCW, chapter 39.34 RCW and chapter 67.28 RCW so that the District can obtain sufficient financing to accomplish the Regional Center Projects consistent with the terms of this Agreement.

I. By the District Bond Resolution, the District has approved or will approve the issuance and sale of its Sales/Use Tax and Hotel/Motel Tax Bonds, 2003, in an aggregate principal amount of not to exceed \$77,000,000 to finance a portion of the costs of undertaking and accomplishing the Convention Center Project.

J. By the County Bond Resolution, the County has approved or will approve the issuance and sale of its limited tax general obligation bonds as portions of two separate series in an aggregate principal amount of not to exceed \$12,000,000 to provide financing for a portion of the costs of undertaking and accomplishing the Fair & Expo Center Project.

K. By the Valley City Bond Ordinance, the Valley City has approved or will approve the issuance and sale of its limited tax general obligation bonds in an aggregate principal amount of not to exceed \$7,000,000 to provide financing for a portion of the costs of undertaking and accomplishing the Mirabeau Point Project.

L. The County and the Valley City each are authorized pursuant to chapter 35.59 RCW, either individually or jointly with another municipality such as the District, to acquire, lease, construct, add to, improve, replace, repair, maintain, operate and regulate the use of multi-purpose community centers, and are further authorized by chapter 35.59 RCW to participate in the financing of, and to appropriate and/or expend any available public money for, multi-purpose

community centers. RCW 67.28.120 provides that any municipality (including any city or county) may, individually or jointly with any other municipality or person, acquire and operate tourism-related facilities. RCW 36.100.030(2) provides that a public facilities district may enter into agreements under chapter 39.34 RCW for the joint provision and operation of facilities, including regional centers, and may enter into contracts under chapter 39.34 RCW where any party to the contract provides and operates such facilities for the other party or parties to the contract. Chapter 39.34 RCW further enables the Parties to carry out collectively any activities that they are individually permitted to pursue under applicable law.

M. The County, the District and the Valley City have negotiated this Agreement under which (i) the District will carry out the Convention Center Project; (ii) the County and the District will jointly develop the Fair & Expo Center Project under the County's lead, with the District providing financial assistance in the form of intergovernmental payments (the "Fair & Expo Center Payments"); and (iii) the Valley City and the District will jointly develop the Mirabeau Point Project under the Valley City's lead, with the District providing financial assistance in the form of intergovernmental payments (the "Mirabeau Point Payments").

N. The District, by Resolution No. _____ adopted on _____, 2003, has authorized the execution of this Agreement on behalf of the District.

O. The County, by Resolution No. _____ adopted on _____, 2003, has authorized the execution of this Agreement on behalf of the County.

P. The Valley City, by Ordinance No. _____ passed on _____, 2003, has authorized the execution of this Agreement on behalf of the Valley City.

NOW, THEREFORE, in consideration of the mutual representations, covenants, promises and agreements hereinafter contained, the District, the County and the Valley City mutually represent, covenant, acknowledge and agree as follows:

AGREEMENT

SECTION 1 DEFINITIONS.

Unless otherwise defined in this Agreement, each of the following terms shall have the meaning set forth in this Section 1.

1.1 *Acquisition, acquiring or acquire* shall include purchase, securing, lease, receipt by gift or grant, condemnation, transfer or other acquirement, or any combination thereof.

1.2 *Arena Reimbursement Obligation* means the aggregate amount of any District funds, other than Regional Tax Revenues, that are used by the District for the purposes of acquiring, constructing, financing and otherwise supporting the Regional Center Projects, including but not limited to making interfund loans for the construction or improvement of the Convention Center Project, paying debt service on the District Bonds, and making Intergovernmental Payments, plus interest at the Intergovernmental Rate on the amounts so used,

loaned or advanced, until fully repaid from Regional Tax Revenues in accordance with Section 2.7 of this Agreement.

1.3 *Bond Fund* means the Spokane Public Facilities District Bond Fund established by District Bond Resolution No. 01-02..

1.4 *Business Day* means any day other than: (a) a Saturday or Sunday, (b) a day on which commercial banks in the County are authorized or obligated to close, or (c) a day on which the offices of the County are closed.

1.5 *Code* means the Internal Revenue Code of 1986, as amended, together with corresponding and applicable final or temporary regulations and revenue rulings issued or amended with respect thereto by the United States Treasury Department or the Internal Revenue Service.

1.6 *Convention Center Project* means a Regional Center Project consisting of the Acquisition of an interest in, construction of improvements to and the expansion of the real property located in the City of Spokane, commonly known as the Spokane Convention Center, all as more particularly described in Exhibit A, attached and incorporated herein by reference and as described in the Spokane Center Development Agreements. The Convention Center Project constitutes both a "regional center" as that term is used in RCW 36.100.030(1) and RCW 35.57.020 and a "tourism-related facility" as that term is used in RCW 67.28.080.

1.7 *County* means Spokane County, Washington.

1.8 *County Bonds* mean (i) \$6,455,000 in principal amount of the County's \$19,205,000 Limited Tax General Obligation and Refunding Bonds, Series 2003A, authorized by the County for improvements to the Fair & Expo Center pursuant to Resolution No. 3-0471, adopted by the County's Board of County Commissioners on May 20, 2003, and (ii) \$5,545,000 in principal amount of the County's Limited Tax General Obligation Bonds, Series 2003C, to be issued by the County.

1.9 *County Bond Resolution* means, collectively, Resolution No. 3-0471 of the County adopted on May 20, 2003, and such other resolution of the County authorizing, among other matters, the issuance and sale of the County Bonds.

1.10 *Develop or Development* includes any one or more of the following: acquisition of, construction of, ownership of, remodeling, maintaining, equipping, re-equipping, repairing, financing, and operating the Regional Center Projects as specified herein and undertaken by the Parties as agreed to in this Agreement according to the powers conferred upon the Parties under chapters 35.57, 35.59, 36.100, 39.34 and 67.28 RCW and RCW 82.14.390.

1.11 *District* means the Spokane Public Facilities District, a municipal corporation duly organized and existing under the laws of the State

1.12 *District Bond Reserve Insurance* means any policy of reserve insurance, surety bond or other similar instrument obtained by the District to satisfy the District Bond Reserve Requirement in lieu of a deposit of cash and investments in the Reserve Fund to satisfy the District Bond Reserve Requirement in accordance with the District Bond Resolution.

1.13 *District Bond Reserve Requirement* means the debt service reserve requirement for the District Series 2003A Bonds established by the District Bond Resolution.

1.14 *District Bond Resolution* means one or more resolutions of the District authorizing, among other matters, the issuance and sale of the District Bonds.

1.15 *District Bonds* means the District's Sales/Use Tax and Hotel/Motel Tax Bonds, 2003, issued in one or more series, in an aggregate principal amount of not to exceed \$77,000,000, authorized by the District Bond Resolution.

1.16 *District Lodging Tax* means the two percent (2%) excise tax imposed by the District on the sale of or charge made for the furnishing of lodging under the authority of RCW 36.100.040, as such tax has been extended beyond 2017 by District Resolution No. 02-03 with the approval by a majority of the voters of the District voting thereon at a special election held on May 21, 2002.

1.17 *District Sales & Use Tax* means the one-tenth of one percent (0.1%) sales and use tax imposed by the District under the authority of RCW 82.14.048, as extended beyond 2017 by District Resolution No. 02-02 with the approval by a majority of the voters of the District voting thereon at a special election held on May 21, 2002.

1.18 *District State Credit Sales & Use Tax* means the thirty-three one thousandths of one percent (0.033%) sales and use tax imposed by the District under the authority of RCW 82.14.390 and District Resolution No. 01-06.

1.19 *Fair & Expo Center Project* means a Regional Center Project consisting of the construction of improvements to the real property located in the County, commonly known as the Spokane County Fair & Exposition Center, all as more particularly described in Exhibit A, attached and incorporated herein by reference. The Fair & Expo Center Project constitutes both a "regional center" as that term is used in RCW 36.100.030(1) and 35.57.020 and a "tourism-related facility" as that term is used in RCW 67.28.080.

1.20 *Fair & Expo Center Payments* means the scheduled intergovernmental payments required to be paid by the District to the County in respect of the Fair & Expo Center Project pursuant to Section 3.5 of this Agreement as set forth in Exhibit C attached hereto and incorporated herein by this reference, together with all compensatory payments required to be paid by the District to the County pursuant to Section 3.5 of this Agreement.

1.21 *Intergovernmental Payments* means the Fair & Expo Center Payments and the Mirabeau Point Payments.

1.22 *Intergovernmental Payment Schedule* means the schedule attached as Exhibit C, showing dates and amounts of Intergovernmental Payments required to be made by the District pursuant to this Agreement.

1.23 *Intergovernmental Rate* means a variable interest rate equal to the average rate of return on local government funds invested in the County's Local Governmental Investment Pool, calculated monthly in accordance with the County's standard procedures. When used to determine compensatory amounts included in Intergovernmental Payments or for any other purpose of this Agreement, the Intergovernmental Rate shall be applied on the basis of the actual number of days elapsed during a 365/366-day year.

1.24 *Mirabeau Point Project* means a Regional Center Project consisting of the construction of improvements to the real property located in the Valley City, commonly known as Mirabeau Point, all as more particularly described in Exhibit A, attached hereto and incorporated herein by reference. The Mirabeau Point Project constitutes a "regional center" as that term is used in RCW 36.100.030(1) and 35.57.020 and a "multi-purpose community center" as that term is used in RCW 35.59.010.

1.25 *Mirabeau Point Payments* means the scheduled intergovernmental payments required to be paid by the District to the Valley City in respect of the Mirabeau Point Project pursuant to Section 4.5 of this Agreement as set forth in Exhibit C attached hereto and incorporated herein by this reference, together with all compensatory payments required to be paid by the District to the Valley City pursuant to Section 4.5 of this Agreement, except that the Regional Tax Revenues constituting Mirabeau Point Payments shall not include any portion of District Lodging Tax revenues.

1.26 *NRMSIRs* means nationally recognized municipal securities information repositories, as designated by the SEC.

1.27 *Outstanding* means, with respect to the District Bonds, the County Bonds and the Valley City Bonds, any obligation that has not yet been paid, redeemed or legally defeased.

1.28 *Party* means any one of the parties to this Agreement, collectively, the Parties.

1.29 *Project Fund* means the Convention Center Project Fund established by the District Bond Resolution.

1.30 *Regional Center Project* means any one of the Convention Center Project, the Fair & Expo Center Project and the Mirabeau Point Project (collectively, the Regional Center Projects), each of which constitutes a "regional center" as that term is used in RCW 35.57.020.

1.31 *Regional Tax Revenues* means, collectively, all proceeds of the District State Credit Sales & Use Tax, whenever received, and all proceeds of the District Lodging Tax and the District Sales & Use Tax received by or available to the District from and after the earlier of (i) January 1, 2018, and (ii) the date on which all indebtedness incurred by the District in connection with the Spokane Veterans Memorial Arena is retired and/or legally defeased.

1.32 *Reserve Fund* means the Spokane Public Facilities District Reserve Fund established by District Resolution No. 01-02.

1.33 *SEC* means the United States Securities and Exchange Commission.

1.34 *Spokane Center Development Agreements* means, collectively, the Interlocal Cooperation Agreement, Property Transfer Agreement, and Lease, each executed and delivered by The City of Spokane and the District effective _____, 2003.

1.35 *Treasurer* means the County Treasurer.

1.36 *Valley City* means the City of Spokane Valley, Washington.

1.37 *Valley City Bond Ordinance* means the ordinance passed by the Valley City authorizing, among other matters, the issuance and sale of the Valley City Bonds.

1.38 *Valley City Bonds* means an issue of Valley City limited tax general obligation bonds authorized by the Valley City Bond Ordinance to be issued in an aggregate principal amount of not to exceed \$7,000,000 to finance a portion of the cost of the Mirabeau Point Project.

SECTION 2 DEVELOPMENT AND FINANCING OF THE CONVENTION CENTER PROJECT

2.1 Development of the Convention Center Project. The District and the City of Spokane have entered into the Spokane Center Development Agreements for the principal purpose of making provision for the design, acquisition, construction, equipping, financing, and operation by the District of the Convention Center Project on a cooperative basis. In accordance with the Spokane Center Development Agreements and this Agreement, the District, on behalf and for the benefit of itself and Spokane, will commence construction of the Convention Center Project on or before January 1, 2004, and thereafter proceed with due diligence to completion of the Convention Center Project. The District, on behalf and for the benefit of itself and Spokane, will be the lead agency with the primary responsibility for the development of the Convention Center Project as a "regional center" (as defined by RCW 35.57.020), as a "multi-purpose community center" (as defined by RCW 35.59.010) and as a "tourism-related facility" (as defined by RCW 67.28.080), and shall finance, acquire, design, construct, own, lease, operate and maintain the Convention Center Project, all subject to the limitations set forth in the Spokane Center Development Agreements and this Agreement. The Convention Center Project shall be developed and have the features substantially as described in Exhibit A and the Spokane Center Development Agreements.

2.2 Timeline for Development of Convention Center Project. The District, on behalf and for the benefit of itself and the City of Spokane, intends to commence construction of the Convention Center Project by carrying out the demolition of certain existing structures, commencement of parking improvements related thereto, or other construction activity prior to

December 31, 2003. The Convention Center Project is expected to be completed and placed in service on or about September 1, 2006. The estimated timeline for financing and construction of the Convention Center is set forth in Exhibit B. The dates set forth in Exhibit B are target dates for action by the District. The failure of the District to meet the dates set forth in the timeline for financing and construction of the Convention Center shall have no effect on the other provisions of this Agreement.

2.3 Site Acquisition, Development and Ownership.

2.3.1 Pursuant to the Spokane Center Development Agreements, the City of Spokane and the District have agreed to acquire all additional real property necessary to serve as a site for the Convention Center Project, and the City of Spokane has agreed to exercise its eminent domain authority, if necessary, to acquire that additional real property in accordance with the Spokane Center Development Agreements. Title to Convention Center Project will be held by the City of Spokane and the District as provided in the Spokane Center Development Agreements.

2.3.2 The District, on behalf and for the benefit of itself and the City of Spokane, will acquire the approvals necessary and shall take such other actions as may be required to develop the Convention Center Project consistent with the Spokane Center Development Agreements.

2.3.3 The District shall periodically provide reports to the other Parties on the design, construction and operation of the Convention Center.

2.3.4 The District shall have full and complete control over the development of the Convention Center Project, subject to the terms of the Spokane Center Development Agreements and this Agreement. In addition, the District shall have full and complete control over the operations of the Convention Center Project, subject to the terms of the Spokane Center Development Agreements.

2.4 District Insurance for the Convention Center Project. The District agrees to acquire and maintain insurance in the form and amounts required by the Spokane Center Development Agreements and otherwise as are consistent with the coverage of comparable Convention Center facilities.

2.5 Local Matching Contributions for Regional Center Projects. As required by RCW 82.14.390(4), the Parties have provided and will provide funds for the Regional Center Projects from other public or private sources, including but not limited to cash, in-kind contributions, and land donated and used for the siting of the Regional Center Projects, equal to at least 33 percent of the amount collected by the District under the District State Credit Sales & Use Tax (collectively, the "Local Match"). The Local Match includes and is anticipated to include at least the following: (i) proceeds of the voter-approved District Sales & Use Tax, (ii) proceeds of the voter-approved District Lodging Tax, (iii) land and existing improvements contributed by the City of Spokane for use as the site of the Convention Center Project; and (iv) land contributed by the County and/or the Valley City for use as the site of the Mirabeau Point Project. The City's

transfer of the Spokane Center to the District will be accomplished pursuant to the Spokane Center Development Agreements.

2.6 Financing of Convention Center Project. The District shall be solely responsible to finance the Convention Center Project with proceeds of the District Bonds and other legally available funds allocated by the District for that purpose. The District shall have no obligation to provide funds for the Convention Center Project other than as expressly provided by the Spokane Center Development Agreements and this Agreement. The County and the Valley City shall have no obligation to provide funds for the development of the Convention Center Project. In order to enable the District Lodging Tax and District Sales & Use Tax to be used to provide debt service on any and all obligations issued on a parity with the District's Hotel/Motel Tax and Sales/Use Tax Refunding Bonds, Series 2001A (AMT) and Series 2001B (Non-AMT), the District shall, on or before _____ 1, 2003, at its sole cost and expense, carry out the defeasance of the June 5, 1995, Financing Lease Agreement between the District and the City of Spokane, and arrange with the City of Spokane to carry out the defeasance of its [1995 Bonds].

2.6.1 The District Bonds shall be issued and sold pursuant to the District Bond Resolution in one or more series in an aggregate principal amount not exceeding \$77,000,000, shall be District Series 2003 Bonds; shall be payable from and secured by a pledge of Regional Tax Revenues and other revenues of the District; shall be payable on [June 1] (interest only) and [December 1] (principal and interest) of each year; shall finally mature no later than June 1, 2033; and shall have such other terms as provided in the District Bond Resolution.

2.6.2 The District may issue refunding bonds at any time in its sole discretion, without the consent of any other Party, for the purpose of refunding its outstanding obligations, including District Bonds. The Parties recognize and agree that the District Bonds will be issued on a parity of lien with the District's Hotel/Motel Tax and Sales/Use Tax Refunding Bonds, Series 2001A (AMT) and Series 2001B (Non-AMT). The District may issue additional parity bonds as long as it complies with the parity bond requirements set forth in [District Resolution No. 01-02 and] the District Bond Resolution. The District may also, without the consent of any other Party, utilize such interfund loans as it deems necessary and appropriate to carry out the financing of the Regional Center Projects and to make Intergovernmental Payments.

2.6.3 The District shall covenant in the District Bond Resolution to maintain the tax exemption for the District Bonds, and shall provide to the other Parties copies of annual financial information and operating data and any material event notices filed by the District with NRMSIRs pursuant to its continuing disclosure undertaking under SEC Rule 15c2-12 in respect of the District Bonds.

2.6.4 The Parties recognize that Regional Tax Revenues (as defined for the purposes of this Agreement) may not be sufficient in every calendar year to pay in full all of the District's obligations in respect of the cost of acquiring and constructing the Convention Center Project, paying debt service on the District Bonds, making Intergovernmental Payments, and otherwise supporting the Regional Center Projects, but that the District has other available funds that the District will use to meet those obligations. Any use by the District of any of its funds, other than Regional Tax Revenues, for the Regional Center Projects shall create and constitute

an Arena Reimbursement Obligation in a like amount that shall be repaid from Regional Tax Revenues in accordance with Section 2.7 of this Agreement.

2.7 Application of Regional Tax Revenues. The District promptly upon their receipt shall deposit all Regional Tax Revenues into its Regional Center Projects Revenue Fund and use and apply those Regional Tax Revenues (and the District directs the Treasurer on behalf of the District to cause the Regional Tax Revenues to be used and applied) only for the following purposes and in the following order of priority:

[OPTION 1]

First, to make payments into the Bond Fund as necessary to pay all regularly scheduled payments (including mandatory sinking fund payments) of principal of and interest on the District Bonds as required by the District Bond Resolution and to pay debt service on bonds issued on a parity of lien with the District Bonds;

Second, to make payments into the Reserve Fund as necessary to maintain a balance therein equal to the District Bond Reserve Requirement and/or to reimburse the provider of District Bond Reserve Insurance for draws thereon as required by the District Bond Resolution and resolutions authorizing the issuance of parity bonds;

Third, to pay the Fair & Expo Center Payments and the Mirabeau Point Payments, *pari passu* in proportion to the respective amounts thereof then due and payable (including shortfall payments and compensatory payments under Sections 3.5 and 4.5); and

Fourth, for any other lawful District purpose, including without limitation the payment of Arena Reimbursement Obligations.

[OPTION 2]

First, to make payments into the Bond Fund as necessary to pay all regularly scheduled payments (including mandatory sinking fund payments) of principal of and interest on the District Bonds as required by the District Bond Resolution and to pay debt service on bonds issued on a parity of lien with the District Bonds;

Second, to make payments into the Reserve Fund as necessary to maintain a balance therein equal to the District Bond Reserve Requirement and/or to reimburse the provider of District Bond Reserve Insurance for draws thereon as required by the District Bond Resolution and resolutions authorizing the issuance of parity bonds;

Third, to pay the Fair & Expo Center Payments and the Mirabeau Point Payments, *pari passu* in proportion to the respective amounts thereof then due and payable (including shortfall payments and compensatory payments under Sections 3.5 and 4.5);

Fourth, to pay Arena Reimbursement Obligations; and

Fifth, only upon payment in full of all Arena Reimbursement Obligations, twelve ninety-sixths (12/96) to the County, seven ninety-sixths (7/96) to the Valley City and seventy-seven ninety-sixths (77/96) to the District.

Any Regional Tax Revenues distributed under "Fifth," above, shall be used by the County and by the Valley City, respectively, solely for lawful Regional Center Project purposes, consistent with applicable law and with the resolutions of the District imposing the taxes constituting the Regional Tax Revenues.

2.8 Future Convention Center Project Expansion. The District may at any future time proceed with Development of additions to or subsequent phases of the Convention Center, but none of the other Parties shall be obligated with respect to the financing of such future improvements. If some or all of the Parties agree to participate in the development of such additions, the respective Parties may enter into an addendum to this Agreement governing the rights and obligations of those Parties with respect to the design, construction and operation of the additional improvements.

2.9 Convention Center Project Operation. The District shall operate the Convention Center in a businesslike manner and provide a level of service equivalent to or better than the services provided by comparable public facilities in the state. The Convention Center shall be available for use by the general public at rates established by the District. So long as District State Credit Sales & Use Taxes are being collected and applied to the repayment of the Bonds, the District shall operate the Convention Center Project as a "regional center project" as that term is defined in RCW 35.57.020.

SECTION 3 DEVELOPMENT AND FINANCING OF THE FAIR & EXPO CENTER PROJECT

3.1 Development of the Fair & Expo Center Project. The County, on behalf and for the benefit of the County and the District, shall be the lead agency with the primary responsibility for the development of the Fair & Expo Center Project as a "regional center" (as defined by RCW 35.57.020) and as a "tourism-related facility" (as defined by RCW 67.28.080), and shall finance, acquire, design, construct, own, operate and maintain the Fair & Expo Center Project, and otherwise administer its development and operation, for the benefit of and in cooperation with the District, all subject to the limitations set forth herein.

3.2 Timeline for Development of Fair & Expo Center Project. The County, on behalf and for the benefit of the County and the District, commenced construction of the Fair & Expo Center Project on or about February 15, 2003. The County therefore represents and warrants to the District that construction of the Fair & Expo Center Project commenced before January 1, 2004. The activity that constituted commencement of construction of the Fair & Expo Center Project was the commencement by the County's contractors of the construction of a new grandstand at the Fair & Expo Center that is presently scheduled for completion on or about September 1, 2003.

3.3 Site Acquisition, Development and Ownership of Fair & Expo Center Project.

3.3.1 The County has acquired and now owns all real property necessary to carry out the Fair & Expo Center Project.

3.3.2 The County shall, on behalf of itself and the District, acquire the approvals necessary and shall take such other actions as may be required to enable the site to be suitable for use as a Fair & Expo Center Project.

3.3.3 The County shall provide the District with periodic reports on the design, construction and operation of the Fair & Expo Center Project, at least quarterly during construction and at least annually thereafter.

3.3.4 The County shall have full and complete control over the development the Fair & Expo Center Project, and shall own and operate the Fair & Expo Center Project for and on behalf of itself and the District. In addition, the County shall have full and complete control over the operation and management of the Fair & Expo Center, subject to the terms of this Agreement. All of the District's legally cognizable ownership interest in the Fair & Expo Center, if any, shall terminate and revert to the County upon the termination of the District's obligation to make Fair & Expo Center Payments to the County.

3.3.5 The District and the County each find that the Fair & Expo Center Project is a viable project construction of which has commenced before January 1, 2004. The County agrees to provide, by and through the Fair & Expo Center Project, services to all the residents of the County, which necessarily includes services to the residents of the other Parties to this Agreement.

3.4 Financing of Fair & Expo Center Project. The County shall issue the County Bonds to finance the Fair & Expo Center Project. The County Bonds shall be payable from and secured by a pledge of the full faith and credit of the County (within the constitutional and statutory tax limitations provided by law without a vote of the electors of the County); shall be payable on June 1 (interest only) and December 1 (principal and interest) of each year; shall finally mature no later than June 1, [2033]; and shall have such other terms as provided in the County Bond Resolution. The District acknowledges and agrees that, although the County Bonds will be limited tax general obligation bonds pledging the full faith and credit of the County (within the constitutional and statutory tax limitations provided by law without a vote of the electors of the County), the County at its sole option may (but is not required to) apply the proceeds of the Fair & Expo Center Payments to the payment of the County Bonds. The County Bonds and any disclosure documents related to the County Bonds shall contain the following statement (or its substantial equivalent): "The [County Bonds] are not obligations of the Spokane Public Facilities District, the City of Spokane, the City of Spokane Valley, the State of Washington or any other political subdivision of the State of Washington other than the County. All liabilities incurred by the County with respect to the [County Bonds] shall be satisfied exclusively from the tax revenues, credit and other legally available sources of the County and no owner of the [County Bonds] or other person shall have any right of action against or recourse to the Spokane Public Facilities District, the City of Spokane, the City of Spokane Valley, the State of Washington or any other political subdivision of the State of Washington, or any of their respective assets, credit, revenues or services on account of any debts, obligations or liabilities

relating to the [County Bonds].” Furthermore, the District acknowledges that its obligation to make the Fair & Expo Center Payments as required by Section 3.5 of this Agreement and described in the Intergovernmental Payment Schedule may be material to the offer and sale of the County Bonds, and may be disclosed to potential purchasers and purchasers of those County Bonds. At the County’s request, the District will make an appropriate continuing disclosure undertaking in respect of the County Bonds to the same extent as if the District were treated as an “obligated person” (within the meaning of SEC Rule 15c2-12) in respect of the County Bonds. The County shall covenant in the County Bond Resolution to maintain the tax exemption for the County Bonds, and shall provide to the District copies of annual financial information and operating data and any material event notices filed by the County with NRMSIRs pursuant to its continuing disclosure undertaking under SEC Rule 15c2-12 in respect of the County Bonds.

3.5 Fair & Expo Center Payments. The District shall make Fair & Expo Center Payments to the County in respect of the Fair & Expo Center Project on the payment dates and in the amounts set forth in the Intergovernmental Payment Schedule attached as Exhibit C to this Agreement. The Fair & Expo Center Payments shown on the Intergovernmental Payment Schedule reflect amounts corresponding to expected debt service on the County Bonds. Upon the issuance of the County Bonds, Exhibit C shall be replaced with an adjusted schedule approved by the District, acting reasonably, to ensure, assuming Intergovernmental Payments to the County and the Valley City are used for debt service purposes, that the amounts of the Intergovernmental Payments are compatible with the debt service requirements of all three Parties. The District and the County recognize that the amounts on Exhibit C reflect in some years amounts that are greater than 12/96 of the expected Regional Tax Revenues in those years, and in other years reflect amounts that are less than 12/96 of the expected Regional Tax Revenues; however, the District is willing to allocate more than 12/96 in certain years to accommodate the County in structuring the County Bonds, recognizing that less than 12/96 may be allocated to the County in other years. The County may use and apply the Fair & Expo Center Payments for any purpose in support of the Fair & Expo Center Project, including the design, acquisition, construction, equipping, financing, operating, maintaining, repairing, remodeling, and re-equipping of the Fair & Expo Center Project. The District shall make the Fair & Expo Center Payments solely from Regional Tax Revenues available for that purpose in accordance with the provisions of Section 2.7 of this Agreement. The County and the District recognize and agree that the actual amount of Regional Tax Revenues available to the District to make Fair & Expo Center Payments on any particular date set forth in the Intergovernmental Payment Schedule may differ from the amount required to be paid on that date. If the District does not have Regional Tax Revenues sufficient to pay Fair & Expo Center Payments in full on any date as set forth in the Intergovernmental Payment Schedule, the District shall remain obligated to pay the remaining balance due but not paid on that date (the “Fair & Expo Center Payment shortfall”), which shall be paid to the County on the next scheduled payment date from Regional Tax Revenues available to the District for that purpose in accordance with the provisions of Section 2.7 of this Agreement, plus an additional compensatory payment equal to the amount of interest that the County would have earned if the amount of the Fair & Expo Center Payment shortfall had been invested in the County’s Local Government Investment Pool at the Intergovernmental Rate from its originally scheduled payment date until the Fair & Expo Payment shortfall is paid in full. All unpaid Fair & Expo Center Payments shall be paid in full

no later than December 31, 2033, and the District pledges to use all means and resources then legally available to the District to make that payment when due.

3.6 County Insurance for the Fair & Expo Center Project. The County agrees to acquire and maintain insurance in form and amounts as are consistent with the coverage of comparable Fair & Expo Center facilities and undertakings related to said facilities as contemplated under this Agreement and to name the District as an additional named insured thereunder.

SECTION 4 DEVELOPMENT AND FINANCING OF THE MIRABEAU POINT PROJECT

4.1 Development of the Mirabeau Point Project. The Valley City, on behalf and for the benefit of the Valley City and the District, shall commence construction of the Mirabeau Point Project before January 1, 2004. The Valley City, on behalf and for the benefit of the Valley City and the District, shall be the lead agency with the primary responsibility for the development of the Mirabeau Point Project as a "regional center" (as defined by RCW 35.57.020) and "multi-purpose community center" (as defined by RCW 35.59.010), and shall finance, acquire, design, construct, own, operate and maintain the Mirabeau Point Project, and otherwise administer its development and operation, for the benefit of and in cooperation with the District, all subject to the limitations set forth herein.

4.2 Timeline for Development of Mirabeau Point Project. The Valley City, on behalf and for the benefit of the Valley City and the District, shall commence construction of the Mirabeau Point Project before January 1, 2004. The Mirabeau Point Project is expected to be completed and placed in service on or before _____ 1, 20____. The estimated timeline for financing and construction of the Mirabeau Point Project is set forth in Exhibit B. The Parties acknowledge that the dates set forth in Exhibit B are target dates for action by the Valley City. However, the date of commencement of construction is critical to the financing of the Mirabeau Point Project and achieving the development schedule for the construction of the Mirabeau Point Project. The failure of the Valley City to meet the dates set forth in the timeline for financing and construction of the Mirabeau Point Project shall have no effect on the other provisions of this Agreement, provided that construction of the Mirabeau Point Project commences before January 1, 2004, as evidenced by a certificate executed by the City Manager of the Valley City and the architect for the Mirabeau Point Project delivered to the District stating facts and circumstances clearly demonstrating that such construction has commenced. If the Valley City fails to commence construction of the Mirabeau Point Project before January 1, 2004, the District's obligation to make the Mirabeau Point Payments pursuant to this Agreement shall terminate.

4.3 Site Acquisition, Development and Ownership of Mirabeau Point Project.

4.3.1 The Valley City has acquired and now owns all real property necessary to carry out the Mirabeau Point Project.

4.3.2 The Valley City, on behalf and for the benefit of the Valley City and the District, shall acquire the approvals necessary and shall take such other actions as may be required to enable the site to be suitable for use as the Mirabeau Point Project.

4.3.3 The Valley City shall periodically provide reports to the District on the design, construction and operation of the Mirabeau Point Project, at least quarterly during construction and at least annually thereafter.

4.3.4 The Valley City shall have full and complete control over the development the Mirabeau Point Project, and shall own and operate the Mirabeau Point Project for and on behalf of itself and the District. The Valley City shall have full and complete control over the operation and management of the Mirabeau Point Project, subject to the terms of this Agreement. All of the District's legally cognizable ownership interest, if any, in the Mirabeau Point Project shall terminate and revert to the Valley City upon the termination of the District's obligation to make Mirabeau Point Payments.

4.3.5 The District and the Valley City each find that the Mirabeau Point Project is a viable project that is likely to commence construction before January 1, 2004. The Valley City agrees that the general public shall have access to Mirabeau Point Project services, which are expected to provide a regional benefit to the residents of the District and the Valley City.

4.4 Financing of Mirabeau Point Project. The Valley City shall issue the Valley City Bonds to finance a portion of the cost of the Mirabeau Point Project. The Valley City Bonds shall be payable from and secured by a pledge of the full faith and credit of the Valley City (within the constitutional and statutory tax limitations provided by law without a vote of the electors of the Valley City); shall be payable on June 1 (interest only) and December 1 (principal and interest) of each year; shall finally mature no later than June 1, 2033; and shall have such other terms as provided in the Valley City Bond Ordinance. The District acknowledges and agrees that, although the Valley City Bonds will be limited tax general obligation bonds pledging the full faith and credit of the Valley City (within the constitutional and statutory tax limitations provided by law without a vote of the electors of the Valley City), the Valley City may at its sole option (but is not required to) apply the proceeds of the Mirabeau Point Payments to the payment of the Valley City Bonds. The Valley City Bonds and any disclosure documents related to the Valley City Bonds shall contain the following statement (or its substantial equivalent): "The [Valley City Bonds] are not obligations of the Spokane Public Facilities District, Spokane County, the City of Spokane, the State of Washington or any other political subdivision of the State of Washington other than the City. All liabilities incurred by the City with respect to the [Valley City Bonds] shall be satisfied exclusively from the tax revenues, credit and other legally available sources of the City and no owner of the [Valley City Bonds] or other person shall have any right of action against or recourse to the Spokane Public Facilities District, Spokane County, the City of Spokane, the State of Washington or any other political subdivision of the State of Washington, or any of their respective assets, credit, revenues or services on account of any debts, obligations or liabilities relating to the [Valley City Bonds]." Furthermore, the District acknowledges that its obligation to make the Mirabeau Point Payments as required by Section 4.5 of this Agreement and described in the Intergovernmental Payment Schedule may be material to the offer and sale of the Valley City Bonds, and may be disclosed to potential purchasers and purchasers of those Valley City Bonds. At the City's request, the District will make an

appropriate continuing disclosure undertaking in respect of the Valley City Bonds to the same extent as if the District were treated as an “obligated person” (within the meaning of SEC Rule 15c2-12) in respect of the Valley City Bonds. The Valley City shall covenant in the Valley City Bond Resolution to maintain the tax exemption for the Valley City Bonds, and shall provide to the other Parties copies of annual financial information and operating data and any material event notices filed by the Valley City with NRMSIRs pursuant to its continuing disclosure undertaking under SEC Rule 15c2-12 in respect of the Valley City Bonds.

4.5 Mirabeau Point Payments. The District shall make Mirabeau Point Payments to the Valley City in respect of the Mirabeau Point Project on the payment dates and in the amounts set forth in the Intergovernmental Payment Schedule attached as Exhibit C to this Agreement. The Mirabeau Point Payments shown on the Intergovernmental Payment Schedule reflect amounts corresponding to expected debt service on the Valley City Bonds. Upon the issuance of the Valley City Bonds, Exhibit C shall be replaced with an adjusted schedule approved by the District, acting reasonably, to ensure, assuming Intergovernmental Payments to the County and the Valley City are used for debt service purposes, that the amounts of the Intergovernmental Payments are compatible with the debt service requirements of all three Parties. The District and the Valley City recognize that the amounts on Exhibit C reflect in some years amounts that are greater than 7/96 of the expected Regional Tax Revenues in those years, and in other years reflect amounts that are less than 7/96 of the expected Regional Tax Revenues; however, the District is willing to allocate more than 7/96 in certain years to accommodate the Valley City in structuring the County Bonds, recognizing that less than 7/96 may be allocated to the Valley City in other years. The Valley City may use and apply the Mirabeau Point Payments for any purpose in support of the Mirabeau Point Project, including the design, acquisition, construction, equipping, financing, operating, maintaining, repairing, remodeling, and reequipping of the Mirabeau Point Project. The District shall make the Mirabeau Point Payments solely from Regional Tax Revenues available for that purpose in accordance with the provisions of Section 2.7 of this Agreement. The Valley City and the District recognize and agree that the actual amount of Regional Tax Revenues available to the District to make Mirabeau Point Payments on any particular date set forth in the Intergovernmental Payment Schedule may differ from the amount required to be paid on that date. If the District does not have Regional Tax Revenues sufficient to pay Mirabeau Point Payments in full on any date as set forth in the Intergovernmental Payment Schedule, the District shall remain obligated to pay the remaining balance due but not paid on that date (the “Mirabeau Point Payment shortfall”), which shall be paid to the Valley City on the next scheduled payment date from Regional Tax Revenues available to the District for that purpose in accordance with the provisions of Section 2.7 of this Agreement, plus an additional compensatory payment equal to the amount of interest that the Valley City would have earned if the amount of the Mirabeau Point Payment shortfall had been invested in the County’s Local Government Investment Pool at the Intergovernmental Rate from its originally scheduled payment date until the Mirabeau Point Payment shortfall is paid in full. All unpaid Mirabeau Point Payments shall be paid in full no later than December 31, 2033, and the District pledges to use all means and resources then legally available to the District to make that payment when due.

4.6 Valley City Insurance for the Mirabeau Point Project. The Valley City agrees to acquire and maintain insurance in form and amounts as are consistent with the coverage of

comparable regional center facilities and undertakings related to said facilities as contemplated under this Agreement and to name the District as an additional named insured thereunder.

SECTION 5 MISCELLANEOUS

5.1 Administrator of Joint Undertaking. For purposes of RCW 39.34.030(4)(a), the Executive Director of the District shall serve as the administrator responsible for administering the joint and cooperative undertaking among the Parties to this Agreement. There shall be no "joint board" as that term is used in RCW 39.34.030(4)(a).

5.2 Supplemental Agreements. The Parties agree to complete and execute all supplemental documents necessary or appropriate to fully implement the terms of this Agreement.

5.3 Effectiveness of Agreement. This Agreement shall be effective with respect to each Party upon execution by that Party and filing of the executed Agreement with the Spokane County Auditor as required by the provisions of RCW 39.34.040. This Agreement shall continue in full force and effect until such time as all of the District Bonds and other obligations issued or incurred by the District in connection with the development of the Regional Center Projects, the County Bonds and the Valley City Bonds, are fully paid, retired and satisfied.

5.4 Assignment. No Party shall assign any of its rights or delegate any of its duties under this Agreement without the express written approval of all other Parties.

5.5 Third Party Beneficiaries. Except as expressly provided by this Agreement, the Parties shall not be obligated or liable by virtue of this Agreement to any third party. The Parties may amend this Agreement by mutual agreement without the consent of any other third party or the holders of the District Bonds, the County Bonds or the Valley City Bonds; *provided, however* that while the District Bonds are Outstanding, no amendment by the Parties shall impair or diminish the County's limited guaranty of the District Bonds hereunder, and while the County Bonds or the Valley City Bonds are Outstanding, no amendment by the Parties shall impair or diminish the District's obligations to make Intergovernmental Payment hereunder.

5.6 Actions Contesting Agreement.

5.6.1 Each Party shall appear and defend any action or legal proceeding brought to determine or contest: (i) the validity of this Agreement; (ii) the legal authority of any Party to undertake the activities contemplated by this Agreement; or (iii) the legal authority to perform any of the Parties' respective obligations under this Agreement. Each party shall be responsible for its own expenses including without limitation legal expenses, in connection with any such proceeding.

5.6.2 If all Parties are not named as parties to the action, the Party named shall give all other Parties prompt notice of the action and provide the all Parties with an opportunity to intervene. Each Party shall bear any costs and expenses taxed by the court against it.

5.7 Entire Agreement, Amendments and Waiver. This Agreement contains the entire agreement and understanding of the Parties with respect to the subject matter hereof, and supersedes all prior or contemporaneous oral or written understandings, agreements, promises, or other undertakings by and among the Parties. This Agreement may not be modified or amended, nor any rights thereunder waived, other than by a written instrument executed by all Parties, nor shall any waiver of any right or remedy of any Party be valid unless in writing and signed by such Party. No course of dealing by or among the Parties or any delay in exercising any rights hereunder shall operate as a waiver of any rights of any Party. Nothing herein shall be deemed to amend or supersede, or be deemed amended or superseded by, any provision of any other agreement between the Parties with respect to the Regional Center Projects.

5.8 Governing Law; Venue. This Agreement shall be governed by and construed in accordance with the laws of the State. The venue of any suit or arbitration arising under this Agreement shall be in Spokane County, Washington, and if a suit, in Spokane County Superior Court.

5.9 Captions. The article and section captions used in this Agreement are for convenience only and shall not control and affect the meaning or construction of any of the provisions of this Agreement.

5.10 Notices. All notices or other communications given hereunder shall be deemed given on: (i) the day such notices or other communications are received when sent by personal delivery; or (ii) the third day following the day on which the same have been mailed by first-class mail, postage prepaid, addressed to the Parties at the addresses set forth below for the Parties, or at such other address as any Party shall from time to time designate by notice in writing to the Parties:

COUNTY:

Spokane County
Chair of the Board of County Commissioners
West 1116 Broadway
Spokane, WA 99260

Copy to: Office of the County Prosecuting Attorney
Attn: Chief Civil Deputy
1115 W. Broadway
Spokane, WA 99260-0270
FAX: (509) 477-3672

DISTRICT:

Spokane Public Facilities District
Chair of the Board of Directors
720 West Mallon Avenue
Spokane, WA 99201

Copy to: Spokane Public Facilities District
Executive Director/General Manager
720 West Mallon Avenue
Spokane, WA 99201
FAX: (509) 324-7050

CITY OF SPOKANE VALLEY:

City of Spokane Valley
11707 E. Sprague Avenue, Suite 106
Spokane Valley, WA 99206

Copies to: City of Spokane Valley City Attorney
Mr. Stanley Schwartz
422 W. Riverside Drive, Suite 1100
Spokane, WA 99201

City of Spokane Valley City Manager
11707 E. Sprague Avenue, Suite 106
Spokane Valley, WA 99206

Such names and addresses may be changed by written notice pursuant to this provision.

5.11 Specific Approvals.

5.11.1 Unless specifically otherwise provided for herein, all consents, approvals and other decisions of the County hereunder shall be binding only if made in writing and approved by resolution of the Board of Spokane County Commissioners. No approval, consent, or decision of the County for purposes of this Agreement shall be effective for purposes of any other agreement or instrument to which the County is a party or beneficiary, or for any regulatory or other purpose.

5.11.2 Unless specifically otherwise provided for herein, all consents, approvals and other decisions of the District hereunder shall be binding only if made in writing and approved by resolution of the District's Board. No approval, consent, or decision of the District for purposes of this Agreement shall be effective for purposes of any other agreement or instrument to which the District is a party or beneficiary, or for any regulatory or other purpose.

5.11.3 Unless specifically otherwise provided for herein, all consents, approvals and other decisions of the Valley City hereunder shall be binding only if made in writing and approved by ordinance of the Council of Valley City. No approval, consent, or decision of the Valley City for purposes of this Agreement shall be effective for purposes of any other agreement or instrument to which the Valley City is a party or beneficiary, or for any regulatory or other purpose.

5.12 Severability. Whenever possible, each provision of this Agreement shall be interpreted in such a manner as to be effective and valid under applicable law, but if any provision of this Agreement is held to be prohibited by or invalid under applicable law, such provision shall be ineffective only to the extent of such prohibition or invalidity, without affecting or invalidating the remainder of this Agreement.

5.13 Counterparts. This Agreement may be executed in counterparts, and each such counterpart shall be deemed to be an original instrument. All such counterparts together will constitute one and the same Agreement.

5.14 Time is of the Essence. It is hereby agreed that time is of the essence in the performance of all covenants and conditions to be kept and performed under the terms of this Agreement.

IN WITNESS WHEREOF, the Parties have executed this Agreement by their duly authorized officers and representatives this ____ day of July, 2003.

COUNTY:

SPOKANE COUNTY, WASHINGTON

BY THE BOARD OF COMMISSIONERS
SPOKANE COUNTY, WASHINGTON

John Roskelley, Chair

Phillip D. Harris, Vice-Chair

M. Kate McCaslin, Commissioner

ATTEST:

Daniela Erickson, Deputy Clerk of
the Board of County Commissioners

DISTRICT:

**SPOKANE COUNTY PUBLIC
FACILITIES DISTRICT**

Bill Williams, Jr., Chair

Trish McFarland, Vice-Chair

Shaun Cross, Director

Rick LaFleur, Director

Erik E. Skaggs, Director

ATTEST:

Kevin J. Twohig, Executive Director

VALLEY CITY:

CITY OF SPOKANE VALLEY, WASHINGTON

Michael DeVleming, Mayor

ATTEST:

_____, City Clerk

EXHIBIT A
REGIONAL CENTER PROJECT DESCRIPTIONS

EXHIBIT B
TIMELINE FOR FINANCING AND CONSTRUCTION
OF THE REGIONAL CENTER PROJECTS

EXHIBIT C

C-1

FAIR & EXPO CENTER PAYMENTS

<u>Date</u>	<u>Semiannual Payment</u>	<u>Date</u>	<u>Semiannual Payment</u>
12/01/03		06/01/19	
06/01/04		12/01/19	
12/01/04		06/01/20	
06/01/05		12/01/20	
12/01/05		06/01/21	
06/01/06		12/01/21	
12/01/06		06/01/22	
06/01/07		12/01/22	
12/01/07		06/01/23	
06/01/08		12/01/23	
12/01/08		06/01/24	
06/01/09		12/01/24	
12/01/09		06/01/25	
06/01/10		12/01/25	
12/01/10		06/01/26	
06/01/11		12/01/26	
12/01/11		06/01/27	
06/01/12		12/01/27	
12/01/12		06/01/28	
06/01/13		12/01/28	
12/01/13		06/01/29	
06/01/14		12/01/29	
12/01/14		06/01/30	
06/01/15		12/01/30	
12/01/15		06/01/31	
06/01/16		12/01/31	
12/01/16		06/01/32	
06/01/17		12/01/32	
12/01/17		06/01/33	
06/01/18		12/01/33	
12/01/18			

C-2
MIRABEAU POINT PAYMENTS

<u>Date</u>	<u>Semiannual Payment</u>	<u>Date</u>	<u>Semiannual Payment</u>
12/01/03		06/01/19	
06/01/04		12/01/19	
12/01/04		06/01/20	
06/01/05		12/01/20	
12/01/05		06/01/21	
06/01/06		12/01/21	
12/01/06		06/01/22	
06/01/07		12/01/22	
12/01/07		06/01/23	
06/01/08		12/01/23	
12/01/08		06/01/24	
06/01/09		12/01/24	
12/01/09		06/01/25	
06/01/10		12/01/25	
12/01/10		06/01/26	
06/01/11		12/01/26	
12/01/11		06/01/27	
06/01/12		12/01/27	
12/01/12		06/01/28	
06/01/13		12/01/28	
12/01/13		06/01/29	
06/01/14		12/01/29	
12/01/14		06/01/30	
06/01/15		12/01/30	
12/01/15		06/01/31	
06/01/16		12/01/31	
12/01/16		06/01/32	
06/01/17		12/01/32	
12/01/17		06/01/33	
06/01/18		12/01/33	
12/01/18			

Interlocal Agreement Attachment 7.5.2

Attachment 7.5.2 Spokane Center Six Year CIP Plan

Year	Project	Facility	Description	Amount	Note
Opera House, Convention Center, Ag Trade Center					
2002	Electrical System Testing	Opera House	Evaluation of Electrical System	Completed 2001	
	Pipe System Testing	Opera House	Test heating and cooling system pipes	Completed 2001	
	Seat Refurbish	Opera House	Change fabric, cushions and hardware	\$250,000.00	
Sub Total for 2002				\$250,000.00	
2003	Elevator Upgrade	Opera House	Retrofit existing elevators and upgrade	\$212,160.00	
	Door Replacement	Convention Center/Opera House	Replace original doors installed in 1974	\$100,000.00	Included in expansion?
	Stage Refinish	Opera House	Replace broken wood pieces and refinish floor	\$25,000.00	
	Lobby Carpet Replacement	ATC/CC Lobby	Replace worn lobby carpet that is creating trip hazard	\$81,075.00	Needs to be addressed due to safety reasons.
	Carpet Replacement	ATC	Replace carpet laid in 1989	\$185,000.00	Included in expansion?
	AV Equipment Upgrade	Convention Center/Ag Trade Center/Opera House	Upgrade AV to state of the art technology	\$80,000.00	Replaced some equipment in 2001 with Lodging Tax Grant
Sub Total for 2003				\$683,235.00	
2004	Update Ventilation System	Opera House	Add Economizer cooling, rebalance the air distribution system, clean air ducts	\$705,000.00	
	Office Air Handling	Opera House	Install air handling unit to office space	Completed 2001	
	Mechanical System Update	Opera House	Replace and modernize the temperature control system	\$150,000.00	Partially completed in 2001

7/1/2003

Attachment 7.5.2 Spokane Center

Six Year CIP Plan					
	Fire Alarm Update	Opera House	Update existing system		
	Elevator to Music Room	Opera House	Install elevator to comply with ADA codes	\$217,374.00	
Sub Total for 2004				\$1,421,814.00	
2005	Airhandling Units for Backstage	Opera House	Provide zone control in support areas	\$202,478.00	
	Landscaping	Opera House/CC	Remove diseased trees, Update Arbor, Update sprinkler system, add curbing where needed; replace plants as needed	\$150,000.00	Included in Expansion?
	Furniture Replacement	Opera House; CC/ATC	Replace furniture purchased in 1974 for the lobby and meeting rooms.	\$650,000.00	Included in Expansion?
	Electrical System Update Opera House	Opera House	Upgrade to comply with NFPA 70 Electrical codes	\$217,374.00	
Sub Total for 2005				\$1,219,852.00	
2006	Replace Chiller Plant	Opera House/CC	Install New AC System	\$1,319,552.00	Included in expansion?
	Replace Boiler Plant	Opera House/CC	Install New heating system	\$1,146,461.00	Included in expansion?
	Water Heater & Storage Tank	Opera House/CC	Replace aging electric hot water heater	\$91,114.00	Included in expansion?
Sub Total for 2006				\$2,557,127.00	
2007	Paint Inside & Out	Opera House	Repair Walls, seal and paint inside and out	\$192,500.00	Included in expansion?
Sub Total for 2007				\$192,500.00	
Sub Total for Spokane Center				\$6,324,528.00	
Grand Total				\$7,369,528.00	

Cash Flow Projection Assuming Funding of the Regional Projects and Expansion and Operation of Spokane Center by the Spokane Public Facilities District

For the Period January 1, 2002 Through December 31, 2032

CASH INFLOW/OUTFLOW ANALYSIS		Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Total
		2002	2003	2004	2005	2006	2007	2008 - 2012	2013 - 2017	2018 - 2022	2023 - 2027	2028 - 2032	2002 - 2032
23	CIP projects:												
24	Opera House		400,192	416,200	432,848	450,162	468,168	2,637,179	3,208,532	3,903,669	4,748,411	5,778,384	22,444,743
25	Convention center:							312,160	609,263	741,261	901,858	1,097,248	3,661,790
	Total		400,192	416,200	432,848	450,162	468,168	2,949,339	3,817,795	4,644,931	5,651,269	6,875,632	26,106,533

ATTACHMENT 8
INTERLOCAL COOPERATION AGREEMENT
MINIMUM INSURANCE REQUIREMENTS
SPOKANE CENTER

I. Property.

- a. Blanket Real and Person Property, Special Form:
 - 100% Replacement Value.
 - Business Income, Extra Expense and Rental Value (Business Interruption).
 - Earthquake-Minimum \$5,000,000; Additional Limits at District discretion subject to availability and reasonable price.
 - Flood-Minimum \$5,000,000; Additional Limits at District discretion subject to availability and reasonable price.
- b. Builder's Risk:
 - Convention Center Expansion Construction Contract Price.

II. Liability.

- a. Commercial General and Business Auto Liability:
 - Bodily Injury and Property Damage.
 - Premises and Operations including X, C and U.
 - Independent Contractor's Protective.
 - Personal Injury with Employment Exclusion Deleted.
 - Products and Completed Operations.
 - Broad Form Property Damage and Completed Operations.
 - Contractual including Contractor's Indemnity Obligations.
 - Personal and Advertising Injury.
 - Premises Medical Expense.
 - Fire Damage.
 - Employer's Liability (Washington Stop Gap Liability) to supplement Washington workers' compensation program in which District shall participate as required by law.
 - Owned, Non-owned and Hired Vehicles.
- b. With Combined Single Limits of:
 - General Aggregate, \$2,000,000.
 - Products/Completed Operations Aggregate, \$2,000,000.
 - Personal Injury, \$1,000,000.
 - Each Occurrence, \$1,000,000.
 - Fire Damage, \$100,000.
 - Medical Expense, Any One Person, \$5,000.

- c. Umbrella:
- Each Occurrence, \$10,000,000.
 - Aggregate, \$10,000,000.
 - Self-Insured Retention, \$10,000.

III. Miscellaneous.

The City of Spokane shall be named as an additional insured on all policies. The insurance policies shall include provisions that coverage may not be cancelled unless the City is given at least sixty (60) days' prior written notice of intent to cancel. Prior to the time that the City transfers to the District the Existing Center Property and Existing Convention Facilities, the District shall furnish to the City a certificate in a form acceptable to the City that the above insurance is in place.

PROPERTY TRANSFER AGREEMENT

THIS PROPERTY TRANSFER AGREEMENT is made effective the 20th day of August, 2003, by and between the SPOKANE PUBLIC FACILITIES DISTRICT, a municipal corporation, and the CITY OF SPOKANE, WASHINGTON, a first-class charter city, hereinafter collectively referred to as "Parties".

RECITALS

- A. On May 21, 2002, qualified electors in Spokane County approved proposals to expand the powers of the District and extend the District's existing sales and use tax and existing hotel/motel tax to enable the District to acquire and operate the Spokane Convention Center, the Spokane Opera House, and the Washington State International Agricultural Trade Center, and to expand the Spokane Convention Center.
- B. The District and the City desire to enter into this Agreement in order to provide for the transfer and lease of the real and personal property associated with the Spokane Convention Center, the Spokane Opera House, and the Washington State International Agricultural Trade Center.
- C. The Parties are entering an Interlocal Cooperation Agreement, of even date herewith, the terms of which are incorporated into this Property Transfer Agreement.

NOW, THEREFORE, in consideration of the foregoing, and the mutual covenants contained herein, the Parties agree as follows:

1. **DEFINITIONS.** As used in this Agreement, the following terms have the meanings provided in this Section 1:

1.1 **Agreement** means this Property Transfer Agreement.

1.2 **Assumed Obligations** means those obligations of the City that are specifically assumed by the District, pursuant to this Agreement.

1.3 **Authority** means any government, authority, department, commission, court, arbitrator, board, bureau, agency, unit, or instrumentality having jurisdiction over any of the Property. The term "Authority" includes the United States of America, the State, the County, and the City.

1.4 **City** means the City of Spokane, Washington, a first-class charter city duly organized and existing under and by virtue of the Constitution and laws of the State and the Charter of the City.

1.5 **Closing** means the closing of the transactions contemplated in this Agreement.

1.6 **Closing Agent** means the Title Company.

1.7 Closing Date means the date of Closing, which shall in no event be later than September 1, 2003, unless extended by the mutual written consent of the City and the District.

1.8 Contract or Contracts means all oral or written contracts, licenses, and other agreements to which the City is a party, which relate to the Property.

1.9 County means Spokane County, Washington, a Class A county duly organized and existing under and by virtue of the Constitutions and the laws of the State.

1.10 District means the Spokane Public Facilities District, a municipal corporation and independent taxing authority within Article VII, Section 1 of the Constitution of the State, and a taxing district within the meaning of Article VII, Section 2 of the Constitution of the State.

1.11 Effective Date shall have the meaning given such term in the Interlocal Agreement.

1.12 Encumbrances means mortgages, liens, pledges, charges, security interests, claims, and other types of encumbrances.

1.13 Environmental Laws shall mean all laws, statutes, regulations, rules, ordinances, codes, orders, decrees, and other lawful requirements of any Authority, now or hereafter enacted, promulgated, or amended, with jurisdiction over the Existing Center Property and/or Existing Center Facilities, the owner or operator of the Existing Center Property and/or Existing Center Facilities or the use of the Existing Center Property and/or Existing Center Facilities relating to environmental protection, regulation of Hazardous Materials, storage or transportation of dangerous goods, natural resources, or the emission discharge, release or threatened release of pollutants contaminants, chemicals industrial, toxic or hazardous substances or wastes into the environment. The term "Environmental Laws" includes the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (42 U.S.C. 9601 et seq.) and the Toxic Substance Control Act (codified at Chapter 70.105D RCW – "MTCA"), or any regulations promulgated thereunder.

1.14 Existing Center Property means the real property located in the City of Spokane, Spokane County, Washington, legally described on Attachment 1.14.

1.15 Existing Center Facilities means all structures and improvements located on the Existing Center Property. The term "Existing Center Facilities" includes the structures and improvements commonly known as the Spokane Convention Center, the Spokane Opera House, and the Washington State International Agricultural Trade Center. The City and the District acknowledge that a portion of the Existing Center Facilities was constructed with federal grant funds in accordance with 42 U.S.C. § 3121, EDA Grant No. 07-11-03032.

1.16 Financial Statements means the "Spokane Center Annual Reports" from 1990 through 2002, copies of which have previously been provided to the District by the City.

1.17 Hazardous Materials means explosives, radioactive materials, asbestos and asbestos-containing materials, urea formaldehyde, PCBs, hydrocarbon contaminants, pentachlorophenol, pollutants, contaminants, hazardous, corrosive, or toxic substances, or special waste or substance of any kind, the use, storage, manufacture, disposal, treatment, generation, transport, or release into the environment, or remediation of which is prohibited, controlled, regulated, or licensed under Environmental Laws.

1.18 Interlocal Agreement for Development of Regional Center Projects shall have the meaning given such term in the Interlocal Agreement.

1.19 Intellectual Property means: trademarks, service marks, trade names, logos (together with all adaptations, derivations, and combinations thereof); works subject to copyright or patents; software and information systems; telephone numbers, customer lists, advertising and marketing programs and plans, referral relationships, business information, and internet domain names; and any pending applications, registrations, extensions, and renewals of any of the foregoing.

1.20 Interlocal Agreement means the Interlocal Cooperation Agreement, of even date herewith, between the City and the District.

1.21 Lease means the Lease to be executed by the District and the City—the form of which is attached to this Agreement as Attachment 1.21, and the terms of which are incorporated into this Agreement.

1.22 Legal Proceeding means an action, suit, proceeding, hearing, or investigation before any Authority.

1.23 Permits means all licenses, permits, approvals, waivers, and consents applicable to the Property, issued by any Authority.

1.24 Permitted Encumbrances means only those Encumbrances specifically listed in the Title Report that are designated by the District in writing prior to Closing as acceptable to the District.

1.25 Personal Property means all fixtures, equipment, vehicles, furniture, spare parts, inventory supplies, Permits, Records, Intellectual Property used or usable in connection with the Existing Center Facilities, accounts receivable, cash on hand, deposits and other items of tangible and intangible property (other than the Existing Center Property or the Existing Center Facilities and other than contract rights and obligations that are not assumed by the District) that are currently (or as of the Closing Date will be) installed, located, owned or used on or in connection with the Existing Center Facilities. The term “Personal Property” shall include, but not be limited to, the property described on Attachment 1.25.

1.26 Project shall have the meaning given such term in the Interlocal Agreement.

1.27 Property means the Existing Center Property, the Additional Center Property, the Existing Center Facilities, and the Personal Property.

1.28 **Records** means all books, records, and files of the City relating to the operation of the Existing Center Facilities. The term "Records" includes Intellectual Property records, product warranties, financial information, operating information, maintenance information, site plans, surveys, soil and substrata studies, environmental reports, architectural renderings, landscape plans, and other plans, diagrams, or studies of any kind relating to the Existing Center Property or the operation of the Existing Center Facilities.

1.29 **State** means the State of Washington.

1.30 **Title Company** means First American Title Insurance Company of Spokane.

1.31 **Title Policy** means a policy or policies of title insurance insuring title to the Existing Center Property and/or to the Existing Center Facilities in such amount or amounts, and with such coverages, as the District at its cost and in its discretion determines is appropriate.

1.32 **Title Report** means the Supplemental Report No. 1 dated February 20, 2003, issued by the Title Company to the District under Order No. 283495-CB.

1.33 **Transfer** means any sale, assignment, gift, transfer, exchange, mortgage, conveyance, pledge, grant, hypothecation, or other transfer, absolute or as a security or encumbrance (including transfers by operation of law).

2. **THE TRANSACTION.**

2.1 **Transfer of Property.** Subject to the provisions of this Agreement, the City agrees to sell, transfer, convey, and deliver to the District the Personal Property and an undivided two-thirds (2/3) interest in the Existing Center Facilities, and the District agrees to accept the Personal Property and an undivided two-thirds (2/3) interest in the Existing Center Facilities from the City.

2.2 **Lease of Leased Property.** Subject to the provisions of this Agreement, the City agrees to lease the Leased Property (as defined in the Lease) to the District, on the terms and conditions set forth in the Lease.

2.3 **No General Assumption of Liabilities.** Except as expressly set forth in this Agreement, the Lease, and the Interlocal Agreement, the District does not assume, nor shall the District be obligated to pay, perform, or discharge, any debt, liability, obligation, or commitment of the City or relating to the Property.

2.4 **Consideration.** As consideration for the transactions contemplated in this Agreement, the District agrees to assume certain obligations of the City, acquire and operate the Existing Center Facilities, and undertake the Project—all as described in more detail in this Agreement and/or the Interlocal Agreement. The City acknowledges that such consideration is sufficient for the transfer of the Personal Property and an undivided two-thirds (2/3) interest in the Existing Center Facilities, and the lease of the Leased Property.

2.5 Closing. Subject to the satisfaction or waiver of all conditions precedent to the consummation of the transactions contemplated by this Agreement, the Closing shall take place at the offices of the Closing Agent, on the Closing Date.

3. ASSUMPTION OF CERTAIN OBLIGATIONS.

3.1 Obligations to be Assumed by District. The District shall assume from the City those Assumed Obligations set forth in Attachment 3.1 (including, without limitation, the Agreement and Mortgage, dated March 31, 1988 between the City and the United States Department of Commerce, Economic Development Administration), supplemented as provided therein at the time of Closing.

3.2 Indemnification. Except as otherwise provided in this Agreement, the City hereby agrees to indemnify, defend and hold harmless the District, and the District's directors, officers, employees, agents, and representatives, from and against any and all Legal Proceedings, claims, demands, damages, fines, losses, costs, liabilities, interests, expenses and attorneys' fees relating, directly or indirectly, to the ownership of the Property or operation of the Existing Center Facilities accruing as a result of acts or omissions occurring before the Closing Date, and conditions existing as of the Closing Date, unless arising as a result of acts or omissions of the District, its directors, officers, employees, agents, and/or representatives; provided such obligation shall not extend to Environmental Conditions and Hazardous Materials, which are addressed elsewhere in this Agreement. Except for the City's City Operating Payment and other obligations under the Interlocal Agreement, the District hereby agrees to indemnify, defend and hold harmless the City, and the City's officers, employees, agents, and representatives, from and against any and all Legal Proceedings, claims, demands, damages, fines, losses, costs, liabilities, interests, expenses and attorneys' fees, including expert witness fees, through all legal appeals, relating, directly or indirectly, to the construction and financing of the Project, the District's lease of the Leased Property (as defined in the Lease), and/or the District's ownership and/or operation of the Existing Center Facilities/Spokane Center accruing as a result of acts or omissions occurring after the Closing date. Each party to this agreement shall cooperate with the other party in defending claims for which the other party is or may be liable under this provision by giving timely notice to the other party of the assertion or existence of any such claim and by furnishing such documents and information as may be useful in defense of such claims.

4. REPRESENTATIONS AND WARRANTIES OF THE CITY. The City represents and warrants to the District that the statements contained in this Section 4 are correct and complete as of the Effective Date and will be correct and complete as of the Closing Date.

4.1 Organization. The City is a first-class charter city, duly organized and validly existing under and by virtue of the Constitution and laws of the State, and the Charter of the City.

4.2 Binding Effect. The City has full power and authority to execute and deliver this Agreement, and to perform the City's obligations under this Agreement.

4.3 Authority of Signatories. All individuals executing this Agreement on behalf of the City have the requisite power and authority to do so.

4.4 Financial Statements. Since the date of the most recent Financial Statements, there has been no material adverse change in the operation of the Existing Center Facilities. To the best of the City's knowledge, the Financial Statements:

4.4.1 Have been prepared in accordance with generally accepted accounting principles;

4.4.2 Present fairly the financial results from operations of the Existing Center Facilities as of the dates indicated;

4.4.3 Are complete and correct; and

4.4.4 Are consistent with books and records of the City (which books and records are complete and correct).

4.5 Accounts Receivable. To the best of the City's knowledge, all accounts receivable reflected on most recent Financial Statements are valid and genuine, arise out of bona fide sales and deliveries of goods and services, and to the best knowledge of the City, are not subject to any defenses, setoffs, or counterclaims.

4.6 Absence of Certain Changes and Events. Since the most recent Financial Statements through the Effective Date, the City has not:

4.6.1 Except as otherwise accepted by the District, knowingly permitted the imposition of any Encumbrance upon any of the Property.

4.6.2 Changed any of its business policies relating to the Existing Center Facilities in any material respect—including its accounting methods and practices, and policies involving advertising, purchasing, pricing, or employment.

4.7 Existing Center Property and Existing Center Facilities. With respect to the Existing Center Property and Existing Center Facilities:

4.7.1 **Ownership and Possession.** The City is the fee owner of the Existing Center Property and Existing Center Facilities and has good and marketable title to the Existing Center Property and Existing Center Facilities. There are no parties other than the City in possession of the Existing Center Property or Existing Center Facilities.

4.7.2 **Approval of Authorities.** Except as otherwise provided herein, or as may appear in Title Report, the City has received all approvals from all Authorities required in connection with the City's ownership, construction, and operation of the Existing Center Facilities.

4.7.3 Environmental Conditions. The City has not received written notice of a violation of any Federal, State or local Environmental Laws relating to the environmental conditions on, under, above, or in the Existing Center Property or Existing Center Facilities, including but not limited to, air quality, soil and ground water conditions. Nor has the City commissioned or obtained any environmental work, audit, assessment, review or similar inspection of the Existing Center Property or Existing Center Facilities.

4.7.4 No Legal Proceedings. To the best of the City's knowledge, there are no pending or threatened Legal Proceedings relating to the Existing Center Property or Existing Center Facilities or other matters that adversely affect (or would adversely affect) the current use of the Existing Center Property or Existing Center Facilities. Except as may be set forth in Attachment 3.1 (Assignment and Assumption Agreement), to the best of the City's knowledge, the Existing Center Property or Existing Center Facilities is not subject to any outstanding injunction, judgment, order, decree, ruling, or award that adversely affects the current use or value of the Existing Center Property or Existing Center Facilities.

4.7.5 Parcel Division. The District shall be responsible for obtaining all land use, development and building approvals which permit the property transfers contemplated herein and construction of the Project. The City acting in its capacity as current owner of the Existing Center Property and Existing Center Facilities shall cooperate with the District as reasonably may be required to assist the District in obtaining such approvals. The District shall be solely responsible for preparation of site plans, short platting, and/or boundary line adjustments, as the case may be. Closing is expressly conditioned on the recording of the final site plan, short plat or boundary line adjustment as the case may be. The City acting in its governmental capacity does not waive the right to collect building or development fees. The District hereby agrees to indemnify, defend and hold harmless the City, its officers, agents, employees and representatives, from and against any and all legal proceedings, claims, demands, damages, fines, losses, costs, liabilities, interests, expenses, and attorneys' fees relating, directly or indirectly to an alleged violation of state and local laws and regulations regarding the division of land for purposes of sale or transfer.

4.7.6 Disclaimer. Except as set forth in this Section 4, the City makes no other representations or warranties whatsoever regarding the Existing Center Property or Existing Center Facilities. Subject to the representations and warranties set forth in this Section 4, the District shall acquire or lease from the City, as the case may be, the Leased Property "AS IS."

4.8 Personal Property. The City makes no representations or warranties whatsoever with respect to the Personal Property. The District shall acquire from the City the Personal Property "AS IS."

4.9 Intellectual Property. The City shall assign and transfer to District any Intellectual Property which the City owns pertaining to the ownership, use, operation and

marketing of the Spokane Convention Center, the Spokane Opera House, and the Washington State International Agricultural Trade Center. The City shall cooperate with the District, and execute such documents as reasonably may be required, to transfer to the District any such Intellectual Property interests.

4.10 Assumed Contracts. With respect to each Assumed Obligation that is a Contract:

4.10.1 The City is unaware of any reason why the Contract will not continue to be legal, valid, binding, enforceable, and in full force and effect on identical terms following the consummation of the transactions contemplated in this Agreement; provided, the City and the District shall be mutually obligated to cooperate to obtain any and all requisite consents of third parties with respect to transfer to the District of the Assumed Obligations;

4.10.2 The City is unaware of any actual breach or default under the Contract, and is unaware of any event which with notice or the lapse of time would constitute a breach or default, of which would permit termination, modification, or acceleration, under the Contract; and

4.10.3 The City does not have actual notice of any party having repudiated any provision of the Contract.

4.11 Labor. The City is not aware of any pending or threatened labor dispute, strike, or work stoppage that would adversely affect the operation of the Existing Center Facilities.

5. REPRESENTATIONS AND WARRANTIES OF THE DISTRICT. The District represents and warrants to the City that the statements contained in this Section 5 are correct and complete as of the Effective Date, will be correct and complete as of the Closing Date, and shall continue in full force and effect after Closing regardless of what investigations the City may have made with respect to the subject matter thereof. The District acknowledges that the statements contained in this Section 5 are material and are relied upon by the City.

5.1 Organization. The District is a municipal corporation, duly organized and validly existing under and by virtue of the Constitution and laws of the State.

5.2 Binding Effect. The District has full power and authority to execute and deliver this Agreement, and to perform the District's obligations under this Agreement. This Agreement constitutes the valid and legally binding obligation of the District and is enforceable in accordance with its provisions.

5.3 Authority of Signatories. All individuals executing this Agreement on behalf of the District have the requisite power and authority to do so.

6. **ADDITIONAL COVENANTS.** The City and the District agree and covenant as follows:

6.1 Cooperation; Efforts. The City and the District will each use reasonable efforts to take all action and do all things necessary, proper, or advisable in order to consummate and make effective the transactions contemplated in this Agreement (including satisfaction, but not waiver, of the closing conditions set forth in Section 7 below).

6.2 Notices and Consents. Prior to Closing, the City and the District shall be mutually obligated to cooperate to give all required notices, and shall use best efforts to obtain all required consents, with respect to the matters referred to on Attachment 3.1.

6.3 Title Information. The District has obtained the Title Report. Within ten (10) days of the Effective Date, the District shall provide the City with a copy thereof, together with copies of all documents and exceptions referred to therein. The District and the City shall be mutually obligated to cooperate to cure any title Encumbrances which reasonably are unacceptable to the District. In the event the parties are unable to cure any such Encumbrances, the District may at its option: (1) terminate this Agreement by written notice, whereupon neither the City nor the District shall have any further liability under this Agreement; or (2) postpone the date of Closing Date for up to sixty (60) days, during which time the District may use reasonable efforts and expend reasonable sums as may be necessary to cure the District's objections. If the objections to title Encumbrances are not cured on or before the Closing Date, the District may terminate this Agreement or waive any the title Encumbrances.

6.4 Environmental Covenants and Indemnification. With respect to any Hazardous Materials discovered on, under, or in the Property, whether or not relating to actions of the City, its agents or consultants, as between the District and the City, District (a) will be responsible for all investigations, studies, cleanup, corrective action, removal or remedial action required by any Authority, or by any consent decree or court or administrative order now or hereafter applicable to the Property, or by any applicable laws and Environmental Laws; (b) will pay all costs in connection with any such investigations, studies, cleanup, corrective action, removal or remedial action, including, without limitation, all remedial costs, installation, operation, maintenance, testing, and monitoring costs, preparation of plans, designs, applications, studies, or reports to appropriate government bodies, and retention of legal counsel, engineers, and other expert consultants; and (c) will have the right to manage and control all such investigations and any such environmental cleanup, remediation, or related activities, including the exclusive right to negotiate with and to settle, contest, or otherwise fulfill any requirements or claims made by any government body related to such Hazardous Materials. With respect to any such Hazardous Materials, the District agrees to indemnify, defend by counsel reasonably acceptable to the City, and hold the City harmless from any and all (i) claims arising from such Hazardous Materials, (ii) damages resulting from failure to comply with applicable environmental laws, and (iii) any other damages imposed pursuant to applicable Environmental Laws. The District further agrees to indemnify, defend by counsel reasonably acceptable to the City, and hold the City harmless from any and all claims or damages arising from or relating to the

generation, transportation, storage, treatment, or disposal of Hazardous Materials sent or caused to be sent by the District from the Property to any other site that is or becomes the subject of any claim or any pending or threatened litigation or administrative proceeding with any government body or third party. The foregoing covenants shall survive closing.

6.5 Environmental Investigations. The District may at its sole cost, expense and liability, conduct an environmental site assessment of the Property. In the event the District notifies the City prior to Closing that the Property is affected by Hazardous Materials (regardless of whether or not City was aware of the same), then the District may (i) terminate this Agreement, (ii) perform such acts as may be necessary to abate the Hazardous Materials and cause the Property to be in compliance with all federal, state and local environmental laws, rules and regulations, consistent with the indemnification provisions above, or (iii) proceed to Closing notwithstanding the presence of such Hazardous Materials.

6.6 Preservation of Business. Prior to Closing, the City will continue to operate, maintain, and repair the Existing Center Facilities in substantially the same manner as the City has operated, maintained, and repaired the Existing Center Facilities. Without limiting the generality of the foregoing, the City shall use reasonable efforts to keep substantially unaltered its present operations, working conditions, and relationships with customers, suppliers, and employees. The City shall use its best efforts to diligently market the Existing Center Facilities for future events—including conventions, performances, trade shows, and other engagements- mindful of the need not to schedule events that would impair the District's ability to complete the Project on a timely basis. The District anticipates that the Project will commence during the second half of calendar year 2003, and will be completed during calendar year 2006.

6.7 Preservation of Property. Prior to Closing, the City shall not permit the Transfer of any of the Property; provided that inventory may be Transferred in the ordinary course of business. Prior to Closing, the City shall maintain in full force and effect its existing policies of liability and property insurance.

6.8 Performance of Obligations. Prior to Closing, the City shall perform and pay all obligations relating to the Existing Center Facilities and the operation thereof, as such obligations become due in their ordinary course—including: payment of all premiums and other charges required to maintain all existing property and liability insurance policies relating to the Existing Center Property and/or Existing Center Facilities; payment of utility charges as they become due; payment and performance of loan obligations relating to the Existing Center Facilities (consistent with the provisions of Section 7.5.1 of the Interlocal Agreement); payment of all wages and other items of employee compensation as they become due; and compliance with all laws, statutes, regulations, rules, ordinances, and orders applicable to the Property or the operation of the Existing Center Facilities.

6.9 Negative Covenants. The City shall not:

6.9.1 Enter into any Contract (or any series of related Contracts) outside of the ordinary course of business.

6.9.2 Knowingly permit the imposition of any Encumbrance upon any of the Property.

6.10 Full Access. The City shall, prior to Closing, permit representatives of the District (including accountants, appraisers, legal counsel, architects, engineers, environmental consultants, and other consultants) to have full access at all reasonable times to all premises, properties, personnel, books, records, contracts, and documents relating to the ownership or operation of the Property.

6.11 Notice of Developments. Each party to this Agreement shall give prompt written notice to the other party of any development that causes a breach of any of the representations or warranties set forth in Sections 4 and 5 above. Receipt or acceptance of any such notice shall not operate as a waiver of any such breach.

6.12 Accounts Receivable and Deposits. Sums payable to the City for services rendered at the Existing Center Facilities prior to the Closing Date, which remain uncollected as of the Closing Date, shall remain the property of the City. The City shall have sole responsibility for collection of such sums after the Closing Date. If any such sums are received or collected by the District after the Closing Date, the District shall promptly remit such sums to the City. Deposits received by the City prior to the Closing Date for services to be rendered at the Existing Center Facilities after the Closing Date shall be the property of the District. The City shall assign and deliver all such deposits to the District at Closing.

6.13 Employees

6.13.1 Termination of Employment. The City shall terminate the employment of, or reassign to other City positions, all of the employees who are directly involved in the operation of the Existing Center Facilities. The City shall not be required to terminate the employment of City employees whose primary duties do not directly relate to the operation of the Existing Center Facilities. The City shall remain responsible for all liabilities and obligations of every kind (whether absolute or contingent, accrued or unaccrued, asserted or unasserted, known or unknown) with respect to City employees—including liabilities or obligations relating to the their employment by the City or the termination of their employment by the City.

6.13.2 No Obligation to Hire. The City acknowledges that the District is under no obligation to hire any employees whose employment is terminated by the City. The District, however, reserves the right to recruit and hire any former City employees whose employment is so terminated.

6.14 Pre-Closing Audit. Prior to the Closing Date, the District and the City shall conduct an audit of the Personal Property. Any Personal Property so identified that is not presently listed on Attachment 1.25 shall be added to said Attachment.

7. **CONDITIONS TO CLOSING OBLIGATIONS.**

7.1 Conditions to Obligation of the District. The obligation of the District to consummate the transactions contemplated by this Agreement is subject to satisfaction, or written waiver, of each and every of the following conditions prior to Closing:

7.1.1 Representations and Warranties of the City. The representations and warranties of the City set forth in Section 4 above shall be true and correct in all respects as of the Closing Date.

7.1.2 Performance by the City. The City shall have materially performed and complied with all of its covenants under this Agreement in all respects as of the Closing Date.

7.1.3 No Legal Proceedings. No Legal Proceeding shall be pending, wherein an injunction, judgment, order, decree, ruling, or award would:

7.1.3.1 Prevent consummation of any of the transactions contemplated by this Agreement;

7.1.3.2 Cause any of the transactions contemplated by this Agreement to be rescinded following consummation; or

7.1.3.3 Affect adversely the rights of the District to acquire a leasehold interest in the Existing Center Property, to acquire the Existing Center Facilities and the Personal Property, or operate or improve the Existing Center Facilities.

7.1.4 Attachments. Each matter contained on the Attachments to this Agreement that the District identifies as objectionable shall be rectified and resolved in a manner reasonably acceptable to the District, and consistent with the terms of this Agreement, or the District shall have obtained a specific indemnification from the City with respect to such objectionable matter; provided, in no case shall the City be required to agree to such indemnification. If the City is unwilling to indemnify the District with respect to such objectionable matter, the District may terminate this Agreement or waive the objection.

7.1.5 Consents . The Parties shall have given all notices and obtained all consents required under the terms of the Assignment and Assumption Agreement, Attachment 3.1.

7.1.6 Financing for Project. The District shall have obtained sufficient funds to finance the Project, through the issuance of District Bonds (as defined in the Interlocal Agreement) and through other means.

7.1.7 Additional Center Property. The District shall have received commitments, acceptable to the District, enabling the District to acquire

additional parcels of real property deemed necessary or advisable by the District for completion of the Project.

7.2 Conditions to Obligation of the City. The obligation of the City to consummate the transactions contemplated by this Agreement is subject to satisfaction, or written waiver, of each and every of the following conditions prior to Closing:

7.2.1 Representations and Warranties of the District. The representations and warranties of the District set forth in Section 5 above shall be true and correct in all respects as of the Closing Date.

7.2.2 Performance by the District. The District shall have performed and complied with all of its covenants under this Agreement in all respects as of the Closing Date, including, without limitation, the Parcel Division requirements set forth in Section 4.7.5 above.

7.2.3 No Legal Proceedings. No Legal Proceeding shall be pending wherein an injunction, judgment, order, decree, ruling, or award would:

7.2.3.1 Prevent consummation of any of the transactions contemplated by this Agreement; or

7.2.3.2 Cause any of the transactions contemplated by this Agreement to be rescinded following consummation.

7.2.4 Financing for Project. The District shall have obtained, and confirmed to the reasonable satisfaction of the City, sufficient funds to finance the Project, through the issuance of District Bonds and through other means.

7.2.5 Additional Center Property. The District shall have received commitments, acceptable to the City, enabling the District to acquire additional parcels of real property deemed necessary for completion of the Project.

7.2.6 Insurance. The District shall have provided the City with certificates evidencing the insurance coverages described in Section 8 of the Interlocal Agreement.

7.2.7 Consents. The Parties shall have given all notices and obtained all consents required under the terms of the Assignment and Assumption Agreement, Attachment 3.1.

7.2.10 Satisfaction of Interlocal Contingencies. All contingencies of the City's obligations in the Interlocal Agreement shall have been satisfied prior to Closing.

8. CLOSING

8.1 Location. Provided that all conditions precedent to the parties' obligations have been satisfied or waived, the Closing shall occur at the offices of the Closing Agent.

8.2 Deliveries by the City. At Closing, the City shall deliver the following to the Closing Agent:

8.2.1 Lease. A Lease, in the form attached as Attachment 1.21, granting the District a leasehold interest in the Leased Property.

8.2.2 Deed. A Quit Claim Deed conveying to the District good and marketable title to an undivided two-thirds (2/3) interest in the Existing Center Facilities, for so long as the District owns and operates the Spokane Center pursuant to the authority under Chapter 36.100 RCW.

8.2.3 Bill of Sale. A Bill of Sale, in the form attached as Attachment 8.2.3, transferring to the District good title to the Personal Property, free of all Encumbrances.

8.2.4 Assignment and Assumption Agreement. A fully executed Assignment and Assumption Agreement, in the form attached as Attachment 3.1.

8.2.5 Other Documents. A closing statement and any other documents required by the provisions of this Agreement or required by the Closing Agent in order to consummate the transactions contemplated in this Agreement.

8.2.6 Interlocal Agreement. A fully executed Interlocal Agreement.

8.3 Deliveries by the District. At Closing, the District shall deliver the following to the Closing Agent:

8.3.1 Lease. A Lease, in the form attached as Attachment 1.21.

8.3.2 Assignment and Assumption Agreement. An Assignment and Assumption Agreement, in the form attached as Attachment 3.1.

8.3.3 Other Documents. A closing statement and any other documents required by the provisions of this Agreement or required by the Closing Agent in order to consummate the transactions contemplated in this Agreement.

8.3.4 Financing of Project. Evidence satisfactory to the City that the District has obtained sufficient funds for financing of the Project.

8.3.5 Interlocal Agreement. A fully executed Interlocal Agreement.

8.4 Allocation of Costs and Expenses. Real property taxes and assessments, personal property taxes and assessments, and sums payable under Assumed Obligations, shall be prorated between the District and the City as of the Closing Date. The District shall pay all recording fees, real property excise, and sales and use, taxes to the extent applicable to this transaction, title insurance premiums, Closing Agent fees, and similar closing costs. Notwithstanding the foregoing, the City and the District shall cooperate with each other to prepare applications for exemptions that may be available for any such

taxes, assessments, fees, or sums. The City shall cooperate with the District in obtaining lawful exemptions from real property excise taxes, sales and use taxes, and other taxes or fees incident to the type of transactions contemplated by this Agreement. The District and the City shall each bear their respective costs of legal and professional counsel.

9. TERMINATION

9.1 **Termination by Mutual Consent.** This Agreement may be terminated by the mutual written consent of the City and the District at any time prior to Closing.

9.2 **Failure to Close by December 31, 2003.** Either party may immediately terminate this Agreement by written notice to the other party in the event Closing does not occur on or before December 31, 2003.

9.3 **Effect of Termination.** If the City or the District terminates this Agreement pursuant to this Section 9, all rights and obligations of the City and District under this Agreement shall terminate without liability of one party to the other; provided, however, that any obligation that the District has to reimburse the City for Additional Center Property Acquisition Costs under the Interlocal Agreement shall survive the termination.

10. MISCELLANEOUS

10.1 **Additional Documents.** Each party hereby agrees, upon the request of any other party, to execute any additional documents reasonably required to effectuate the purposes of the transactions contemplated herein.

10.2 **Amendments.** This Agreement may not be modified or amended, except by a written document executed by both the District and the City.

10.3 **Applicable Law.** This Agreement and the rights of the parties hereunder shall be governed by the laws of the state of Washington. Venue for any dispute arising under this Agreement shall be Spokane County, Washington.

10.4 **Attorneys' Fees.** In the event of a dispute under this Agreement, the substantially prevailing party in such dispute shall be entitled to recover from the substantially nonprevailing party all of its fees and costs (including attorneys' fees) associated with the resolution of such dispute.

10.5 **Counterparts.** This Agreement may be executed in any number of separate counterparts, all of which taken together shall be deemed one original instrument, notwithstanding that all parties are not signatory to the same counterpart.

10.6 **Entire Agreement.** This Agreement and the Interlocal Agreement contain the entire agreement between the parties with respect to the subject matter hereof, and supercede all prior understandings, agreements, or representations by or between the parties, written or oral, to the extent they relate in any way to the subject matter hereof. In the event of a direct conflict between a provision of this Agreement and a provision of the Interlocal Agreement, the provision of this Agreement shall govern.

10.7 Filing and Recordation. This Agreement may be filed and/or recorded by either party at its expense with the Spokane County, Washington, Auditor, and/or with such other municipality or other public agency located in the State of Washington as such party deems appropriate.

10.8 Headings. The headings used in this Agreement are used solely for convenience of reference and shall not constitute a part of this Agreement or affect its meaning, construction, or effect.

10.9 No Third-Party Beneficiaries. With the exception of the indemnification provisions contained herein, this Agreement shall not confer any rights or remedies upon any person other than the City and the District and their respective successors and permitted assigns.

10.10 No Waiver. The failure to enforce or the delay in enforcement of any provision of this Agreement by a party hereto, or the failure of a party to exercise any right hereunder, shall not be construed to be a waiver of such provision or right (or of any other provision or right hereof, whether of a similar or dissimilar nature) unless such party expressly waives such provision or right in writing.

10.11 Notices. Any notice required or authorized under this Agreement shall be in writing and shall be delivered personally or by certified mail at the following addresses or at such addresses as a party shall have designated to the other party in accordance with this Section. Alternatively, any such notice may be sent by telecopier that transmits a facsimile of the notice. Notice sent by telecopier shall be deemed to be received by a party when dispatched to said party at the telephone number provided by such party and a transmittal sheet verifying the dispatch is received by the sending party.

If to the District: Spokane Public Facilities District
ATTN: Executive Director
720 W Mallon
Spokane, WA 99201
Fax: (509) 324-7050

If to the City: Office of the Mayor
ATTN: John Powers, Mayor
W. 808 Spokane Falls Blvd.
Spokane, WA 99201
Fax: (509) 625-6789

Copy to: Office of the City Attorney
W. 808 Spokane Falls Blvd.
Spokane, WA 99201
Fax: (509) 625-6277

10.12 Successors and Assigns. This Agreement and each and every provision hereof shall be binding upon and shall inure to the benefit of each party hereto, and each and

every of their respective successors and permitted assigns. No party's right or obligations under this Agreement may be assigned or otherwise transferred without the prior written consent of the other party.

10.13 Terminology and Interpretation. As used in this Agreement, the masculine, feminine, or neuter gender, and the singular and plural number, shall be deemed to include the others whenever the context so indicates or requires. The words "include," "includes," and "including" shall be deemed to be followed by the phrase "without limitation". Each party agrees that any rule of contract interpretation or construction to the effect that ambiguities or uncertainties are to be resolved against the drafting party or the party who caused it to exist will not be applied in the construction or interpretation of this Agreement.

10.14 Relationship of Parties. This Agreement is a key element in a joint venture of the City and the District, undertaken for the public purpose of preserving the region's role in the convention and tourism industry, as authorized under Chapter 36.100 and 67.28 RCW. Except as necessary to preserve the joint nature of this endeavor, the City and the District execute this Agreement solely as transferor and transferee. No other relationship between the parties is intended or shall be deemed to exist as a result of the execution of this Agreement—including any partnership, corporation, company, or other legal entity.

10.15 Severability. In the event of a determination by any court of competent jurisdiction that a portion of this Agreement is invalid or unenforceable, such portion shall be deemed modified or eliminated in accordance with the court's order and the remaining portions of this Agreement shall nonetheless be enforced; provided, however, that if the court deems any restriction on the disclosure of information to be unenforceable, such restriction shall be modified by the court only to the extent required to make such restriction reasonable and enforceable.

10.16 Recitals and Attachments. The recitals contained at the beginning of this Agreement, and the Attachments attached to this Agreement, are material parts of this Agreement and are incorporated herein by this reference.

IN WITNESS WHEREOF, the parties have executed this Agreement, effective as of the Effective Date.

CITY OF SPOKANE

By: 

Mayor John Powers

Attest: 

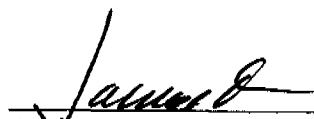
Acting

City Clerk

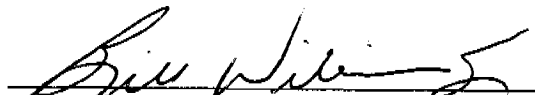
Approved as to form:



7/11/03

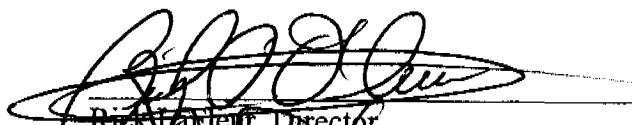

Assistant City Attorney

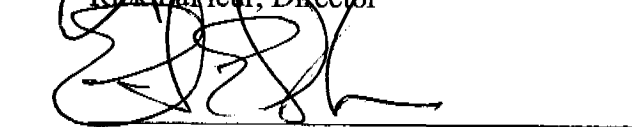
SPOKANE PUBLIC FACILITIES DISTRICT


Bill Williams, Jr., Chair

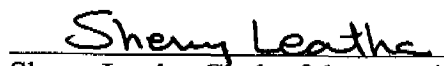

Trish McFarland, Vice-Chair


Shaun Cross, Director


Rick Warfield, Director


Erik E. Skaggs, Director

Attest:


Sherry Leatha, Clerk of the Board

Approved as to form:


H.E. Stiles, General Counsel

PROPERTY TRANSFER AGREEMENT ATTACHMENTS

1.14	Existing Center Property Description	9
1.21	Lease	10
1.25	Inventory of Personal Property	11
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**ATTACHMENT 1.14
SPOKANE CENTER
PROPERTY TRANSFER AGREEMENT
EXISTING CENTER REAL PROPERTY**

The real property that the City will lease with purchase option to the District ("Real Property") includes the site on which the Spokane Opera House, the Spokane Convention Center, and the Washington State Agricultural Trade Center are located, and also five parcels which the City presently is using for parking purposes. The Real Property is described in more detail below, and the Real Property legal descriptions are set forth in the attached Supplemental Report No. 1 from First American Title Company of Spokane dated February 20, 2003, Order No. 283495-CB ("Title Report").

Parcel A:

Parcel A consists of the land on which the Spokane Opera House, the Spokane Convention Center, and the Washington State Agricultural Trade Center are located, as shown on the attached drawing, titled "Boundary Line Adjustment". Parcel A recently was the subject of City of Spokane Boundary Line Adjustment #Z03B0036. Parcel A formerly was part of Spokane County Assessor Tax Parcel No. 35185.0070. The City will apply for a tax parcel segregation including a new tax parcel number for Parcel A. This description of Parcel A may be amended to include the new tax parcel number when a new number is assigned to Parcel A.

The legal description for Parcel A is the same property described as "Parcel 1" in the Title Report.

Parcel B:

Parcel B consists of:

1. A parking area located at the NE corner of the Main Avenue and Washington Street Intersection, with a street address of 204 N. Washington Street, Tax Parcel No. 35184.2107.
2. A parking area located on the North side of Main avenue, with a street address of 330 W. Main Avenue, Tax Parcel No. 35184.2108.
3. A parking area located on the North side of Main avenue, with a street address of 334 W. Main Avenue, North Side, Parcel 35184.2109.
4. A parking area located on the North side of Main avenue, with a street address of 316 W. Main Avenue, Tax Parcel 35184.2112.

The legal description for Parcel B is the same property described as "Parcel D" in the Title Report.

Parcel C:

Parcel C is a parking area located on the North side of Spokane Falls Boulevard to the east of Spokane Falls Court, with an unknown street address, Parcel No. 35184.0412.

The legal description for Parcel C is the same property described as "Parcel E" in the Title Report.



FIRST AMERICAN TITLE COMPANY OF SPOKANE

1020 NORTH WASHINGTON STREET, SPOKANE, WASHINGTON 99201

PHONE (509) 838-5281 FAX (509) 838-3028

SUPPLEMENTAL REPORT NO. 1

TO: LUKINS & ANNIS, P.S.
717 WEST SPRAGUE, SUITE 1600
SPOKANE, WA, 99204
ATTN: TED STILES

OUR ORDER NO. 283495-CB

LOAN NO.: OPERA HOUSE

CC: TAYLOR ENGINEERING/RICK

XX THE PROPERTY COVERED BY OUR PENDING COMMITMENT HAS NOT BEEN REEXAMINED AND THIS SUPPLEMENTAL REPORT DOES NOT EXTEND THE EFFECTIVE DATE OF THE COMMITMENT, OR ANY SUPPLEMENTAL REPORTS TO THE COMMITMENT.

THERE HAVE BEEN NO CHANGES IN THE TITLE TO THE PROPERTY COVERED BY OUR PRELIMINARY COMMITMENT SINCE OUR LAST REPORT EXCEPT AS FOLLOWS:

THE LEGAL DESCRIPTION IS HEREBY AMENDED TO READ: SEE ATTACHED

DATED: FEBRUARY 20, 2003 AT 7:30 A.M.

BY:

LEGAL DESCRIPTION

ORDER NO. 283495-CB-

PARCEL 1:

A PORTION OF HAVERMALE'S SECOND ADDITION, ACCORDING TO PLAT RECORDED IN VOLUME "A" OF PLATS, PAGE 148, AND A PORTION OF THE SOUTHEAST QUARTER OF SECTION 18, TOWNSHIP 25 NORTH, RANGE 43 EAST, W.M., CITY OF SPOKANE, SPOKANE COUNTY, WASHINGTON, DESCRIBED, AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE EAST RIGHT OF WAY LINE OF WASHINGTON STREET AND THE NORTH RIGHT OF WAY LINE OF SPOKANE FALLS BOULEVARD;
THENCE NORTH 87°05'15" EAST, ALONG THE NORTH LINE OF SAID SPOKANE FALLS BOULEVARD, 712.00 FEET TO THE SOUTHWEST CORNER OF SPOKANE FALLS COURT;
THENCE NORTH 02°50'49" WEST, ALONG THE WEST LINE OF SAID SPOKANE FALLS COURT AND PARALLEL WITH THE EAST RIGHT OF WAY LINE OF WASHINGTON STREET, 157.95 FEET (REC. 158.00 FEET);
THENCE NORTH 87°05'15" EAST, ALONG THE NORTH LINE OF SPOKANE FALLS COURT AND PARALLEL TO THE NORTH LINE OF SPOKANE FALLS BOULEVARD, 32.51 FEET (REC. 32.50 FEET);
THENCE NORTH 10°19'39" WEST, 10.14 FEET (REC. 10.08 FEET);
THENCE NORTH 12°34'07" WEST, 10.14 FEET;
THENCE NORTH 14°30'20" WEST, 10.21 FEET;
THENCE NORTH 15°36'04" WEST, 10.25 FEET;
THENCE NORTH 16°24'59" WEST, 10.23 FEET;
THENCE NORTH 18°01'49" WEST, 10.36 FEET;
THENCE NORTH 20°55'29" WEST, 10.51 FEET;
THENCE NORTH 25°56'46" WEST, 10.87 FEET;
THENCE NORTH 24°58'06" WEST, 3.82 FEET;
THENCE NORTH 02°50'49" WEST, PARALLEL WITH THE EAST RIGHT OF WAY LINE OF WASHINGTON STREET, 48.01 FEET (REC. 47.95 FEET);
THENCE NORTH 35°58'22" EAST, 10.24 FEET TO THE BEGINNING OF A CURVE TO THE RIGHT, THE RADIUS OF WHICH BEARS SOUTH 33°45'06" EAST, A DISTANCE OF 25.00 FEET;
THENCE ALONG SAID CURVE TO THE RIGHT, THROUGH A CENTRAL ANGLE OF 30°08'53", AN ARC DISTANCE OF 13.15 FEET TO A POINT 742.00 FEET EAST OF THE EAST RIGHT OF WAY LINE OF WASHINGTON STREET AND 301.00 FEET NORTH OF THE NORTH RIGHT OF WAY LINE OF SPOKANE FALLS BOULEVARD;
THENCE NORTH 02°50'49" WEST, 12.00 FEET;
THENCE NORTH 35°58'22" EAST, 67.76 FEET;
THENCE NORTH 42°07'28" EAST, 40.45 FEET;
THENCE NORTH 56°26'07" EAST, 68.56 FEET;
THENCE SOUTH 31°58'44" EAST, 47.24 FEET (REC. 47.23) FEET TO A POINT 895.01 FEET EAST OF THE EAST RIGHT OF WAY LINE OF WASHINGTON STREET AND 388.00 FEET NORTH OF THE NORTH RIGHT OF WAY LINE OF SPOKANE FALLS BOULEVARD;
THENCE NORTH 87°05'15" EAST, 730.36 FEET (REC. 730.38 FEET) TO THE WEST RIGHT OF WAY LINE OF DIVISION STREET;

THENCE NORTH 03°05'15" WEST, ALONG SAID WEST RIGHT OF WAY LINE 77.03 FEET TO THE BEGINNING OF A CURVE TO THE LEFT THE RADIUS OF WHICH BEARS SOUTH 03°05'15" EAST, A DISTANCE OF 195.00 FEET;

THENCE ALONG SAID CURVE TO THE LEFT, THROUGH A CENTRAL ANGLE OF 31°23'12", AN ARC DISTANCE OF 106.82 FEET TO THE BEGINNING OF A REVERSE CURVE THE RADIUS OF WHICH BEARS NORTH 34°28'27" WEST, A DISTANCE OF 150.00 FEET;

THENCE ALONG SAID REVERSE CURVE, THROUGH A CENTRAL ANGLE OF 18°18'01", AN ARC DISTANCE OF 47.91 FEET TO A POINT 145.71 FEET WEST OF THE WEST RIGHT OF WAY LINE OF DIVISION STREET AND 418.00 FEET NORTH OF THE NORTH RIGHT OF WAY LINE OF SPOKANE FALLS BOULEVARD;

THENCE SOUTH 87°05'15" WEST, PARALLEL WITH SAID NORTH RIGHT OF WAY LINE, 251.29 FEET TO A POINT 397.00 FEET WEST OF THE WEST RIGHT OF WAY LINE OF DIVISION STREET;

THENCE NORTH 03°05'15" WEST, PARALLEL WITH SAID WEST RIGHT OF WAY LINE, 130.46 FEET;

THENCE NORTH 80°44'15" EAST, 84.09 FEET;

THENCE NORTH 84°21'00" EAST, 176.33 FEET;

THENCE NORTH 80°36'00" EAST, 86.86 FEET;

THENCE NORTH 82°33'30" EAST, 51.06 FEET (REC. 51.05 FEET) TO THE WEST RIGHT OF WAY LINE OF DIVISION STREET;

THENCE NORTH 03°05'15" WEST, ALONG SAID WEST RIGHT OF WAY LINE, 26.40 FEET;

THENCE SOUTH 73°18'46" WEST, 19.39 FEET;

THENCE SOUTH 63°12'14" WEST, 32.63 FEET;

THENCE SOUTH 72°13'24" WEST, 20.32 FEET;

THENCE SOUTH 82°06'10" WEST, 21.05 FEET;

THENCE SOUTH 85°05'30" WEST, 53.94 FEET;

THENCE SOUTH 85°36'01" WEST, 37.38 FEET;

THENCE SOUTH 81°27'48" WEST, 91.18 FEET;

THENCE SOUTH 81°28'18" WEST, 27.40 FEET;

THENCE SOUTH 81°39'06" WEST, 28.26 FEET;

THENCE SOUTH 81°22'21" WEST, 31.57 FEET;

THENCE SOUTH 82°48'52" WEST, 24.37 FEET;

THENCE SOUTH 79°50'33" WEST, 22.96 FEET;

THENCE SOUTH 81°13'51" WEST, 9.30 FEET;

THENCE SOUTH 83°01'55" WEST, 74.81 FEET;

THENCE SOUTH 82°41'31" WEST, 46.90 FEET;

THENCE SOUTH 82°54'44" WEST, 68.90 FEET;

THENCE SOUTH 86°30'10" WEST, 50.81 FEET;

THENCE SOUTH 88°24'39" WEST, 51.00 FEET;

THENCE NORTH 89°55'42" WEST, 31.12 FEET;

THENCE SOUTH 89°19'43" WEST, 29.16 FEET;

THENCE SOUTH 87°35'15" WEST, 28.09 FEET;

THENCE SOUTH 82°33'35" WEST, 29.40 FEET;

THENCE SOUTH 72°57'28" WEST, 5.64 FEET;

THENCE SOUTH 63°30'04" WEST, 4.49 FEET;

THENCE SOUTH 62°26'42" WEST, 23.20 FEET;

THENCE SOUTH 62°23'20" WEST, 27.23 FEET;

THENCE SOUTH 76°42'03" WEST, 41.02 FEET;

THENCE SOUTH 71°49'34" WEST, 46.60 FEET;

THENCE SOUTH 41°58'06" WEST, 41.14 FEET;

THENCE SOUTH 42°05'55" WEST, 101.61 FEET;
THENCE SOUTH 42°02'23" WEST, 50.88 FEET;
THENCE SOUTH 42°06'30" WEST, 62.27 FEET;
THENCE SOUTH 60°16'28" WEST, 2.58 FEET;
THENCE SOUTH 42°00'29" WEST, 42.09 FEET;
THENCE SOUTH 41°59'51" WEST, 83.72 FEET;
THENCE SOUTH 87°05'09" WEST, 50.65 FEET;
THENCE SOUTH 86°58'38" WEST, 109.39 FEET;
THENCE SOUTH 87°06'04" WEST, 138.61 FEET;
THENCE NORTH 69°30'57" WEST, 15.06 FEET TO THE BEGINNING OF A NON-TANGENT CURVE TO
THE LEFT THE RADIUS OF WHICH BEARS SOUTH 79°07'08" WEST, A DISTANCE OF 14.93 FEET;
THENCE ALONG SAID CURVE TO THE LEFT, THROUGH A CENTRAL ANGLE OF 232°50'37", AN ARC
DISTANCE OF 60.68 FEET;
THENCE SOUTH 03°07'55" EAST, 19.91 FEET;
THENCE SOUTH 00°46'51" WEST, 3.96 FEET;
THENCE SOUTH 42°06'21" WEST, 75.74 FEET TO THE EAST RIGHT OF WAY LINE OF WASHINGTON
STREET;
THENCE SOUTH 02°50'49" EAST, ALONG SAID EAST RIGHT OF WAY LINE, 141.20 FEET TO THE
POINT OF BEGINNING.

EXCEPT ANY PORTION OF DEEDED TO STATE OF WASHINGTON ON MARCH 13, 1990, RECORDED
APRIL 9, 1990 UNDER AUDITOR'S FILE NO. 9004090075, IN SPOKANE COUNTY, WASHINGTON, FOR
STATE ROUTE #2, SPOKANE RIVER BRIDGE VICINITY AND DIVISION STREET.

AND EXCEPT ALL THAT PORTION CONDEMNED BY CAUSE NO. 91201392-1, SUPERIOR COURT OF
THE STATE OF WASHINGTON, IN AND FOR SPOKANE COUNTY, WASHINGTON FOR STATE ROUTE
#2, SPOKANE RIVER BRIDGE VICINITY AND DIVISION STREET.

PARCEL D:

ALL OF LOTS 6, 7 AND 10, AND LOT 9, **EXCEPT** THE WEST 47 FEET THEREOF, BLOCK 8,
RESURVEY AND ADDITION TO SPOKANE FALLS, ACCORDING TO PLAT RECORDED IN VOLUME
"A" OF PLATS, PAGE 1, IN THE CITY OF SPOKANE, SPOKANE COUNTY, WASHINGTON;

ALSO A STRIP OR PARCEL OF LAND ADJOINING ON THE EAST THEREOF, MORE PARTICULARLY
DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHEAST CORNER OF SAID LOT 10, AND RUNNING THENCE EAST 13.8
FEET, MORE OR LESS, TO THE WEST LINE OF BLOCK 7, **HAVERMALE'S ADDITION**;
THENCE SOUTH ALONG THE WEST LINE OF SAID BLOCK 7 TO THE NORTH LINE OF MAIN
AVENUE;
THENCE WEST ALONG THE NORTH LINE OF MAIN AVENUE, 13.8 FEET, MORE OR LESS, TO THE
SOUTHEAST CORNER OF SAID LOT 10;
THENCE NORTH ALONG THE EAST LINE THEREOF TO THE PLACE OF BEGINNING.

PARCEL E:

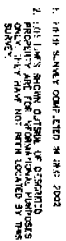
ALL THAT PORTION OF BLOCK 2 OF HAVERMALE'S SECOND ADDITION, AS PER PLAT THEREOF RECORDED IN VOLUME "A" OF PLATS, PAGE 148, INCLUDING VACATED ALLEY AND VACATED MCCLELLAN STREET (ORIGINALLY CENTER STREET), LYING WITHIN, DEFINED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE EAST LINE OF SPOKANE FALLS COURT AND THE NORTH LINE OF SPOKANE FALLS BOULEVARD;
THENCE EAST ALONG THE NORTH LINE OF SPOKANE FALLS BOULEVARD TO THE EAST LINE OF VACATED MCCLELLAN STREET;
THENCE NORTH ALONG THE EAST LINE OF VACATED MCCLELLAN STREET 158 FEET TO A POINT;
THENCE WEST ALONG A LINE 158 FEET NORTH OF AND PARALLEL TO THE NORTH LINE OF SPOKANE FALLS BOULEVARD TO A POINT 744.50 FEET EAST OF THE EAST LINE OF WASHINGTON STREET;
THENCE SOUTHEASTERLY ALONG A STRAIGHT LINE TO A POINT THAT IS 747 FEET EAST OF THE EAST LINE OF WASHINGTON STREET AND 116 FEET NORTH OF THE NORTH LINE OF SPOKANE FALLS BOULEVARD;
THENCE EAST ALONG A LINE 116 FEET NORTH OF AND PARALLEL TO THE NORTH LINE OF SPOKANE FALLS BOULEVARD 45 FEET TO A POINT;
THENCE SOUTH ALONG A LINE 792 FEET EAST OF AND PARALLEL TO THE EAST LINE OF WASHINGTON STREET TO THE NORTH LINE OF SPOKANE FALLS BOULEVARD AND THE POINT OF BEGINNING;

EXCEPT THAT PORTION DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT 747 FEET EAST OF THE EAST LINE OF WASHINGTON STREET AND 116 FEET NORTH OF THE NORTH LINE OF SPOKANE FALLS BOULEVARD;
THENCE NORTH IN A STRAIGHT LINE TO A POINT 744.5 FEET EAST OF THE EAST LINE OF WASHINGTON STREET AND 158 FEET NORTH OF THE NORTH LINE OF SPOKANE FALLS BOULEVARD;
THENCE EAST PARALLEL WITH THE NORTH LINE OF SPOKANE FALLS BOULEVARD TO THE EAST LINE OF VACATED MCCLELLAN STREET;
THENCE SOUTH ALONG THE EAST LINE OF MCCLELLAN STREET A DISTANCE OF 20 FEET;
THENCE WEST PARALLEL WITH THE NORTH LINE OF SPOKANE FALLS BOULEVARD TO THE WEST LINE OF VACATED MCCLELLAN STREET;
THENCE SOUTHWESTERLY TO A POINT 116 FEET NORTH OF THE NORTH LINE OF SPOKANE FALLS BOULEVARD AND 792 FEET EAST OF THE EAST LINE OF WASHINGTON STREET;
THENCE WEST PARALLEL WITH THE NORTH LINE OF SPOKANE FALLS BOULEVARD TO THE POINT OF BEGINNING.

A PORTION OF THE SOUTHEAST 1/4 OF SECTION 18, T.23N., R.43E., W.M., CITY OF SPOKANE, SPOKANE COUNTY, WASHINGTON

BABES OF BEAUFORT

ALUMINIST. ON IL NORTH. RIGHT OF WAY
UNA. OR SPARKS FALLS BRIDGE AND BRIDGE
FILED IN ROOM 67 PAGE 2. CITY OF SPOKANE,
SPOKANE COUNTY, WASHINGTON.

[illegible]

MAQ

1955-0070

5. 5. 5.

(S) --- FT. YARDS

100

PARCEL

DLB

ST

SPOKANE

STREET

STREE

AVENUE

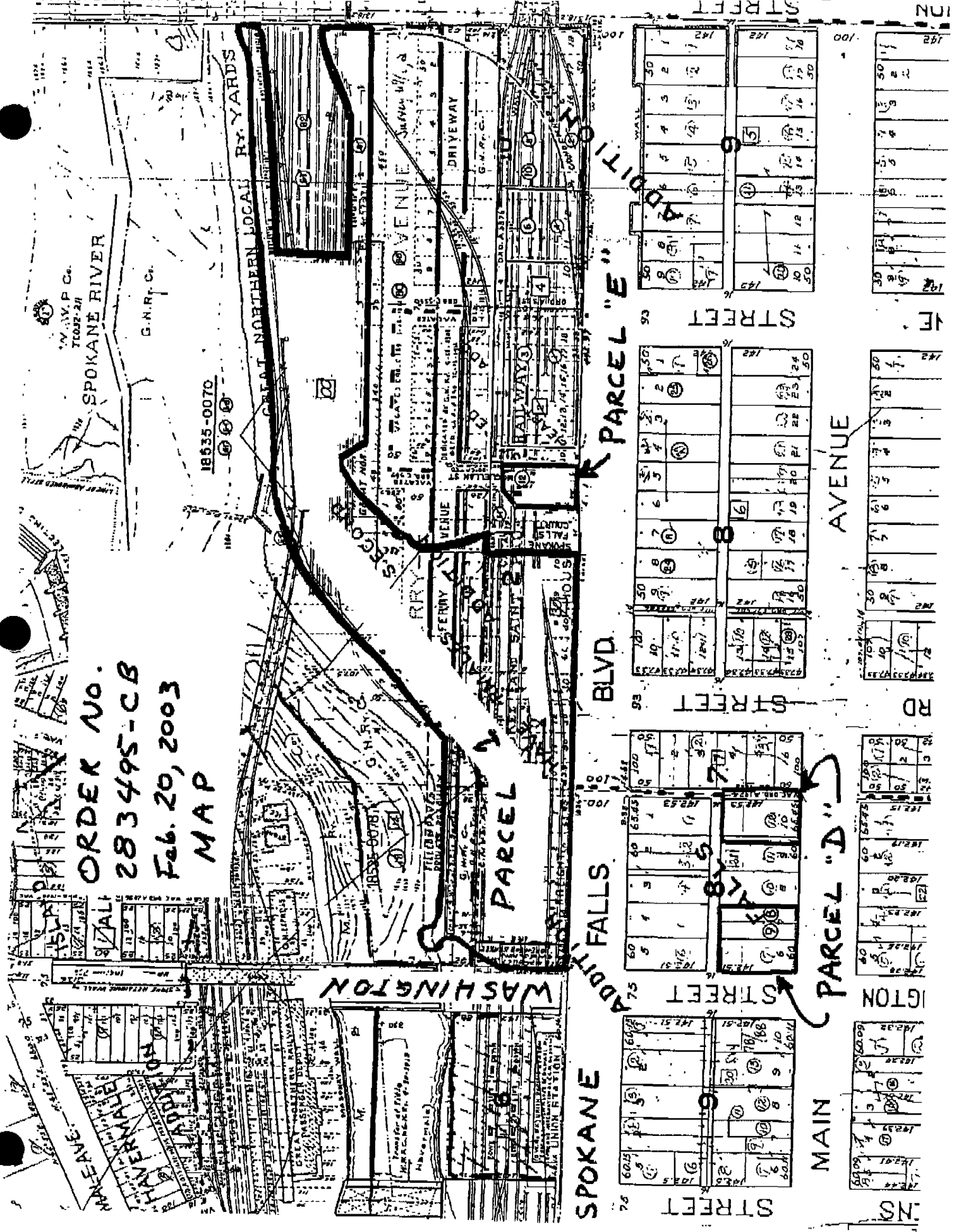
MAIN

NOTES

RD

NE

ORDER NO.
283495-CB
Feb. 20, 2003
MAP



SPokane River

18535-0070

GREAT NORTHERN LOCAL RY. YARDS

WASHINGTON

PARCEL

SPokane

FALLS

BLVD

PARCEL "E"

MAIN

PARCEL "D"

AVENUE

STREET

STREET

STREET

STREET

STREET

STREET

To view Property Transfer Agreement Attachment 1.21:
Click "LEASE" Bookmark

EXHIBIT B

LEASE AND ATTACHMENTS

**Attachment 1.25 - Inventory
Spokane Center Inventory**

FIXED ASSET SYSTEM
INVENTORY BY OWNER DEPT, TYPE, CLASS

SUBCLASS	ASSET ID	DESCRIPTION	QTY
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12100	T102755	AMPLIFIER QSC MX3000A-800 WATT	1
12100	T302691	19" COLOR TV MONITORS	1
12100	T302692	19" COLOR TV MONITORS	1
12100	T302694	KLOSS NOV BM VIDEO PROJECTOR	1
12100	T302698	EIKI LC300 LCD VIDEO DISPLAY	1
12100	T302699	EIKI LC300 LCD VIDEO DISPLAY	1
12100	T302700	SHARP X6 1000	1
12100	T302701	PANASONIC AG1960 TAPE DECK	1
12100	T302702	PANASONIC AG1960 TAPE DECK	1
12100	T302703	PANASONIC AG1960 TAPE DECK	1
12100	T302704	PANASONIC WJMX50 MIXER	1
12100	T302705	PANASONIC WJ4600C SP EFFECT	1
12100	T302706	WD TOASTER 25MHZ	1
12100	T302707	PANASONIC WVD5100 LO LUX	1
12100	T302708	PANASONIC WVS 071 STUDIO PKG	1
12100	T302709	3/4 U-MATIC SONY VP2000	1
12100	T302715	CELECT MUTIMEDIA TRANSLATOR	1
12100	T302718	SONY VIDEO PROJECTOR	1
12100	T302724	MACKIE MIXER 24.4 VLZ	1
12100	T302726	B H FILM O SOUND PROJECTOR567A	1
12100	T302727	MEGA PWR ULTRA BEAM VIDEO PROJ	1
12100	T302728	MEGA PWR ULTRA BEAM 228 VIDEO	1
12100	T304523	WIRELESS MIKE RECEIVER	1

FIXED ASSET SYSTEM
INVENTORY BY OWNER DEPT, TYPE, CLASS

OF SERVICE

**Attachment 1.25 - Inventory
Spokane Center Inventory**

SUBCLAS	ASSET ID	DESCRIPTION	QTY
	12100 T304526	TASCAM DS30MK11	1
	12100 T304549	INFOCENTER SIGN CC LOBBY	1
	12200 T105442	PANASONIC VIDEO CAMERA	1
	12200 T105475	DIGITAL VIDEO CAMERA/CCU/LENS	1
	12200 T105476	DIGITAL VIDEO CAMERA/CCU/LENS	1
	12200 T302611	CCD CAMERA	1
	12200 T302612	CCD CAMERA	1
	12200 T302613	CCD CAMERA	1
	12200 T302686	IE-30A OCTAVE AUDIO ANALYSIS	1
	12200 T302725	12 CHANNEL AUDIO MIXER	1
	12200 T304550	INFOCENTER AG LOBBY	1
	12300 T302710	PANASONIC VIDEO CASSET RECORDR	1
	12400 N001183	STAGING EQUIPMENT	1
	12400 N001185	HOIST ASSEMBLY	1
	12400 N001195	DRAPERIES BLACK TWILL	1
	12400 N001196	DANCE FLOOR, PIECES, TRIM	1
	12400 N001198	SCRIM	1
	12400 N001244	40 FT SAFEWAY SCAFFOLD	1
	12400 N001386	LARGE SCAFFOLDS	1
	12400 N001387	DANCE FLOOR EQUIP	1
	12400 N001477	STAGE ROPE & SPS INSTALL	1
	12400 N001787	ROSCO DANCE FLOOR-BLK/WHT	1
	12400 N001798	ALTMAN PAR 64 LIGHTING INSTRUM	1
	12400 N002388	STAGE DRAPES OPERA HOUSE	1
	12400 T102578	GENIE DUAL PERSONNEL LIFT	1
	12400 T302695	LYCIAN 1278 FOLLOW SPOT	1
	12400 T302696	LYCIAN 1278 FOLLOW SPOT	1
	12400 T302697	LYCIAN 1278 FOLLOW SPOT	1
	12400 T302716	SONY VIDEO PROJECTOR	1
	12400 T302717	SONY VIDEO PROJECTOR	1
	12400 T302719	BETACAM SP VIDEO TAPE PLAYER	1
	12400 T302722	ORCHESTRA SHELL	1
	12400 T304504	DIMMER SYSTEM OPERA HOUSE	1
	12400 T304525	CREST CENTURY CONSOLE	1
	14300 T102632	BLK LEATHER COUCH	1
	14300 T102633	BLK LEATHER CHAIR	1
	14300 T102677	BLACK LOUNGE CHAIR-GRN RM	1
	14300 T102678	BLACK COUCH GREEN ROO	1

FIXED ASSET SYSTEM
INVENTORY BY OWNER DEPT, TYPE, CLASS

OF SERVICE

SUBCLAS	ASSET ID	DESCRIPTION	QTY
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**Attachment 1.25 - Inventory
Spokane Center Inventory**

14300 T302685	STEINWAY BABY GRAND PIANO	1
14300 T302689	KIMBALL GRAND PIANO	1
14300 T302690	BALDWIN CONCERT PIANO	1
14400 T102754	SAFE IN CONV CENTER	1
14500 N001193	STAGING VIRCO RISERS 56X8	1
14500 T102657	BLACK VINYL BENCH	1
14500 T102658	MARBLE TOP TABLE	1
14500 T102659	BLACK VINYL BENCH	1
14500 T102660	BLACK VINYL BENCH	1
14500 T102661	BLACK VINYL BENCH	1
14500 T102662	BLACK VINYL BENCH	1
14500 T102663	BLACK VINYL BENCH	1
14500 T102664	BLACK VINYL BENCH	1
14500 T102665	BLACK VINYL BENCH	1
14500 T102666	BLACK VINYL BENCH	1
14500 T102667	BLACK VINYL BENCH	1
14500 T102668	BLACK VINYL BENCH	1
14500 T102669	BLACK VINYL BENCH	1
14500 T102670	BLACK VINYL BENCH	1
14500 T102671	BLACK VINYL BENCH	1
14500 T102672	MARBLE TABLE	1
14500 T102673	MARBLE TOP TABLE	1
14600 T102585	XERON 7020 FAX MACHINE	1
14700 T102643	MARBLE TOP TABLE	1
14700 T102644	MARBLE TOP TABLE	1
14700 T102645	MARBLE TOP TABLE	1
14700 T102646	MARBLE TOP TABLE	1
16300 N001188	STORAGE SHELVES	1
16300 N001190	REFER SYSTEM	1
16300 N001796	HOBART SHREDDER	1
16300 T102596	COOLER ROLL IN HOBART #SN3257	1
16300 T102597	COOLER REACHIN TRAUlsen MODEL	1
16300 T102598	DISHWASHER MOD STPCW20 SN1961	1
16300 T102601	HOOD DISHWASHER VENT	1
16300 T102602	SOILED DISH TABLE 12 FT	1
16300 T102605	HOBART ROLL IN COOLER	1
16300 T102606	COOLER	1
16300 T102608	CUSTOM STAINLESS HOT UNITS	1
16300 T102609	DISPOSER	1

FIXED ASSET SYSTEM
INVENTORY BY OWNER DEPT, TYPE, CLASS

OF SERVICE

SUBCLASS	ASSET ID	DESCRIPTION	QTY
16300	T102610	HOGTABLE CUTTER	1

**Attachment 1.25 - Inventory
Spokane Center Inventory**

16300 T102612	ICE CREAM CABINET	1
16300 T102613	HOT DOG COOKER	1
16300 T102614	PASS THRU WARMER	1
16300 T102617	GROEN TILTING BR PAN	1
16300 T102618	GROEN TILITNG BR PAN	1
16300 T102619	MIXER	1
16300 T102621	FRYER	1
16300 T102622	FRYER	1
16300 T102624	CONV OVEN	1
16300 T102625	CONV OVEN	1
16300 T102626	OPERN RANGE	1
16300 T102627	CHEESEMELTER	1
16300 T102630	COOLER	1
16300 T102631	ICE CUBER & BIN	1
16300 T102703	HOT WATER TANK-CC	1
16300 T102709	GRIDDLE	1
16300 T102729	DISPOSER	1
16300 T304513	HOT TOP RANGE	1
16300 T304514	HOT TOP RANGE	1
17100 T102576	ADV HI SPD MATADOR BUFFER	1
17100 T102577	ADVANCE AQUATRON 16 GALLON	1
17100 T102579	ADV CONVERTAMATIC SCRUBBER	1
17100 T102591	ADVANCE GULPER ROAMER #300G	1
17100 T102640	28"CARPETREIVER	1
17100 T102641	TEMPEST EXTRACTOR	1
17100 T102642	PACEMAKER BUFFER	1
17100 T102683	ADVANCE 325LX FLOOR SCRUBBER	1
17100 T102684	ADVANCE CARPETRIEVER	1
17100 T102712	CARPETRIVER 28XP	1
17100 T102728	ADVANCE CARPETREIVER 28	1
17200 T102685	GENIE AERIAL PLATFORM -LRG	1
17200 T102686	GENIE ARIEL WORK PLATFORM	1
17200 T102707	SNOW BLOWER-CC	1
17200 T304516	BEN KO MATIC TURF SWEEPER	1
19500 N002030	VETRA 600 PAINT SPRAYER	1
19500 T304519	GRACO 3500 LINE LASER)B:	1
23100 N001529	CHAIN MOTOR	1
23100 N001530	CHAIN MOTOR	1
23100 N001531	CHAIN MOTOR	1
23100 N001532	CHAIN MOTOR	1
23100 N001533	CHAIN MOTOR	1

FIXED ASSET SYSTEM
INVENTORY BY OWNER DEPT, TYPE, CLASS

OF SERVICE

SUBCLAS:ASSET ID DESCRIPTION

QTY

**Attachment 1.25 - Inventory
Spokane Center Inventory**

23100 N001534	CHAIN MOTOR	1
23100 N001535	CHAIN MOTOR	1
23100 N001536	CHAIN MOTOR	1
23100 N001537	CHAIN MOTOR	1
23100 N001580	STAGING EQUIPMENT	1
23100 N001581	GLASS DOOR IN CONV CENTER	1
23100 N001797	COMPACTOR	1
23100 T102565	ADVANCE POWER SWEEPER 5600	1
23100 T102595	FORK LIFT TRUCK	1
23100 T102681	SNOW BLOWER/COUNTRY HOMES	1
23100 T102682	GENIE LIFT -SAFEWAY SUPPLY	1
23100 T102706	SPECTA LIFT/WHEELCHAIR LIFT	1
23100 T102727	SINK IN CONV CENTER	1
23100 T102743	HOT WATER TANK)B:	1
23100 T102751	STORAGE UNIT	1
23100 T302712	KAWAI STUDIO PIANO VST-7	1
23100 T302713	EP-9 DIGITAL PIANO	1
23100 T302729	FORKLIFT PNEUMATIC NEW YALE	1
23100 T304517	GAS TORO MOWER MODEL # 30224	1
52700 N001170	TSUTAKAWA FOUNTAIN	1
52700 N001171	MOON CRATER BRONZE SCULP-GL	1
52700 N001175	MAHLER SCULPTURE HANS MOLDENHA	1
52700 N001177	BALAZS TAPESTRY 9X 12	1
52700 N001178	EXPO 74 ARCHITECT MODEL	1
52700 N001179	PHOTOGRAPHS EXPO 74 SITE	1
52700 N001181	IRIDAEA 53 CAST yACRYLIC SCULP	1
51000 N001478	UPDATE WATER TREATMENT SYST	1
51400 T102752	FENCE BEHIND CONV CENTER	1
52700 N001107	MARQUEE	1
52700 N001383	REROOF O.H//C.C..	1
		0

Inventory Additions Spokane Center

Audio Visual Equipment

2	SharpVision LCD Projectors	PLCXP4S
2	Sharp LCD Projectors	PCLXV3S
4	Shure Wireless Microphones	LX Series
6	Shure Wireless Microphones	T Series

Balcony Break Room

3	Light Brown Lockers
2	Grey Lockers

Terrace Accounting Office

2	Green File Cabinets
1	Grey File Cabinet
3	Metal Shelving Units
1	Book Shelf
1	Small Printer Cabinet
1	White Cabinet
2	Black File Cabinets
1	Desk with wood top
1	Printer
1	Computer with monitor
1	Calculator
1	Safe
1	Red Desk Chair
2	Brown Couches

Terrace Custodial Office

1	Desk with wood top
1	Small Computer Desk
1	Wood Cabinet (made in house)
1	4 Drawer File Cabinet
1	Light wood book case
1	Printer

Coat Room in Opera House

1	White Desk
1	Wood Top Desk
2	Computers
1	Marquee Computer
1	2 Drawer File Cabinet
2	Black Cabinets
1	Red Desk Chair
1	White bookcase
1	Small computer desk
3	Curtain rack with green curtains
6	Coat racks

Opera House Green Room

2	Desk Lamps
2	Wood pods
3	Wood desks

Inventory Additions Spokane Center

- 2 Green desk chairs

Back Stage Dressing Rooms

- 1 2-piece green fabric couch
- 2 Green & chrome chairs

Back Stage Laundry Room

- 1 Washer & Dryer (Kenmore)
- 1 Grey Desk
- 1 Wood Cabinet (made in house)

Opera House Business Office

- 1 2-piece Green cloth couch
- 1 Green cloth lounge chair
- 1 Wood pod
- 1 Wood hearing Device cabinet
- 36 Hearing Devices
- 1 Wood/White Desk with side bar
- 1 Grey cloth room divider
- 1 Wood top Cabinet
- 1 5-drawer beige file cabinet
- 1 Wood Desk
- 1 Computer Desk
- 2 Computers with monitors
- 5 4-drawer file cabinets
- 2 2-drawer file cabinets
- 1 gold lamp

Directors Office

- 1 Modular wood desk
- 1 computer w/monitor
- 1 wood cabinet
- 1 light wood cabinet
- 1 2-drawer file cabinet
- 3 Green & chrome chairs
- 2 Convention Center Photos
- 1 Owl mural from Expo 74

Events Manager Office

- 1 Modular wood desk
- 1 Back cabinets
- 3 Green & Chrome chairs
- 1 2-drawer file cabinet

Event Supervisors Office

- 1 White Desk
- 1 Wood Desk
- 2 Computer Desks
- 2 Computers w/monitors
- 2 Rolling desk chairs
- 1 Cloth room divider

Inventory Additions Spokane Center

Convention Center Conference Room

- 1 Wood Desk
- 1 Conference Table
- 1 Wood Pod
- 12 Brown Leather Chairs

Convention Center Business Office

- 1 Desk
- 1 Safe

Ag Trade Center Green Room

- 3 Green leather lounge chairs
- 1 Black leather chair
- 1 Wood Desk
- 2 Red chrome chairs
- 2 Glass top tables

Executive Conference Room

- 24 Square wood tables
- 27 Red conference chairs
- 1 Square wood table
- 1 Black Lather Chair

Roof Deck

- 8 Cement Flower containers

Big Bend Room

- 1 Safe

Ag Trade Center Office

- 1 Wood Desk
- 1 Red desk chair

Ag Trade Center/Convention Center Lobbies

- 1 Ken Spiering Painting
- 1 Miner Sculptor (Outside East Door)

Opera House Lobbies

- 55 trees (OH and ATC/CC)
- 1 Marble sculptor
- 80 Pods
- 12 Cocktail tables
- 48 Cocktail chairs
- 1 Hans Molden Hauser Bust
- 1 Donald Thulean Bust

Engineers Office

- 2 HVAC computers
- 1 Computer with monitor
- 2 Computer tables
- 1 Desk
- 1 4-drawer file cabinet

**Inventory Additions
Spokane Center**

1 2-drawer file cabinet

Basement

1 Illusion Art Piece

Attachment 3.1

ASSIGNMENT AND ASSUMPTION AGREEMENT

This Assignment and Assumption Agreement is effective the 29th day of August, 2003, by and between the SPOKANE PUBLIC FACILITIES DISTRICT, a municipal corporation, and the CITY OF SPOKANE, WASHINGTON, a first-class charter city, hereinafter collectively referred to as the "Parties".

WHEREAS, the Parties have entered into an Interlocal Agreement and Property Transfer Agreement of even date herewith, the terms of which are incorporated into this Assignment and Assumption Agreement;

WHEREAS, under the terms of the Property Transfer Agreement, the City has agreed to assign to the District all of the City's interest in certain Assumed Obligations;

WHEREAS, the District wishes to accept assignment of the Assumed Obligations pursuant to the terms of the Property Transfer Agreement and this Assignment and Assumption Agreement;

NOW, THEREFORE, for good and valuable consideration, the receipt of which is hereby acknowledged, the Parties promise and agree as follows:

1. The City hereby assigns, transfers and conveys to the District all of its right, title and interest in and to all of those items set forth in Exhibit "A" hereto, as amended and supplemented at the time of Closing to include any agreements, contracts, licenses, leases or other arrangements as the City enters in the ordinary course of operating the Spokane Center from today until Closing.

2. The District hereby (a) accepts the assignment, and assumes certain liabilities and obligations of the City, including, but not limited to performance of any obligations of the City arising under any agreements, contracts, licenses, leases or other arrangements, as more fully described on Exhibit "A" hereto, as amended and supplemented at the time of Closing to include any agreements, contract, licenses, leases or other arrangements as the City enters in the ordinary course of operating the Spokane Center from today until Closing.

3. The terms of the Interlocal Agreement and Property Transfer Agreement of even date herewith, by and between the Parties, are incorporated into this Assignment and Assumption Agreement, and the capitalized terms in those agreements shall have the same meaning in this Assignment and Assumption Agreement.

4. This Assignment and Assumption Agreement shall be binding upon and inure to the benefit of the Parties hereto and their respective successors and assigns.

5. This Assignment and Assumption Agreement shall be governed by and construed in accordance with the laws of the State of Washington.

6. This Assignment and Assumption Agreement shall be effective, and the assignments and assumptions contemplated hereby shall occur, on the Closing Date, as set forth in the Property Transfer Agreement.

IN WITNESS WHEREOF, the Parties have executed this Assignment and Assumption Agreement as of the Effective Date.

CITY OF SPOKANE

By: *John Powers*

City Administrator Mayor

Attest: *Shirley M. Pappenger*

Acting City Clerk

Approved as to form:

James R.

Assistant City Attorney



SPOKANE PUBLIC FACILITIES DISTRICT

By: *Chris Hall*

Its: Chair

EXHIBIT A

List of Contracts/Agreements

1. Renewal contract between City of Spokane and Senske Pest Control, dated February 13, 2002.
2. Renewal contract between City of Spokane Firepower Services, Inc., dated January 18, 2002 (monitoring of fire alarm system).
3. Contract between City of Spokane and Sterling Cleaning Services, plus attachments, dated January 7, 2002 (carpet cleaning services).
4. Contract between City of Spokane and Spokane and Norwest Building Maintenance, dated March 7, 2001 (window cleaning services).
5. Contract between City of Spokane and Greenleaf Landscaping, dated January 29, 2002.
6. Contract extension between the City of Spokane and Royal Business Systems, dated September 6, 2002 (for copy machine rental).
7. Agreement and Mortgage between City of Spokane and EDA Mortgage.
8. Spokane Arena and Spokane Entertainment Facilities Catering and Concessions Agreement between City of Spokane and Service America Corporation, dated June 20, 1995 (food and beverage services).
9. Agreement for Computerized Ticket Selling Services between the City of Spokane and Goodale & Barbieri Select-a-Seat, dated January 5, 1993 (with contract extensions).
10. Parking Lot Management Agreement between City of Spokane and Diamond Parking of Spokane.
11. Renewal Contract between City of Spokane and Starplex Corporation, Inc., dated February 6, 2002 (for ushering services).
12. Agreement between Stagehands Union—IATSE Local 93 and City of Spokane, dated August 26, 1999 (for technical services).
13. Renewal contract between the City of Spokane and All Service Elevator Company (AECO), dated September 12, 2002 (for elevator maintenance).
14. Washington Trust Bank (Marquee Sponsorship) (contract not yet received)
15. C.O.R.E. settlement resolution, dated October 12, 1987, and related Dedication and Restrictive Covenant on Land, dated August 21, 1987.

Event Contracts

- | | | |
|-----|---|--|
| 15. | July 18-20, 2003 | Daughery Summer Conference |
| 16. | July 19, 2003 | Stazel Wedding Reception |
| 17. | July 25-30, 2003 | Soil & Water Conservation Conference |
| 18. | August 17, 2003 | Washington Association of Housing |
| 19. | September 3-6, 2003 | Healing Rooms |
| 20. | September 5-6, 2003
December 12-13, 2003 | World Wide Dreambuilders
World Wide Dreambuilders |
| 21. | September 16-19, 2003 | Washington Finance Officers Association |
| 22. | September 25-26, 2003 | Heart Follies |
| 23. | October 9-10, 2003 | Washington Association of Maintenance & Ops. |
| 24. | October 17-18, 2003 | Pages of Harmony |
| 25. | October 20, 2003 | Schweitzer Engineering Laboratories, Inc. |
| 26. | October 31, 2003
November 1-2, 2003 | International Leadership
International Leadership |
| 27. | November 6-9, 2003 | Inland Craft Warnings |
| 28. | November 20-23, 2003 | Family Career and Community Leaders |
| 29. | February 3- March 3, 2004 | Association of Public Safety Communications |
| 30. | March 23-28, 2004 | Washington Education Association |
| 31. | April 23-24, 2004 | Sweet Adeline's |
| 32. | April 24, 2004 | Sweet Adeline's |
| 33. | May 20-22, 2004 | National Association of Watch and Clock Collector |
| 34. | July 29-August 1, 2004 | Public School Employees of Washington |
| 35. | September 28-30, 2004 | Governor's Safety & Health Conference |
| 36. | October 18-23, 2004 | DECA Fall Leadership 2004 Conference |

- | | | |
|-----|-------------------------|---|
| 37. | October 28-30, 2004 | Washington Association for the Education |
| 38. | April 8-9, 2005 | Sweet Adeline's |
| 39. | April 9, 2005 | Sweet Adeline's |
| 40. | May10-15, 2005 | Washington Education Association |
| 42. | April 21-22, 2006 | Sweet Adeline's |
| 43. | April 29- May 3, 2006 | Western Association of College Business Officials |
| 44. | July 27- August 2, 2008 | Public School Employees of Washington |



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Attachment 8.2.2
Center Improvements-2/3 Interest
Property Transfer Agreement

RECEIVED

DEC 15 2003

OFFICE OF THE CITY ATTORNEY

Filed for Record at Request of and
copy returned to:

Paul M. Davis
LUKINS & ANNIS, P.S.
1600 Washington Trust Financial Center
717 West Sprague Avenue
Spokane, Washington 99201-0466

30

RECEIVED

DEC 19 2003

CITY CLERK'S OFFICE
SPOKANE, WA

283495-CB

QUIT CLAIM DEED

COURTESY RECORDING

Reference numbers of related documents:

GRANTOR: City of Spokane

GRANTEE: Spokane Public Facilities District

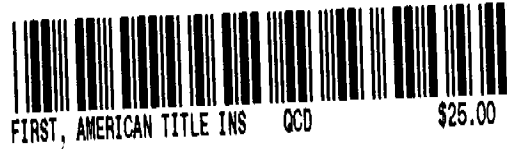
Legal Description:

1. Abbreviated form: PTN of the SE ¼ of S18 T25N R43E W.M., City of Spokane, Spokane County, Washington.

2. Additional legal description is on pages 4-6 of Document.

Assessor's Property Tax Parcel Account Number(s): 35185.0070. This Account Number is subject to revision as a result of recent Boundary Line Adjustment.

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WHEN RECORDED RETURN TO:
Spokane Public Facilities District
720 W. Mallon
Spokane, WA 99201
Attn: Executive Director

QUIT CLAIM DEED

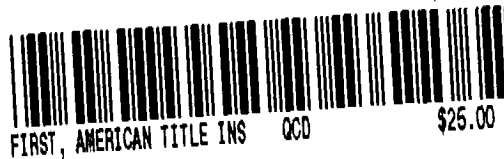
This Quit Claim Deed is from the CITY OF SPOKANE, a first class city of the State of Washington, as "City" or "Grantor", to the SPOKANE PUBLIC FACILITIES DISTRICT, a Washington municipal corporation, as "District" or Grantee".

BACKGROUND

This Quit Claim Deed is executed in connection with that certain Interlocal Cooperation Agreement between the City and the District, and that certain Property Transfer Agreement between the City and the District, each of which is dated August 20, 2003 – relating to the Spokane Opera House, Spokane Convention Center, and Washington State International Agricultural Trade Center (collectively the "Spokane Center").

CONVEYANCE

The City, in consideration of good and valuable consideration, the receipt of which is hereby acknowledged, conveys and quit claims to the District a two-thirds (2/3) undivided interest in the improvements located on that certain real property described on Exhibit A, for so long as the District operates the Spokane Center pursuant to the authority under Chapter 36.100 RCW, reserving to the City a one-



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third (1/3) undivided interest in such improvements and all interest in the real property described in Exhibit A other than the improvements situated thereon. The interest conveyed to the District by this Quit Claim Deed shall automatically revert to the City at such time as the District ceases to operate the Spokane Center pursuant to the authority under Chapter 36.100 RCW.

DATED this 29th day of August, 2003.

CITY OF SPOKANE

By: John Powers Jr
John Powers, Mayor

ATTEST:

Therleigh Peppenger
Acting City Clerk

APPROVED AS TO FORM:

James Rice
City Attorney



STATE OF WASHINGTON)
County of Spokane) ss.



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I certify that I know or have satisfactory evidence that JOHN POWERS and SHIRLEY M. PIPPENGER are the persons who appeared before me and said persons acknowledged that they signed this documents, on oath stated that they were authorized to sign it and acknowledged it as the Mayor and the Acting 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: August 29, 2003

Randall S. Withrow
Notary Public in and for
State, residing at SPOKANE
My appointment expires 11-16-05





EXHIBIT

FIRST, AMERICAN TITLE INS

QCD

\$25.00

OPERA HOUSE, CONVENTION CENTER
AG TRADE CENTER
REAL PROPERTY

PARCEL 1:

A PORTION OF HAVERMALE'S SECOND ADDITION, ACCORDING TO PLAT RECORDED IN VOLUME "A" OF PLATS, PAGE 148, AND A PORTION OF THE SOUTHEAST QUARTER OF SECTION 18, TOWNSHIP 25 NORTH, RANGE 43 EAST, W.M., CITY OF SPOKANE, SPOKANE COUNTY, WASHINGTON, DESCRIBED, AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE EAST RIGHT OF WAY LINE OF WASHINGTON STREET AND THE NORTH RIGHT OF WAY LINE OF SPOKANE FALLS BOULEVARD;
THENCE NORTH 87°05'15" EAST, ALONG THE NORTH LINE OF SAID SPOKANE FALLS BOULEVARD, 712.00 FEET TO THE SOUTHWEST CORNER OF SPOKANE FALLS COURT;
THENCE NORTH 02°50'49" WEST, ALONG THE WEST LINE OF SAID SPOKANE FALLS COURT AND PARALLEL WITH THE EAST RIGHT OF WAY LINE OF WASHINGTON STREET, 157.95 FEET (REC. 158.00 FEET);
THENCE NORTH 87°05'15" EAST, ALONG THE NORTH LINE OF SPOKANE FALLS COURT AND PARALLEL TO THE NORTH LINE OF SPOKANE FALLS BOULEVARD, 32.51 FEET (REC. 32.50 FEET);
THENCE NORTH 10°19'39" WEST, 10.14 FEET (REC. 10.08 FEET);
THENCE NORTH 12°34'07" WEST, 10.14 FEET;
THENCE NORTH 14°30'20" WEST, 10.21 FEET;
THENCE NORTH 15°36'04" WEST, 10.25 FEET;
THENCE NORTH 16°24'59" WEST, 10.23 FEET;
THENCE NORTH 18°01'49" WEST, 10.36 FEET;
THENCE NORTH 20°55'29" WEST, 10.51 FEET;
THENCE NORTH 25°56'46" WEST, 10.87 FEET;
THENCE NORTH 24°58'06" WEST, 3.82 FEET;
THENCE NORTH 02°50'49" WEST, PARALLEL WITH THE EAST RIGHT OF WAY LINE OF WASHINGTON STREET, 48.01 FEET (REC. 47.95 FEET);
THENCE NORTH 35°58'22" EAST, 10.24 FEET TO THE BEGINNING OF A CURVE TO THE RIGHT, THE RADIUS OF WHICH BEARS SOUTH 33°45'06" EAST, A DISTANCE OF 25.00 FEET;
THENCE ALONG SAID CURVE TO THE RIGHT, THROUGH A CENTRAL ANGLE OF 30°08'53", AN ARC DISTANCE OF 13.15 FEET TO A POINT 742.00 FEET EAST OF THE EAST RIGHT OF WAY LINE OF WASHINGTON STREET AND 301.00 FEET NORTH OF THE NORTH RIGHT OF WAY LINE OF SPOKANE FALLS BOULEVARD;
THENCE NORTH 02°50'49" WEST, 12.00 FEET;
THENCE NORTH 35°58'22" EAST, 67.76 FEET;
THENCE NORTH 42°07'28" EAST, 40.45 FEET;
THENCE NORTH 56°26'07" EAST, 68.56 FEET;
THENCE SOUTH 31°58'44" EAST, 47.24 FEET (REC. 47.23) FEET TO A POINT 895.01 FEET EAST OF THE EAST RIGHT OF WAY LINE OF WASHINGTON STREET AND 388.00 FEET NORTH OF THE NORTH RIGHT OF WAY LINE OF SPOKANE FALLS BOULEVARD;
THENCE NORTH 87°05'15" EAST, 730.36 FEET (REC. 730.38 FEET) TO THE WEST RIGHT OF WAY LINE OF DIVISION STREET;

THENCE NORTH 03°05'15" WEST, ALONG SAID WEST RIGHT OF WAY LINE 77.03 FEET TO THE BEGINNING OF A CURVE TO THE LEFT THE RADIUS OF WHICH BEARS SOUTH 03°05'15" EAST, A DISTANCE OF 195.00 FEET;

THENCE ALONG SAID CURVE TO THE LEFT, THROUGH A CENTRAL ANGLE OF 31°23'12", AN ARC DISTANCE OF 106.82 FEET TO THE BEGINNING OF A REVERSE CURVE THE RADIUS OF WHICH BEARS NORTH 34°28'27" WEST, A DISTANCE OF 150.00 FEET;

THENCE ALONG SAID REVERSE CURVE, THROUGH A CENTRAL ANGLE OF 18°18'01", AN ARC DISTANCE OF 47.91 FEET TO A POINT 145.71 FEET WEST OF THE WEST RIGHT OF WAY LINE OF DIVISION STREET AND 418.00 FEET NORTH OF THE NORTH RIGHT OF WAY LINE OF SPOKANE FALLS BOULEVARD;

THENCE SOUTH 87°05'15" WEST, PARALLEL WITH SAID NORTH RIGHT OF WAY LINE, 251.29 FEET TO A POINT 397.00 FEET WEST OF THE WEST RIGHT OF WAY LINE OF DIVISION STREET;

THENCE NORTH 03°05'15" WEST, PARALLEL WITH SAID WEST RIGHT OF WAY LINE, 130.46 FEET;

THENCE NORTH 80°44'15" EAST, 84.09 FEET;

THENCE NORTH 84°21'00" EAST, 176.33 FEET;

THENCE NORTH 80°36'00" EAST, 86.86 FEET;

THENCE NORTH 82°33'30" EAST, 51.06 FEET (REC. 51.05 FEET) TO THE WEST RIGHT OF WAY LINE OF DIVISION STREET;

THENCE NORTH 03°05'15" WEST, ALONG SAID WEST RIGHT OF WAY LINE, 26.40 FEET;

THENCE SOUTH 73°18'46" WEST, 19.39 FEET;

THENCE SOUTH 63°12'14" WEST, 32.63 FEET;

THENCE SOUTH 72°13'24" WEST, 20.32 FEET;

THENCE SOUTH 82°06'10" WEST, 21.05 FEET;

THENCE SOUTH 85°05'30" WEST, 53.94 FEET;

THENCE SOUTH 85°36'01" WEST, 37.38 FEET;

THENCE SOUTH 81°27'48" WEST, 91.18 FEET;

THENCE SOUTH 81°28'18" WEST, 27.40 FEET;

THENCE SOUTH 81°39'06" WEST, 28.26 FEET;

THENCE SOUTH 81°22'21" WEST, 31.57 FEET;

THENCE SOUTH 82°48'52" WEST, 24.37 FEET;

THENCE SOUTH 79°50'33" WEST, 22.96 FEET;

THENCE SOUTH 81°13'51" WEST, 9.30 FEET;

THENCE SOUTH 83°01'55" WEST, 74.81 FEET;

THENCE SOUTH 82°41'31" WEST, 46.90 FEET;

THENCE SOUTH 82°54'44" WEST, 68.90 FEET;

THENCE SOUTH 86°30'10" WEST, 50.81 FEET;

THENCE SOUTH 88°24'39" WEST, 51.00 FEET;

THENCE NORTH 89°55'42" WEST, 31.12 FEET;

THENCE SOUTH 89°19'43" WEST, 29.16 FEET;

THENCE SOUTH 87°35'15" WEST, 28.09 FEET;

THENCE SOUTH 82°33'35" WEST, 29.40 FEET;

THENCE SOUTH 72°57'28" WEST, 5.64 FEET;

THENCE SOUTH 63°30'04" WEST, 4.49 FEET;

THENCE SOUTH 62°26'42" WEST, 23.20 FEET;

THENCE SOUTH 62°23'20" WEST, 27.23 FEET;

THENCE SOUTH 76°42'03" WEST, 41.02 FEET;

THENCE SOUTH 71°49'34" WEST, 46.60 FEET;

THENCE SOUTH 41°58'06" WEST, 41.14 FEET;



FIRST, AMERICAN TITLE INS QCD

\$25.00

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THENCE SOUTH 42°05'55" WEST, 101.61 FEET;
THENCE SOUTH 42°02'23" WEST, 50.88 FEET;
THENCE SOUTH 42°06'30" WEST, 62.27 FEET;
THENCE SOUTH 60°16'28" WEST, 2.58 FEET;
THENCE SOUTH 42°00'29" WEST, 42.09 FEET;
THENCE SOUTH 41°59'51" WEST, 83.72 FEET;
THENCE SOUTH 87°05'09" WEST, 50.65 FEET;
THENCE SOUTH 86°58'38" WEST, 109.39 FEET;
THENCE SOUTH 87°06'04" WEST, 138.61 FEET;
THENCE NORTH 69°30'57" WEST, 15.06 FEET TO THE BEGINNING OF A NON-TANGENT CURVE TO
THE LEFT THE RADIUS OF WHICH BEARS SOUTH 79°07'08" WEST, A DISTANCE OF 14.93 FEET;
THENCE ALONG SAID CURVE TO THE LEFT, THROUGH A CENTRAL ANGLE OF 232°50'37", AN ARC
DISTANCE OF 60.68 FEET;
THENCE SOUTH 03°07'55" EAST, 19.91 FEET;
THENCE SOUTH 00°46'51" WEST, 3.96 FEET;
THENCE SOUTH 42°06'21" WEST, 75.74 FEET TO THE EAST RIGHT OF WAY LINE OF WASHINGTON
STREET;
THENCE SOUTH 02°50'49" EAST, ALONG SAID EAST RIGHT OF WAY LINE, 141.20 FEET TO THE
POINT OF BEGINNING.

EXCEPT ANY PORTION OF DEEDED TO STATE OF WASHINGTON ON MARCH 13, 1990, RECORDED
APRIL 9, 1990 UNDER AUDITOR'S FILE NO. 9004090075, IN SPOKANE COUNTY, WASHINGTON, FOR
STATE ROUTE #2, SPOKANE RIVER BRIDGE VICINITY AND DIVISION STREET.

AND EXCEPT ALL THAT PORTION CONDEMNED BY CAUSE NO. 91201392-1, SUPERIOR COURT OF
THE STATE OF WASHINGTON, IN AND FOR SPOKANE COUNTY, WASHINGTON FOR STATE ROUTE
#2, SPOKANE RIVER BRIDGE VICINITY AND DIVISION STREET.

PLEASE TYPE OR PRINT
PLEASE SEE REVERSE

REAL ESTATE EXCISE TAX AFFIDAVIT

This form is your receipt when stamped
by cashier.

CHAPTER 82.45 RCW - CHAPTER 458-61 WAC

For Use at County Treasurer's Office

(Use Form No. 84-0001B for Reporting Transfers of Controlling Interest of Entity Ownership to the Department of Revenue)

THIS AFFIDAVIT WILL NOT BE ACCEPTED UNLESS ALL AREAS 1-7 ARE FULLY COMPLETED

1 SELLER GRANTOR	Name <u>City of Spokane</u>	2 BUYER GRANTEE	Name <u>Spokane Public Facilities District</u>
	<u>808 W. Spokane Falls Blvd.</u>		
	Street <u>550 Municipal Bldg.</u>		Street <u>720 W. Mallon</u>
	City/State/Zip <u>Spokane, WA 99201</u>		City/State/Zip <u>Spokane, WA 99201</u>
3 ADDRESS TO SEND ALL PROPERTY TAX RELATED CORRESPONDENCE		ALL TAX PARCEL NUMBERS	
Name <u>Spokane Public Facilities District</u>		<u>35185.0070</u>	
Street <u>720 W. Mallon</u>			
City/State/Zip <u>Spokane, WA 99201</u>			
COUNTY TREASURER PLACE ASSESSED VALUE IF TAX EXEMPT			

4 LEGAL DESCRIPTION OF PROPERTY SITUATED IN ☐ UNINCORPORATED _____ COUNTY ☒ OR IN CITY OF Spokane

Street Address (if property is improved): _____

Undivided interest in improvements as
described in attached Exhibit A.

5 Is this property currently:	YES	NO
Classified or designated as forest land? Chapter 84.33 RCW	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Classified as current use land (open space, farm and agricultural, or timber)? Chapter 84.34 RCW	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Exempt from property tax as a nonprofit organization? Chapter 84.36 RCW	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Seller's Exempt Reg. No. _____		
Receiving special valuation as historic property? Chapter 84.26 RCW	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Property Type: <input type="checkbox"/> land only <input type="checkbox"/> land with new building <input type="checkbox"/> land with previously used building <input type="checkbox"/> land with mobile home <input type="checkbox"/> timber only <input checked="" type="checkbox"/> building only		
Principal Use: <input type="checkbox"/> Apt. (4 + unit) <input type="checkbox"/> residential <input type="checkbox"/> timber <input type="checkbox"/> agricultural <input checked="" type="checkbox"/> commercial/industrial <input type="checkbox"/> other _____		

6 Description of tangible personal property if included in sale (furniture,
appliances, etc.)

None

If exemption claimed, list WAC number and explanation.

WAC No. (Sec/Sub) RCW 82.45.010(3)(m) ;

Explanation WAC 458-61-420(1)

Transfer by City to Municipal Corporation

Type of Document Quit Claim Deed

Date of Document August 29, 2003

Gross Sale Price \$ N/A

Personal Property (deduct) \$ -

Taxable Sale Price \$ N/A

Excise Tax: State \$ -0-

Local \$ -0-

Delinquent Interest: State \$ -0-

Local \$ -0-

Delinquent Penalty: State \$ -0-

Total Due \$ -0-

THERE IS A \$2.00 FEE FOR PROCESSING THIS FORM IF NO TAX IS DUE

8 (1) NOTICE OF CONTINUANCE (RCW 84.33 or RCW 84.34)

If the new owner(s) of land that is classified or designated as current use
or forest land wish to continue the classification or designation of such
land, the new owner(s) must sign below. If the new owner(s) do not desire
to continue such classification or designation, all compensating or addition-
al tax calculated pursuant to RCW 84.33.120 and 140 or RCW
84.34.108 shall be due and payable by the seller or transferor at the time of
sale. The county assessor must determine if the land transferred qualifies
to continue classification or designation and must so indicate below.
Signatures do not necessarily mean the land will remain in classification
or designation. If it no longer qualifies, it will be removed and the com-
pensating taxes will be applied. All new owners must sign.

This land ☐ does ☐ does not qualify for continuance.

Date _____
DEPUTY ASSESSOR

(2) NOTICE OF COMPLIANCE (Chapter 84.26 RCW)

If the new owner(s) of property with special valuation as historic property
wish to continue this special valuation the new owner(s) must sign below.
If the new owner(s) do not desire to continue such special valuation, all
additional tax calculated pursuant to Chapter 84.26 RCW, shall be due
and payable by the seller or transferor at the time of sale.

(3) OWNER(S) SIGNATURE

7 AFFIDAVIT

I certify under penalty of perjury under the laws of the state of
Washington that the foregoing is true and correct (See back of this
form).

Signature of
Grantor/Agent James R. [Signature]

Name (print) James R. [Signature]

Date & Place of Signing 7/1/03 Spokane WA

Signature of
Grantee/Agent H. E. Stiles, II

Name (print) H. E. Stiles, II

Date & Place of Signing 11/13/03 [Signature]

Perjury: Perjury is a class C felony which is punishable by imprisonment in a state correctional institution for a maximum term of not
more than five years, or by a fine in an amount fixed by the court of not more than five thousand dollars (\$5,000.00), or by both imprisonment
and fine (RCW 9A.20.020 (1C)).

FA 283495-CB

11/13/2003 CBG

\$2.00 200321237

Property Transfer Agreement Attachment 8.2.3

BILL OF SALE

Pursuant to the Property Transfer Agreement, dated August 20, 2003 between the City of Spokane Washington, a first class city of the State of Washington ("City") and the Spokane Public Facilities District, a Washington municipal corporation ("District").

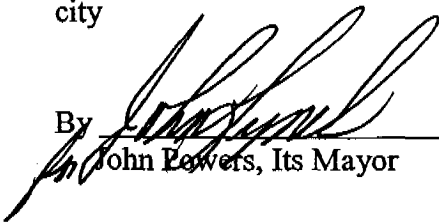
The City, for and in consideration of good and valuable consideration, receipt of which is hereby acknowledged, does grant, bargain, sell, transfer, convey, deliver and assign to the District all of the Personal Property described in Section 1.25 of the Property Transfer Agreement by and between the City and the District, as clarified in the attached schedules.

This Bill of Sale is subject to the terms and conditions stated in the Property Transfer Agreement entered into between the parties, which are incorporated herein by reference, and shall be binding upon the City and the District.

This Bill of Sale shall be governed and construed and interpreted in accordance with the laws of the State of Washington.

DATED September 10, 2003.

CITY OF SPOKANE, a Washington first class city

By 
John Powers, Its Mayor

Attest:


City Clerk

Approved as to form:


City Attorney

SCHEDULE 1

The City transfers the following personal property to the District:

All fixtures, equipment, vehicles, furniture, spare parts, inventory supplies, Permits, Records, Intellectual Property used or usable in connection with the Existing Center Facilities, accounts receivable, cash on hand, deposits and other items of tangible and intangible property (other than the Existing Center Property or the Existing Center Facilities and other than contract rights and obligations that are not assumed by the District) that are currently installed, located, owned or used on or in connection with the Existing Center Facilities—including, without limitation, those assets specifically identified in Schedule 2 to this Bill of Sale, and limited to the accounts receivable, cash on hand and deposits identified below.

The City transfers the following accounts receivable, cash on hand and deposits to the District:

<u>Account No.</u>	<u>Description</u>	<u>Balance as of 8/31/2003</u>
0100-99999-99999-24567	Spokane Center deposit accounts for future events	\$26,833.92
0100-99999-99999-11213	Petty cash	\$500.00

Capitalized terms not defined in this Bill of Sale shall have the meanings that are ascribed to such terms in the Property Transfer Agreement.

SCHEDULE 2

See attached list of specific items of personal property.

**Attachment 1.25 - Inventory
Spokane Center Inventory**

**FIXED ASSET SYSTEM
INVENTORY BY OWNER DEPT, TYPE, CLASS**

SUBCLASS	ASSET ID	DESCRIPTION	QTY
12100	T102755	AMPLIFIER QSC MX3000A-800 WATT	1
12100	T302691	19" COLOR TV MONITORS	1
12100	T302692	19" COLOR TV MONITORS	1
12100	T302694	KLOSS NOV BM VIDEO PROJECTOR	1
12100	T302698	EIKI LC300 LCD VIDEO DISPLAY	1
12100	T302699	EIKI LC300 LCD VIDEO DISPLAY	1
12100	T302700	SHARP X6 1000	1
12100	T302701	PANASONIC AG1960 TAPE DECK	1
12100	T302702	PANASONIC AG1960 TAPE DECK	1
12100	T302703	PANASONIC AG1960 TAPE DECK	1
12100	T302704	PANASONIC WJMX50 MIXER	1
12100	T302705	PANASONIC WJ4600C SP EFFECT	1
12100	T302706	WD TOASTER 25MHZ	1
12100	T302707	PANASONIC WVD5100 LO LUX	1
12100	T302708	PANASONIC WVS 071 STUDIO PKG	1
12100	T302709	3/4 U-MATIC SONY VP2000	1
12100	T302715	CELECT MUTIMEDIA TRANSLATOR	1
12100	T302718	SONY VIDEO PROJECTOR	1
12100	T302724	MACKIE MIXER 24.4 VLZ	1
12100	T302726	B H FILM O SOUND PROJECTOR567A	1
12100	T302727	MEGA PWR ULTRA BEAM VIDEO PROJ	1
12100	T302728	MEGA PWR ULTRA BEAM 228 VIDEO	1
12100	T304523	WIRELESS MIKE RECEIVER	1

**FIXED ASSET SYSTEM
INVENTORY BY OWNER DEPT, TYPE, CLASS**

OF SERVICE

**Attachment 1.25 - Inventory
Spokane Center Inventory**

SUBCLASS	ASSET ID	DESCRIPTION	QTY
12100	T304526	TASCAM DS30MK11	1
12100	T304549	INFOCENTER SIGN CC LOBBY	1
12200	T105442	PANASONIC VIDEO CAMERA	1
12200	T105475	DIGITAL VIDEO CAMERA/CCU/LENS	1
12200	T105476	DIGITAL VIDEO CAMERA/CCU/LENS	1
12200	T302611	CCD CAMERA	1
12200	T302612	CCD CAMERA	1
12200	T302613	CCD CAMERA	1
12200	T302686	IE-30A OCTAVE AUDIO ANALYSIS	1
12200	T302725	12 CHANNEL AUDIO MIXER	1
12200	T304550	INFOCENTER AG LOBBY	1
12300	T302710	PANASONIC VIDEO CASSET RECORDR	1
12400	N001183	STAGING EQUIPMENT	1
12400	N001185	HOIST ASSEMBLY	1
12400	N001195	DRAPERIES BLACK TWILL	1
12400	N001196	DANCE FLOOR, PIECES, TRIM	1
12400	N001198	SCRIM	1
12400	N001244	40 FT SAFEWAY SCAFFOLD	1
12400	N001386	LARGE SCAFFOLDS	1
12400	N001387	DANCE FLOOR EQUIP	1
12400	N001477	STAGE ROPE & SPS INSTALL	1
12400	N001787	ROSCO DANCE FLOOR-BLK/WHT	1
12400	N001798	ALTMAN PAR 64 LIGHTING INSTRUM	1
12400	N002388	STAGE DRAPES OPERA HOUSE	1
12400	T102578	GENIE DUAL PERSONNEL LIFT	1
12400	T302695	LYCIAN 1278 FOLLOW SPOT	1
12400	T302696	LYCIAN 1278 FOLLOW SPOT	1
12400	T302697	LYCIAN 1278 FOLLOW SPOT	1
12400	T302716	SONY VIDEO PROJECTOR	1
12400	T302717	SONY VIDEO PROJECTOR	1
12400	T302719	BETACAM SP VIDEO TAPE PLAYER	1
12400	T302722	ORCHESTRA SHELL	1
12400	T304504	DIMMER SYSTEM OPERA HOUSE	1
12400	T304525	CREST CENTURY CONSOLE	1
14300	T102632	BLK LEATHER COUCH	1
14300	T102633	BLK LEATHER CHAIR	1
14300	T102677	BLACK LOUNGE CHAIR-GRN RM	1
14300	T102678	BLACK COUCH GREEN ROO	1

FIXED ASSET SYSTEM
INVENTORY BY OWNER DEPT, TYPE, CLASS

OF SERVICE

SUBCLASS	ASSET ID	DESCRIPTION	QTY
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**Attachment 1.25 - Inventory
Spokane Center Inventory**

14300 T302685	STEINWAY BABY GRAND PIANO	1
14300 T302689	KIMBALL GRAND PIANO	1
14300 T302690	BALDWIN CONCERT PIANO	1
14400 T102754	SAFE IN CONV CENTER	1
14500 N001193	STAGING VIRCO RISERS 56X8	1
14500 T102657	BLACK VINYL BENCH	1
14500 T102658	MARBLE TOP TABLE	1
14500 T102659	BLACK VINYL BENCH	1
14500 T102660	BLACK VINYL BENCH	1
14500 T102661	BLACK VINYL BENCH	1
14500 T102662	BLACK VINYL BENCH	1
14500 T102663	BLACK VINYL BENCH	1
14500 T102664	BLACK VINYL BENCH	1
14500 T102665	BLACK VINYL BENCH	1
14500 T102666	BLACK VINYL BENCH	1
14500 T102667	BLACK VINYL BENCH	1
14500 T102668	BLACK VINYL BENCH	1
14500 T102669	BLACK VINYL BENCH	1
14500 T102670	BLACK VINYL BENCH	1
14500 T102671	BLACK VINYL BENCH	1
14500 T102672	MARBLE TABLE	1
14500 T102673	MARBLE TOP TABLE	1
14600 T102585	XERON 7020 FAX MACHINE	1
14700 T102643	MARBLE TOP TABLE	1
14700 T102644	MARBLE TOP TABLE	1
14700 T102645	MARBLE TOP TABLE	1
14700 T102646	MARBLE TOP TABLE	1
16300 N001188	STORAGE SHELVES	1
16300 N001190	REFER SYSTEM	1
16300 N001796	HOBART SHREDDER	1
16300 T102596	COOLER ROLL IN HOBART #SN3257	1
16300 T102597	COOLER REACHIN TRAULSEN MODEL	1
16300 T102598	DISHWASHER MOD STPCW20 SN1961	1
16300 T102601	HOOD DISHWASHER VENT	1
16300 T102602	SOILED DISH TABLE 12 FT	1
16300 T102605	HOBART ROLL IN COOLER	1
16300 T102606	COOLER	1
16300 T102608	CUSTOM STAINLESS HOT UNITS	1
16300 T102609	DISPOSER	1

FIXED ASSET SYSTEM
INVENTORY BY OWNER DEPT, TYPE, CLASS

OF SERVICE

SUBCLASS	ASSET ID	DESCRIPTION	QTY
16300	T102610	HOGTABLE CUTTER	1

**Attachment 1.25 - Inventory
Spokane Center Inventory**

16300 T102612	ICE CREAM CABINET	1
16300 T102613	HOT DOG COOKER	1
16300 T102614	PASS THRU WARMER	1
16300 T102617	GROEN TILTING BR PAN	1
16300 T102618	GROEN TILITNG BR PAN	1
16300 T102619	MIXER	1
16300 T102621	FRYER	1
16300 T102622	FRYER	1
16300 T102624	CONV OVEN	1
16300 T102625	CONV OVEN	1
16300 T102626	OPERN RANGE	1
16300 T102627	CHEESEMELTER	1
16300 T102630	COOLER	1
16300 T102631	ICE CUBER & BIN	1
16300 T102703	HOT WATER TANK-CC	1
16300 T102709	GRIDDLE	1
16300 T102729	DISPOSER	1
16300 T304513	HOT TOP RANGE	1
16300 T304514	HOT TOP RANGE	1
17100 T102576	ADV HI SPD MATADOR BUFFER	1
17100 T102577	ADVANCE AQUATRON 16 GALLON	1
17100 T102579	ADV CONVERTAMATIC SCRUBBER	1
17100 T102591	ADVANCE GULPER ROAMER #300G	1
17100 T102640	28"CARPETREIVER	1
17100 T102641	TEMPEST EXTRACTOR	1
17100 T102642	PACEMAKER BUFFER	1
17100 T102683	ADVANCE 325LX FLOOR SCRUBBER	1
17100 T102684	ADVANCE CARPETRIEVER	1
17100 T102712	CARPETRIVER 28XP	1
17100 T102728	ADVANCE CARPETREIVER 28	1
17200 T102685	GENIE AERIAL PLATFORM -LRG	1
17200 T102686	GENIE ARIEL WORK PLATFORM	1
17200 T102707	SNOW BLOWER-CC	1
17200 T304516	BEN KO MATIC TURF SWEEPER	1
19500 N002030	VETRA 600 PAINT SPRAYER	1
19500 T304519	GRACO 3500 LINE LASER)B:	1
23100 N001529	CHAIN MOTOR	1
23100 N001530	CHAIN MOTOR	1
23100 N001531	CHAIN MOTOR	1
23100 N001532	CHAIN MOTOR	1
23100 N001533	CHAIN MOTOR	1

FIXED ASSET SYSTEM
INVENTORY BY OWNER DEPT, TYPE, CLASS

OF SERVICE

SUBCLASS ASSET ID DESCRIPTION

QTY

**Attachment 1.25 - Inventory
Spokane Center Inventory**

23100 N001534	CHAIN MOTOR	1
23100 N001535	CHAIN MOTOR	1
23100 N001536	CHAIN MOTOR	1
23100 N001537	CHAIN MOTOR	1
23100 N001580	STAGING EQUIPMENT	1
23100 N001581	GLASS DOOR IN CONV CENTER	1
23100 N001797	COMPACTOR	1
23100 T102565	ADVANCE POWER SWEEPER 5600	1
23100 T102595	FORK LIFT TRUCK	1
23100 T102681	SNOW BLOWER/COUNTRY HOMES	1
23100 T102682	GENIE LIFT -SAFEWAY SUPPLY	1
23100 T102706	SPECTA LIFT/WHEELCHAIR LIFT	1
23100 T102727	SINK IN CONV CENTER	1
23100 T102743	HOT WATER TANK)B:	1
23100 T102751	STORAGE UNIT	1
23100 T302712	KAWAI STUDIO PIANO VST-7	1
23100 T302713	EP-9 DIGITAL PIANO	1
23100 T302729	FORKLIFT PNEUMATIC NEW YALE	1
23100 T304517	GAS TORO MOWER MODEL # 30224	1
52700 N001170	TSUTAKAWA FOUNTAIN	1
52700 N001171	MOON CRATER BRONZE SCULP-GL	1
52700 N001175	MAHLER SCULPTURE HANS MOLDENHA	1
52700 N001177	BALAZS TAPESTRY 9X 12	1
52700 N001178	EXPO 74 ARCHITECT MODEL	1
52700 N001179	PHOTOGRAPHS EXPO 74 SITE	1
52700 N001181	IRIDAEA 53 CAST YACRYLIC SCULP	1
51000 N001478	UPDATE WATER TREATMENT SYST	1
51400 T102752	FENCE BEHIND CONV CENTER	1
52700 N001107	MARQUEE	1
52700 N001383	REROOF O.H//C.C..	1
		0

Inventory Additions Spokane Center

Audio Visual Equipment

2	SharpVision LCD Projectors	PLCXP4S
2	Sharp LCD Projectors	PCLXV3S
4	Shure Wireless Microphones	LX Series
6	Shure Wireless Microphones	T Series

Balcony Break Room

3	Light Brown Lockers
2	Grey Lockers

Terrace Accounting Office

2	Green File Cabinets
1	Grey File Cabinet
3	Metal Shelving Units
1	Book Shelf
1	Small Printer Cabinet
1	White Cabinet
2	Black File Cabinets
1	Desk with wood top
1	Printer
1	Computer with monitor
1	Calculator
1	Safe
1	Red Desk Chair
2	Brown Couches

Terrace Custodial Office

1	Desk with wood top
1	Small Computer Desk
1	Wood Cabinet (made in house)
1	4 Drawer File Cabinet
1	Light wood book case
1	Printer

Coat Room in Opera House

1	White Desk
1	Wood Top Desk
2	Computers
1	Marquee Computer
1	2 Drawer File Cabinet
2	Black Cabinets
1	Red Desk Chair
1	White bookcase
1	Small computer desk
3	Curtain rack with green curtains
6	Coat racks

Opera House Green Room

2	Desk Lamps
2	Wood pods
3	Wood desks

Inventory Additions Spokane Center

- 2 Green desk chairs

Back Stage Dressing Rooms

- 1 2-piece green fabric couch
- 2 Green & chrome chairs

Back Stage Laundry Room

- 1 Washer & Dryer (Kenmore)
- 1 Grey Desk
- 1 Wood Cabinet (made in house)

Opera House Business Office

- 1 2-piece Green cloth couch
- 1 Green cloth lounge chair
- 1 Wood pod
- 1 Wood hearing Device cabinet
- 36 Hearing Devices
- 1 Wood/White Desk with side bar
- 1 Grey cloth room divider
- 1 Wood top Cabinet
- 1 5-drawer beige file cabinet
- 1 Wood Desk
- 1 Computer Desk
- 2 Computers with monitors
- 5 4-drawer file cabinets
- 2 2-drawer file cabinets
- 1 gold lamp

Directors Office

- 1 Modular wood desk
- 1 computer w/monitor
- 1 wood cabinet
- 1 light wood cabinet
- 1 2-drawer file cabinet
- 3 Green & chrome chairs
- 2 Convention Center Photos
- 1 Owl mural from Expo 74

Events Manager Office

- 1 Modular wood desk
- 1 Back cabinets
- 3 Green & Chrome chairs
- 1 2-drawer file cabinet

Event Supervisors Office

- 1 White Desk
- 1 Wood Desk
- 2 Computer Desks
- 2 Computers w/monitors
- 2 Rolling desk chairs
- 1 Cloth room divider

Inventory Additions Spokane Center

Convention Center Conference Room

- 1 Wood Desk
- 1 Conference Table
- 1 Wood Pod
- 12 Brown Leather Chairs

Convention Center Business Office

- 1 Desk
- 1 Safe

Ag Trade Center Green Room

- 3 Green leather lounge chairs
- 1 Black leather chair
- 1 Wood Desk
- 2 Red chrome chairs
- 2 Glass top tables

Executive Conference Room

- 24 Square wood tables
- 27 Red conference chairs
- 1 Square wood table
- 1 Black Lather Chair

Roof Deck

- 8 Cement Flower containers

Big Bend Room

- 1 Safe

Ag Trade Center Office

- 1 Wood Desk
- 1 Red desk chair

Ag Trade Center/Convention Center Lobbies

- 1 Ken Spiering Painting
- 1 Miner Sculptor (Outside East Door)

Opera House Lobbies

- 55 trees (OH and ATC/CC)
- 1 Marble sculptor
- 80 Pods
- 12 Cocktail tables
- 48 Cocktail chairs
- 1 Hans Molden Hauser Bust
- 1 Donald Thulean Bust

Engineers Office

- 2 HVAC computers
- 1 Computer with monitor
- 2 Computer tables
- 1 Desk
- 1 4-drawer file cabinet

**Inventory Additions
Spokane Center**

1 2-drawer file cabinet

Basement

1 Illusion Art Piece

EXHIBIT B

LEASE AND ATTACHMENTS

LEASE

THIS LEASE is made effective the 29th day of August, 2003, by and between the SPOKANE PUBLIC FACILITIES DISTRICT, a municipal corporation ("District"), and the CITY OF SPOKANE, WASHINGTON, a first-class charter city ("City"), hereinafter collectively referred to as the "Parties".

RECITALS

- A. On May 21, 2002, qualified electors in Spokane County approved proposals to expand the powers of the District and extend the District's existing sales and use tax and existing hotel/motel tax to enable the District to acquire and operate the Spokane Convention Center, the Spokane Opera House, and the Washington State International Agricultural Trade Center ("Existing Center Facilities"), and to expand the Spokane Convention Center.
- B. Simultaneous with the execution of this Lease, the Parties have approved an Interlocal Cooperation Agreement and Property Transfer Agreement (to which this Lease is Attachment 1.21), providing for the District's (1) acquisition of the Existing Center Facilities, (2) operation of the Spokane Center, and (3) construction of the Project.
- C. RCW 36.100.030 authorizes the District to acquire, construct, own, remodel, maintain, equip, reequip, repair, and operate convention facilities, together with contiguous parking facilities, and RCW 36.100.070 authorizes the District to acquire both real and personal property by lease and otherwise.
- D. The District and the City desire to enter into this Lease in order to provide for the City's lease to the District of the Existing Center Property, Additional Center Property, and the City's undivided one-third (1/3) interest in all improvements thereon, including those to be constructed during the Project.

NOW, THEREFORE, in consideration of the foregoing, and the mutual covenants contained herein, the Parties agree as follows:

1. **DEFINITIONS.** As used in this Lease, the following terms have the meanings provided in this Section 1:

1.1 **Additional Center Property** shall have the meaning given such term in the Interlocal Agreement.

1.2 **Authority** means any government, authority, department, commission, court, arbitrator, board, bureau, agency, unit, or instrumentality having jurisdiction over any of the Property. The term "Authority" includes the United States of America, the State, the County, and the City.

1.3 **City** means the City of Spokane, Washington, a first-class charter city duly organized and existing under and by virtue of the Constitution and laws of the State and the Charter of the City.

1.4 **Closing** means the closing of the transactions contemplated in the Property Transfer Agreement.

1.5 **Closing Date** means the date of Closing, which shall in no event be later than September 30, 2003, unless extended by the mutual written consent of the City and the District.

1.6 **County** means Spokane County, Washington, a Class A county duly organized and existing under and by virtue of the Constitutions and the laws of the State.

1.7 **District** means the Spokane Public Facilities District, a municipal corporation and independent taxing authority within Article VII, Section 1 of the Constitution of the State, and a taxing district within the meaning of Article VII, Section 2 of the Constitution of the State.

1.8 **Effective Date** shall have the meaning given such term in the Interlocal Agreement.

1.9 **Encumbrances** means mortgages, liens, pledges, charges, security interests, claims, and other types of encumbrances.

1.10 **Environmental Laws** shall mean all laws, statutes, regulations, rules, ordinances, codes, orders, decrees, and other lawful requirements of any Authority, now or hereafter enacted, promulgated, or amended, with jurisdiction over the Existing Center Property, the owner or operator of the Existing Center Property or the use of the Existing Center Property relating to environmental protection, regulation of Hazardous Materials, storage or transportation of dangerous goods, natural resources, or the emission discharge, release or threatened release of pollutants contaminants, chemicals industrial, toxic or hazardous substances or wastes into the environment. The term "Environmental Laws" includes the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (42 U.S.C. 9601 et seq.) and the Toxic Substance Control Act (codified at Chapter 70.105D RCW – "MTCA"), or any regulations promulgated thereunder.

1.11 **Existing Center Facilities** shall have the meaning given such term in the Property Transfer Agreement.

1.12 **Existing Center Property** shall have the meaning given such term in the Property Transfer Agreement.

1.13 **Hazardous Materials** means explosives, radioactive materials, asbestos and asbestos-containing materials, urea formaldehyde, PCBs, hydrocarbon contaminants, pentachlorophenol, pollutants, contaminants, hazardous, corrosive, or toxic substances, or special waste or substance of any kind, the use, storage, manufacture, disposal, treatment,

generation, transport, or release into the environment, or remediation of which is prohibited, controlled, regulated, or licensed under Environmental Laws.

1.14 Interlocal Agreement means the Interlocal Cooperation Agreement of even date herewith, between the City and the District, the terms of which, including the definitions of the terms capitalized therein, are incorporated herein by this reference.

1.15 Lease means this Lease.

1.16 Leased Property means the Existing Center Property, Additional Center Property, and the City's undivided one-third (1/3) ownership interest in all improvements thereon, including the Permitted Improvements, as defined herein.

1.17 Legal Proceeding means an action, suit, proceeding, hearing, or investigation before any Authority.

1.19 Permitted Improvements shall include all improvements constructed on Existing Center Property and Additional Center Property.

1.20 Project shall have the meaning given such term in the Interlocal Agreement.

1.21 Property Transfer Agreement means the Property Transfer Agreement of even date herewith, between the City and the District, the terms of which, including the definitions of the terms capitalized therein, are incorporated herein by this reference.

1.22 State means the State of Washington.

1.23 Term means the initial term of this Lease, together with all extensions and renewals thereof.

2. THE TRANSACTION.

2.1 Lease of Leased Property. Subject to the provisions of this Lease, the City hereby leases all parcels of real property presently or hereafter constituting the Leased Property to the District, together with the City's undivided one-third (1/3) ownership interest in the improvements situated thereon.

2.2 Term. The Term shall commence upon the Closing Date, and shall expire on December 31, 2038, unless earlier terminated in accordance with the provisions of this Lease.

3. CONSIDERATION. As consideration for the leasehold interest and purchase option granted under this Lease, the District agrees to assume certain obligations of the City, acquire and operate the Existing Center Facilities/Spokane Center, and undertake the Project—all as described in more detail in the Interlocal Agreement and/or the Property Transfer Agreement. The City acknowledges that such consideration is sufficient for the leasehold interest and purchase option granted under this Lease.

4. TAXES, UTILITIES, AND INSURANCE.

4.1 Taxes. The District shall pay or cause to be paid all taxes applicable to the Leased Property or to this Lease, including special assessments, that accrue during the Term or that may become a lien upon the Leased Property or any part thereof, or any appurtenance thereto, before any fine, penalty, interest or cost may be added thereto. Notwithstanding the foregoing, the City and the District shall cooperate with each other to prepare applications for exemptions that may be available for any such taxes, assessments, fees, or sums.

4.2 Utilities and Services. The District shall obtain and pay for all charges for fuel, heat, water, sewer service, refuse collection, gas, electricity, telephone and for all other utilities used or consumed on the Leased Property by the District.

4.3 Insurance. During the Term, the District shall maintain such policies of insurance as are required under the Interlocal Agreement and Property Transfer Agreement.

4.4 Miscellaneous. If, during the Term of this Lease, any taxes, fees or other payment obligations referred to in this Section 4 become due or payable by the City, such payments shall be the obligation of the District.

5. REPRESENTATIONS AND WARRANTIES OF THE CITY. The City represents and warrants to the District that the statements contained in this Section 5 are correct and complete as of the Effective Date and will be correct and complete as of the Closing Date.

5.1 Organization. The City is a first-class charter city, duly organized and validly existing under and by virtue of the Constitution and laws of the State, and the Charter of the City.

5.2 Binding Effect. The City has full power and authority to execute and deliver this Lease, and to perform the City's obligations under this Lease. Except as specifically set forth in the Interlocal Agreement and Property Transfer Agreement, no consent, permit, approval, or other authorization is required from any Authority in order for the City to effectuate the transactions contemplated in this Lease.

5.3 Authority of Signatories. All individuals executing this Lease on behalf of the City have the requisite power and authority to do so.

6. REPRESENTATIONS AND WARRANTIES OF THE DISTRICT. The District represents and warrants to the City that the statements contained in this Section 6 are correct and complete as of the Effective Date and will be correct and complete as of the Closing Date.

6.1 Organization. The District is a municipal corporation, duly organized and validly existing under and by virtue of the Constitution and laws of the State.

6.2 Binding Effect. The District has full power and authority to execute and deliver this Lease, and to perform the District's obligations under this Lease. This Lease

constitutes the valid and legally binding obligation of the District and is enforceable in accordance with its provisions. Except as specifically set forth in the Interlocal Agreement and Property Transfer Agreement, no consent, permit, approval, or other authorization is required from any Authority in order for the District to effectuate the transactions contemplated in this Lease.

6.3 Authority of Signatories. All individuals executing this Lease on behalf of the District have the requisite power and authority to do so.

7. ADDITIONAL COVENANTS. The City and the District agree and covenant as follows:

7.1 Quiet Enjoyment. The City covenants that the District, upon performing the District's obligations under this Lease, shall peacefully and quietly have, hold and enjoy the Leased Property throughout the Term without hindrance, ejection or molestation by any person lawfully claiming under the City, subject to the provisions of this Lease, the Interlocal Agreement, and the Property Transfer Agreement.

7.2 Indemnification. The City and the District hereby reaffirm their respective indemnification obligations under the Interlocal Agreement and Property Transfer Agreement, including, without limitation, the District's obligation to indemnify the City for certain environmental matters under Section 6.4 of the Property Transfer Agreement.

7.3 Encumbrances. During the Term, neither of the Parties shall permit the imposition of any lien or Encumbrance against the Leased Property or any portion thereof. The District covenants that it shall discharge of record, or cause to be discharged of record, all liability and expense arising from any Encumbrance at any time filed against the Leased Property for any work, labor, services, or materials claimed to have been performed at, or furnished to the Leased Property, for or on behalf of the District.

7.4 Notices and Consents. Prior to Closing, the City and the District will each give all required notices, make all required filings, and use reasonable efforts to obtain any authorizations, consents, and approvals of Authorities with respect to the matters referred to on Sections 5.2 and 6.2 above, respectively.

7.5 Compliance With Laws. The District shall use the Leased Property for purposes of completing the Project and operation of the Spokane Center, consistent with the terms of the Interlocal Agreement. Use of the Leased Property shall be in compliance with all federal, state, local laws and regulations, including without limitations, all environmental laws.

7.6 Assignment. This Lease, or any interest herein, shall not be assigned, or sublet in whole or in part, without the prior written consent of the City, which consent shall not be unreasonably withheld. This Lease shall be binding upon the parties and also upon their successors.

7.7 Maintenance. The District shall keep the Leased Property well maintained in a good repair and prevent any waste of the Leased Property, consistent with its commitments under the Interlocal Agreement, including construction of the Project and operation of the Spokane Center. The District shall hire all necessary maintenance and janitorial personnel to keep the Leased Property clean and in good repair including landscaping and improvements on the Leased Property. The District shall be responsible for all snow and ice removal from the Leased Property. At the end of the term, the District shall turn the Leased Property back to the City in as good a condition as they were at the beginning of the Lease term, reasonable wear and tear excepted.

7.8 Permitted Improvements. The District shall construct the Project, consistent with its obligations under the Interlocal Agreement. Any and all improvements constructed on the Leased Property shall be subject to the limitations set forth in this Lease, and shall be constructed: (1) at the District's sole cost by licensed and bonded contractors; (2) in conformity with applicable building codes and all other necessary or advisable permits and licenses; and (3) in a good and workmanlike manner and diligently prosecuted to completion.

It is understood that the plans and specifications for the Permitted Improvements shall be prepared by a duly qualified architect or structural engineer registered or licensed in the state of Washington and employed for that purpose by the District at the District's sole cost and expense. The Permitted Improvements shall be built in accordance with applicable building codes and constructed in good and workmanlike manner in accordance with all requirements of all City, County or state departments, boards, bureaus, officials and authorities having jurisdiction thereof. All necessary permits and authority for such construction shall be obtained by the District at the District's sole cost and expense. No construction of the Permitted Improvements shall commence until the following has first occurred:

7.8.1 The District, at the District's sole cost and expense shall have filed with the City Department of Building Services such plans, specifications, certificates and any and all other documents the Department requires for the construction of the Permitted Improvements by the District and the City, and any other governmental authority whose approval is required shall have issued all necessary permits and authority for the commencement of construction.

7.8.2 The District will hold harmless and indemnify the City for and shall remove any liens, or encumbrances which may be filed against the Leased Property, due to the District's construction of the Permitted Improvements. If the City is required to take any action to remove any lien or encumbrance placed against the Leased Property due to construction of the Permitted Improvements, the District shall be responsible for all of the City's costs, expenses and attorney fees in removing said lien or encumbrance.

7.8.3 It is expressly understood and agreed that the City shall have an undivided one-third (1/3) ownership interest in the Permitted Improvements, which undivided ownership interest shall be deemed to have attached to the freehold and to the

benefit of the City and, unless the District has exercised its Option to Purchase under Section 10 below, shall remain on and be surrendered with the Leased Property on expiration or sooner termination of the Lease without compensation to the District. The District hereby agrees to execute any and all agreement and/or instruments reasonably deemed necessary by the City to perfect the City's undivided ownership interest in the Permitted Improvements, within thirty (30) days of substantial completion of the same.

7.9 Inspection. The City, after giving the District reasonable notice, shall have the right to make inspections of the Leased Property to ensure compliance with this Lease.

7.10 Waiver. Any waiver by either party of any breach or any failure to enforce a term of this Agreement shall not be construed or considered to be a waiver of any future similar breach.

7.11 City's Retention of Rights. Unless expressly waived in writing, and without limiting any other right of the City under this Agreement, the Interlocal Agreement, or the Property Transfer Agreement, the City shall have the right to use the Leased Property consistent with Section 7.8 of the Interlocal Agreement, without being deemed an eviction or disturbance in any manner of the District's use or possession of the Leased Property, and without relieving the District from any obligation under this Lease.

8. DESTRUCTION AND CONDEMNATION.

8.1 Fire or Other Casualty.

8.1.1 Notice. The District shall give prompt notice to the City of any fire or other damage to the Leased Property.

8.1.2 Application of Insurance Proceeds. In the event the Leased Property is destroyed, damaged or rendered untenable, either wholly or in part, by any casualty, the District shall cause any insurance proceeds to be used for the purpose of repairing and replacing the damaged or destroyed portion of the Leased Property, or the District shall exercise its option to purchase the Leased Property pursuant to Section 10 of this Lease.

8.2 Eminent Domain. If all or a portion of the Leased Property is acquired or condemned by eminent domain, the City shall be entitled to receive the entire award in any condemnation proceeding, or the purchase price in the event of an acquisition in lieu of condemnation, unless the District is in position to exercise its rights under Paragraph 10 below, in which case the award or purchase price shall be paid to the District. Nothing contained herein shall impair the District's right to claim and recover from the condemnor for the unamortized value of the District's improvements and for loss to which the District may be put for the District's moving expenses, business interruption or taking of the District's personal property.

9. DEFAULT, REMEDIES, AND LIMITATION ON LIABILITY.

9.1 Default. The following occurrences shall be deemed an "Event of Default" by the District:

9.1.1 Failure to Perform. It shall be an "Event of Default" under this Agreement if the District fails duly to perform, observe or comply with the covenants, agreements, or conditions on its part contained in this Agreement, the Property Transfer Agreement, or the Interlocal Agreement, and such default shall continue for a period of thirty (30) days after written notice of such failure, requesting the same to be remedied, shall have been given to the District by the City, provided however that such failure shall not be an Event of Default if it is knowing and intentionally waived, in writing, by the non-defaulting party.

9.1.2 Insolvency. The District becomes insolvent, voluntarily or involuntarily bankrupt, or a receiver, assignee or other liquidating officer is appointed for the District's operation of the Spokane Center, provided that in the event of any involuntary bankruptcy or other insolvency proceeding, the existence of such proceeding shall constitute an Event of Default only if such proceeding is not dismissed or vacated within 60 days after its institution or commencement.

9.1.3 Levy or Execution. The District's interest in this Lease or the Leased Property, or any part thereof, is taken by execution or other process of law directed against the District, or is taken upon or subjected to any attachment by any creditor of the District, if such attachment is not discharged with 60 days after being levied.

9.2 Remedies. The City shall have the following remedies upon an Event of Default. The City's rights and remedies under this Lease shall be cumulative, and none shall exclude any other right or remedy allowed by law.

9.2.1 Termination of Lease. The City, subject to the mediation obligation in Section 9.2.3, may terminate the District's interest under the Lease, but no act by the City other than written notice from the City to District of termination shall terminate this Lease. The Lease shall terminate on the date specified in the notice of termination.

9.2.2 Waiver of Redemption Rights. The District, for itself, and on behalf of any and all persons claiming through or under the District, including creditors of all kinds, hereby waives and surrenders all rights and privileges which they may have under any present or future law, to redeem the Leased Property.

9.2.3 Mediation. Except in the event of Insolvency, Levy or Execution, as provided in Sections 9.1.2 and 9.1.3 above, the City shall not have the right to repossess all or any portion of the Leased Property, or otherwise to terminate the District's interest under the Lease, until after the City and District shall first make a good faith effort to resolve any claimed Default through mediation. Either party shall have the right to request mediation within 30 days of the date that the City issues a notice of default under Section 9.1.1. The mediation shall be conducted by a mediator acceptable to both parties, or in absence of their agreement then on application by either party to the presiding

department of the Spokane County, Washington, Superior Court, with the mediation to take place within 60 days of the date the mediator is selected or appointed. Any failure by the District to request mediation as provided in this paragraph shall constitute a waiver by the District of its rights to have the City's claim of Default mediated.

10. OPTION TO PURCHASE.

10.1 Option to Purchase Real Property. The District is hereby granted an option to purchase the Existing Center Property and the Additional Center Property from the City for the sum of One Dollar (\$1.00). The option may be exercised by the District at any time after the District Bonds (as defined in the Interlocal Agreement) have been retired, and after the District has satisfied all of its obligations under the Interlocal Agreement for Development of Regional Center Projects, but must be exercised, if at all, at least sixty (60) days prior to the expiration of the Term. The District shall not be obligated to exercise its option to purchase the Existing Center Property and the Additional Center Property but, if exercised, all of the Existing Center Property and the Additional Center Property must be purchased. Unless the District has exercised this option to purchase, the District shall surrender to the City the Existing Center Property and Additional Center Property, including all improvements constructed thereon on expiration or sooner termination of the Lease without compensation to the District. In the event the District does not exercise this option to purchase, the District hereby agrees to execute any and all agreements and/or instruments reasonably deemed necessary by the City to convey from the District to the City the District's entire interest in the Existing Center Property and Additional Center Property and all improvements situated thereon, free and clear of any encumbrances.

10.2 Option to Purchase Improvements. The District is hereby granted an option to purchase the City's undivided one-third (1/3) ownership interest in all improvements, including Permitted Improvements, located on the Existing Center Property and on the Additional Center Property (collectively, "Center Improvements") from the City for the sum of One Dollar (\$1.00). The option may be exercised by the District at any time after the City's Debt Service Obligations as defined in the Interlocal Agreement have been retired as provided in Interlocal Agreement Section 7.4, however in any event at least sixty (60) days prior to the expiration of the Term. The District shall not be obligated to exercise its option to purchase the Center Improvements but, if exercised, all of the Center Improvements on the Existing Center Property and the Additional Center Property must be purchased. Unless the District has exercised this option to purchase, the District shall surrender to the City the Center Improvements on expiration or sooner termination of the Lease without compensation to the District.

10.3 Terms of Purchase. In the event the District exercises either or both of its purchase options, unless otherwise specified by the written agreement of the City and the District, the sale and purchase of the option property shall occur in accordance with the following terms and conditions:

10.3.1 Closing. Closing of the purchase and sale shall occur no later than thirty (30) days following proper notice from the District of the District's intent to purchase the option property.

10.3.2 Deed. The City shall transfer all of the City's interests in the property that is the subject of the particular option to the District by quitclaim deeds, in the forms attached as Attachment 10.2.3, one form of deed for the Existing Center Property and Additional Center Property without Improvements, and the other form of deed for the Improvements, conveying to the District good and marketable title in fee simple to the property described in the deed, for so long as the District owns and operates the Spokane Center pursuant to the authority under Chapter 36.100 RCW.

10.3.3 Closing Costs and Expenses. The District shall pay all costs and expenses incurred with closing the purchase and sale of any portion of the Leased Property—including, real property taxes and assessments, personal property taxes and assessments, recording fees, real property excise taxes to the extent applicable to this transaction, title insurance premiums (if the District desires title insurance), closing agent fees, and similar closing costs. Notwithstanding the foregoing, the City and the District shall cooperate with each other to prepare applications for exemptions that may be available for any such taxes, assessments, fees, or sums. The City shall cooperate with the District in obtaining lawful exemptions from real property excise taxes, sales and use taxes, and other taxes or fees incident to the type of transactions contemplated by this Lease. The District and the City shall each bear their respective costs of legal and professional counsel associated with the closing of the purchase and sale of any portion the Leased Property.

11. TERMINATION

This Lease may be terminated by the mutual written consent of the City and the District at any time. Upon such mutual termination, or upon any Event of Default by the District, the City or its designee may enter the Leased Property and remove all persons and property of the District and again possess and enjoy the Leased Property without prejudice to any other rights or remedies that the City may have at law, consistent with Section 9 above.

12. MISCELLANEOUS

12.1 Additional Documents. Each party hereby agrees, upon the request of any other party, to execute any additional documents reasonably required to effectuate the purposes of the transactions contemplated herein.

12.2 Amendments. This Lease may not be modified or amended, except by a written document executed by both the District and the City.

12.3 Applicable Law. This Lease and the rights of the parties hereunder shall be governed by the laws of the state of Washington. Venue for any dispute arising under this Lease shall be Spokane County, Washington.

12.4 Attorneys' Fees. In the event of a dispute under this Lease, the substantially prevailing party in such dispute shall be entitled to recover from the substantially

nonprevailing party all of its fees and costs (including attorneys' fees) associated with the resolution of such dispute.

12.5 Counterparts. This Lease may be executed in any number of separate counterparts, all of which taken together shall be deemed one original instrument, notwithstanding that all parties are not signatory to the same counterpart.

12.6 Entire Agreement. This Lease, the Interlocal Agreement, and the Property Transfer Agreement contain the entire agreement between the parties with respect to the subject matter hereof, and supercede all prior understandings, agreements, or representations by or between the parties, written or oral, to the extent they relate in any way to the subject matter hereof. In the event of a direct conflict between a provision of this Lease and a provision of the Interlocal Agreement or Property Transfer Agreement, the provision of this Lease shall govern.

12.7 Filing and Recordation. This Lease may be filed and/or recorded by either party at its expense with the Spokane County, Washington, Auditor, and/or with such other municipality or other public agency located in the State of Washington as such party deems appropriate.

12.8 Headings. The headings used in this Lease are used solely for convenience of reference and shall not constitute a part of this Lease or affect its meaning, construction, or effect.

12.9 No Third-Party Beneficiaries. This Lease shall not confer any rights or remedies upon any person other than the City and the District and their respective successors and permitted assigns.

12.10 No Waiver. The failure to enforce or the delay in enforcement of any provision of this Lease by a party hereto, or the failure of a party to exercise any right hereunder, shall not be construed to be a waiver of such provision or right (or of any other provision or right hereof, whether of a similar or dissimilar nature) unless such party expressly waives such provision or right in writing.

12.11 Notices. Any notice required or authorized under this Lease shall be in writing and shall be delivered personally or by certified mail at the following addresses or at such addresses as a party shall have designated to the other party in accordance with this Section. Alternatively, any such notice may be sent by telecopier that transmits a facsimile of the notice. Notice sent by telecopier shall be deemed to be received by a party when dispatched to said party at the telephone number provided by such party and a transmittal sheet verifying the dispatch is received by the sending party.

If to the District:

Spokane Public Facilities District
ATTN: Executive Director
720 W. Mallon
Spokane, WA 99201
Fax: (509) 324-7050

If to the City:

City of Spokane
Office of the Mayor
W. 808 Spokane Falls Blvd.
Spokane, WA 99201
Fax: (509) 625-6789

Copy to:

Office of the City Attorney
W. 808 Spokane Falls Blvd.
Spokane, WA 99201
Fax: (509) 625-6277

12.12 Successors and Assigns. This Lease and each and every provision hereof shall be binding upon and shall inure to the benefit of each party hereto, and each and every of their respective successors and permitted assigns. No party's right or obligations under this Lease may be assigned, sublet, or otherwise transferred without the prior written consent of the other party.

12.13 Terminology and Interpretation. As used in this Lease, the masculine, feminine, or neuter gender, and the singular and plural number, shall be deemed to include the others whenever the context so indicates or requires. The words "include," "includes," and "including" shall be deemed to be followed by the phrase "without limitation". Each party agrees that any rule of contract interpretation or construction to the effect that ambiguities or uncertainties are to be resolved against the drafting party or the party who caused it to exist will not be applied in the construction or interpretation of this Lease.

12.14 Relationship of Parties. This Lease is a key element in a joint venture of the City, County, and the District, undertaken for the public purpose of preserving the region's role in the convention and tourism industry, as authorized under Chapter 36.100 and 67.28 RCW. Except as necessary to preserve the joint nature of this endeavor, the City and the District execute this Lease solely as lessor and lessee. No other relationship between the parties is intended or shall be deemed to exist as a result of the execution of this Lease—including any partnership, corporation, company, or other legal entity.

12.15 Severability. In the event of a determination by any court of competent jurisdiction that a portion of this Lease is invalid or unenforceable, such portion shall be deemed modified or eliminated in accordance with the court's order and the remaining portions of this Lease shall nonetheless be enforced.


12.16 Recitals and Attachments. The recitals contained at the beginning of this Lease, and the Attachments attached to this Lease, are material parts of this Lease and are incorporated herein by this reference.

IN WITNESS WHEREOF, the parties have executed this Lease, effective as of the Effective Date.

7/01/03

CITY OF SPOKANE

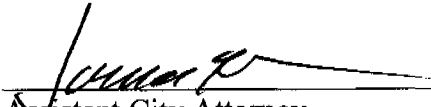
By:


Mayor John Powers

Attest:



Acting City Clerk

Approved as to form:



Assistant City Attorney



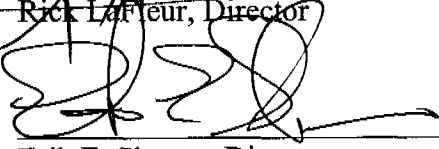
SPOKANE PUBLIC FACILITIES DISTRICT


Bill Williams, Jr., Chair

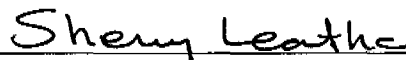

Trish McFarland, Vice-Chair


Shaun Cross, Director


Rick Lafleur, Director


Erik E. Skaggs, Director

Attest:


Sherry Leatha, Clerk of the Board

Approved as to form:



7/01/03

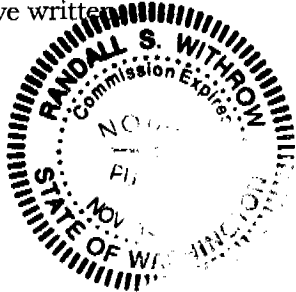
H.E. Stiles, General Counsel

STATE OF WASHINGTON:

County of Spokane

On this 29th day of August, 2003, before me personally appeared JOHN POWERS and ~~PERRI L. PFISTER~~, to me known to be the Mayor 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.



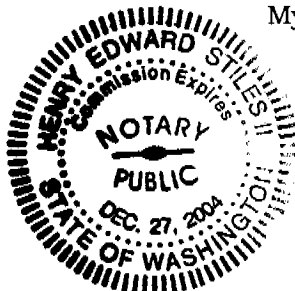
Randall S. Withrow
Notary Public in and for the State
of Washington, residing at Spokane
My commission expires 11-16-05

STATE OF WASHINGTON:

County of Spokane

On this 26th day of August, 2003, before me personally appeared BILL WILLIAMS, JR., TRISH MCFARLAND, SHAUN CROSS, RICK LAFLEUR, and ERIK E. SKAGGS, to me known to be the Chair, Vice Chair, and Directors, respectively, of the SPOKANE PUBLIC FACILITIES DISTRICT, 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.



Henry E. Stiles
Notary Public in and for the State
of Washington, residing at Spokane
My commission expires 12/27/04

Attachment 10.3.2-Improvements
Center Improvements-1/3 Remainder
Lease

Filed for Record at Request of and
copy returned to:

Paul M. Davis
LUKINS & ANNIS, P.S.
1600 Washington Trust Financial Center
717 W Sprague Ave.
Spokane, WA 99201-0466
Attention: Paul M. Davis

QUIT CLAIM DEED

Reference numbers of related documents:

GRANTOR: City of Spokane

GRANTEE: Spokane Public Facilities District

Legal Description:

1. Abbreviated form: PTN of the SE ¼ of S18 T25N R43E W.M., City of Spokane, Spokane County, Washington.

2. Additional legal description is on pages ____ of Document

Assessor's Property Tax Parcel Account Number(s): 35185.0070 <<*subj. to change via BLA*>>; 35184.2017; 35184.2108; 35184.2109; 35184.2112; 35184.0412.

WHEN RECORDED RETURN TO:
Spokane Public Facilities District
720 W. Mallon
Spokane, WA 99201
Attn: Executive Director

QUIT CLAIM DEED

This Quit Claim Deed is from the CITY OF SPOKANE, a first class city of the State of Washington, as "City" or "Grantor", to the SPOKANE PUBLIC FACILITIES DISTRICT, a Washington municipal corporation, as "District" or Grantee".

BACKGROUND

A. Pursuant to the terms of an Interlocal Cooperation Agreement, dated _____, 2003, between the City and the District ("Interlocal Agreement"), the District has made certain improvements to the Spokane Opera House, Spokane Convention Center, and Washington State International Agricultural Trade Center (collectively the "Spokane Center").

B. Pursuant to a Property Transfer Agreement, dated _____, 2003, between the City and the District, the City has transferred to the District a 2/3 undivided interest in the improvements constituting the Spokane Center, but not the underlying real property.

C. Pursuant to a Lease, dated _____, 2003, between the City and the District ("Lease"), the City Leased to the District the City's remaining undivided interest in the improvements constituting the Spokane Center, as well as the underlying real property.

D. The Lease granted the District the option, upon the occurrence of certain events, to purchase the City's remaining undivided interest in the improvements constituting the Spokane Center.

E. The District has timely exercised its option to purchase the City's remaining undivided interest in the improvements constituting the Spokane Center and has delivered to the City all monetary consideration required to be paid in conjunction with such exercise.

CONVEYANCE

The City, in consideration of good and valuable consideration, the receipt of which is hereby acknowledged, conveys and quit claims to the District all of the City's interest in the improvements located on that certain real property described on Exhibit A, for so long as the District operates the Spokane Center pursuant to the authority under Chapter 36.100 RCW, reserving to the City all interest in the real property described in Exhibit A other than the improvements situated thereon. The interest conveyed to the District by this Quit Claim Deed shall automatically revert to the City at such time as the District ceases to operate the Spokane Center pursuant to the authority under Chapter 36.100 RCW.

DATED this _____ day of _____, 20____.

CITY OF SPOKANE

By: _____
John Powers, Mayor

ATTEST:

City Clerk

APPROVED AS TO FORM:

City Attorney

STATE OF _____)
)ss.
County of _____)

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

Dated: _____

Notary Public in and for
State, residing at _____
My appointment expires _____

EXHIBIT "A"

OPERA HOUSE, CONVENTION CENTER
AG TRADE CENTER
REAL PROPERTY

PARCEL 1:

A PORTION OF HAVERMALE'S SECOND ADDITION, ACCORDING TO PLAT RECORDED IN VOLUME "A" OF PLATS, PAGE 148, AND A PORTION OF THE SOUTHEAST QUARTER OF SECTION 18, TOWNSHIP 25 NORTH, RANGE 43 EAST, W.M., CITY OF SPOKANE, SPOKANE COUNTY, WASHINGTON, DESCRIBED, AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE EAST RIGHT OF WAY LINE OF WASHINGTON STREET AND THE NORTH RIGHT OF WAY LINE OF SPOKANE FALLS BOULEVARD;
THENCE NORTH 87°05'15" EAST, ALONG THE NORTH LINE OF SAID SPOKANE FALLS BOULEVARD, 712.00 FEET TO THE SOUTHWEST CORNER OF SPOKANE FALLS COURT;
THENCE NORTH 02°50'49" WEST, ALONG THE WEST LINE OF SAID SPOKANE FALLS COURT AND PARALLEL WITH THE EAST RIGHT OF WAY LINE OF WASHINGTON STREET, 157.95 FEET (REC. 158.00 FEET);
THENCE NORTH 87°05'15" EAST, ALONG THE NORTH LINE OF SPOKANE FALLS COURT AND PARALLEL TO THE NORTH LINE OF SPOKANE FALLS BOULEVARD, 32.51 FEET (REC. 32.50 FEET);
THENCE NORTH 10°19'39" WEST, 10.14 FEET (REC. 10.08 FEET);
THENCE NORTH 12°34'07" WEST, 10.14 FEET;
THENCE NORTH 14°30'20" WEST, 10.21 FEET;
THENCE NORTH 15°36'04" WEST, 10.25 FEET;
THENCE NORTH 16°24'59" WEST, 10.23 FEET;
THENCE NORTH 18°01'49" WEST, 10.36 FEET;
THENCE NORTH 20°55'29" WEST, 10.51 FEET;
THENCE NORTH 25°56'46" WEST, 10.87 FEET;
THENCE NORTH 24°58'06" WEST, 3.82 FEET;
THENCE NORTH 02°50'49" WEST, PARALLEL WITH THE EAST RIGHT OF WAY LINE OF WASHINGTON STREET, 48.01 FEET (REC. 47.95 FEET);
THENCE NORTH 35°58'22" EAST, 10.24 FEET TO THE BEGINNING OF A CURVE TO THE RIGHT, THE RADIUS OF WHICH BEARS SOUTH 33°45'06" EAST, A DISTANCE OF 25.00 FEET;
THENCE ALONG SAID CURVE TO THE RIGHT, THROUGH A CENTRAL ANGLE OF 30°08'53", AN ARC DISTANCE OF 13.15 FEET TO A POINT 742.00 FEET EAST OF THE EAST RIGHT OF WAY LINE OF WASHINGTON STREET AND 301.00 FEET NORTH OF THE NORTH RIGHT OF WAY LINE OF SPOKANE FALLS BOULEVARD;
THENCE NORTH 02°50'49" WEST, 12.00 FEET;
THENCE NORTH 35°58'22" EAST, 67.76 FEET;
THENCE NORTH 42°07'28" EAST, 40.45 FEET;
THENCE NORTH 56°26'07" EAST, 68.56 FEET;
THENCE SOUTH 31°58'44" EAST, 47.24 FEET (REC. 47.23) FEET TO A POINT 895.01 FEET EAST OF THE EAST RIGHT OF WAY LINE OF WASHINGTON STREET AND 388.00 FEET NORTH OF THE NORTH RIGHT OF WAY LINE OF SPOKANE FALLS BOULEVARD;
THENCE NORTH 87°05'15" EAST, 730.36 FEET (REC. 730.38 FEET) TO THE WEST RIGHT OF WAY LINE OF DIVISION STREET;

THENCE NORTH 03°05'15" WEST, ALONG SAID WEST RIGHT OF WAY LINE 77.03 FEET TO THE BEGINNING OF A CURVE TO THE LEFT THE RADIUS OF WHICH BEARS SOUTH 03°05'15" EAST, A DISTANCE OF 195.00 FEET;
 THENCE ALONG SAID CURVE TO THE LEFT, THROUGH A CENTRAL ANGLE OF 31°23'12", AN ARC DISTANCE OF 106.82 FEET TO THE BEGINNING OF A REVERSE CURVE THE RADIUS OF WHICH BEARS NORTH 34°28'27" WEST, A DISTANCE OF 150.00 FEET;
 THENCE ALONG SAID REVERSE CURVE, THROUGH A CENTRAL ANGLE OF 18°18'01", AN ARC DISTANCE OF 47.91 FEET TO A POINT 145.71 FEET WEST OF THE WEST RIGHT OF WAY LINE OF DIVISION STREET AND 418.00 FEET NORTH OF THE NORTH RIGHT OF WAY LINE OF SPOKANE FALLS BOULEVARD;
 THENCE SOUTH 87°05'15" WEST, PARALLEL WITH SAID NORTH RIGHT OF WAY LINE, 251.29 FEET TO A POINT 397.00 FEET WEST OF THE WEST RIGHT OF WAY LINE OF DIVISION STREET;
 THENCE NORTH 03°05'15" WEST, PARALLEL WITH SAID WEST RIGHT OF WAY LINE, 130.46 FEET;
 THENCE NORTH 80°44'15" EAST, 84.09 FEET;
 THENCE NORTH 84°21'00" EAST, 176.33 FEET;
 THENCE NORTH 80°36'00" EAST, 86.86 FEET;
 THENCE NORTH 82°33'30" EAST, 51.06 FEET (REC. 51.05 FEET) TO THE WEST RIGHT OF WAY LINE OF DIVISION STREET;
 THENCE NORTH 03°05'15" WEST, ALONG SAID WEST RIGHT OF WAY LINE, 26.40 FEET;
 THENCE SOUTH 73°18'46" WEST, 19.39 FEET;
 THENCE SOUTH 63°12'14" WEST, 32.63 FEET;
 THENCE SOUTH 72°13'24" WEST, 20.32 FEET;
 THENCE SOUTH 82°06'10" WEST, 21.05 FEET;
 THENCE SOUTH 85°05'30" WEST, 53.94 FEET;
 THENCE SOUTH 85°36'01" WEST, 37.38 FEET;
 THENCE SOUTH 81°27'48" WEST, 91.18 FEET;
 THENCE SOUTH 81°28'18" WEST, 27.40 FEET;
 THENCE SOUTH 81°39'06" WEST, 28.26 FEET;
 THENCE SOUTH 81°22'21" WEST, 31.57 FEET;
 THENCE SOUTH 82°48'52" WEST, 24.37 FEET;
 THENCE SOUTH 79°50'33" WEST, 22.96 FEET;
 THENCE SOUTH 81°13'51" WEST, 9.30 FEET;
 THENCE SOUTH 83°01'55" WEST, 74.81 FEET;
 THENCE SOUTH 82°41'31" WEST, 46.90 FEET;
 THENCE SOUTH 82°54'44" WEST, 68.90 FEET;
 THENCE SOUTH 86°30'10" WEST, 50.81 FEET;
 THENCE SOUTH 88°24'39" WEST, 51.00 FEET;
 THENCE NORTH 89°55'42" WEST, 31.12 FEET;
 THENCE SOUTH 89°19'43" WEST, 29.16 FEET;
 THENCE SOUTH 87°35'15" WEST, 28.09 FEET;
 THENCE SOUTH 82°33'35" WEST, 29.40 FEET;
 THENCE SOUTH 72°57'28" WEST, 5.64 FEET;
 THENCE SOUTH 63°30'04" WEST, 4.49 FEET;
 THENCE SOUTH 62°26'42" WEST, 23.20 FEET;
 THENCE SOUTH 62°23'20" WEST, 27.23 FEET;
 THENCE SOUTH 76°42'03" WEST, 41.02 FEET;
 THENCE SOUTH 71°49'34" WEST, 46.60 FEET;
 THENCE SOUTH 41°58'06" WEST, 41.14 FEET;

THENCE SOUTH 42°05'55" WEST, 101.61 FEET;
THENCE SOUTH 42°02'23" WEST, 50.88 FEET;
THENCE SOUTH 42°06'30" WEST, 62.27 FEET;
THENCE SOUTH 60°16'28" WEST, 2.58 FEET;
THENCE SOUTH 42°00'29" WEST, 42.09 FEET;
THENCE SOUTH 41°59'51" WEST, 83.72 FEET;
THENCE SOUTH 87°05'09" WEST, 50.65 FEET;
THENCE SOUTH 86°58'38" WEST, 109.39 FEET;
THENCE SOUTH 87°06'04" WEST, 138.61 FEET;
THENCE NORTH 69°30'57" WEST, 15.06 FEET TO THE BEGINNING OF A NON-TANGENT CURVE TO
THE LEFT THE RADIUS OF WHICH BEARS SOUTH 79°07'08" WEST, A DISTANCE OF 14.93 FEET;
THENCE ALONG SAID CURVE TO THE LEFT, THROUGH A CENTRAL ANGLE OF 232°50'37", AN ARC
DISTANCE OF 60.68 FEET;
THENCE SOUTH 03°07'55" EAST, 19.91 FEET;
THENCE SOUTH 00°46'51" WEST, 3.96 FEET;
THENCE SOUTH 42°06'21" WEST, 75.74 FEET TO THE EAST RIGHT OF WAY LINE OF WASHINGTON
STREET;
THENCE SOUTH 02°50'49" EAST, ALONG SAID EAST RIGHT OF WAY LINE, 141.20 FEET TO THE
POINT OF BEGINNING.

EXCEPT ANY PORTION OF DEEDED TO STATE OF WASHINGTON ON MARCH 13, 1990, RECORDED
APRIL 9, 1990 UNDER AUDITOR'S FILE NO. 9004090075, IN SPOKANE COUNTY, WASHINGTON, FOR
STATE ROUTE #2, SPOKANE RIVER BRIDGE VICINITY AND DIVISION STREET.

AND EXCEPT ALL THAT PORTION CONDEMNED BY CAUSE NO. 91201392-1, SUPERIOR COURT OF
THE STATE OF WASHINGTON, IN AND FOR SPOKANE COUNTY, WASHINGTON FOR STATE ROUTE
#2, SPOKANE RIVER BRIDGE VICINITY AND DIVISION STREET.

Attachment 10.3.2-Land
Center Real Property Without Improvements
Lease

Filed for Record at Request of and
copy returned to:

Paul M. Davis
LUKINS & ANNIS, P.S.
1600 Washington Trust Financial Center
717 W Sprague Ave.
Spokane, WA 99201-0466
Attention: Paul M. Davis

QUIT CLAIM DEED

Reference numbers of related documents:

GRANTOR: City of Spokane

GRANTEE: Spokane Public Facilities District

Legal Description:

1. Abbreviated form: PTN of the SE ¼ of S18 T25N R43E W.M., City of Spokane, Spokane County, Washington.
2. Additional legal description is on pages ____ of Document

Assessor's Property Tax Parcel Account Number(s): 35185.0070 <<*subj. to change via BLA*>>; 35184.2017; 35184.2108; 35184.2109; 35184.2112; 35184.0412.

WHEN RECORDED RETURN TO:
Spokane Public Facilities District
720 W. Mallon
Spokane, WA 99201
Attn: Executive Director

QUIT CLAIM DEED

This Quit Claim Deed is from the CITY OF SPOKANE, a first class city of the State of Washington, as "City" or "Grantor", to the SPOKANE PUBLIC FACILITIES DISTRICT, a Washington municipal corporation, as "District" or Grantee".

BACKGROUND

A. Pursuant to the terms of an Interlocal Cooperation Agreement, dated _____, 2003, between the City and the District ("Interlocal Agreement"), the District has made certain improvements to the Spokane Opera House, Spokane Convention Center, and Washington State International Agricultural Trade Center (collectively the "Spokane Center").

B. Pursuant to a Property Transfer Agreement, dated _____, 2003, between the City and the District, the City has transferred to the District a 2/3 undivided interest in the improvements constituting the Spokane Center, but not the underlying real property.

C. Pursuant to a Lease, dated _____, 2003, between the City and the District ("Lease"), the City Leased to the District the City's remaining undivided interest in the improvements constituting the Spokane Center, as well as the underlying real property.

D. The Lease granted the District the option, upon the occurrence of certain events, to purchase the real property underlying the improvements constituting the Spokane Center.

E. The District has timely exercised its option to purchase the real property underlying the improvements constituting the Spokane Center and has delivered to the City all monetary consideration required to be paid in conjunction with such exercise.

CONVEYANCE

The City, in consideration of good and valuable consideration, the receipt of which is hereby acknowledged, conveys and quit claims to the District all of the City's interest in the real property described on Exhibit A, for so long as the District operates the Spokane Center pursuant to the authority under Chapter 36.100 RCW. The interest conveyed to the District by this Quit Claim Deed shall automatically revert to the City at such time as the District ceases to operate the Spokane Center pursuant to the authority under Chapter 36.100 RCW.

DATED this _____ day of _____, 20____.

CITY OF SPOKANE

By: John Powers, Mayor

ATTEST:

City Clerk

APPROVED AS TO FORM:

City Attorney

STATE OF _____)
)ss.
County of _____)

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

Dated: _____

Notary Public in and for
State, residing at _____
My appointment expires _____

EXHIBIT "A"
SPOKANE CENTER REAL PROPERTY
INCLUDING PARKING LOTS

PARCEL 1:

A PORTION OF HAVERMALE'S SECOND ADDITION, ACCORDING TO PLAT RECORDED IN VOLUME "A" OF PLATS, PAGE 148, AND A PORTION OF THE SOUTHEAST QUARTER OF SECTION 18, TOWNSHIP 25 NORTH, RANGE 43 EAST, W.M., CITY OF SPOKANE, SPOKANE COUNTY, WASHINGTON, DESCRIBED, AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE EAST RIGHT OF WAY LINE OF WASHINGTON STREET AND THE NORTH RIGHT OF WAY LINE OF SPOKANE FALLS BOULEVARD;
THENCE NORTH 87°05'15" EAST, ALONG THE NORTH LINE OF SAID SPOKANE FALLS BOULEVARD, 712.00 FEET TO THE SOUTHWEST CORNER OF SPOKANE FALLS COURT;
THENCE NORTH 02°50'49" WEST, ALONG THE WEST LINE OF SAID SPOKANE FALLS COURT AND PARALLEL WITH THE EAST RIGHT OF WAY LINE OF WASHINGTON STREET, 157.95 FEET (REC. 158.00 FEET);
THENCE NORTH 87°05'15" EAST, ALONG THE NORTH LINE OF SPOKANE FALLS COURT AND PARALLEL TO THE NORTH LINE OF SPOKANE FALLS BOULEVARD, 32.51 FEET (REC. 32.50 FEET);
THENCE NORTH 10°19'39" WEST, 10.14 FEET (REC. 10.08 FEET);
THENCE NORTH 12°34'07" WEST, 10.14 FEET;
THENCE NORTH 14°30'20" WEST, 10.21 FEET;
THENCE NORTH 15°36'04" WEST, 10.25 FEET;
THENCE NORTH 16°24'59" WEST, 10.23 FEET;
THENCE NORTH 18°01'49" WEST, 10.36 FEET;
THENCE NORTH 20°55'29" WEST, 10.51 FEET;
THENCE NORTH 25°56'46" WEST, 10.87 FEET;
THENCE NORTH 24°58'06" WEST, 3.82 FEET;
THENCE NORTH 02°50'49" WEST, PARALLEL WITH THE EAST RIGHT OF WAY LINE OF WASHINGTON STREET, 48.01 FEET (REC. 47.95 FEET);
THENCE NORTH 35°58'22" EAST, 10.24 FEET TO THE BEGINNING OF A CURVE TO THE RIGHT, THE RADIUS OF WHICH BEARS SOUTH 33°45'06" EAST, A DISTANCE OF 25.00 FEET;
THENCE ALONG SAID CURVE TO THE RIGHT, THROUGH A CENTRAL ANGLE OF 30°08'53", AN ARC DISTANCE OF 13.15 FEET TO A POINT 742.00 FEET EAST OF THE EAST RIGHT OF WAY LINE OF WASHINGTON STREET AND 301.00 FEET NORTH OF THE NORTH RIGHT OF WAY LINE OF SPOKANE FALLS BOULEVARD;
THENCE NORTH 02°50'49" WEST, 12.00 FEET;
THENCE NORTH 35°58'22" EAST, 67.76 FEET;
THENCE NORTH 42°07'28" EAST, 40.45 FEET;
THENCE NORTH 56°26'07" EAST, 68.56 FEET;
THENCE SOUTH 31°58'44" EAST, 47.24 FEET (REC. 47.23) FEET TO A POINT 895.01 FEET EAST OF THE EAST RIGHT OF WAY LINE OF WASHINGTON STREET AND 388.00 FEET NORTH OF THE NORTH RIGHT OF WAY LINE OF SPOKANE FALLS BOULEVARD;
THENCE NORTH 87°05'15" EAST, 730.36 FEET (REC. 730.38 FEET) TO THE WEST RIGHT OF WAY LINE OF DIVISION STREET;

THENCE NORTH 03°05'15" WEST, ALONG SAID WEST RIGHT OF WAY LINE 77.03 FEET TO THE
 BEGINNING OF A CURVE TO THE LEFT THE RADIUS OF WHICH BEARS SOUTH 03°05'15" EAST, A
 DISTANCE OF 195.00 FEET;
 THENCE ALONG SAID CURVE TO THE LEFT, THROUGH A CENTRAL ANGLE OF 31°23'12", AN ARC
 DISTANCE OF 106.82 FEET TO THE BEGINNING OF A REVERSE CURVE THE RADIUS OF WHICH
 BEARS NORTH 34°28'27" WEST, A DISTANCE OF 150.00 FEET;
 THENCE ALONG SAID REVERSE CURVE, THROUGH A CENTRAL ANGLE OF 18°18'01", AN ARC
 DISTANCE OF 47.91 FEET TO A POINT 145.71 FEET WEST OF THE WEST RIGHT OF WAY LINE OF
 DIVISION STREET AND 418.00 FEET NORTH OF THE NORTH RIGHT OF WAY LINE OF SPOKANE
 FALLS BOULEVARD;
 THENCE SOUTH 87°05'15" WEST, PARALLEL WITH SAID NORTH RIGHT OF WAY LINE, 251.29 FEET
 TO A POINT 397.00 FEET WEST OF THE WEST RIGHT OF WAY LINE OF DIVISION STREET;
 THENCE NORTH 03°05'15" WEST, PARALLEL WITH SAID WEST RIGHT OF WAY LINE, 130.46 FEET;
 THENCE NORTH 80°44'15" EAST, 84.09 FEET;
 THENCE NORTH 84°21'00" EAST, 176.33 FEET;
 THENCE NORTH 80°36'00" EAST, 86.86 FEET;
 THENCE NORTH 82°33'30" EAST, 51.06 FEET (REC. 51.05 FEET) TO THE WEST RIGHT OF WAY LINE
 OF DIVISION STREET;
 THENCE NORTH 03°05'15" WEST, ALONG SAID WEST RIGHT OF WAY LINE, 26.40 FEET;
 THENCE SOUTH 73°18'46" WEST, 19.39 FEET;
 THENCE SOUTH 63°12'14" WEST, 32.63 FEET;
 THENCE SOUTH 72°13'24" WEST, 20.32 FEET;
 THENCE SOUTH 82°06'10" WEST, 21.05 FEET;
 THENCE SOUTH 85°05'30" WEST, 53.94 FEET;
 THENCE SOUTH 85°36'01" WEST, 37.38 FEET;
 THENCE SOUTH 81°27'48" WEST, 91.18 FEET;
 THENCE SOUTH 81°28'18" WEST, 27.40 FEET;
 THENCE SOUTH 81°39'06" WEST, 28.26 FEET;
 THENCE SOUTH 81°22'21" WEST, 31.57 FEET;
 THENCE SOUTH 82°48'52" WEST, 24.37 FEET;
 THENCE SOUTH 79°50'33" WEST, 22.96 FEET;
 THENCE SOUTH 81°13'51" WEST, 9.30 FEET;
 THENCE SOUTH 83°01'55" WEST, 74.81 FEET;
 THENCE SOUTH 82°41'31" WEST, 46.90 FEET;
 THENCE SOUTH 82°54'44" WEST, 68.90 FEET;
 THENCE SOUTH 86°30'10" WEST, 50.81 FEET;
 THENCE SOUTH 88°24'39" WEST, 51.00 FEET;
 THENCE NORTH 89°55'42" WEST, 31.12 FEET;
 THENCE SOUTH 89°19'43" WEST, 29.16 FEET;
 THENCE SOUTH 87°35'15" WEST, 28.09 FEET;
 THENCE SOUTH 82°33'35" WEST, 29.40 FEET;
 THENCE SOUTH 72°57'28" WEST, 5.64 FEET;
 THENCE SOUTH 63°30'04" WEST, 4.49 FEET;
 THENCE SOUTH 62°26'42" WEST, 23.20 FEET;
 THENCE SOUTH 62°23'20" WEST, 27.23 FEET;
 THENCE SOUTH 76°42'03" WEST, 41.02 FEET;
 THENCE SOUTH 71°49'34" WEST, 46.60 FEET;
 THENCE SOUTH 41°58'06" WEST, 41.14 FEET;

THENCE SOUTH 42°05'55" WEST, 101.61 FEET;
THENCE SOUTH 42°02'23" WEST, 50.88 FEET;
THENCE SOUTH 42°06'30" WEST, 62.27 FEET;
THENCE SOUTH 60°16'28" WEST, 2.58 FEET;
THENCE SOUTH 42°00'29" WEST, 42.09 FEET;
THENCE SOUTH 41°59'51" WEST, 83.72 FEET;
THENCE SOUTH 87°05'09" WEST, 50.65 FEET;
THENCE SOUTH 86°58'38" WEST, 109.39 FEET;
THENCE SOUTH 87°06'04" WEST, 138.61 FEET;
THENCE NORTH 69°30'57" WEST, 15.06 FEET TO THE BEGINNING OF A NON-TANGENT CURVE TO
THE LEFT THE RADIUS OF WHICH BEARS SOUTH 79°07'08" WEST, A DISTANCE OF 14.93 FEET;
THENCE ALONG SAID CURVE TO THE LEFT, THROUGH A CENTRAL ANGLE OF 232°50'37", AN ARC
DISTANCE OF 60.68 FEET;
THENCE SOUTH 03°07'55" EAST, 19.91 FEET;
THENCE SOUTH 00°46'51" WEST, 3.96 FEET;
THENCE SOUTH 42°06'21" WEST, 75.74 FEET TO THE EAST RIGHT OF WAY LINE OF WASHINGTON
STREET;
THENCE SOUTH 02°50'49" EAST, ALONG SAID EAST RIGHT OF WAY LINE, 141.20 FEET TO THE
POINT OF BEGINNING.

EXCEPT ANY PORTION OF DEEDED TO STATE OF WASHINGTON ON MARCH 13, 1990, RECORDED
APRIL 9, 1990 UNDER AUDITOR'S FILE NO. 9004090075, IN SPOKANE COUNTY, WASHINGTON, FOR
STATE ROUTE #2, SPOKANE RIVER BRIDGE VICINITY AND DIVISION STREET.

AND EXCEPT ALL THAT PORTION CONDEMNED BY CAUSE NO. 91201392-1, SUPERIOR COURT OF
THE STATE OF WASHINGTON, IN AND FOR SPOKANE COUNTY, WASHINGTON FOR STATE ROUTE
#2, SPOKANE RIVER BRIDGE VICINITY AND DIVISION STREET.

PARCEL D:

ALL OF LOTS 6, 7 AND 10, AND LOT 9, EXCEPT THE WEST 47 FEET THEREOF, BLOCK 8,
RESURVEY AND ADDITION TO SPOKANE FALLS, ACCORDING TO PLAT RECORDED IN VOLUME
"A" OF PLATS, PAGE 1, IN THE CITY OF SPOKANE, SPOKANE COUNTY, WASHINGTON;

ALSO A STRIP OR PARCEL OF LAND ADJOINING ON THE EAST THEREOF, MORE PARTICULARLY
DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHEAST CORNER OF SAID LOT 10, AND RUNNING THENCE EAST 13.8
FEET, MORE OR LESS, TO THE WEST LINE OF BLOCK 7, HAVERMALE'S ADDITION;
THENCE SOUTH ALONG THE WEST LINE OF SAID BLOCK 7 TO THE NORTH LINE OF MAIN
AVENUE;
THENCE WEST ALONG THE NORTH LINE OF MAIN AVENUE, 13.8 FEET, MORE OR LESS, TO THE
SOUTHEAST CORNER OF SAID LOT 10;
THENCE NORTH ALONG THE EAST LINE THEREOF TO THE PLACE OF BEGINNING.

PARCEL E:

ALL THAT PORTION OF BLOCK 2 OF HAVERMALE'S SECOND ADDITION, AS PER PLAT THEREOF RECORDED IN VOLUME "A" OF PLATS, PAGE 148, INCLUDING VACATED ALLEY AND VACATED MCCLELLAN STREET (ORIGINALLY CENTER STREET), LYING WITHIN, DEFINED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE EAST LINE OF SPOKANE FALLS COURT AND THE NORTH LINE OF SPOKANE FALLS BOULEVARD;
THENCE EAST ALONG THE NORTH LINE OF SPOKANE FALLS BOULEVARD TO THE EAST LINE OF VACATED MCCLELLAN STREET;
THENCE NORTH ALONG THE EAST LINE OF VACATED MCCLELLAN STREET 158 FEET TO A POINT;
THENCE WEST ALONG A LINE 158 FEET NORTH OF AND PARALLEL TO THE NORTH LINE OF SPOKANE FALLS BOULEVARD TO A POINT 744.50 FEET EAST OF THE EAST LINE OF WASHINGTON STREET;
THENCE SOUTHEASTERLY ALONG A STRAIGHT LINE TO A POINT THAT IS 747 FEET EAST OF THE EAST LINE OF WASHINGTON STREET AND 116 FEET NORTH OF THE NORTH LINE OF SPOKANE FALLS BOULEVARD;
THENCE EAST ALONG A LINE 116 FEET NORTH OF AND PARALLEL TO THE NORTH LINE OF SPOKANE FALLS BOULEVARD 45 FEET TO A POINT;
THENCE SOUTH ALONG A LINE 792 FEET EAST OF AND PARALLEL TO THE EAST LINE OF WASHINGTON STREET TO THE NORTH LINE OF SPOKANE FALLS BOULEVARD AND THE POINT OF BEGINNING;

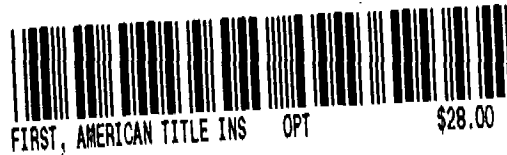
EXCEPT THAT PORTION DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT 747 FEET EAST OF THE EAST LINE OF WASHINGTON STREET AND 116 FEET NORTH OF THE NORTH LINE OF SPOKANE FALLS BOULEVARD;
THENCE NORTH IN A STRAIGHT LINE TO A POINT 744.5 FEET EAST OF THE EAST LINE OF WASHINGTON STREET AND 158 FEET NORTH OF THE NORTH LINE OF SPOKANE FALLS BOULEVARD;
THENCE EAST PARALLEL WITH THE NORTH LINE OF SPOKANE FALLS BOULEVARD TO THE EAST LINE OF VACATED MCCLELLAN STREET;
THENCE SOUTH ALONG THE EAST LINE OF MCCLELLAN STREET A DISTANCE OF 20 FEET;
THENCE WEST PARALLEL WITH THE NORTH LINE OF SPOKANE FALLS BOULEVARD TO THE WEST LINE OF VACATED MCCLELLAN STREET;
THENCE SOUTHWESTERLY TO A POINT 116 FEET NORTH OF THE NORTH LINE OF SPOKANE FALLS BOULEVARD AND 792 FEET EAST OF THE EAST LINE OF WASHINGTON STREET;
THENCE WEST PARALLEL WITH THE NORTH LINE OF SPOKANE FALLS BOULEVARD TO THE POINT OF BEGINNING.

Filed for Record at Request of and
copy returned to:

H. E. STILES, II
LUKINS & ANNIS, P.S.
1600 Washington Trust Financial Center
717 West Sprague Avenue
Spokane, Washington 99201-0466

283495-CB



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Page: 1 of 10
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Spokane Co, WA

RECEIVED
DEC 19 2003
CITY CLERK'S OFFICE
SPOKANE, WA

31
COURTESY RECORDING

MEMORANDUM OF LEASE INCLUDING PURCHASE OPTIONS

Reference numbers of related documents: N/A

GRANTOR: City of Spokane

GRANTEE: Spokane Public Facilities District

Legal Description:

1. Abbreviated form: PTN of the SE ¼ of f S18 T25N R43E W.M., City of Spokane, Spokane County, Washington
2. Additional legal description is on pages 4-9 of Document

Assessor's Property Tax Parcel Account Number(s): 35185.0070; 35184.2107;
35184.2108; 35184.2109;
35184.2112; 35184.0412

R. E. Excise Tax Exempt

Date May 13 2003

Spokane County Treas.

By

[Signature]

9



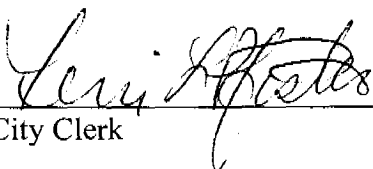
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Page: 2 of 10
11/13/2003 04:22P
Spokane Co, WA

MEMORANDUM OF LEASE INCLUDING PURCHASE OPTIONS

This Memorandum of Lease Including Purchase Options is entered into between the City of Spokane, Washington, a first-class charter city ("City"), and the Spokane Public Facilities District, a Washington Municipal Corporation ("District"). Notice is hereby given that on August 29, 2003, the City as lessor and the District as lessee entered into a Lease of Spokane Center real property and improvements ("Lease") including the following terms:

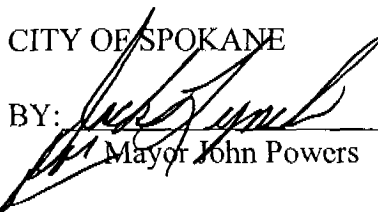
1. **Leased Property.** That certain real property described in Attachment 1.14 to this Memorandum together with the City's undivided one-third interest in the improvements situated thereon.
2. **Term.** The Lease term commenced on September 1, 2003, and will terminate on December 31, 2038.
3. **Purchase Options.** The District has an option to purchase the leased real property, and an option to purchase the City's undivided one-third interest in the improvements, according to the terms of the Lease.
4. **Original Lease.** The original and complete Lease is on file with the City Clerk, City of Spokane, Spokane City Hall Building, 808 W. Riverside Avenue, Spokane, Washington 99201.

Attest:


City Clerk

CITY OF SPOKANE

BY:

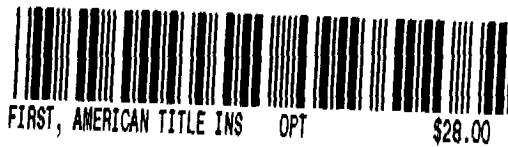

Mayor John Powers

Approved as to form:


Assistant City Attorney

SPOKANE PUBLIC FACILITIES DISTRICT


Chair/Vice-Chair



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Page: 3 of 10
11/13/2003 04:22P
Spokane Co, WA

Attest:

Sherry Leatha
Sherry Leatha, Clerk of the Board

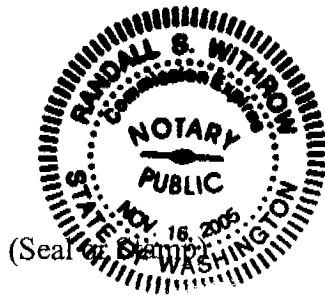
Approved as to form: LUKINS & AMMIS, P.C.

By K.M. [Signature]

STATE OF WASHINGTON)
 : ss
County of Spokane)

On this 10th day of September, 2003, before me personally appeared JACK LYNCH and TERRI PFISTER, to me known to be the City Administrator and 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.

GIVEN UNDER MY HAND AND OFFICIAL SEAL the day and year in this certificate first above written.



Randall S. W. Throw
Notary Public (Signature)
Randall S. W. Throw
(Print Name)

My appointment expires: 11-16-05

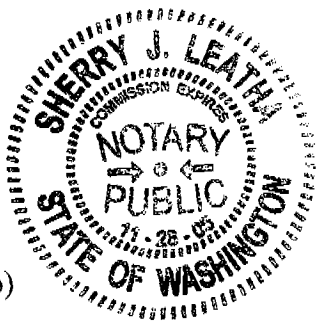


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Spokane Co, WA

STATE OF WASHINGTON)
: ss
County of Spokane)

On this 12 day of September, 2003, before me personally appeared BILL WILLIAMS, JR./TRISH MCFARLAND, to me known to be the Chair/Vice-Chair, of the SPOKANE PUBLIC FACILITIES DISTRICT, 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.

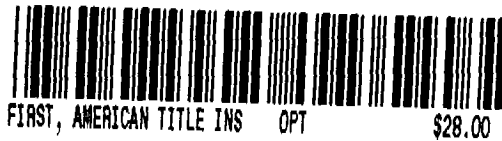
GIVEN UNDER MY HAND AND OFFICIAL SEAL the day and year in this certificate first above written.



(Seal or Stamp)

Sherry Leatha
Notary Public (Signature)
Sherry Leatha
(Print Name)

My commission expires: 11-28-05



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Page: 5 of 10
11/13/2003 04:22P
Spokane Co, WA

**ATTACHMENT 1.14
SPOKANE CENTER
MEMORANDUM OF LEASE
EXISTING CENTER REAL PROPERTY**

The real property that the City will lease with purchase option to the District ("Real Property") includes the site on which the Spokane Opera House, the Spokane Convention Center, and the Washington State Agricultural Trade Center are located, and also five parcels which the City presently is using for parking purposes. The Real Property is described in more detail below, and the Real Property legal descriptions are set forth in the attached excerpts from Supplemental Report No. 1 from First American Title Company of Spokane dated February 20, 2003, Order No. 283495-CB ("Title Report").

Parcel A:

Parcel A consists of the land on which the Spokane Opera House, the Spokane Convention Center, and the Washington State Agricultural Trade Center are located. Parcel A recently was the subject of City of Spokane Boundary Line Adjustment #Z03B0036. Parcel A formerly was part of Spokane County Assessor Tax Parcel No. 35185.0070. The City will apply for a tax parcel segregation including a new tax parcel number for Parcel A. This description of Parcel A may be amended to include the new tax parcel number when a new number is assigned to Parcel A.

The legal description for Parcel A is the same property described as "Parcel 1" in the Title Report.

Parcel B:

Parcel B consists of:

1. A parking area located at the NE corner of the Main Avenue and Washington Street Intersection, with a street address of 204 N. Washington Street, Tax Parcel No. 35184.2107.
2. A parking area located on the North side of Main avenue, with a street address of 330 W. Main Avenue, Tax Parcel No. 35184.2108.
3. A parking area located on the North side of Main avenue, with a street address of 334 W. Main Avenue, North Side, Parcel 35184.2109.
4. A parking area located on the North side of Main avenue, with a street address of 316 W. Main Avenue, Tax Parcel 35184.2112.



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The legal description for Parcel B is the same property described as "Parcel D" in the Title Report.

Parcel C:

Parcel C is a parking area located on the North side of Spokane Falls Boulevard to the east of Spokane Falls Court, with an unknown street address, Parcel No. 35184.0412.

The legal description for Parcel C is the same property described as "Parcel E" in the Title Report.



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LEGAL DESCRIPTION

ORDER NO. 283495-CB-

PARCEL 1:

A PORTION OF HAVERMALE'S SECOND ADDITION, ACCORDING TO PLAT RECORDED IN VOLUME "A" OF PLATS, PAGE 148, AND A PORTION OF THE SOUTHEAST QUARTER OF SECTION 18, TOWNSHIP 25 NORTH, RANGE 43 EAST, W.M., CITY OF SPOKANE, SPOKANE COUNTY, WASHINGTON, DESCRIBED, AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE EAST RIGHT OF WAY LINE OF WASHINGTON STREET AND THE NORTH RIGHT OF WAY LINE OF SPOKANE FALLS BOULEVARD;
THENCE NORTH 87°05'15" EAST, ALONG THE NORTH LINE OF SAID SPOKANE FALLS BOULEVARD, 712.00 FEET TO THE SOUTHWEST CORNER OF SPOKANE FALLS COURT;
THENCE NORTH 02°50'49" WEST, ALONG THE WEST LINE OF SAID SPOKANE FALLS COURT AND PARALLEL WITH THE EAST RIGHT OF WAY LINE OF WASHINGTON STREET, 157.95 FEET (REC. 158.00 FEET);
THENCE NORTH 87°05'15" EAST, ALONG THE NORTH LINE OF SPOKANE FALLS COURT AND PARALLEL TO THE NORTH LINE OF SPOKANE FALLS BOULEVARD, 32.51 FEET (REC. 32.50 FEET);
THENCE NORTH 10°19'39" WEST, 10.14 FEET (REC. 10.08 FEET);
THENCE NORTH 12°34'07" WEST, 10.14 FEET;
THENCE NORTH 14°30'20" WEST, 10.21 FEET;
THENCE NORTH 15°36'04" WEST, 10.25 FEET;
THENCE NORTH 16°24'59" WEST, 10.23 FEET;
THENCE NORTH 18°01'49" WEST, 10.36 FEET;
THENCE NORTH 20°55'29" WEST, 10.51 FEET;
THENCE NORTH 25°56'46" WEST, 10.87 FEET;
THENCE NORTH 24°58'06" WEST, 3.82 FEET;
THENCE NORTH 02°50'49" WEST, PARALLEL WITH THE EAST RIGHT OF WAY LINE OF WASHINGTON STREET, 48.01 FEET (REC. 47.95 FEET);
THENCE NORTH 35°58'22" EAST, 10.24 FEET TO THE BEGINNING OF A CURVE TO THE RIGHT, THE RADIUS OF WHICH BEARS SOUTH 33°45'06" EAST, A DISTANCE OF 25.00 FEET;
THENCE ALONG SAID CURVE TO THE RIGHT, THROUGH A CENTRAL ANGLE OF 30°08'53", AN ARC DISTANCE OF 13.15 FEET TO A POINT 742.00 FEET EAST OF THE EAST RIGHT OF WAY LINE OF WASHINGTON STREET AND 301.00 FEET NORTH OF THE NORTH RIGHT OF WAY LINE OF SPOKANE FALLS BOULEVARD;
THENCE NORTH 02°50'49" WEST, 12.00 FEET;
THENCE NORTH 35°58'22" EAST, 67.76 FEET;
THENCE NORTH 42°07'28" EAST, 40.45 FEET;
THENCE NORTH 56°26'07" EAST, 68.56 FEET;
THENCE SOUTH 31°58'44" EAST, 47.24 FEET (REC. 47.23) FEET TO A POINT 895.01 FEET EAST OF THE EAST RIGHT OF WAY LINE OF WASHINGTON STREET AND 388.00 FEET NORTH OF THE NORTH RIGHT OF WAY LINE OF SPOKANE FALLS BOULEVARD;
THENCE NORTH 87°05'15" EAST, 730.36 FEET (REC. 730.38 FEET) TO THE WEST RIGHT OF WAY LINE OF DIVISION STREET;



THENCE NORTH 03°05'15" WEST, ALONG SAID WEST RIGHT OF WAY LINE 77.03 FEET TO THE BEGINNING OF A CURVE TO THE LEFT THE RADIUS OF WHICH BEARS SOUTH 03°05'15" EAST, A DISTANCE OF 195.00 FEET;

THENCE ALONG SAID CURVE TO THE LEFT, THROUGH A CENTRAL ANGLE OF 31°23'12", AN ARC DISTANCE OF 106.82 FEET TO THE BEGINNING OF A REVERSE CURVE THE RADIUS OF WHICH BEARS NORTH 34°28'27" WEST, A DISTANCE OF 150.00 FEET;

THENCE ALONG SAID REVERSE CURVE, THROUGH A CENTRAL ANGLE OF 18°18'01", AN ARC DISTANCE OF 47.91 FEET TO A POINT 145.71 FEET WEST OF THE WEST RIGHT OF WAY LINE OF DIVISION STREET AND 418.00 FEET NORTH OF THE NORTH RIGHT OF WAY LINE OF SPOKANE FALLS BOULEVARD;

THENCE SOUTH 87°05'15" WEST, PARALLEL WITH SAID NORTH RIGHT OF WAY LINE, 251.29 FEET TO A POINT 397.00 FEET WEST OF THE WEST RIGHT OF WAY LINE OF DIVISION STREET;

THENCE NORTH 03°05'15" WEST, PARALLEL WITH SAID WEST RIGHT OF WAY LINE, 130.46 FEET;

THENCE NORTH 80°44'15" EAST, 84.09 FEET;

THENCE NORTH 84°21'00" EAST, 176.33 FEET;

THENCE NORTH 80°36'00" EAST, 86.86 FEET;

THENCE NORTH 82°33'30" EAST, 51.06 FEET (REC. 51.05 FEET) TO THE WEST RIGHT OF WAY LINE OF DIVISION STREET;

THENCE NORTH 03°05'15" WEST, ALONG SAID WEST RIGHT OF WAY LINE, 26.40 FEET;

THENCE SOUTH 73°18'46" WEST, 19.39 FEET;

THENCE SOUTH 63°12'14" WEST, 32.63 FEET;

THENCE SOUTH 72°13'24" WEST, 20.32 FEET;

THENCE SOUTH 82°06'10" WEST, 21.05 FEET;

THENCE SOUTH 85°05'30" WEST, 53.94 FEET;

THENCE SOUTH 85°36'01" WEST, 37.38 FEET;

THENCE SOUTH 81°27'48" WEST, 91.18 FEET;

THENCE SOUTH 81°28'18" WEST, 27.40 FEET;

THENCE SOUTH 81°39'06" WEST, 28.26 FEET;

THENCE SOUTH 81°22'21" WEST, 31.57 FEET;

THENCE SOUTH 82°48'52" WEST, 24.37 FEET;

THENCE SOUTH 79°50'33" WEST, 22.96 FEET;

THENCE SOUTH 81°13'51" WEST, 9.30 FEET;

THENCE SOUTH 83°01'55" WEST, 74.81 FEET;

THENCE SOUTH 82°41'31" WEST, 46.90 FEET;

THENCE SOUTH 82°54'44" WEST, 68.90 FEET;

THENCE SOUTH 86°30'10" WEST, 50.81 FEET;

THENCE SOUTH 88°24'39" WEST, 51.00 FEET;

THENCE NORTH 89°55'42" WEST, 31.12 FEET;

THENCE SOUTH 89°19'43" WEST, 29.16 FEET;

THENCE SOUTH 87°35'15" WEST, 28.09 FEET;

THENCE SOUTH 82°33'35" WEST, 29.40 FEET;

THENCE SOUTH 72°57'28" WEST, 5.64 FEET;

THENCE SOUTH 63°30'04" WEST, 4.49 FEET;

THENCE SOUTH 62°26'42" WEST, 23.20 FEET;

THENCE SOUTH 62°23'20" WEST, 27.23 FEET;

THENCE SOUTH 76°42'03" WEST, 41.02 FEET;

THENCE SOUTH 71°49'34" WEST, 46.60 FEET;

THENCE SOUTH 41°58'06" WEST, 41.14 FEET;



FIRST, AMERICAN TITLE INS OPT

\$28.00

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THENCE SOUTH 42°05'55" WEST, 101.61 FEET;
THENCE SOUTH 42°02'23" WEST, 50.88 FEET;
THENCE SOUTH 42°06'30" WEST, 62.27 FEET;
THENCE SOUTH 60°16'28" WEST, 2.58 FEET;
THENCE SOUTH 42°00'29" WEST, 42.09 FEET;
THENCE SOUTH 41°59'51" WEST, 83.72 FEET;
THENCE SOUTH 87°05'09" WEST, 50.65 FEET;
THENCE SOUTH 86°58'38" WEST, 109.39 FEET;
THENCE SOUTH 87°06'04" WEST, 138.61 FEET;
THENCE NORTH 69°30'57" WEST, 15.06 FEET TO THE BEGINNING OF A NON-TANGENT CURVE TO
THE LEFT THE RADIUS OF WHICH BEARS SOUTH 79°07'08" WEST, A DISTANCE OF 14.93 FEET;
THENCE ALONG SAID CURVE TO THE LEFT, THROUGH A CENTRAL ANGLE OF 232°50'37", AN ARC
DISTANCE OF 60.68 FEET;
THENCE SOUTH 03°07'55" EAST, 19.91 FEET;
THENCE SOUTH 00°46'51" WEST, 3.96 FEET;
THENCE SOUTH 42°06'21" WEST, 75.74 FEET TO THE EAST RIGHT OF WAY LINE OF WASHINGTON
STREET;
THENCE SOUTH 02°50'49" EAST, ALONG SAID EAST RIGHT OF WAY LINE, 141.20 FEET TO THE
POINT OF BEGINNING.

EXCEPT ANY PORTION OF DEEDED TO STATE OF WASHINGTON ON MARCH 13, 1990, RECORDED
APRIL 9, 1990 UNDER AUDITOR'S FILE NO. 9004090075, IN SPOKANE COUNTY, WASHINGTON, FOR
STATE ROUTE #2, SPOKANE RIVER BRIDGE VICINITY AND DIVISION STREET.

AND EXCEPT ALL THAT PORTION CONDEMNED BY CAUSE NO. 91201392-1, SUPERIOR COURT OF
THE STATE OF WASHINGTON, IN AND FOR SPOKANE COUNTY, WASHINGTON FOR STATE ROUTE
#2, SPOKANE RIVER BRIDGE VICINITY AND DIVISION STREET.

PARCEL D:

ALL OF LOTS 6, 7 AND 10, AND LOT 9, EXCEPT THE WEST 47 FEET THEREOF, BLOCK 8,
RESURVEY AND ADDITION TO SPOKANE FALLS, ACCORDING TO PLAT RECORDED IN VOLUME
"A" OF PLATS, PAGE 1, IN THE CITY OF SPOKANE, SPOKANE COUNTY, WASHINGTON;

ALSO A STRIP OR PARCEL OF LAND ADJOINING ON THE EAST THEREOF, MORE PARTICULARLY
DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHEAST CORNER OF SAID LOT 10, AND RUNNING THENCE EAST 13.8
FEET, MORE OR LESS, TO THE WEST LINE OF BLOCK 7, HAVERMALE'S ADDITION;
THENCE SOUTH ALONG THE WEST LINE OF SAID BLOCK 7 TO THE NORTH LINE OF MAIN
AVENUE;
THENCE WEST ALONG THE NORTH LINE OF MAIN AVENUE, 13.8 FEET, MORE OR LESS, TO THE
SOUTHEAST CORNER OF SAID LOT 10;
THENCE NORTH ALONG THE EAST LINE THEREOF TO THE PLACE OF BEGINNING.



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\$28.00

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PARCEL E:

ALL THAT PORTION OF BLOCK 2 OF HAVERMALE'S SECOND ADDITION, AS PER PLAT THEREOF RECORDED IN VOLUME "A" OF PLATS, PAGE 148, INCLUDING VACATED ALLEY AND VACATED MCCLELLAN STREET (ORIGINALLY CENTER STREET), LYING WITHIN, DEFINED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE EAST LINE OF SPOKANE FALLS COURT AND THE NORTH LINE OF SPOKANE FALLS BOULEVARD;

THENCE EAST ALONG THE NORTH LINE OF SPOKANE FALLS BOULEVARD TO THE EAST LINE OF VACATED MCCLELLAN STREET;

THENCE NORTH ALONG THE EAST LINE OF VACATED MCCLELLAN STREET 158 FEET TO A POINT; THENCE WEST ALONG A LINE 158 FEET NORTH OF AND PARALLEL TO THE NORTH LINE OF SPOKANE FALLS BOULEVARD TO A POINT 744.50 FEET EAST OF THE EAST LINE OF WASHINGTON STREET;

THENCE SOUTHEASTERLY ALONG A STRAIGHT LINE TO A POINT THAT IS 747 FEET EAST OF THE EAST LINE OF WASHINGTON STREET AND 116 FEET NORTH OF THE NORTH LINE OF SPOKANE FALLS BOULEVARD;

THENCE EAST ALONG A LINE 116 FEET NORTH OF AND PARALLEL TO THE NORTH LINE OF SPOKANE FALLS BOULEVARD 45 FEET TO A POINT;

THENCE SOUTH ALONG A LINE 792 FEET EAST OF AND PARALLEL TO THE EAST LINE OF WASHINGTON STREET TO THE NORTH LINE OF SPOKANE FALLS BOULEVARD AND THE POINT OF BEGINNING;

EXCEPT THAT PORTION DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT 747 FEET EAST OF THE EAST LINE OF WASHINGTON STREET AND 116 FEET NORTH OF THE NORTH LINE OF SPOKANE FALLS BOULEVARD;

THENCE NORTH IN A STRAIGHT LINE TO A POINT 744.5 FEET EAST OF THE EAST LINE OF WASHINGTON STREET AND 158 FEET NORTH OF THE NORTH LINE OF SPOKANE FALLS BOULEVARD;

THENCE EAST PARALLEL WITH THE NORTH LINE OF SPOKANE FALLS BOULEVARD TO THE EAST LINE OF VACATED MCCLELLAN STREET;

THENCE SOUTH ALONG THE EAST LINE OF MCCLELLAN STREET A DISTANCE OF 20 FEET;

THENCE WEST PARALLEL WITH THE NORTH LINE OF SPOKANE FALLS BOULEVARD TO THE WEST LINE OF VACATED MCCLELLAN STREET;

THENCE SOUTHWESTERLY TO A POINT 116 FEET NORTH OF THE NORTH LINE OF SPOKANE FALLS BOULEVARD AND 792 FEET EAST OF THE EAST LINE OF WASHINGTON STREET;

THENCE WEST PARALLEL WITH THE NORTH LINE OF SPOKANE FALLS BOULEVARD TO THE POINT OF BEGINNING.

NOTE: Open PDF bookmarks for links to the Tabs listed below.

AMENDMENTS

OPR 2003-0658

1. Tab 1 – RES 2003-0122: Authorizing sub-lease to Ramos Enterprises and First Amendment to Interlocal Agreement
2. Tab 2 – OPR 2007-0898 (Re-numbered to OPR 2003-0658): Second Amendment to Interlocal Agreement
3. Tab 3 – Third Amendment to Interlocal Agreement and First Amendment to Lease Agreement



OFFICE OF THE CITY CLERK
808 W. SPOKANE FALLS BLVD.
SPOKANE, WASHINGTON 99201-3342
(509) 625-6350

JOHN T. POWERS, JR.
MAYOR

December 23, 2003

City Clerk File Nos.:

CPR 03-2

RES 03-122

✓ OPR 2003-1064

OPR 2003-0658

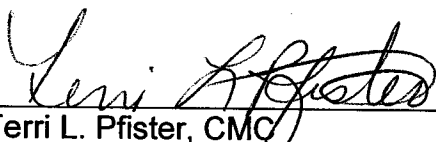
COUNCIL ACTION MEMORANDUM

RE: RESOLUTION 03-122 AUTHORIZING SUB-LEASE TO RAMOS ENTERPRISES

During its 6 p.m. Legislative Session held Monday, December 15, 2003, the Spokane City Council considered Resolution 03-122 authorizing sub-lease to Ramos Enterprises. Subsequent to reports by City Attorney Mike Connelly; Kevin Twohig, Public Facilities Director; and Stan Schwartz, special counsel to Public Facilities District; Council inquiry and debate; and public testimony; the following actions were taken:

Motion by Council Member Corker, seconded by Council Member Greene, to amend Resolution 03-122 (by substituting it) with the resolution (referenced as Option B) prepared by Legal Staff for the immediate transfer of the property **carried 5-2 (Council President Higgins and Council Member Rodgers voting "no")**.

Upon 5-2 Roll Call Vote (Council President Higgins and Council Member Rodgers voting "no"), the Spokane City Council **adopted** Resolution 03-122 (as amended/substituted) authorizing sub-lease to Ramos Enterprises.


Terri L. Pfister, CMC
Spokane City Clerk

c: Mayor
City Administrator
Entertainment Facilities
Finance
Accounting
Legal
Public Facilities District



AGENDA SHEET FOR COUNCIL MEETING OF: December 15, 2003

Submitting Dept.
Public Facilities District

Contact Person
Kevin Twohig

Phone No.
324-7002

ADMINISTRATIVE SESSION

- ☐ Contract
- ☐ Report
- ☐ Claims

LEGISLATIVE SESSION

- ☐ Emergency Ord
- ☐ Resolution
- ☐ Final Reading Ord
- ☐ First Reading Ord
- ☐ Special Consideration
- ☐ Hearing

CITY PRIORITY

- ☐ Communications
- ☐ Economic Development
- ☐ Growth Management
- ☐ Human Services
- ☐ Neighborhoods
- ☐ Public Safety
- ☒ Quality Service Delivery
- ☐ Racial Equity/Cultural Diversity
- ☐ Rebuild/Maintain Infrastructure

CLERK'S FILE
RENEWS
CROSS REF
ENG

OPR 2003-1064

STANDING COMMITTEES (Date of Notification)

- ☐ Finance _____
- ☐ Neighborhoods _____
- ☐ Planning/Community & Econ Dev _____
- ☐ Public Safety _____
- ☐ Public Works _____

BID
REQUISITION

Neighborhood/Commission/Committee Notified:

Action Taken:

AGENDA WORDING:

A RESOLUTION AUTHORIZING SUB-LEASE TO RAMOS ENTERPRISES.

BACKGROUND:

(Attach additional sheet if necessary)

By Resolution 03-75, the City Council approved certain agreements granting the Spokane Public Facilities District (the "District") a long-term lease of the real property on which the Convention Center, Opera House, and Washington State Agricultural Trade Center ("Spokane Center") are situated. The lease included three vacant parcels of land situated on the block to the south of Spokane Center ("Vacant Lots"). Ramos Enterprises owns Azteca Restaurant. The Azteca site is necessary to facilitate the District's plans to expand the Convention Center. Azteca is willing to convey the site to the District in exchange for a 30-year lease of the Vacant Lots and a cash allocation of approximately \$2.1 million with which Ramos intends to build a new restaurant on the Vacant Lots. The long-term lease agreement between the City and the District requires the City's written consent prior to an assignment or sublease of any interest in the land leased to the District, including the Vacant Lots. The lease provides that the City's consent shall not be withheld unreasonably.

RECOMMENDATION:

Fiscal Impact: <input type="radio"/>	Budget Account: <input type="radio"/>
<input type="radio"/> Expenditure: \$	#
<input type="radio"/> Revenue: \$	#
<input type="radio"/> Budget Neutral	

ATTACHMENTS: Include in Packets: Resolution _____, with attached agreements.
On file for Review in Office of City Clerk:

SIGNATURES:

Public Facilities District, Executive Director

Legal

Division Director

City Administrator for Mayor

Finance

Council President

DISTRIBUTION: Entertainment Facilities
Finance

Public Facilities District
Mayor/Administrator

Accounting
Legal

COUNCIL ACTION:

December 15, 2003: See Council Action Memorandum dated December 23, 2003, for Council Action on December 15, 2003.

RES 03-122

RESOLUTION

A RESOLUTION AUTHORIZING SUBLEASE TO RAMOS ENTERPRISES

WHEREAS, by Resolution 03-75, the City Council previously approved certain agreements granting the Spokane Public Facilities District (the "District") a long-term lease of the real property on which the Convention Center, Opera House, and Washington State Agricultural Trade Center ("Spokane Center") are situated.

WHEREAS, the lease grants the District an option to purchase the real property from the City for one dollar (\$1.00) upon the District's satisfaction of various conditions.

WHEREAS, the lease included four vacant parcels of land situated on the block to the south of Spokane Center ("Vacant City Lots").

WHEREAS, Ramos Enterprises owns Azteca Restaurant and certain property surrounding it, all of which is needed for facilitate the District's plans to expand the Convention Center.

WHEREAS, Ramos Enterprises is willing to convey the Azteca site to the District in exchange for a 30-year lease of approximately 10,000 square feet of the Vacant City Lots, and other valuable consideration, including a cash allocation of approximately \$2.1 million.

WHEREAS, once the District leases a portion of the Vacant City Lots to Ramos Enterprises, Ramos plans to build a new Azteca Restaurant on the site.

WHEREAS, the District has asked the City to waive the conditions precedent with respect to its ability to exercise it option to purchase the Vacant City Lots, allowing it to exercise said option immediately.

WHEREAS, in exchange for said waiver, the District has covenanted to acquire the remainder of the City block bounded by Spokane Falls Boulevard, Washington Street, Main Avenue, and Bernard Street, and to complete various improvements thereto consistent with the City's Comprehensive Plan and Downtown Plan, as set forth more fully in the First Amendment to City of Spokane and Public Facilities District Interlocal Agreement, a copy of which is attached hereto. ***Interlocal Agreement: Amendment 1

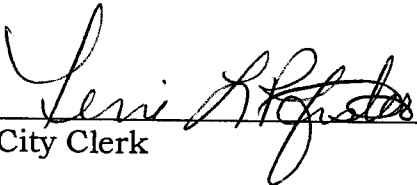
NOW, THEREFORE - - it is hereby resolved by the Spokane City Council;

Authorization to Waive Conditions. On behalf of the City of Spokane, the Mayor is authorized to execute the First Amendment to City of Spokane and

RES 03-122
"Option B"
Rec'd 12/18/03

Public Facilities District Interlocal Agreement together with such other documents and incidental agreements as are reasonably necessary to allow the District to exercise its option to purchase the Vacant City Lots.

ADOPTED by the Spokane City Council this 15th day of December, 2003.


City Clerk

Approved as to form:


Assistant City Attorney



FIRST AMENDMENT TO CITY OF SPOKANE AND PUBLIC FACILITIES DISTRICT INTERLOCAL COOPERATION AGREEMENT

This FIRST AMENDMENT to the Interlocal Cooperation Agreement entered into on _____, 2003 by and between the Spokane Public Facilities District, a Municipal Cooperation of the State of Washington ("District") and the City of Spokane, a first class Charter City of the State of Washington ("City"), hereinafter collectively referred to as the "parties", is made and entered into on the year and date set forth below.

RECITALS

- A. The City, in cooperation with the District, entered into an Interlocal Cooperation Agreement, a Property Transfer Agreement and a Lease Agreement dated August 20, 2003 (the "Agreements") for the purpose of participating in the joint development of the Convention Center expansion.
- B. The Property Transfer Agreement provided for the conveyance to the District of a 2/3 ownership interest in certain City improvements and the Lease Agreement provided for a lease to the District of the City's remaining 1/3 ownership interest in such improvements, together with a lease to the District of all of the land on which such improvements are situated ("Real Property").
- C. Included in the Real Property covered by the Lease are four vacant parcels of land situated on the block to the south of the Convention Center, bearing Assessor's parcel numbers 35184.2107, 35184.2108, 35184.2109, 35184.2112 ("Vacant Parking Lots").
- D. The Lease grants the District an option to purchase the Real Property from the City upon the District's satisfaction of certain conditions, namely the District's retirement of the debt issued by the District to pay for expansion of the Convention Center ("Convention Center Bonds").
- E. In order to move forward with plans to expand the Convention Center, the District needs to acquire approximately 57,000 square feet of land owned by Ramos Enterprises ("Ramos"), and on which an Azteca Restaurant is presently situated ("Azteca Site").

- F. Ramos is willing to convey the Azteca Site to the District in exchange for a 30-year lease of approximately 10,000 square feet of the Vacant Parking Lots, and \$2.1 million with which to construct a new restaurant on said property.
- G. The District has asked the City to waive its obligation to retire the Convention Center Bonds before exercising its option to purchase with respect to the Vacant Parking Lots only, enabling the District to acquire ownership of the Vacant Parking Lots immediately.

NOW, THEREFORE, in consideration of the following terms and conditions, the parties agree as follows:

- 1. Original Agreement. The Interlocal Agreement, Property Transfer Agreement and Lease Agreement, referenced above, are hereby incorporated by reference into this Amendment as if fully set forth except as provided herein.
- 2. District Covenants.

2.1 Acquisition of Azteca Site. The District shall use best efforts to acquire certain real property owned by Ramos Enterprises that is presently occupied by the Azteca Mexican Restaurant ("Azteca Site"). The Azteca site is necessary for the District's planned expansion of the Convention Center, and is identified as parcel numbers 35184.0406 and 34184.0403 comprising of approximately 57,000 square feet, more or less. In exchange for Ramos Enterprises' transfer to the District of fee simple ownership of the Azteca Site, the District plans to grant Ramos Enterprises a 30-year lease of approximately 10,000 square feet of the Vacant Parking Lots for the purpose of constructing and occupying a 9,000 square foot restaurant. The District also plans to develop and provide parking adjacent to the Vacant Parking Lots and to make the same available to the newly constructed restaurant. The District does not plan to charge Ramos Enterprises rent under the lease, but Ramos Enterprises shall be responsible for all applicable leasehold excise taxes that may be assessed on leases of publicly-owned properties. The lease shall also obligate Ramos Enterprises to construct, operate, maintain, and repair the premises and the restaurant. Subject to the provisions of the Agreements, the District shall retain the full and complete right to develop the above identified parcels pursuant to the discretion of the District, as well as, that property generally identified as the City block bounded by Spokane Falls Boulevard, Washington Street, Main Avenue, and Bernard Street (including surface with structure parking or such other buildings and improvements as deemed reasonably necessary by the District) the "South Block".

2.2 District Development of South Block. The District shall prepare and present to Ramos Enterprises a Purchase and Sale Agreement, Lease Agreement and Parking Use Agreement consistent with the above-stated terms, as well as, other matters reasonably agreed to between the parties that promotes the reasonable development of both the Convention Center expansion and the South Block, generally consistent with District Resolution No 03-10, and subject to the terms of the Agreements. The District, following execution of the above documents, shall exercise best efforts in order to acquire the remainder of the South Block, upon terms which are deemed reasonable and just for public purposes and upon acquisition of the same, develop and improve the south block by replacing and repairing perimeter sidewalks, surface parking, landscaping, lighting and associated improvements, consistent with renderings and budget attached hereto as Exhibit "A". Following acquisition and development of the South Block, the District shall commission a Master Plan to study the most beneficial future use of the South Block for public purposes including uses which are consistent with the City's Comprehensive Plan and Downtown Plan, and complimentary to downtown development, including but not limited to, residential and commercial uses and off-street parking.

3. Option to Purchase Vacant Parking Lots. In order to facilitate the District's acquisition of the Azteca Site, the City hereby agrees to allow the District to exercise immediately its option to purchase the Vacant Parking Lots, and waives all conditions precedent with respect to said option, but only with respect to the Vacant Parking Lots. Said conditions shall remain in full force in effect with respect to the remainder of the Real Property leased to the District under the Lease, and the City shall retain ownership of said Real Property until the District has satisfied all conditions in the Agreements, including without limitation, the Lease.

4. Exercise of Option. The sale and purchase of said Vacant Parking Lots shall occur in accordance with the following terms and conditions:

4.1 Closing. Closing of the purchase and sale shall occur no later than thirty (30) days following the parties' execution of this First Amendment.

4.2 Deed. The City shall transfer all of the City's interests in the Vacant Parking Lots by quitclaim deed, in form and content as set forth in Exhibit "B" to this First Amendment, conveying to the District good and marketable title in fee simple to the Vacant Parking Lots, for so long as the District owns and

operates Spokane Center pursuant to the authority granted the District under Chapter 36.100 RCW.

4.3 Closing Costs and Expenses. The District shall pay all costs and expenses incurred with closing the purchase and sale of the Vacant Parking Lots - including, without limitation, real property taxes and assessments, personal property taxes, recording fees, real property excise taxes to the extent applicable to this transaction, title insurance premiums, closing agent fees, and similar closing costs. Notwithstanding the foregoing, the City and the District shall cooperate with each other to prepare applications for exemptions that may be available for any such taxes, assessments, fees, or sums. The City shall cooperate with the District in obtaining lawful exemptions from real property excise taxes, sales and use taxes, and other taxes or fees incident to the type of transactions contemplated by this Lease. The District and the City shall each bear their respective costs of legal and professional counsel associated with the closing of the purchase and sale of the Vacant Parking Lots.

5. Conflict. In the event of a direct conflict between the terms of this Amendment and a provision of any of the Agreements, the provisions of the Agreements shall govern.

The parties have executed this First Amendment on this ____ day of _____, 2003.

Attest:

City Clerk

Veni R. Foster

CITY OF SPOKANE

Mayor, John Powers

John Powers 12/23/03



Approved as to Form:

City Attorney

[Signature]

Dated this 30th day of December 2003.

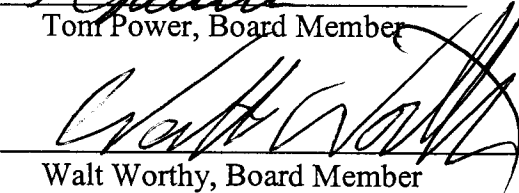
SPOKANE PUBLIC FACILITIES DISTRICT

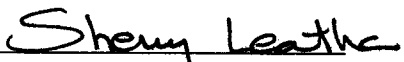
By: 
Shaun Cross, Board Chair

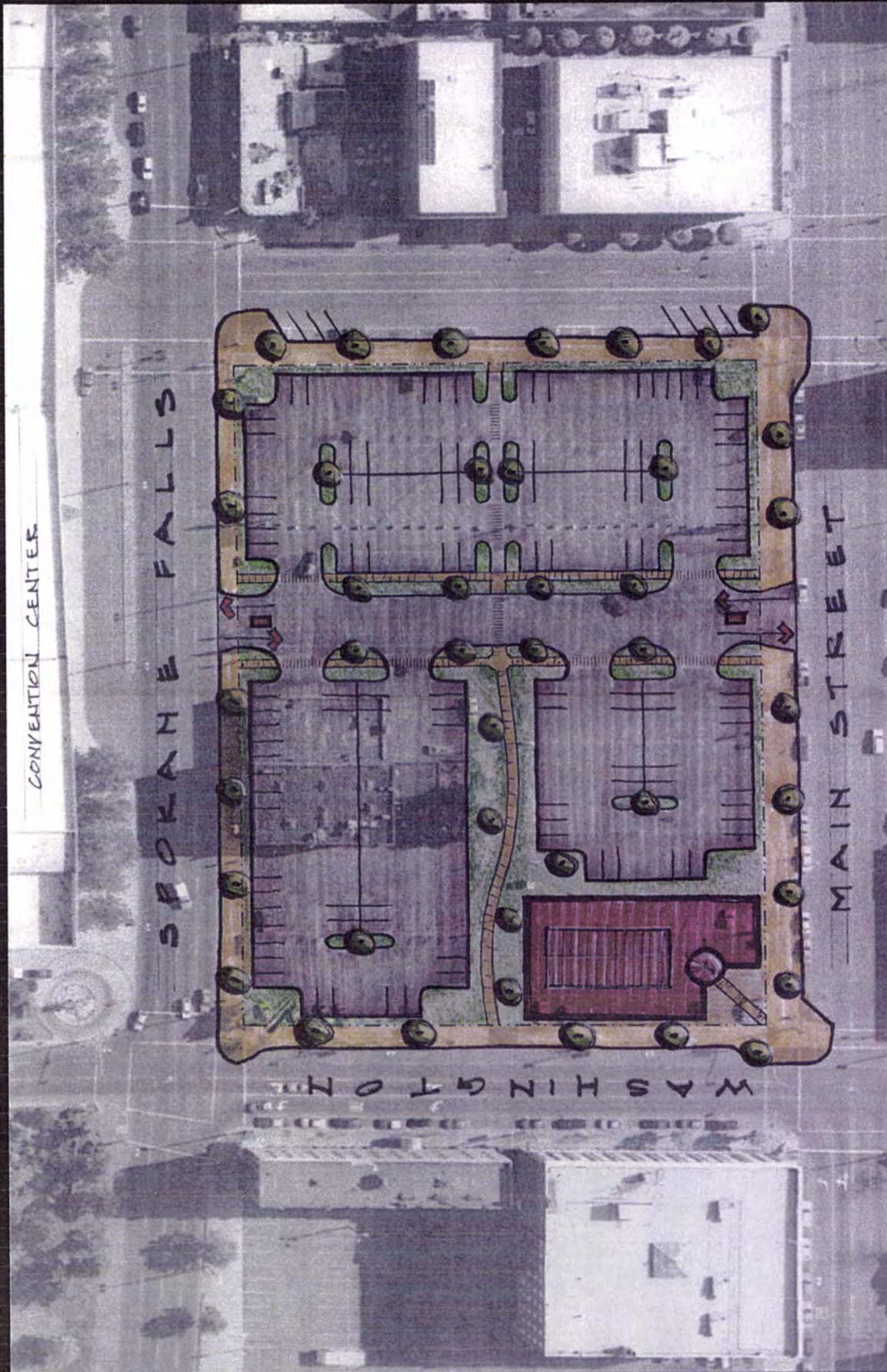
By: 
Rick Lafleur, Board Vice-Chair

By: 
Sandy McCauley, Board Member

By: 
Tom Power, Board Member

By: 
Walt Worthy, Board Member

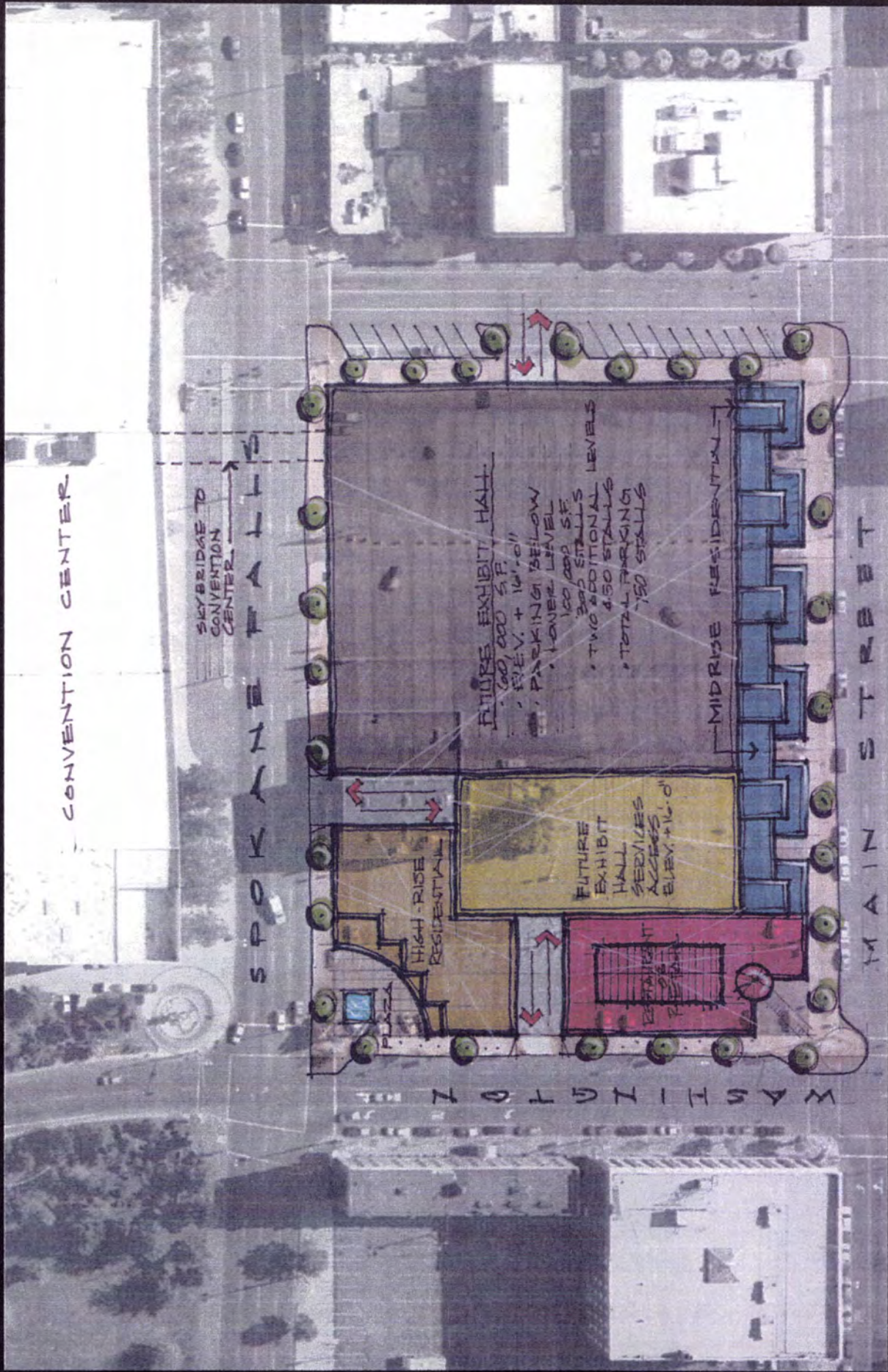
Attest: 
Sherry Leatha, Clerk of the Board



SPOKANE PUBLIC FACILITIES DISTRICT CONVENTION CENTER EXPANSION
DRAFT SOUTH SITE PHASE I PARKING

ALSC

12.8.03



SPOKANE PUBLIC FACILITIES DISTRICT CONVENTION CENTER EXPANSION
DRAFT SOUTH SITE MASTER PLAN CONCEPT

10.28.03

ALSC ARCHITECTS



SPOKANE PUBLIC FACILITIES DISTRICT CONVENTION CENTER EXPANSION
DRAFT SOUTH SITE MASTER PLAN CONCEPT

ALSC ARCHITECTS

Project: Upgrade South parking Lot at CCX
Job No.: 2300003
Date: 11/15/2003
Prepared WBM/DGG

[illegible]

WHEN RECORDED RETURN TO:
Spokane Public Facilities District
720 W. Mallon
Spokane, WA 99201
Attn: Executive Director

QUIT CLAIM DEED

This Quit Claim Deed is from the CITY OF SPOKANE, a first class city of the State of Washington, as "City" or "Grantor", to the SPOKANE PUBLIC FACILITIES DISTRICT, a Washington municipal corporation, as "District" or Grantee".

BACKGROUND

A. Pursuant to the terms of an Interlocal Cooperation Agreement, dated August 20, 2003, between the City and the District ("Interlocal Agreement"), the District has agreed to make certain improvements to the Spokane Opera House, Spokane Convention Center, and Washington State International Agricultural Trade Center (collectively the "Spokane Center").

B. Pursuant to a Property Transfer Agreement, dated August 20, 2003, between the City and the District, the City has transferred to the District a 2/3 undivided interest in the improvements constituting the Spokane Center, but not the underlying real property.

C. Pursuant to a Lease, dated August 20, 2003, between the City and the District ("Lease"), the City Leased to the District the City's remaining undivided interest in the improvements constituting the Spokane Center, as well as the underlying real property.

D. The Lease granted the District the option, upon the occurrence of certain events, to purchase the real property underlying the improvements constituting the Spokane Center.

E. In order to facilitate acquisition of certain property owned by Ramos Enterprises and needed for expansion of Spokane Center, the District has asked

the City to allow the District to exercise its purchase option with respect to some of the real property covered by the Lease, pursuant to the terms of the First Amendment to City of Spokane and Public Facilities District Interlocal Cooperation Agreement, dated December 30, 2003 ("First Amendment").

E. By Resolution 03-122, dated December 15, 2003, the City has agreed to allow the District to exercise its purchase option with respect to the real property legally described below.

CONVEYANCE

The City, in consideration of good and valuable consideration, the receipt of which is hereby acknowledged, conveys and quit claims to the District all of the City's interest in the real property described on Exhibit A, for so long as the District operates the Spokane Center pursuant to the authority under Chapter 36.100 RCW. The interest conveyed to the District by this Quit Claim Deed shall automatically revert to the City at such time as the District ceases to operate the Spokane Center pursuant to the authority under Chapter 36.100 RCW.

DATED this 13th day of February, 2004.

CITY OF SPOKANE

By: _____

Jack Lynch, Deputy Mayor

ATTEST:

Leri A. Foster
City Clerk

APPROVED AS TO FORM:

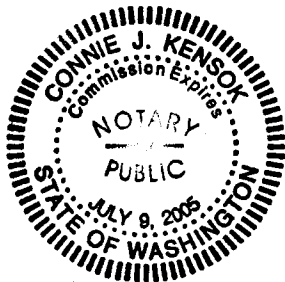
James R.
City Attorney



STATE OF Washington)
)ss.
County of Spokane)

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

Dated: 2/13/04



Connie Kensok
Notary Public in and for
State, residing at Spokane
My appointment expires 7/9/05

EXHIBIT "A"

ALL OF LOTS 6, 7 AND 10, AND LOT 9, **EXCEPT** THE WEST 47 FEET THEREOF, BLOCK 8, **RESURVEY AND ADDITION TO SPOKANE FALLS**, ACCORDING TO PLAT RECORDED IN VOLUME "A" OF PLATS, PAGE 1, IN THE CITY OF SPOKANE, SPOKANE COUNTY, WASHINGTON;

ALSO A STRIP OR PARCEL OF LAND ADJOINING ON THE EAST THEREOF, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

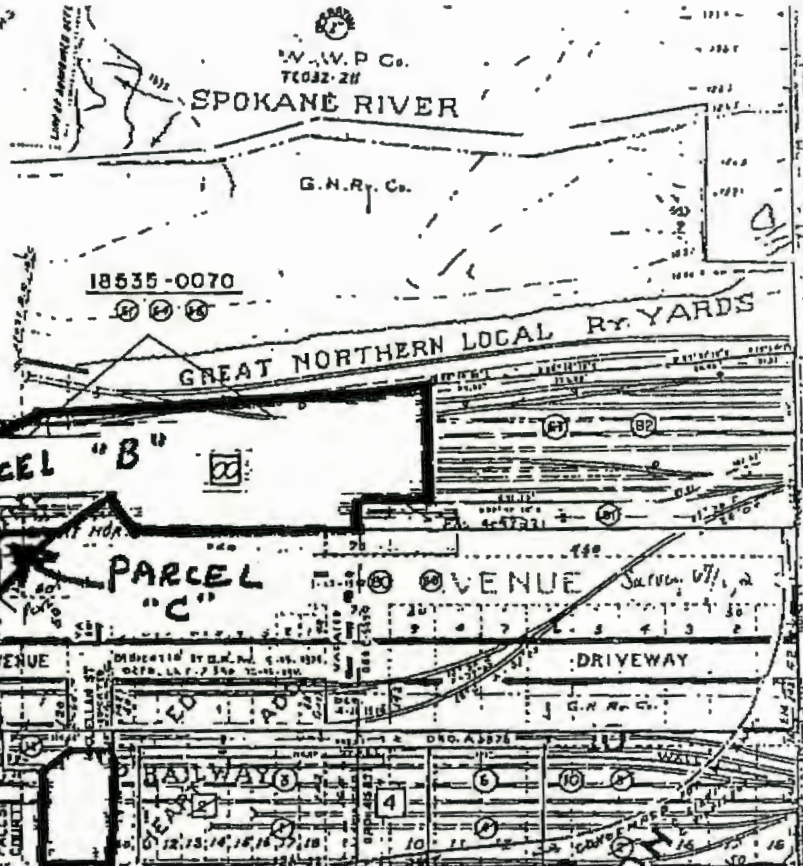
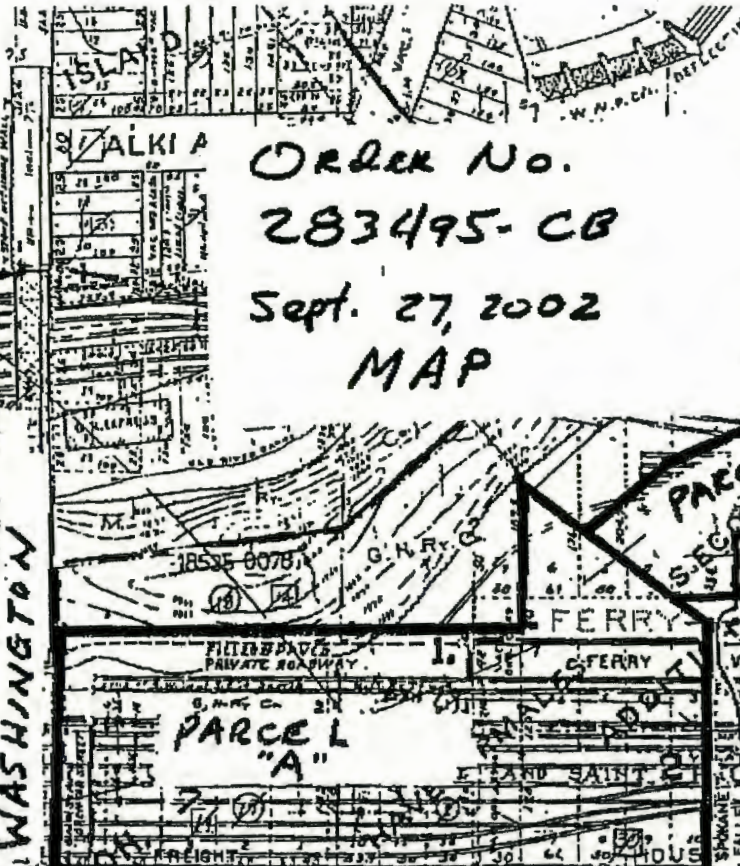
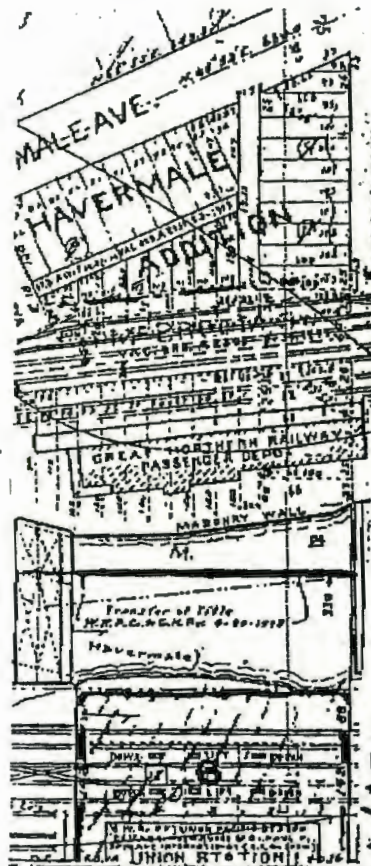
BEGINNING AT THE NORTHEAST CORNER OF SAID LOT 10, AND RUNNING THENCE EAST 13.8 FEET, MORE OR LESS, TO THE WEST LINE OF BLOCK 7, **HAVERMALE'S ADDITION**;

THENCE SOUTH ALONG THE WEST LINE OF SAID BLOCK 7 TO THE NORTH LINE OF MAIN AVENUE;

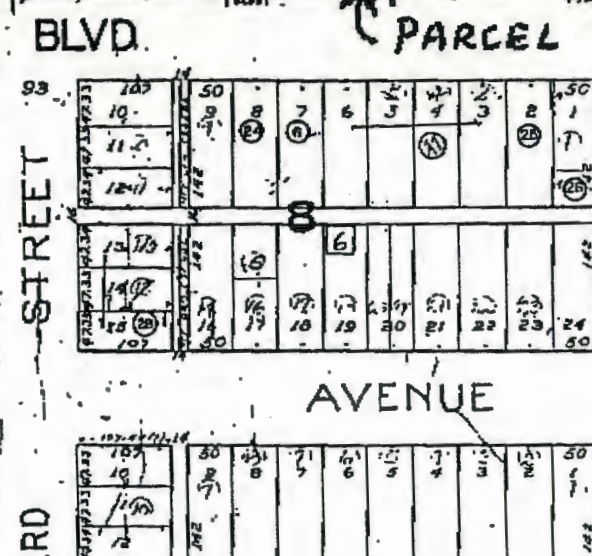
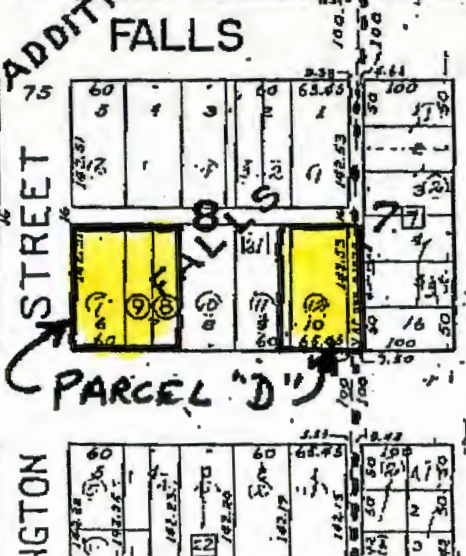
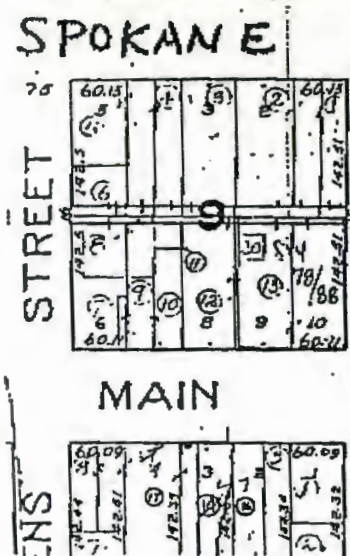
THENCE WEST ALONG THE NORTH LINE OF MAIN AVENUE, 13.8 FEET, MORE OR LESS, TO THE SOUTHEAST CORNER OF SAID LOT 10;

THENCE NORTH ALONG THE EAST LINE THEREOF TO THE PLACE OF BEGINNING.

All as portrayed as "Parcel D" on the attached drawing.



ORDER NO.
283495-CB
Sept. 27, 2002
MAP



To: Mayor John Powers, members of the City Council
From: Mike Connelly, City Attorney
Date: 12-15-03

RECEIVED
DEC 15 2003
CITY CLERK'S OFFICE
SPOKANE, WA

Re: Alternative amendments to Convention Center Interlocal

Attached is a revised copy of the First Amendment to Interlocal, consenting to sublease to Azteca. This document would be signed if you choose to approve the PFD's lease agreement with Azteca. The copy provided you on Friday contained verbiage allowing the PFD to buy out the lease prior to its termination. The parties did not agree to this provision.

A second option has been proposed and is reflected by the amended resolution and attached First Amendment to Interlocal waiving conditions precedent to a fee transfer of the 4 lots in question to the PFD.

I will be at council briefing and the legislative session if you have any questions.

Mike Connelly, City Attorney

RES 03-122

**FIRST AMENDMENT TO CITY OF SPOKANE AND PUBLIC FACILITIES
DISTRICT INTERLOCAL COOPERATION AGREEMENT**

This FIRST AMENDMENT to the Interlocal Cooperation Agreement entered into on _____, 2003 by and between the Spokane Public Facilities District, a Municipal Cooperation of the State of Washington ("District") and the City of Spokane, a first class Charter City of the State of Washington ("City"), hereinafter collectively referred to as the "parties", is made and entered into on the year and date set forth below.

RECITALS

- A. The City, in cooperation with the District, entered into an Interlocal Cooperation Agreement, a Property Transfer Agreement and a Lease Agreement dated August 20, 2003 (the "Agreements") for the purpose of participating in the joint development of the Convention Center expansion.
- B. The Property Transfer Agreement provided for the conveyance to the District of a 2/3 ownership interest in certain City improvements properties and the Lease Agreement provided for a lease to the District of the City's remaining 1/3 ownership interest in such improvements, together with a lease to the District of all of the land on which such improvements are situated of the identified City property.
- C. The Lease also includes three vacant parcels of land situated on the block to the south of the Convention Center, bearing Assessor's parcel numbers 35184.2107, 35184.2108, and 35184.2109 ("Vacant City Lots")
- ~~C.D.~~ The Agreements Lease prohibits the District from assigning or subletting any interest in the Lease without the City's provide that no right or obligation may be assigned or sublet without the prior written consent of the other party.
- ~~D.E.~~ The purpose of this First Amendment is to obtain the consent of the City to lease a portion of the real property generally described as parcels 35184.2107, 35184.2108, and 35184.2109 the Vacant City Lots to Ramos Enterprises and Azteca Restaurant Enterprises, Inc., upon the following terms and conditions.

NOW, THEREFORE, in consideration of the following terms and conditions, the parties agree as follows:

1. Original Agreement. The Interlocal Agreement, Property Transfer Agreement and Lease Agreement, referenced above, are hereby incorporated by reference into this Amendment as if fully set forth except as ~~modified~~ provided herein.
2. City Acknowledgement Sublease. The City acknowledges that the District is attempting to acquire certain ~~has proceeded to obtain through a Purchase and~~

RES 02-102

~~Sale agreement the real property owned by Ramos Enterprises that is presently occupied by the Azteca Mexican Restaurant ("Azteca Site"). The Ramos real property Azteca site is necessary for the District's planned expansion of the Convention Center, and is identified as parcel numbers 35184.0406 and 34184.0403 comprising of approximately 57,000 square feet, more or less. In exchange for Ramos Enterprises' transfer to the District of fee simple ownership of the Azteca Site, the District plans to grant Ramos Enterprises a sublease of the Vacant Lots. The District (and the City) shall obtain fee simple to the Ramos property and in exchange grant a lease to Ramos Enterprises on a portion of parcels 35184.2107, 35184.2108, and 35184.2109 for the purpose of constructing and occupying a 9,000 square foot restaurant. The District also plans to develop and provide parking adjacent to the Vacant City Lots and to make the same available to the newly constructed restaurant. Parking for the restaurant shall be developed and made available on property adjacent to the above parcels that is owned and controlled by both the City and the District. The sublease granted to for Ramos Enterprises shall be for a term of a 30- years lease. Ramos Enterprises shall be responsible for the statutory leasehold excise tax assessed on leases of publicly-owned properties. The lease shall also obligate Ramos Enterprises rent free, with an obligation to construct, operate, maintain, and repair the premises and the restaurant. Subject to the provisions of the Agreements, The District shall retain the full and complete right to develop the above identified parcels pursuant to the discretion of the District, as well as that property generally identified as the City block bounded by Spokane Falls Boulevard, Washington Street, Main Avenue, and Bernard Street (including surface with structure parking or such other buildings and improvements as deemed reasonably necessary by the District) the "South Block".~~

3. Duty of District Covenants. The District shall prepare and present to Ramos Enterprises a Purchase and Sale Agreement, Sublease Agreement and Parking Use Agreement consistent with the above-stated terms that accomplishes the above acknowledgement, as well as, other matters reasonably agreed to between the parties that promotes the reasonable development of both the Convention Center expansion and the South Block, generally consistent with District Resolution No 03-10, and subject to the terms of the Agreements. The District, following execution of the above documents, shall exercise best efforts in order to acquire the remainder of the South Block, upon terms which are deemed reasonable and just for public purposes and upon acquisition of the same, develop and improve the south block by replacing and repairing perimeter sidewalks, surface parking, landscaping, lighting and associated improvements, consistent with renderings and budget attached hereto as Exhibit "A". Following acquisition and development of the South Block, the District shall commission a Master Plan to study the most beneficial future use of the South Block for public purposes including uses which are consistent with the City's Comprehensive Plan and

Downtown Plan, and complimentary to downtown development, including but not limited to, residential and commercial uses and off-street parking.

4. Conflict. In the event of a direct conflict between the terms of this Amendment and a provision of any of the Agreements, the provisions of the Agreements shall govern.

4.5. Consent to Use. Based upon the above acknowledgement and duty, tThe City consents to the use of -City parcels 35184.2107, 35184.2108 and 35187.2109 by the District and Ramos Enterprises as generally set forth above for purposes that will promote the development of the Convention Center pursuant to the Agreements.

The parties have executed this Amendment on this ____ day of _____, 2003.

CITY OF SPOKANE

Mayor, John Powers

Attest: _____
City Clerk

Approved as to Form:

City Attorney

PUBLIC FACILITIES DISTRICT

By: _____
Bill Williams, Jr., Board Chair

By: _____
Trish McFarland, Board Vice Chair

By: _____
Shawn Cross, Board Member

By: _____
Rick LaFleur, Board Member

By: _____
Sandy McCauley, Board Member

G:\Public Facilities District 72082\First Amendment to the Interlocal Cooperation Agreement.doc

VOID

**FIRST AMENDMENT TO CITY OF SPOKANE AND PUBLIC FACILITIES
DISTRICT INTERLOCAL COOPERATION AGREEMENT**

This FIRST AMENDMENT to the Interlocal Cooperation Agreement entered into on _____, 2003 by and between the Spokane Public Facilities District, a Municipal Cooperation of the State of Washington ("District") and the City of Spokane, a first class Charter City of the State of Washington ("City"), hereinafter collectively referred to as the "parties", is made and entered into on the year and date set forth below.

RECITALS

- A. The City, in cooperation with the District, entered into an Interlocal Cooperation Agreement, a Property Transfer Agreement and a Lease Agreement dated August 20, 2003 (the "Agreements") for the purpose of participating in the joint development of the Convention Center expansion.
- B. The Property Transfer Agreement provided for the conveyance to the District of a 2/3 ownership interest in certain City improvements and the Lease Agreement provided for a lease to the District of the City's remaining 1/3 ownership interest in such improvements, together with a lease to the District of all of the land on which such improvements are situated of the identified City property.
- C. The Lease also includes three vacant parcels of land situated on the block to the south of the Convention Center, bearing Assessor's parcel numbers 35184.2107, 35184.2108, and 35184.2109 ("Vacant City Lots")
- ~~C.D.~~ The Agreements Lease prohibits the District from assigning or subletting any interest in the Lease without the City's provide that no right or obligation may be assigned or sublet without the prior written consent of the other party.
- ~~D.E.~~ The purpose of this First Amendment is to obtain the consent of the City to lease a portion of the real property generally described as parcels 35184.2107, 35184.2108, and 35184.2109 the Vacant City Lots to Ramos Enterprises and Azteca Restaurant Enterprises, Inc., upon the following terms and conditions.

NOW, THEREFORE, in consideration of the following terms and conditions, the parties agree as follows:

1. Original Agreement. The Interlocal Agreement, Property Transfer Agreement and Lease Agreement, referenced above, are hereby incorporated by reference into this Amendment as if fully set forth except as modified provided herein.
2. City AcknowledgementSublease. The City acknowledges that the District is attempting to acquire certain ~~has proceeded to obtain through a Purchase and~~

Option A
Rec'd 12/12/03

~~Sale agreement the real property owned by Ramos Enterprises that is presently occupied by the Azteca Mexican Restaurant ("Azteca Site"). The Ramos real property~~Azteca site is necessary for the District's planned expansion of the Convention Center, and is identified as parcel numbers 35184.0406 and 34184.0403 comprising of approximately 57,000 square feet, more or less. In exchange for Ramos Enterprises' transfer to the District of fee simple ownership of the Azteca Site, the District plans to grant Ramos Enterprises a sublease of the Vacant Lots~~The District (and the City) shall obtain fee simple to the Ramos property and in exchange grant a lease to Ramos Enterprises on a portion of parcels 35184.2107, 35184.2108, and 35184.2109 for the purpose of constructing and occupying a 9,000 square foot restaurant. The District also plans to develop and provide parking adjacent to the Vacant City Lots and to make the same available to the newly constructed restaurant. Parking for the restaurant shall be developed and made available on property adjacent to the above parcels that is owned and controlled by both the City and the District. The sublease granted to for Ramos Enterprises shall be for a term of a 30- years lease, with the District reserving the right, at any time, to terminate the sublease on _____ days notice, upon the District's payment to Ramos Enterprises of the fair market value of Ramos Enterprises' remaining leasehold. The District will not charge Ramos Enterprises rent under the lease, but Ramos Enterprises shall be responsible for the statutory leasehold excise tax assessed on leases of publicly-owned properties. The lease shall also obligate Ramos Enterprises, rent free, with an obligation to construct, operate, maintain, and repair the premises and the restaurant. Subject to the provisions of the Agreements, The District shall retain the full and complete right to develop the above identified parcels pursuant to the discretion of the District, as well as, that property generally identified as the City block bounded by Spokane Falls Boulevard, Washington Street, Main Avenue, and Bernard Street (including surface with structure parking or such other buildings and improvements as deemed reasonably necessary by the District) the "South Block".~~

3. ~~Duty of District Covenants.~~ The District shall prepare and present to Ramos Enterprises a Purchase and Sale Agreement, Sublease Agreement and Parking Use Agreement consistent with the above-stated terms that accomplishes the above acknowledgement, as well as, other matters reasonably agreed to between the parties that promotes the reasonable development of both the Convention Center expansion and the South Block, generally consistent with District Resolution No 03-10, and subject to the terms of the Agreements. ~~The District, following execution of the above documents, shall exercise best efforts in order to acquire the remainder of the South Block, upon terms which are deemed reasonable and just for public purposes and upon acquisition of the same, develop and improve the south block by replacing and repairing perimeter sidewalks, surface parking, landscaping, lighting and associated improvements, consistent with renderings and budget attached hereto as Exhibit "A". Following acquisition and~~

DRAFT

development of the South Block, the District shall commission a Master Plan to study the most beneficial future use of the South Block for public purposes including uses which are consistent with the City's Comprehensive Plan and Downtown Plan, and complimentary to downtown development, including but not limited to, residential and commercial uses and off-street parking.

4. Conflict. In the event of a direct conflict between the terms of this Amendment and a provision of any of the Agreements, the provisions of the Agreements shall govern.

4.5. Consent to Use. ~~Based upon the above acknowledgement and duty,~~ The City consents to the use of City parcels 35184.2107, 35184.2108 and 35187.2109 by the District and Ramos Enterprises as generally set forth above for purposes that will promote the development of the Convention Center pursuant to the Agreements.

The parties have executed this Amendment on this ____ day of _____, 2003.

CITY OF SPOKANE

Mayor, John Powers

Attest: _____
City Clerk

Approved as to Form:

City Attorney

PUBLIC FACILITIES DISTRICT

By: _____
Bill Williams, Jr., Board Chair

DRAFT

By: _____
Trish McFarland, Board Vice Chair

By: _____
Shawn Cross, Board Member

By: _____
Rick LaFleur, Board Member

By: _____
Sandy McCauley, Board Member

G:\P\Public Facilities District 72082\First Amendment to the Interlocal Cooperation Agreement.doc

VOID

RESOLUTION

A RESOLUTION AUTHORIZING SUBLEASE TO RAMOS ENTERPRISES

WHEREAS, by Resolution 03-75, the City Council previously approved certain agreements granting the Spokane Public Facilities District (the "District") a long-term lease of the real property on which the Convention Center, Opera House, and Washington State Agricultural Trade Center ("Spokane Center") are situated.

WHEREAS, the lease included three vacant parcels of land situated on the block to the south of Spokane Center ("Vacant City Lots").

WHEREAS, Ramos Enterprises owns Azteca Restaurant and certain property surrounding it, all of which is needed for facilitate the District's plans to expand the Convention Center.

WHEREAS, Ramos Enterprises is willing to convey the Azteca site to the District in exchange for a 30-year sublease of the Vacant City Lots, and other valuable consideration, including a cash allocation of approximately \$2.1 million.

WHEREAS, once the District subleases the Vacant City Lots to Ramos Enterprises, Ramos plans to build a new Azteca Restaurant on the Vacant City Lots.

WHEREAS, the lease agreement between the City and the District requires the City's written consent prior to an assignment or sublease of any interest in the land leased to the District, including the Vacant City Lots.

WHEREAS, the District has requested the City's written consent of a 30-year sublease of the Vacant City Lots to Ramos Enterprises.

NOW, THEREFORE - - it is hereby resolved by the Spokane City Council;

Authorization of Sublease to Ramos Enterprises. On behalf of the City of Spokane, the Mayor is authorized to execute the First Amendment to City of Spokane and Public Facilities District Interlocal Agreement together with such

RES 03-122

other documents and incidental agreements as are reasonably necessary to effectuate the District's sublease of the Vacant City Lots to Ramos Enterprises.

ADOPTED by the Spokane City Council this ____ day of _____, 2003.

City Clerk

Approved as to form:

Assistant City Attorney

VOID

RES 03-122

RESOLUTION

A RESOLUTION AUTHORIZING SUBLEASE TO RAMOS ENTERPRISES

WHEREAS, by Resolution 03-75, the City Council previously approved certain agreements granting the Spokane Public Facilities District (the "District") a long-term lease of the real property on which the Convention Center, Opera House, and Washington State Agricultural Trade Center ("Spokane Center") are situated.

~~WHEREAS, the lease grants the District an option to purchase the real property from the City for one dollar (\$1.00) upon the District's satisfaction of various conditions.~~

WHEREAS, the lease included ~~three~~four vacant parcels of land situated on the block to the south of Spokane Center ("Vacant City Lots").

WHEREAS, Ramos Enterprises owns Azteca Restaurant and certain property surrounding it, all of which is needed for facilitate the District's plans to expand the Convention Center.

WHEREAS, Ramos Enterprises is willing to convey the Azteca site to the District in exchange for a 30-year sublease of ~~approximately 10,000 square feet~~ of the Vacant City Lots, and other valuable consideration, including a cash allocation of approximately \$2.1 million.

WHEREAS, once the District subleases ~~a portion of the~~ Vacant City Lots to Ramos Enterprises, Ramos plans to build a new Azteca Restaurant on the Vacant City Lotssite.

~~WHEREAS, the lease agreement between the City and the District requires the City's written consent prior to an assignment or sublease of any interest in the land leased to the District, including the Vacant City Lots.~~

~~WHEREAS, the District has requested the City's written consent of a 30-year sublease of the Vacant City Lots to Ramos Enterprises.~~

~~WHEREAS, the District has asked the City to waive the conditions precedent with respect to its ability to exercise it option to purchase the Vacant City Lots, allowing it to exercise said option immediately.~~

Option B

WHEREAS, in exchange for said waiver, the District has covenanted to acquire the remainder of the City block bounded by Spokane Falls Boulevard, Washington Street, Main Avenue, and Bernard Street, and to complete various improvements thereto consistent with the City's Comprehensive Plan and Downtown Plan, as set forth more fully in the First Amendment to City of Spokane and Public Facilities District Interlocal Agreement, a copy of which is attached hereto.

NOW, THEREFORE - - it is hereby resolved by the Spokane City Council;

Authorization of Sublease to Ramos Enterprises to Waive Conditions. On behalf of the City of Spokane, the Mayor is authorized to execute the First Amendment to City of Spokane and Public Facilities District Interlocal Agreement together with such other documents and incidental agreements as are reasonably necessary to allow the District to exercise its option to purchase the Vacant City Lot effectuate the District's sublease of the Vacant City Lots to Ramos Enterprises.

ADOPTED by the Spokane City Council this ____ day of _____, 2003.

City Clerk

Approved as to form:

Assistant City Attorney

**FIRST AMENDMENT TO CITY OF SPOKANE AND PUBLIC FACILITIES
DISTRICT INTERLOCAL COOPERATION AGREEMENT**

This FIRST AMENDMENT to the Interlocal Cooperation Agreement entered into on _____, 2003 by and between the Spokane Public Facilities District, a Municipal Cooperation of the State of Washington ("District") and the City of Spokane, a first class Charter City of the State of Washington ("City"), hereinafter collectively referred to as the "parties", is made and entered into on the year and date set forth below.

RECITALS

- A. The City, in cooperation with the District, entered into an Interlocal Cooperation Agreement, a Property Transfer Agreement and a Lease Agreement dated August 20, 2003 (the "Agreements") for the purpose of participating in the joint development of the Convention Center expansion.
- B. The Property Transfer Agreement provided for the conveyance to the District of a 2/3 ownership interest in certain City improvements and the Lease Agreement provided for a lease to the District of the City's remaining 1/3 ownership interest in such improvements, together with a lease to the District of all of the land on which such improvements are situated ("Real Property").
- C. Included in the Real Property covered by the Lease are four vacant parcels of land situated on the block to the south of the Convention Center, bearing Assessor's parcel numbers 35184.2107, 35184.2108, 35184.2109, 35184.2112 ("Vacant Parking Lots").
- D. The Lease grants the District an option to purchase the Real Property from the City upon the District's satisfaction of certain conditions, namely the District's retirement of the debt issued by the District to pay for expansion of the Convention Center ("Convention Center Bonds").
- E. In order to move forward with plans to expand the Convention Center, the District needs to acquire approximately 57,000 square feet of land owned by Ramos Enterprises ("Ramos"), and on which an Azteca Restaurant is presently situated ("Azteca Site").

DRAFT

- F. Ramos is willing to convey the Azteca Site to the District in exchange for a 30-year lease of approximately 10,000 square feet of the Vacant Parking Lots, and \$2.1 million with which to construct a new restaurant on said property.
- G. The District has asked the City to waive its obligation to retire the Convention Center Bonds before exercising its option to purchase with respect to the Vacant Parking Lots only, enabling the District to acquire ownership of the Vacant Parking Lots immediately.

NOW, THEREFORE, in consideration of the following terms and conditions, the parties agree as follows:

- 1. Original Agreement. The Interlocal Agreement, Property Transfer Agreement and Lease Agreement, referenced above, are hereby incorporated by reference into this Amendment as if fully set forth except as provided herein.
- 2. District Covenants.

2.1 Acquisition of Azteca Site. The District shall use best efforts to acquire certain real property owned by Ramos Enterprises that is presently occupied by the Azteca Mexican Restaurant ("Azteca Site"). The Azteca site is necessary for the District's planned expansion of the Convention Center, and is identified as parcel numbers 35184.0406 and 34184.0403 comprising of approximately 57,000 square feet, more or less. In exchange for Ramos Enterprises' transfer to the District of fee simple ownership of the Azteca Site, the District plans to grant Ramos Enterprises a 30-year lease of approximately 10,000 square feet of the Vacant Parking Lots for the purpose of constructing and occupying a 9,000 square foot restaurant. The District also plans to develop and provide parking adjacent to the Vacant Parking Lots and to make the same available to the newly constructed restaurant. Ramos Enterprises shall be responsible for all applicable leasehold excise taxes that may be assessed on leases of publicly-owned properties. The lease shall also obligate Ramos Enterprises to construct, operate, maintain, and repair the premises and the restaurant. Subject to the provisions of the Agreements, the District shall retain the full and complete right to develop the above identified parcels pursuant to the discretion of the District, as well as, that property generally identified as the City block bounded by Spokane Falls Boulevard, Washington Street, Main Avenue, and Bernard Street (including surface with structure parking or such other buildings and improvements as deemed reasonably necessary by the District) the "South Block".

2.2 District Development of South Block. The District shall prepare and present to Ramos Enterprises a Purchase and Sale Agreement, Lease Agreement and Parking Use Agreement consistent with the above-stated terms, as well as, other matters reasonably agreed to between the parties that promotes the reasonable development of both the Convention Center expansion and the South Block, generally consistent with District Resolution No 03-10, and subject to the terms of the Agreements. The District, following execution of the above documents, shall exercise best efforts in order to acquire the remainder of the South Block, upon terms which are deemed reasonable and just for public purposes and upon acquisition of the same, develop and improve the south block by replacing and repairing perimeter sidewalks, surface parking, landscaping, lighting and associated improvements, consistent with renderings and budget attached hereto as Exhibit "A". Following acquisition and development of the South Block, the District shall commission a Master Plan to study the most beneficial future use of the South Block for public purposes including uses which are consistent with the City's Comprehensive Plan and Downtown Plan, and complimentary to downtown development, including but not limited to, residential and commercial uses and off-street parking.

3. Option to Purchase Vacant Parking Lots. In order to facilitate the District's acquisition of the Azteca Site, the City hereby agrees to allow the District to exercise immediately its option to purchase the Vacant Parking Lots, and waives all conditions precedent with respect to said option, but only with respect to the Vacant Parking Lots. Said conditions shall remain in full force in effect with respect to the remainder of the Real Property leased to the District under the Lease, and the City shall retain ownership of said Real Property until the District has satisfied all conditions in the Agreements, including without limitation, the Lease.

4. Exercise of Option. The sale and purchase of said Vacant Parking Lots shall occur in accordance with the following terms and conditions:

4.1 Closing. Closing of the purchase and sale shall occur no later than thirty (30) days following the parties' execution of this First Amendment.

4.2 Deed. The City shall transfer all of the City's interests in the Vacant Parking Lots by quitclaim deed, in form and content as set forth in Attachment 4.2 to this First Amendment, conveying to the District good and marketable title in fee simple to the Vacant Parking Lots, for so long as the District owns and

DRAFT

operates Spokane Center pursuant to the authority granted the District under Chapter 36.100 RCW.

4.3 Closing Costs and Expenses. The District shall pay all costs and expenses incurred with closing the purchase and sale of the Vacant Parking Lots – including, without limitation, real property taxes and assessments, personal property taxes, recording fees, real property excise taxes to the extent applicable to this transaction, title insurance premiums, closing agent fees, and similar closing costs. Notwithstanding the foregoing, the City and the District shall cooperate with each other to prepare applications for exemptions that may be available for any such taxes, assessments, fees, or sums. The City shall cooperate with the District in obtaining lawful exemptions from real property excise taxes, sales and use taxes, and other taxes or fees incident to the type of transactions contemplated by this Lease. The District and the City shall each bear their respective costs of legal and professional counsel associated with the closing of the purchase and sale of the Vacant Parking Lots.

5. Conflict. In the event of a direct conflict between the terms of this Amendment and a provision of any of the Agreements, the provisions of the Agreements shall govern.

The parties have executed this First Amendment on this____day of _____, 2003.

CITY OF SPOKANE

Mayor, John Powers

Attest:_____
City Clerk

Approved as to Form:

City Attorney

DRAFT

PUBLIC FACILITIES DISTRICT

By: _____
Bill Williams, Jr., Board Chair

By: _____
Trish McFarland, Board Vice Chair

By: _____
Shawn Cross, Board Member

By: _____
Rick LaFleur, Board Member

By: _____
Sandy McCauley, Board Member

November 30, 2007



OFFICE OF THE CITY CLERK
808 W. SPOKANE FALLS BLVD.
SPOKANE, WASHINGTON 99201-3342
(509) 625-6350

City Clerk File Nos.:

OPR 2007-0897

OPR 2007-0898

ORD C34136

DPR 2003-0658

COUNCIL ACTION MEMORANDUM

RE: (1) SPECIAL COUNSEL AGREEMENT WITH WITHERSPOON, KELLEY, DAVENPORT & TOOLE, PS REGARDING ACQUISITION OF PRIVATELY OWNED PROPERTY FOR PARKING NEEDS OF CONVENTION CENTER EXPANSION PROJECT (Consent Agenda No. 2), (2) SECOND AMENDED INTERLOCAL COOPERATION AGREEMENT WITH SPOKANE PUBLIC FACILITIES DISTRICT REGARDING CONVENTION CENTER EXPANSION PROJECT (Consent Agenda No. 3), and (3) FINAL READING ORDINANCE C34136 PROVIDING FOR THE ACQUISITION BY EMINENT DOMAIN OF CERTAIN LANDS NECESSARY TO BE ACQUIRED FOR PUBLIC PURPOSES IN ORDER TO ACQUIRE REAL PROPERTY TO DEVELOP PUBLIC FACILITIES WITH CONTIGUOUS PARKING LOCATED IN THE CITY AND COUNTY OF SPOKANE, STATE OF WASHINGTON

During the Spokane City Council 3:30 p.m. Administrative Session held Monday, November 26, 2007, Council Member Apple requested that Consent Agenda Item Nos. 2 and 3 be considered during the Council's 6:00 p.m. Legislative Session under Special Considerations. Council Member French suggested that Final Reading Ordinance C34136—providing for the acquisition by eminent domain of certain lands necessary to be acquired for public purposes in order to acquire real property to develop public facilities with contiguous parking located in the City and County of Spokane, State of Washington—be included under Special Considerations (as it relates to Consent Agenda Item Nos. 2 and 3). The following action was subsequently taken:

Motion by Council Member Verner, seconded by Council Member French, to consider Final Reading Ordinance C34136 during the Council's 6:00 p.m. Legislative Session under Special Considerations; **carried unanimously.**

During the Council's 6:00 p.m. Legislative Session held November 26, the following action was taken:

Motion by Council Member Stark, seconded by Council Member French, to approve the following:


(1) Special Counsel Agreement with Witherspoon, Kelley, Davenport & Toole, P.S. regarding acquisition of privately

- owned property for parking needs of Convention Center Expansion Project; and
- (2) Second Amended Interlocal Cooperation Agreement with Spokane Public Facilities District regarding Convention Center Expansion Project.

Motion carried 6-1 (Council Member Apple voting "no").

The Council then considered Final Reading Ordinance C34136 and took the following action subsequent to Council comment:

Upon 6-1 Roll Call Vote (Council Member Apple voting "no"), the Spokane City Council passed Final Reading Ordinance C34136 providing for the acquisition by eminent domain of certain lands necessary to be acquired for public purposes in order to acquire real property to develop public facilities with contiguous parking located in the City and County of Spokane, State of Washington.



Terri L. Pfister, CMC
Spokane City Clerk

c: James Richman, Assistant City Attorney
Kevin Twohig, Executive Director
Spokane Public Facilities District

AGENDA SHEET FOR COUNCIL MEETING OF: November 26, 2007

Submitting Dept.
 City Attorney

Contact Person/Phone No.
 James Richman 625-6225

Council Sponsor
 Joe Shogan, Council President

ADMINISTRATIVE SESSION

- ☐ Contract
- ☐ Report
- ☐ Claims

LEGISLATIVE SESSION

- ☐ Emergency Ord
- ☐ Resolution
- ☐ Final Reading Ord
- ☒ First Reading Ord
- ☐ Special Consideration
- ☐ Hearing

CITY PRIORITY

- ☐ Communications
- ☒ Economic Development
- ☐ Growth Management
- ☐ Human Services
- ☐ Neighborhoods
- ☐ Public Safety
- ☐ Quality Service Delivery
- ☐ Racial Equity/Cultural Diversity
- ☒ Rebuild/Maintain Infrastructure

CLERK'S FILE

RENEWS

CROSS REF

ENG

BID

REQUISITION

STANDING COMMITTEES

(Date of Notification)

- ☐ Finance
- ☐ Neighborhoods
- ☐ Planning/Community & Econ Dev

☐ Public Safety

☐ Public Works

Neighborhood/Commission/Committee Notified:

Action Taken:

AGENDA WORDING:

(If contract, include the term.)

SECOND AMENDED INTERLOCAL COOPERATION AGREEMENT WITH SPOKANE PUBLIC FACILITIES DISTRICT REGARDING CONVENTION CENTER EXPANSION PROJECT

BACKGROUND:

(Attach additional sheet if necessary)

On August 20, 2003, the Spokane Public Facilities District ("District") and the City of Spokane entered into an Interlocal Cooperation Agreement ("Interlocal Agreement") relating to operation and expansion of the City's convention facilities. The District has asked the City to assist it in acquiring additional property to accommodate the increased parking needs of the expanded convention facilities. The Second Amended Interlocal Agreement clarifies the Interlocal Agreement to make it clear that the District is responsible for all costs and expenses associated with such acquisitions.

RECOMMENDATION:

Approve

Fiscal Impact: ☐ N/A

Budget Account: ☐ N/A

☐ Expenditure: \$

#

☒ Revenue: \$

#

☐ Budget Neutral

ATTACHMENTS: Include in Packets:

On file for Review in Office of City Clerk:

SIGNATURES:

Department Head

[Signature]
 Legal

Division Director

[Signature]
 Deputy Mayor for Mayor

Finance

[Signature]
 Council President

DISTRIBUTION:

James Richman, Assistant City Attorney

Kevin Twohig, Executive Director, Spokane Public Facilities District

COUNCIL ACTION:

* APPROVED BY
 SPOKANE CITY COUNCIL:

November 26, 2007

[Signature]

CITY CLERK

* See Council Action dated 11/30/07.

SECOND AMENDED INTERLOCAL COOPERATION AGREEMENT

THIS SECOND AMENDED INTERLOCAL COOPERATION AGREEMENT ("Second Amendment") is made effective the 11 day of December, 2007, by and between the SPOKANE PUBLIC FACILITIES DISTRICT, a municipal corporation ("District"), and the CITY OF SPOKANE, WASHINGTON, a first-class charter city (the "City"), hereinafter collectively referred to as the "Parties."

RECITALS

1. On August 20, 2003, the District and the City of Spokane entered into an Interlocal Cooperation Agreement ("Agreement") facilitating the expansion of the City's existing convention and entertainment facilities ("Convention Center").

2. The Agreement provided, in part, "upon the written request of the District, the City may join the District in acquiring Additional Center Property by eminent domain to facilitate expansion of the Convention Center.

3. The District has determined that the Convention Center, as expanded pursuant to the Agreement, increases the demand for parking near and adjacent to the Convention Center.

4. The District also anticipates that the next phase of Convention Center expansion will occur on the block situated to the south of the existing Convention Center ("South Block").

5. The District has exercised best efforts to assemble ownership of the South Block, but has determined that acquisition of the entire South Block by negotiated settlement is not possible.

6. The Agreement contemplates the City assisting the District in acquiring property by eminent domain and establishes the responsibility of the Parties with respect to such efforts and with respect to responsibility for the cost, liability, and expense incurred as a result of such efforts.

7. Pursuant to District Resolution 07-02 and correspondence dated August 6, 2007, the District has asked the City to commence an action in eminent domain for the purpose of acquiring various properties located in the South Block and has offered to pay all costs, expenses, and liabilities relating thereto, consistent with the terms of the Agreement.

8. The Parties wish to amend the Agreement to explicitly provide that its terms apply to acquisition of properties on the South Block.

NOW, THEREFORE, in consideration of the foregoing, and the mutual covenants contained herein, the Parties agree as follows:

1. **CONTRACT DOCUMENTS.** The Agreement, dated August 20, 2003, and any previous amendments and/or extensions/renewals, thereto, are incorporated by reference into this document as though written in full and shall remain in full force and effect except as provided herein.

2. **AMENDMENT.** Section 1.1 of the Agreement is amended to read as follows:

1.1 Additional Center Property means any real property, other than Existing Center Property, acquired by the District or the City for the purpose of completing the Project and for facilitating future phases and/or expansions of the Project. For purposes of this Second Amendment, Additional Center Property shall include, without limitation, property acquired by the District to facilitate parking needs and future expansions of the Project.

3. **AMENDMENT.** Section 1.11 of the Agreement is amended to read as follows:

1.11 Center Operating Expenses means, except as expressly set forth in this Section, all expenses incurred by the District as a result of its operation of the Existing Center Facilities and/or Spokane Center including costs of labor, administration and management, operating supplies, tools, repairs, regular cleaning, and maintenance, promotions, advertising and marketing, insurance, utilities, information and communication systems, and advertising and sponsorship and costs of providing concessions, catering, parking, and merchandise, accounted for in accordance with Generally Accepted Accounting Principles. The term "Center Operating Expenses," however, shall not include debt service on the District Bonds or any other bonds sold or intra-District inter-fund loans made by the District to finance the Project, any sums paid by the District to the CVB, any expenses incurred by the District solely as a result of its operation of the Arena, consistent with Generally Accepted Accounting Principles, or any sums payable by the District to the County of Spokane or the City of Spokane Valley under the Interlocal Agreement For the Development of Regional Center Projects. Center Operating Expenses shall not include Acquisition Costs as defined under the Agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement, effective as of the Effective Date.

CITY OF SPOKANE

By: Mary B. Verner
Mayor Mary B. Verner

Attest: Leri Roffner
City Clerk

Approved as to form:

[Signature]
City Attorney



SPOKANE PUBLIC FACILITIES DISTRICT

[Signature]
Sandra Wade, Board Chair

[Signature]
Larry Soehren, Board Vice-Chair

[Signature]
Cal Clausen, Board Member

Absent
Nathaniel Greene, Board Member

[Signature]
Mick McDowell, Board Member

Attest:
Sherry Leatha
Sherry Leatha, Clerk of the Board

Approved as to form:

[Signature]
Stanley M. Schwartz, General Counsel

SECOND AMENDED INTERLOCAL COOPERATION AGREEMENT

THIS SECOND AMENDED INTERLOCAL COOPERATION AGREEMENT ("Second Amendment") is made effective the 9 day of October, 2007, by and between the SPOKANE PUBLIC FACILITIES DISTRICT, a municipal corporation ("District"), and the CITY OF SPOKANE, WASHINGTON, a first-class charter city (the "City"), hereinafter collectively referred to as the "Parties."

RECITALS

1. On August 20, 2003, the District and the City of Spokane entered into an Interlocal Cooperation Agreement ("Agreement") facilitating the expansion of the City's existing convention and entertainment facilities ("Convention Center").

2. The Agreement provided, in part, "upon the written request of the District, the City may join the District in acquiring Additional Center Property by eminent domain to facilitate expansion of the Convention Center."

3. The District has determined that the Convention Center, as expanded pursuant to the Agreement, increases the demand for parking near and adjacent to the Convention Center.

4. The District also anticipates that the next phase of Convention Center expansion will occur on the block situated to the south of the existing Convention Center ("South Block").

5. The District has exercised best efforts to assemble ownership of the South Block, but has determined that acquisition of the entire South Block by negotiated settlement is not possible.

6. The Agreement contemplates the City assisting the District in acquiring property by eminent domain and establishes the responsibility of the Parties with respect to such efforts and with respect to responsibility for the cost, liability, and expense incurred as a result of such efforts.

7. Pursuant to District Resolution 07-02 and correspondence dated August 6, 2007, the District has asked the City to commence an action in eminent domain for the purpose of acquiring various properties located in the South Block and has offered to pay all costs, expenses, and liabilities relating thereto, consistent with the terms of the Agreement.

8. The Parties wish to amend the Agreement to explicitly provide that its terms apply to acquisition of properties on the South Block.

NOW, THEREFORE, in consideration of the foregoing, and the mutual covenants contained herein, the Parties agree as follows:

1. CONTRACT DOCUMENTS. The Agreement, dated August 20, 2003, and any previous amendments and/or extensions/renewals, thereto, are incorporated by reference into this document as though written in full and shall remain in full force and effect except as provided herein.

2. AMENDMENT. Section 1.1 of the Agreement is amended to read as follows:

1.1 Additional Center Property means any real property, other than Existing Center Property, acquired by the District or the City for the purpose of completing the Project and for facilitating future phases and/or expansions of the Project. For purposes of this Second Amendment, Additional Center Property shall include, without limitation, property acquired by the District to facilitate parking needs and future expansions of the Project.

IN WITNESS WHEREOF, the parties have executed this Agreement, effective as of the Effective Date.

CITY OF SPOKANE

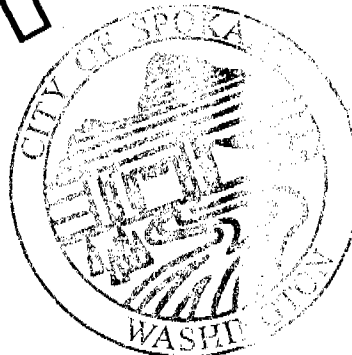
By: Mary B. Verner
Mayor 11-30-07

Attest: [Signature]

City Clerk

Approved as to form: [Signature]

City Attorney



SPOKANE PUBLIC FACILITIES DISTRICT

[Signature]
Sandra Wade, Board Chair

[Signature]
Larry Soehren, Board Vice-Chair

Cal Clausen
Cal Clausen, Board Member

Nathaniel Greene
Nathaniel Greene, Board Member

Mick McDowell
Mick McDowell, Board Member

Attest:

Sherry Leatha
Sherry Leatha, Clerk of the Board

Approved as to form:

Stanley M. Schwartz
Stanley M. Schwartz, General Counsel

VOID



OFFICE OF THE CITY CLERK
808 W. SPOKANE FALLS BLVD.
SPOKANE, WASHINGTON 99201-3342
(509) 625-6350

June 8, 2009

City Clerk File No.:
OPR 2003-0658

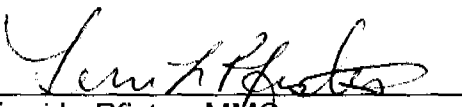
COUNCIL ACTION MEMORANDUM

RE: THIRD AMENDMENT TO INTERLOCAL COOPERATION AGREEMENT
AND FIRST AMENDMENT TO LEASE AGREEMENT WITH THE
SPOKANE PUBLIC FACILITIES DISTRICT (deferred from May 26, 2009)

During the Spokane City Council 3:30 p.m. Administrative Session held Monday, June 1, 2009, the following actions were taken subsequent to Council inquiry and debate and comment by Chief Financial Officer Gavin Cooley and Assistant City Attorney Bob Beaumier:

Motion by Council Member Rush, seconded by Council Member Apple, to strike Section 8, "Property Transfer Agreement and Fiber Use License," from the Interlocal prior to (Council's) approval; **rejected 2-5 (Council Members Apple and Rush voting "aye" and Council President Shogan and Council Members Allen, Corker, French, and McLaughlin voting "no").**

Motion by Council Member French, seconded by Council President Shogan, to approve the Third Amendment to Interlocal Cooperation Agreement and First Amendment to Lease Agreement with the Spokane Public Facilities District; **carried 5-2 (Council Members Apple and Rush voting "no").**


Terri L. Pfister, MMC
Spokane City Clerk



OFFICE OF THE CITY CLERK
808 W. SPOKANE FALLS BLVD.
SPOKANE, WASHINGTON 99201-3342
(509) 625-6350

May 28, 2009

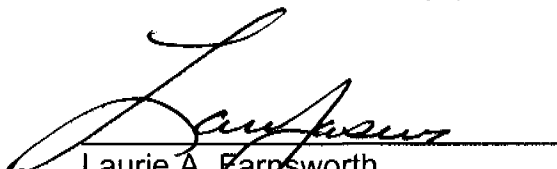
City Clerk File No.
OPR 03-658

COUNCIL ACTION MEMORANDUM

RE: THIRD AMENDMENT TO INTERLOCAL COOPERATION AGREEMENT
AND FIRST AMENDMENT TO LEASE AGREEMENT WITH THE
SPOKANE PUBLIC FACILITIES DISTRICT

During its 3:30 p.m. Administrative Session held Tuesday, May 26, 2009, the
Spokane City Council took the following action:

Motion by Council Member Rush, seconded by Council Member Apple, to
defer Consent Agenda Item No. 4 (Third Amendment to Interlocal
Cooperation Agreement and First Amendment to Lease Agreement with
the Spokane Public Facilities District) for one week (to June 1, 2009);
carried unanimously (Council Member McLaughlin absent).


Laurie A. Farnsworth
Spokane Deputy City Clerk

mDC
6-17-09

26

RECEIVED
MAY 07 2009



AGENDA SHEET FOR COUNCIL MEETING OF: May 18, 2009

Submitting Dept.
FINANCE

Contact Person/Phone No.
Gavin Cooley/625 6586

Council Sponsor
CITY CLERK'S OFFICE
SPOKANE, WA

ADMINISTRATIVE SESSION

- ☒ Contract
- ☐ Report
- ☐ Claims

LEGISLATIVE SESSION

- ☐ Emergency Ord
- ☐ Resolution
- ☐ Final Reading Ord
- ☐ First Reading Ord
- ☐ Special Consideration
- ☐ Hearing

CITY PRIORITY

- ☐ Communications
- ☐ Economic Development
- ☐ Growth Management
- ☐ Human Services
- ☐ Neighborhoods
- ☐ Public Safety
- ☒ Quality Service Delivery
- ☐ Racial Equity/Cultural Diversity
- ☐ Rebuild/Maintain Infrastructure

CLERK'S FILE
RENEWS
CROSS REF
ENG
BID
REQUISITION

OPR 2003-0658

STANDING COMMITTEES

(Date of Notification)

- ☐ Finance
- ☐ Neighborhoods
- ☐ Planning/Community & Econ Dev

- ☐ Public Safety
- ☐ Public Works

Neighborhood/Commission/Committee Notified:

Action Taken:

AGENDA WORDING:

(If contract, include the term.)

Third Amendment to Interlocal Cooperation Agreement and First Amendment to Lease Agreement between City of Spokane and Spokane Public Facilities District.

BACKGROUND:

(Attach additional sheet if necessary)

This agreement sorts out some additional details between the City and Public Facilities District regarding the transfer of facilities from the City to the District and lease arrangements. A major provision of this agreement is the elimination of operating payments between the City and the District. Another key component is that the \$100,000 of lodging tax receipts reserved by the City for allocation by the Lodging Tax Advisory Committee shall now be adjusted annually for inflation. This agreement also addresses a potential vacation of a portion of Main Street and South Block Alley and includes a provision for the transfer of certain fiber optic cable resources to the District.

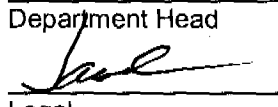
RECOMMENDATION:

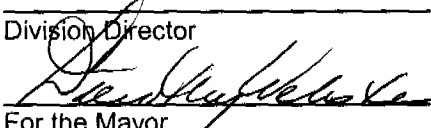
approve


Fiscal Impact:	<input type="checkbox"/> N/A	Budget Account:	<input type="checkbox"/> N/A
<input type="checkbox"/> Expenditure: \$		#	
<input type="checkbox"/> Revenue: \$		#	
<input checked="" type="checkbox"/> Budget Neutral			

ATTACHMENTS: Include in Packets:
On file for Review in Office of City Clerk:

SIGNATURES:

FINANCE
Department Head

Legal

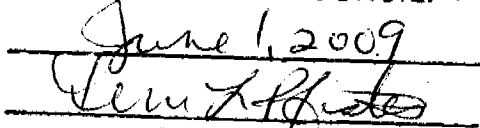
Division Director

For the Mayor


Finance
Alexander J. Johnson, Jr.
Council President

DISTRIBUTION: Public Facilities District
FINANCE

COUNCIL ACTION: May 26, 2009: See Council Action memo dated 5/28/09.

* APPROVED BY
SPOKANE CITY COUNCIL:

June 1, 2009

CITY CLERK

* See Council Action Memo
dated 6/8/09.

**THIRD AMENDMENT TO INTERLOCAL COOPERATION AGREEMENT
AND FIRST AMENDMENT TO LEASE AGREEMENT BETWEEN CITY OF
SPOKANE AND SPOKANE PUBLIC FACILITIES DISTRICT**

This THIRD AMENDMENT to the Interlocal Cooperation Agreement and First Amendment to the Lease Agreement is entered into on the 16th day of June, 2009 ("Effective Date") by and between the Spokane Public Facilities District, a municipal corporation of the State of Washington ("District") and the City of Spokane, a first class charter city of the State of Washington ("City"), collectively referred to as "parties".

RECITALS

A. On or about August 20, 2003, the City and the District entered into an Interlocal Cooperation Agreement, a Property Transfer Agreement and a Lease Agreement ("Agreements") for the purpose of participating in the joint development of the Convention Center expansion.

B. The Interlocal Cooperation Agreement provided for: (i) development and financing of the Convention Center expansion; (ii) acquisition of Additional Center Property; (iii) operational control by the District of the Convention Center Facilities; (iv) transfer and application of Lodging Tax Revenues, to include a reservation of \$100,000.00 by the City for the Lodging Tax Advisory Committee; and (v) an Operating Payment by either the City or District depending upon whether the Convention Center is operating at a profit or a loss.

C. The Property Transfer Agreement provided for the conveyance to the District of a two-thirds (2/3) ownership interest in certain City improvements and the Lease Agreement provided for a lease to the District of the City's remaining one-third (1/3) ownership interest in such improvements, together with a lease to the District of all the land on which such improvements are situated ("Real Property").

D. Included in the Real Property covered by the Lease Agreement are four vacant parcels of land situated on the block south of the Convention Center and bounded by Spokane Falls Boulevard, Washington Street, Main Avenue, and Bernard Street ("South Block"), bearing parcel numbers 35184.2107, 35184.2108, 35184.2109, and 35184.2112 ("City Parking Lots").

E. The Lease Agreement grants the District an option to purchase the Real Property from the City for one dollar (\$1.00) upon the District's satisfaction of certain conditions (the "Purchase Option"), namely the District's retirement of debt issued by the District to pay for expansion of the Convention Center ("District Bonds"). The Lease further provides that it may be modified or amended upon written agreement of both the District and the City.

F. The District recently assembled public ownership of the entire South Block by acquiring of all of private property located in the South Block, for the purpose of developing the South Block for future Convention Center expansion, to include interim surface parking.

G. For the interim use of the South Block, the District has retained consultants to perform design and construction management services to include demolishing all improvements on the South Block and constructing a surface parking lot with landscaping, lighting and other public amenities in a manner which is consistent with the City's development regulations.

NOW, THEREFORE, in consideration of the following terms and conditions, the parties agree as follows:

1. Original Agreement. The Agreements referenced herein above, as amended, are incorporated into this Third Amendment to the Interlocal Cooperation Agreement and First Amendment to Lease Agreement as if fully set forth and shall remain in full force and effect except as provided herein.

2. Definitions. Unless defined herein, capitalized words and terms shall have the meanings set forth in the Agreements.

3. District Representation. The District represents it has acquired, at no cost or expense to the City, fee ownership of the following properties located on the South Block: Parcel No. 35184.2101, .2102, .2103, .2104, .2105, .2106, .2110, .2111, .701, .702 and .703.

4. Amendment of Lease Agreement – Option to Purchase City Parking Lots. In order to facilitate the District's development and management of the South Block, the City hereby agrees to allow the District to exercise immediately its option to purchase the City Parking Lots, and waives all conditions precedent with respect to said option, but only with respect to the Vacant Parking Lots. Said conditions shall remain in full force in effect with respect to the remainder of the Real Property leased to the District under the Lease, and the City shall retain ownership of said Real Property until the District has satisfied all conditions in the Agreements, including without limitation, the Lease. The sale and purchase of said City Parking Lots shall occur in accordance with the following terms and conditions:

4.1 Closing. Closing of the purchase and sale shall occur no later than thirty (30) days following the parties' execution of this Third Amendment.

4.2 Deed. The City shall transfer all of the City's interests in the City Parking Lots (including any improvements situated thereon) by quitclaim deed, in form and content as set forth in Exhibit "A" to this Third Amendment, conveying to the District good and marketable title in fee simple to the City Parking Lots, for so long as the District owns and operates Spokane Center pursuant to the authority granted the District under Chapter 36.100 RCW.

4.3 Closing Costs and Expenses. The District shall pay all costs and expenses incurred with closing the purchase and sale of the City Parking Lots – including, without limitation, real property taxes and assessments, personal property taxes, recording fees, real property excise taxes to the extent applicable to this transaction, title insurance premiums, closing agent fees, and similar closing costs. The District and the City shall each bear their respective costs of legal and professional counsel associated with the closing of the purchase and sale of the City Parking Lots.

4.4 Environmental Representations, Covenants and Indemnification. The environmental representations, covenants, and indemnification provisions set forth in the Agreements shall apply to the transfer of the City Parking Lots to the District. Without limiting the generality of the foregoing, the parties agree as follows:

4.4.1 The City Parking Lots have been in the exclusive control of the District since 2003.

4.4.2 The City has not received written notice of a violation of any Federal, State or local Environmental Laws relating to the environmental conditions on, under, above, or in the City Parking Lots, including but not limited to, air quality, soil and ground water conditions. Nor has the City commissioned or obtained any environmental work, audit, assessment, review or similar inspection of the City Parking Lots.

4.4.3 With respect to any Hazardous Materials discovered on, under, or in the City Parking Lots, whether or not relating to actions of the City, its agents or consultants, as between the District and the City, District (a) will be responsible for all investigations, studies, cleanup, corrective action, removal or remedial action required by any Authority, or by any consent decree or court or administrative order now or hereafter applicable to the City Parking Lots, or by any applicable laws and Environmental Laws; (b) will pay

all costs in connection with any such investigations, studies, cleanup, corrective action, removal or remedial action, including, without limitation, all remedial costs, installation, operation, maintenance, testing, and monitoring costs, preparation of plans, designs, applications, studies, or reports to appropriate government bodies, and retention of legal counsel, engineers, and other expert consultants; and (c) will have the right to manage and control all such investigations and any such environmental cleanup, remediation, or related activities, including the exclusive right to negotiate with and to settle, contest, or otherwise fulfill any requirements or claims made by any government body related to such Hazardous Materials. With respect to any such Hazardous Materials, the District agrees to indemnify, defend by counsel reasonably acceptable to the City, and hold the City harmless from any and all (i) claims arising from such Hazardous Materials, (ii) damages resulting from failure to comply with applicable environmental laws, and (iii) any other damages imposed pursuant to applicable Environmental Laws. The District further agrees to indemnify, defend by counsel reasonably acceptable to the City, and hold the City harmless from any and all claims or damages arising from or relating to the generation, transportation, storage, treatment, or disposal of Hazardous Materials sent or caused to be sent by the District from the City Parking Lots to any other site that is or becomes the subject of any claim or any pending or threatened litigation or administrative proceeding with any government body or third party. The foregoing covenants shall survive closing.

4.5 Parking Rates. All parking rates on the South Block shall be subject to approval by the District's board of directors in an open public meeting.

5. Lodging Tax Revenues. Section 7.4 of the Interlocal Agreement is amended to read as follows:

7.4 Transfer of Lodging Tax Revenues. Except as provided herein, and to the extent permissible under applicable law, but conditioned on the procedures set forth in Section 7.6 below, the

City hereby agrees to forward to the District all Lodging Tax Revenues at the present rate of two percent (2%), as the taxes are received by the City from the Washington State Department of Revenue, from the Closing Date (as established under the Property Transfer Agreement) through December 31, 2038; provided, the City shall keep and reserve sufficient Lodging Tax Revenues to service the City's Existing Debt Service payments, as set forth in Attachment 1.17 hereto, which Attachment 1.17 the Parties agree to amend from time to time according to their respective needs, consistent with the provisions of Section 7.6 below; provided further, commencing on January 1, 2004, and on an annual basis thereafter, the City shall also keep and reserve for allocation by the Lodging Tax Advisory Committee the first \$100,000 of such Lodging Tax Revenues; provided further, commencing on January 1, 2010, the \$100,000 reserved by the City for allocation by the Lodging Tax Advisory Committee shall be adjusted annually by using the Consumer Price Index for All Urban Consumers for the West urban area, 1982-84=100 (the "CPI"). If the stated index is discontinued, the City may use the index promulgated by the Department of Labor which in the City's opinion most closely approximates the above index, and the amount reserved annually for distribution by the Lodging Tax Advisory Committee shall be adjusted accordingly. The latest available semi-annual CPI is 220.276 for the second half of 2008. If this transfer of Lodging Tax Revenues is still in effect on December 31, 2038, and the District proposes to continue operation of the Arena and the Spokane Center, or substantially similar facilities, the City and the District agree to consider the negotiation of an extension of the transfer of the Lodging Tax Revenues on mutually agreeable terms. The City shall continue to use best efforts to collect such Lodging Tax Revenues in the ordinary course of business, and to transfer the same to the District as collected, consistent with the foregoing.

In the event the Lodging Tax rate is increased beyond its present rate of two percent (2%), the City and District agree to consider the negotiation of transferring the incremental increase in Lodging Tax Revenues associated with such rate increase to the District on mutually agreeable terms, but in no event shall the City be required to enter into such an agreement.

6. Operating Payments. Section 7.7 of the Interlocal Agreement is deleted. It is the intent of the parties that there shall be no further operating payments made between the parties.

7. Vacation of a Portion of Main Street and South Block Alley. The City will cooperate in good faith with the District to review, consider and take

action on the District's request to vacate, close or otherwise allow the use of the north lane of Main Avenue between Washington and Bernard Streets that is presently used for on-street parking. Any such vacation or use of said public right-of-way would be subject to a reservation or reversion to the City for public right-of-way purposes. The District shall provide plans, drawings and necessary studies to support the use of Main Avenue in a manner that does not unreasonably interfere with the movement of persons and vehicles in the vicinity of the South Block. In addition, the City will consider and take action on the District's request to vacate the alley located on the South Block. In the event the City elects to vacate the portion of Main Avenue identified above and the alley on the South Block, the City, pursuant to RCW 35.79.030, shall not require the District to compensate the City for such vacation, the parties having agreed that the consideration and value the City would receive in exchange for the vacation includes the redevelopment of the City Parking Lots in a manner consistent with the existing code to include, but not be limited to, demolishing existing improvements, paving, landscaping and otherwise improving the City Parking Lots, all in a manner that adds to the economic viability of the area and future Convention Center use and expansion.

8. Property Transfer Agreement and Fiber Use License.

A. Prior Agreement. Section 1.15 of the Property Transfer Agreement, entitled "Existing Center Facilities" concerns property to be transferred from the City to the District. Prior to the District's assumption of ownership of Center Facilities and functions, certain fiber optic cable resources, hereafter collectively "Center Fiber", were being used to connect the Arena and Opera House. A draft Exhibit A is attached and incorporated herein, depicting four (4) segments of the Center Fiber in a schematic diagram, also referenced as Segments 1-4 respectively hereafter. The parties agree that the City MIS may finalize Exhibit A based on in field inspections which are currently delayed due to the District's heavy use schedule. The District may review Exhibit A prior to finalization and the parties agree to work out any differences in good faith. The final Exhibit A may then be attached hereto in place of the draft Exhibit A. As used hereafter "Exhibit A" refers to the draft Exhibit A until such time as the final Exhibit A can be prepared and substituted therefore.

B. Property Transfer. The City hereby quitclaims and transfers any interest it may have, and the District accepts such transfer in all fiber identified in Segment 1. The City makes no warranties of ownership or the condition or suitability of the fiber and the District accepts it "as is". Segment 1 is located in Avista Utility fiber conduit and the District agrees to make any arrangements necessary with Avista for continued use of or access to said fiber, the City having no further interest therein. The parties agree to transmit an informational copy of this agreement to Avista.

C. Fiber Use License: For the remaining Segments 2, 3, and 4, the City grants the District a license to continue to use two (2) single mode fibers as shown in Exhibit A. This license shall not authorize the District to have direct access to the fiber or any fiber facilities, vaults or resources so long as they continue to be owned or managed by the City. Such license is by way of quitclaim, and the District accepts the fiber "as is". The City makes no warranties as to the condition or suitability of the licensed fiber for District needs. Portions of the licensed fiber may be in Avista conduit or, if rerouted as provided hereafter, interests of other third parties in fiber, conduit or other resources may be involved as limitations affecting use or availability of such resources to either the City and/or the District. The District agrees to handle any arrangements needed with Avista or any third parties respecting this Agreement and the District's interests so that the City will suffer no penalty or detriment as a result of this Agreement.

D. Reroute. If the City determines it advisable to reroute the fiber in Segments 2, 3 or 4 or any part thereof, the City agrees to set aside and maintain two (2) single mode fibers for the District in the re-routed configuration to be licensed to the District under the same arrangements as above. The District shall participate in costs of a reroute in like manner as other costs as provided below. Said rerouted fiber would be licensed under the same terms as provided above.

E. City Management. For portions of the fiber subject to the Fiber Use License and continuing City management, the City agrees to maintain, operate, and repair said fiber as a part of the City's system to the extent of ordinary maintenance, but this shall not create any special duty to maintain, operate or repair fiber licensed to the District above any other City fiber resources. Additionally, following repeated outages, transmission interference, damage or loss of use the City, in the exercise of reasonable, good faith discretion, determines that the fiber licensed to the District is beyond repair, the City reserves the right to abandon said fiber and shall then have no further obligations regarding the abandoned fiber. In such event, because it is impossible to anticipate the costs of alternative procurement, routing and other contingencies, the parties agree that future fiber arrangements between the parties in the event of abandonment under this section shall be reserved for a future mutual agreement.

F. Special Maintenance. The City waives routine general fiber maintenance charges to the District, but any corrective or special maintenance or repair costs created because of this Agreement or District needs, following reasonable advance notice, may be billed as incurred by the City. For fees estimated to be charged to the District above \$1000 in any twelve (12) month period, the City agrees to give the District advance notice and obtain its prior approval. If the District declines approval or charges billed remain unpaid more than 90 days after billing, the City may cancel the Fiber Use License by

written notice without further obligation. This shall not waive the right to collect previously accrued charges by the City for the benefit of the District as allowed herein.

G. Access. The City shall be granted reasonable access to any District facilities as necessary to perform its obligations under this Agreement. The District agrees to obtain the City's permission prior to accessing any facilities or resources owned, operated or managed by the City related to the District's interests, where ever located.

H. Future Transfers; District cancellation. At any time, the City reserves the right to transfer all or portions of segments of any fiber licensed above in like manner as for Segment 1. The District may accept or decline the transfer. Thirty (30) days after tender of a transfer offer by the City to the District, all further obligations of both parties under this agreement respecting the portion of fiber tendered shall terminate. The District may cancel this Agreement at any time, with written notice, whereupon neither party shall have further obligation except as to accrued charges incurred for the benefit of the District by the City.

I. Indemnification. The District will indemnify and hold harmless the City with respect to any loss or liability arising out of its use or continued enjoyment of any Center Fiber resources transferred or licensed to the District under this Agreement.

9. Limitation. Nothing contained herein shall be construed as revoking or otherwise altering any of the provisions found in the Agreements, as amended, except as expressed herein. The parties intend that the Agreements shall continue in full force and effect consistent with this and previous amendments.

The parties have executed this Amendment on the day and year written above.

CITY OF SPOKANE

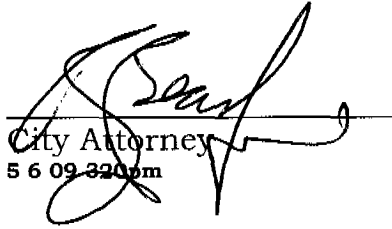
Mary E. Verner
Mayor, Mary E. Verner

Attest

Terri Pfister
City Clerk, Terri Pfister

APPROVED AS TO FORM:





City Attorney
5 6 09 320pm

SPOKANE PUBLIC FACILITIES DISTRICT

Larry Soehren, Board Chair

Mick McDowell, Board Vice-Chair

Cal Clausen, Board Member

Nathaniel Greene, Board Member

Sandra Wade, Board Member

SPOKANE PUBLIC FACILITIES DISTRICT

A cursive signature of Larry Soehren, written in black ink, positioned above a horizontal line.

Larry Soehren, Board Chair

A cursive signature of Mick McDowell, written in black ink, positioned above a horizontal line.

Mick McDowell, Board Vice-Chair

A cursive signature of Cal Clausen, written in black ink, positioned above a horizontal line.

Cal Clausen, Board Member

absent

Nathaniel Greene, Board Member

A cursive signature of Sandra Wade, written in black ink, positioned above a horizontal line.

Sandra Wade, Board Member

**THIRD AMENDMENT TO INTERLOCAL COOPERATION AGREEMENT AND
FIRST AMENDMENT TO LEASE AGREEMENT BETWEEN CITY OF
SPOKANE AND SPOKANE PUBLIC FACILITIES DISTRICT**

EXHIBIT "A"

Quit Claim Deed

WHEN RECORDED RETURN TO:
Spokane Public Facilities District
720 W. Mallon
Spokane, WA 99201
Attn: Executive Director

QUIT CLAIM DEED

This Quit Claim Deed is from the CITY OF SPOKANE, a first class city of the State of Washington, as "City" or "Grantor", to the SPOKANE PUBLIC FACILITIES DISTRICT, a Washington municipal corporation, as "District" or Grantee".

BACKGROUND

A. Pursuant to the terms of an Interlocal Cooperation Agreement, dated August 20, 2003, between the City and the District ("Interlocal Agreement"), the District has agreed to make certain improvements to the Spokane Opera House, Spokane Convention Center, and Washington State International Agricultural Trade Center (collectively the "Spokane Center").

B. Pursuant to a Property Transfer Agreement, dated August 20, 2003, between the City and the District, the City has transferred to the District a 2/3 undivided interest in the improvements constituting the Spokane Center, but not the underlying real property.

C. Pursuant to a Lease, dated August 20, 2003, between the City and the District ("Lease"), the City Leased to the District the City's remaining undivided interest in the improvements constituting the Spokane Center, as well as the underlying real property.

D. The Lease granted the District the option, upon the occurrence of certain events, to purchase the real property underlying the improvements constituting the Spokane Center.

E. In order to facilitate the District's plans to construct off-street parking space and facilities to serve the expanded Spokane Center, the District has asked

the City to allow the District to exercise its purchase option with respect to some of the real property covered by the Lease, pursuant to the terms of the Third Amendment to Interlocal Cooperation Agreement and First Amendment to Lease Agreement Between City of Spokane and Public Facilities District ("Third Amendment"), which Third Amendment was approved by the City Council on June 1, 2009.

CONVEYANCE

The City, in consideration of good and valuable consideration, the receipt of which is hereby acknowledged, and subject to the environmental representations, covenants, and indemnification set forth in the Third Amendment, conveys and quit claims to the District all of the City's interest in the real property described on Exhibit A, for so long as the District operates the Spokane Center pursuant to the authority under Chapter 36.100 RCW. The interest conveyed to the District by this Quit Claim Deed shall automatically revert to the City at such time as the District ceases to operate the Spokane Center pursuant to the authority under Chapter 36.100 RCW.

DATED this 10th day of August, 2009.

CITY OF SPOKANE

By: [Signature]
Its: (Director General Administration)

ATTEST:

[Signature]
City Clerk

APPROVED AS TO FORM:

[Signature]
City Attorney



STATE OF WA.)
)ss.
County of Spokane)

I certify that I know or have satisfactory evidence that Thomas E. Danek, Jr. and TERRI L. PFISTER are the persons who appeared before me and said persons acknowledged that they signed this documents, on oath stated that they were authorized to sign it and acknowledged it as the 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: August 10, 2009



Laurel A. Farnsworth
Notary Public in and for
State, residing at Spokane, WA
My appointment expires 5-8-10

EXHIBIT "A"

ALL OF LOTS 6, 7 AND 10, AND LOT 9, **EXCEPT** THE WEST 47 FEET THEREOF, BLOCK 8, **RESURVEY AND ADDITION TO SPOKANE FALLS**, ACCORDING TO PLAT RECORDED IN VOLUME "A" OF PLATS, PAGE 1, IN THE CITY OF SPOKANE, SPOKANE COUNTY, WASHINGTON;

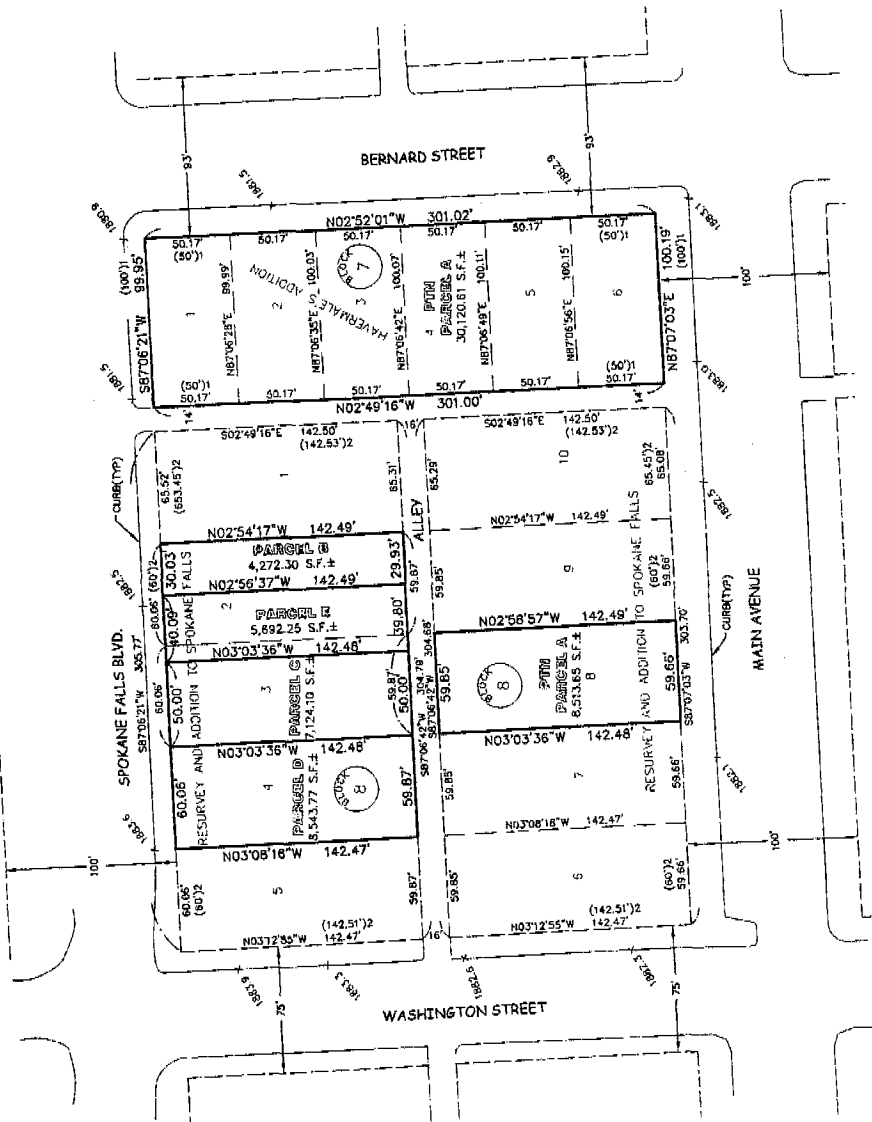
ALSO A STRIP OR PARCEL OF LAND ADJOINING ON THE EAST THEREOF, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHEAST CORNER OF SAID LOT 10, AND RUNNING THENCE EAST 13.8 FEET, MORE OR LESS, TO THE WEST LINE OF BLOCK 7, **HAVERMALE'S ADDITION**;
THENCE SOUTH ALONG THE WEST LINE OF SAID BLOCK 7 TO THE NORTH LINE OF MAIN AVENUE;
THENCE WEST ALONG THE NORTH LINE OF MAIN AVENUE, 13.8 FEET, MORE OR LESS, TO THE SOUTHEAST CORNER OF SAID LOT 10;
THENCE NORTH ALONG THE EAST LINE THEREOF TO THE PLACE OF BEGINNING.

All as portrayed as "Parcel D" on the attached drawing.

RESULTS OF SURVEY

A PORTION OF THE SOUTHEAST QUARTER OF
SECTION 18, TOWNSHIP 25 NORTH, RANGE 43 EAST, W.M.,
CITY OF SPOKANE, SPOKANE COUNTY, WASHINGTON



LEGEND
x 1234.5 SPOT ELEVATION



NARRATIVE

This survey was conducted as a dependent resurvey of that property described as follows:

Parcel A: Lots 1, 2, 3, 4, 5 and 6, Block 7, HAVERMALES ADDITION, according to the Plat recorded in Volume "A" of Plats, Page 22, in the City of Spokane, Spokane County, Washington.

AND Lot 8, Block 8, RESURVEY AND ADDITION TO SPOKANE FALLS, as per Plat recorded in Volume "A" of Plats, Page 1, in the City of Spokane, Spokane County, Washington.

Parcel B: The east half of Lot 2, Block 8, RESURVEY AND ADDITION TO SPOKANE FALLS, as per Plat recorded in Volume "A" of Plats, Page 1, in the City of Spokane, Spokane County, Washington.

Parcel C: 50 feet of Lot 3, Block 8, RESURVEY AND ADDITION TO SPOKANE FALLS, as per Plat recorded in Volume "A" of Plats, Page 1, in the City of Spokane, Spokane County, Washington.

Parcel D: Lot 4, Block 8, RESURVEY AND ADDITION TO SPOKANE FALLS, as per Plat recorded in Volume "A" of Plats, Page 1, in the City of Spokane, Spokane County, Washington.

Parcel E: One Half interest in the following described property: The West Half of Lot 2 and the East 10 feet of Lot 3, Block 8, RESURVEY AND ADDITION TO SPOKANE FALLS, as per Plat recorded in Volume "A" of Plats, Page 1, in the City of Spokane, Spokane County, Washington.

HAVERMALES ADDITION was recorded in Spokane County in 1880. The RESURVEY AND ADDITION TO SPOKANE FALLS was recorded in 1881. There are several monument lines and street centerlines in the vicinity which have been referenced over the years. Unfortunately, many reference points have been subsequently destroyed by construction. It is noted that the monument lines which were used to determine the location of the back edge of these older portions of the sidewalk around the block would be the best evidence of perpetuation of original block lines. A check confirms that distances match extremely well with record. Centerline of alleyway was determined by splitting original curb on the alleyway entries.

Note that there may be other matters affecting the subject property but not shown that would be disclosed by a current title report. No monuments were set during the course of this survey.

REFERENCES

- (1) Plat of HAVERMALES ADDITION TO SPOKANE FALLS, Volume A, Page 22
- (2) Plat of RESURVEY AND ADDITION TO SPOKANE FALLS, Volume A, Page 1

ACCURACY STATEMENT (WAC 332-130-100)

THIS SURVEY WAS PERFORMED USING A LEICA 3 SECOND TOTAL STATION AND A ZIP CODE 2000 SURVEYOR FOR A COMBINATION OF FIELD TRAVERSE AND GPS SURVEY METHODS TO MEET OR EXCEED THE REQUIRED STANDARDS FOR LAND BOUNDARY SURVEYS PER WAC 332-130-080.

BASIS OF BEARING
Geodetic North

BASIS OF ELEVATION
Assumed

SURVEYOR'S CERTIFICATE

This map correctly represents a survey made by me or under my direction in conformance with the requirements of the Survey Recording Act of the request of Spokane Public Facilities District in October, 2008.

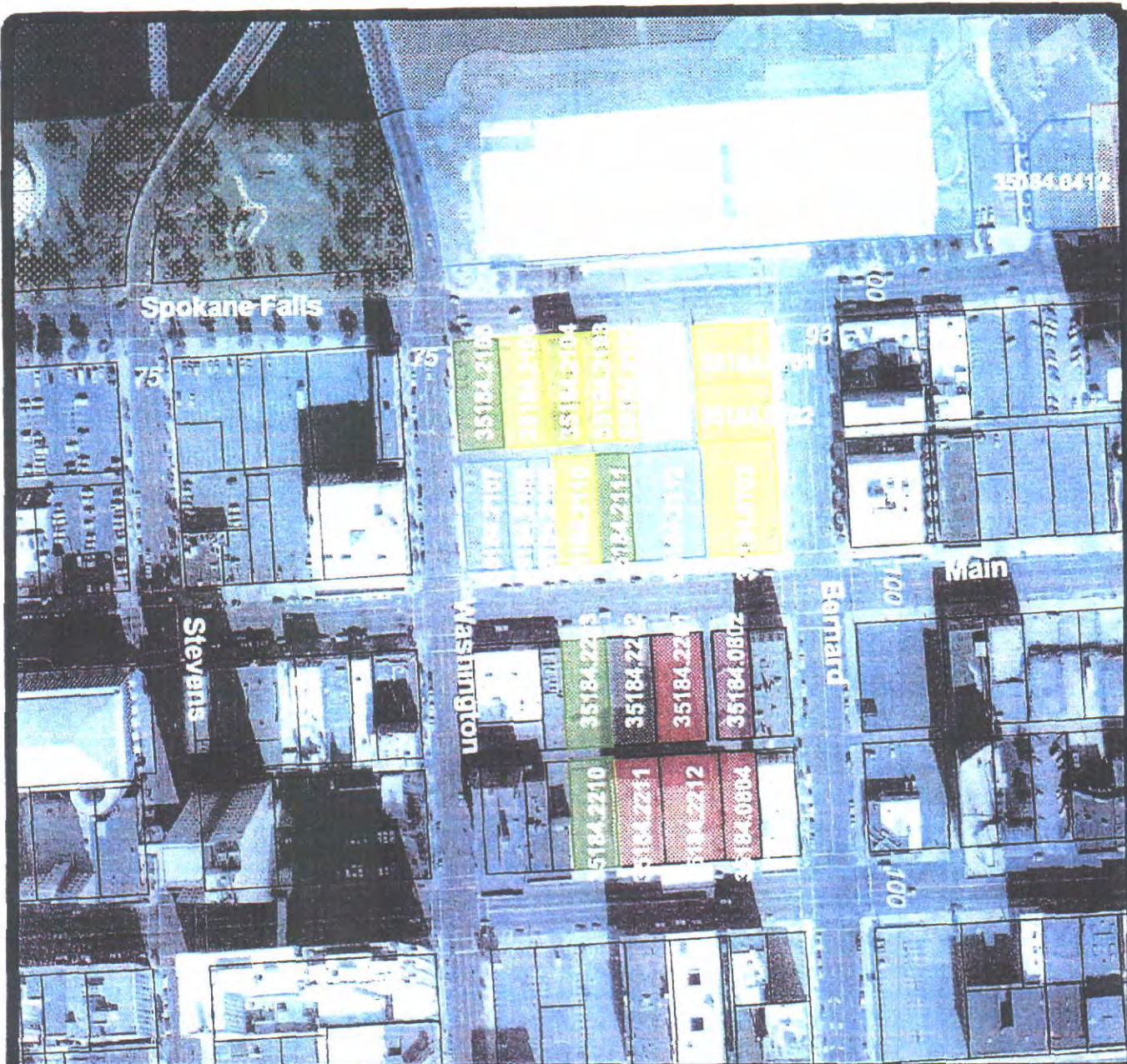
David M. Seese, PLS 35991



DATE: 10/31/08	SCALE: 1"=50'
DRAWN BY: DAN	CHECKED BY: DMS
JOB NO. 08082	DWG. 08082 ROS
SHEET 1 OF 1	

RESULTS OF SURVEY FOR
SPOKANE PUBLIC FACILITIES DISTRICT

Taylor Engineering, Inc.
Civil Engineering & Planning
104 West Main Street, Suite 202
Spokane, Washington, 99201
PHONE (509) 325-2091 FAX (509) 325-0824



Legend

35184.2112 City of Spokane	35184.2105 Corniche Investments, a partnership	35184.2203 Diamond Parking
35184.2109 City of Spokane	35184.2104 Cloninger, Raugh & Dewey, a partnership	35184.2202 The Renn Co Inc.
35184.2108 City of Spokane	35184.2103 1/2 Diamond Parking / 1/2 Cloninger	35184.0802 Diamond J & J
35184.2107 City of Spokane	35184.2102 Cloninger community property	35184.2210 Sally A Roberts
	35184.2110 Spokane Group, a partnership	35184.2201 Jensen Byrd Co
35184.2101 Hirata family	35184.0703 Spokane Group, a partnership	35184.2211 Jensen Byrd Co
35184.2106 Diamond Parking with a	35184.0702 Spokane Group, a partnership	35184.2212 Jensen Byrd Co
35184.2111 Cloninger Option to Purchase	35184.0701 Spokane Group, a partnership	35184.0804 Jensen Byrd Co

Convention Center Expansion

Produced By: City of Spokane GIS - BAR
Date: 11/08/2002

Spokane River
 City Parks

0 200 400 Feet

THIS IS NOT A PROFESSIONAL SURVEY.
The information shown on this map is compiled from various sources and is subject to constant revision. Information shown on this map should not be used to determine the location of landowners or relationships to property lines, easements, etc.



Exhibit AB +p 8/7/09

5-19-09

To be Revised

Opera House to Arena
Fiber connection

Segment 1 is Spokane Facilities District Fiber
Segment 2 thru 4 are Spokane Regional
Traffic Management Center and Spokane
Facilities District fiber

