

City of Kenmore



City of Kenmore - 18120 68th Avenue NE Kenmore, WA 98028 Phone: 425-398-8900
Agendas also available at www.kenmorewa.gov E-mail: cityhall@kenmorewa.gov

City Council Special Meeting Agenda

August 30, 2021, 7 PM

VIA ZOOM - LINK: <https://us02web.zoom.us/j/84168638319>

US: US: +12532158782,,84168638319# or +16699009128,,84168638319#

Or Telephone: Dial US: +1 253 215 8782

Webinar ID: 841 6863 8319

I. 7 PM - CALL SPECIAL MEETING TO ORDER

II. ROLL CALL

III. AGENDA APPROVAL

IV. CONSENT AGENDA

- A. Approve Total Check #s 47803 through 47902 totaling \$256,033.99 and Total Payroll/Taxes/Flexible Spending/Retirement & Health Savings Account Electronic Deposits Dated 7/30/2021 in the amount totaling \$188,886.77.

[Voucher Certification and Approval Report Dated 8/06/2021](#)

V. PUBLIC HEARING

- A. Ordinance 21-0532 – Acquisition of Real Property and Execution of a Local Agency Financing Lease, presented by the Finance and Administration Director Leticia Salcido and Bond Counsel Deanna Gregory

[Agenda Bill and Attachments - Washington Local Program Financing](#)

VI. BUSINESS AGENDA

- A. Ordinance 21-0532 – Acquisition of Real Property and Execution of a Local Agency Financing Lease, presented by the Finance and Administration Director Leticia Salcido and Bond Counsel Deanna Gregory, *for Discussion and Adoption*

[Agenda Bill and Attachments - Washington Local Program Financing](#)

- B. Amendment and Reinstatement of the Pandemic and Public Health Emergency Response and Recovery Proclamation 20-02.6, presented by Human Resources Manager Leonora Palaña, *for Discussion and Action*

[Agenda Bill - Amending Pandemic and Public Health Emergency Response and Recovery Proclamation](#)

[Proposed Pandemic Policy Proclamation Amendment 20.02.6](#)
[Pandemic Policy Proclamation Amendment 20-02.5 - \(May 2021\)](#)

VII. ADJOURNMENT

VIII. UPCOMING MEETING:

A. September 13, 2021



Voucher Certification and Approval

City of Kenmore
DATE RANGE:
07/24/2021 - 08/06/2021

I, the undersigned, do hereby certify under penalty of perjury that the materials have been furnished, the services rendered or the labor performed as described herein, that any advance payment is due and payable pursuant to a contract or is available as an option for full or partial fulfillment of a contractual obligation, and the the claim is a just, due and unpaid obligation against the City of Kenmore and that I am authorized to authenticate and certify to said claim. The following checks and electronic payments are approved for payment:

Total Check #s 47803 through 47902: \$256,033.99

Total Payroll/Taxes/Flexible Spending/Retirement & Health Savings Acct Electronic Deposits Dated: 07/30/2021: \$188,886.77

RH Karling 8/13/21
City Manager / Date

[Signature] 8/19/21
Finance Director / Date

Vendor Name	Check #	Date	Description	Amount
DEPARTMENT OF LABOR AND INDUSTRIES	47803	07/30/2021	City of Kenmore Worker's Compensation	2,178.85
EMPLOYMENT SECURITY DEPARTMENT	47804	07/30/2021	Paid Family & Medical Leave	752.14
ICMA RETIREMENT C/O ALLFIRST BANK/109964	47805	07/30/2021	City of Kenmore 401a	20,325.74
ICMA RETIREMENT TRUST 457 / 304745	47806	07/30/2021	ICMA 457 Deferred Comp	7,907.96
STATE OF FLORIDA DISBURSEMENT UNIT	47807	07/30/2021	Employee Deduction	275.00
UNITED WAY OF KING COUNTY	47808	07/30/2021	Employee Charitable Contribution	59.23
AJ LEE & BLUE SUMMIT	47809	08/06/2021	7/29 Virtual Concert - Band	1,000.00
AM TEST, INC	47810	08/06/2021	Swamp Creek Water Sample Testing	200.00
AM TEST, INC	47811	08/06/2021	Log Boom Water Sample Testing	100.00
AMERICALL	47812	08/06/2021	After Hours Call Out Svc. for June	134.16
ASSOCIATION OF WA CITIES	47813	08/06/2021	GIS Consortium Tier 1 Annual Fee	3,200.00
AURORA RENTS	47814	08/06/2021	Equipment Rental for 61st Ave Drainage Project	1,136.53
BCN TELECOM, INC.	47815	08/06/2021	7/15-8/14 City Hall Phone Lines	388.46
BOTHELL KENMORE CHAMBER OF COMMERCE	47816	08/06/2021	June KBA Support Services	300.00
BRIEN, GAYLYNN	47817	08/06/2021	May Sales Tax Data Conversion Svcs	50.00
BULGER SAFE & LOCK, INC.	47818	08/06/2021	Key for Rhododendron Park Dumpster	16.37
CHICAGO TITLE	47819	08/06/2021	Mailing Labels 18737 Kenlake Pl NE, Arnesen	3.86
DFR LAW GROUP, LLC	47820	08/06/2021	April Conflict Counsel	600.00
DFR LAW GROUP, LLC	47821	08/06/2021	18-C1845 Aug. 4th Conflict Counsel Svcs	300.00
FERGUSON ENTERPRISES INC #3011	47822	08/06/2021	PVC Pipe for 61st Ave. Drainage Project	245.02
FOREMOST PROMOTIONS	47823	08/06/2021	Police Department Supplies	420.61
FOREMOST PROMOTIONS	47824	08/06/2021	Police Department Supplies	347.72

IV. A. Approve Total Check #s 47803 through 47902 totaling \$256,033.99 a...

FOREMOST PROMOTIONS	47825	08/06/2021	Police Dept. Flyers	299.49
FOSTER GARVEY PC	47826	08/06/2021	Atty Svcs - General Condemnation	220.00
FOSTER GARVEY PC	47827	08/06/2021	Atty Svcs - Ben Holt Industries Prop. Acquisition	1,243.00
FOSTER GARVEY PC	47828	08/06/2021	Atty Svcs - Elizabeth Court Condemnation	5,800.00
FOSTER GARVEY PC	47829	08/06/2021	Atty Svcs - Moore Condemnation	5,555.00
FRUHLING SAND & TOPSOIL	47830	08/06/2021	Material Disposal for 61st Ave Drainage Proj.	244.86
GRAINGER	47831	08/06/2021	Safety Equipment	237.68
GRAINGER	47832	08/06/2021	PVC Pipe for SWM 61st Ave Drainage Proj.	98.90
GRAINGER	47833	08/06/2021	Materials for SWM 61st Ave Drainage Proj.	92.84
GRAINGER	47834	08/06/2021	Parts for Boat Launch Restroom	22.36
GRAINGER	47835	08/06/2021	Marking Paint	39.91
H.D. FOWLER COMPANY	47836	08/06/2021	PVC Materials for 61st Ave SWM Project	1,370.16
H.D. FOWLER COMPANY	47837	08/06/2021	Silt Fence for 61st Ave Project	45.74
H.D. FOWLER COMPANY	47838	08/06/2021	Manhole Coupling/Gasket for 61st Ave Proj.	179.85
H.D. FOWLER COMPANY	47839	08/06/2021	Coupling/Gasket/PVC Elbows for 61st Ave Proj.	345.87
H.D. FOWLER COMPANY	47840	08/06/2021	Silt Fence for 61st Ave Project	28.19
H.D. FOWLER COMPANY	47841	08/06/2021	8" x 20' PVC Pipe for 61st Ave Project	620.52
HERRERA ENVIRONMENTAL CONSULTANTS	47842	08/06/2021	6/28-7/2/21 21-C2735 Aquatic Plant Survey	6,959.73
HONEY BUCKET	47843	08/06/2021	7/26-8/22 Public Works Yard Rental	156.75
HORIZON DISTRIBUTORS INC	47844	08/06/2021	Parks & ROW Irrigation Stock	119.40
HORIZON DISTRIBUTORS INC	47845	08/06/2021	Parks Irrigation Parts	555.98
HORIZON DISTRIBUTORS INC	47846	08/06/2021	Parts for Hangar Bldg. Irrigation	127.37
HYAS GROUP, LLC	47847	08/06/2021	2/1-7/31/21 457/401 Retirement Plan Consulting	3,750.00
INSLEE, BEST, DOEZIE & RYDER, P.S.	47848	08/06/2021	June Legal Svcs - COVID-19 Response	19,013.75
JET CITY PRINTING	47849	08/06/2021	Laminating for ADA/Ped. Call Button Flyers	66.06
KING COUNTY FINANCE	47850	08/06/2021	July Public Defense Indigency Screening	81.00
KPFF CONSULTING ENGINEERS	47851	08/06/2021	19-C2098 June On-Call Engineering Svcs	72,762.74
LANGUAGE LINE SERVICES, INC.	47852	08/06/2021	Spanish Phone Translation Svc.	2.55
LEGER, DEVON	47853	08/06/2021	Reimbursement for Virtual Concert Expense	25.00
MARY'S PLACE	47854	08/06/2021	2nd Half of Outstanding 2020 Funding	11,000.00
MORUP SIGNS, INC.	47855	08/06/2021	Water Access Proj. Pre Construction Signs	1,657.01
MOTT MACDONALD GROUP, INC.	47856	08/06/2021	17-C1656 June Log Boom Park Design Svcs	4,306.88
MOTT MACDONALD GROUP, INC.	47857	08/06/2021	17-C1657 June Squire's Landing Design/Permitting	4,202.40
NORTHSHORE SCHOOL DISTRICT	47858	08/06/2021	July School Impact Fee Remittance	31,080.00
NORTHSHORE UTILITY DIST	47859	08/06/2021	5/15-7/15 PW Shop/CH/Hangar/ROW & Parks Irrigation	6,469.88
OFFICE DEPOT	47860	08/06/2021	Misc. Office Supplies	220.14
O'REILLY/FIRST CALL	47861	08/06/2021	Fleet Maintenance Supplies	28.60

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O'REILLY/FIRST CALL	47862	08/06/2021	Fleet Towing Equipment	42.94
O'REILLY/FIRST CALL	47863	08/06/2021	ROW Materials	9.67
O'REILLY/FIRST CALL	47864	08/06/2021	Fleet Maintenance Supplies	19.80
O'REILLY/FIRST CALL	47865	08/06/2021	Fleet Towing Equipment	67.13
PACE ENGINEERS, INC.	47866	08/06/2021	21-C2667 June On-Call Engineering Svcs	691.00
PACIFIC AIR CONTROL, INC.	47867	08/06/2021	City Hall HVAC Repair	999.38
PACIFIC TOPSOILS	47868	08/06/2021	6/29-7/24 Vegetaion Disposal Fees	1,027.85
PUGET SOUND ENERGY	47869	08/06/2021	6/14-7/14 Tree Receptacles/Traffic Signals/Parks	849.51
RED BARN ENGINEERING, INC.	47870	08/06/2021	21-C2666 7/3-7/31 On-Call Engineering Svcs	5,684.00
REPUBLIC SERVICES	47871	08/06/2021	July City Hall Solid Waste Chgs	624.03
REPUBLIC SERVICES	47872	08/06/2021	July Rhododendron Park Solid Waste Chgs	693.02
RFI ENTERPRISES INC.	47873	08/06/2021	City Hall Door Lock Repairs	186.07
ROBINSON AND NOBLE, INC.	47874	08/06/2021	5/27-6/30/21 PW Shop Site Environmental Assessment	2,850.00
SISKUN POWER EQUIPMENT	47875	08/06/2021	ROW Equipment Repair	168.71
SISKUN POWER EQUIPMENT	47876	08/06/2021	Evaluation of Equipment to Repair	50.89
SISKUN POWER EQUIPMENT	47877	08/06/2021	Trimmer Repair	136.62
SISKUN POWER EQUIPMENT	47878	08/06/2021	Equipment Repair	50.89
SMS CLEANING, INC.	47879	08/06/2021	City Hall, Hangar & PW Office Monthly Janitorial	6,495.00
SNOHOMISH COUNTY	47880	08/06/2021	June Solid Waste Vactor Disposal Chgs	409.00
STAPLES ADVANTAGE	47881	08/06/2021	Key Card Accessories	32.22
STAPLES ADVANTAGE	47882	08/06/2021	Hangar & City Hall Maint. Supplies	390.35
STAPLES ADVANTAGE	47883	08/06/2021	Office Supplies	34.67
STAPLES ADVANTAGE	47884	08/06/2021	Trash Bags fo Hangar	63.51
STAPLES ADVANTAGE	47885	08/06/2021	Badge Holders	49.68
STAPLES ADVANTAGE	47886	08/06/2021	City Hall & Hangar Maint. Supplies	156.43
STAPLES ADVANTAGE	47887	08/06/2021	City Hall & Hangar Bldg. Maint. Supplies	81.06
TIMBERLAND CONSTRUCTION	47888	08/06/2021	Refund Overpayment of BLD21-0468	421.40
UPS STORE KENMORE	47889	08/06/2021	Port of Seattle & Log Boom Park Copy Chgs	147.54
VERIZON WIRELESS	47890	08/06/2021	7/27-8/26 Cell Phones	213.83
WA STATE DEPT OF TRANSPORTATION	47891	08/06/2021	June 68th/175th & 68th/181st Traffic Signal Maint.	291.91
WANKER PRODUCTIONS	47892	08/06/2021	8/12/21 Beatniks Concert	2,500.00
WESTLAKE HARDWARE WA-153	47893	08/06/2021	6/21-7/19 PW & SWM Tools & Equipment	383.19
WHISTLE WORKWEAR	47894	08/06/2021	Surface Water Seasonal Work Boots	173.71
WILLIAMS, KASTNER & GIBBS PLLC	47895	08/06/2021	June Special Counsel - Ridout	3,841.22
ZIPLY FIBER	47896	08/06/2021	7/19-8/18 Public Works Office Internet	153.00
ZIPLY FIBER	47897	08/06/2021	7/28-8/27 City Hall Phone Svc.	658.77
ELECTRONIC BUSINESS MACHINES	47898	08/06/2021	2nd Floor Copier July B/W & Color Overage Chgs	231.29

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PETERSON, JANET	47899	08/06/2021	City Clerk Ergonomics Consultation	350.00
SHRED IT, C/O STERICYCLE, INC>	47900	08/06/2021	Monthly Shredding Service	89.91
SIGNARAMA	47901	08/06/2021	Yard Signs for Scavenger Hunt Event	418.45
MCNAMARA SIGNS	47902	08/06/2021	Kenmore Air 75th Anniversary Banners	5,325.08
DRS 457	DFT0001060	07/30/2021	DRS 457 Deferred Comp	1,100.99
AVIDIA HEALTH	DFT0001061	07/30/2021	Employee Health Savings Contribution	100.00
DEPARTMENT OF RETIREMENT SYSTEMS	DFT0001062-1067	07/30/2021	Public Employees Retirement	29,644.15
NAVIA	DFT0001068	07/30/2021	Employee Flexible Spending Account	516.54
BANK OF AMERICA 941	DFT0001069	07/30/2021	Federal Taxes	24,017.31
PAYROLL	Electronic Dep.	7/30/2021	Direct Deposit	133,507.78
				<u><u>\$ 444,920.76</u></u>



City of Kenmore

Vendor Purchasing Report

For Date Range 01/01/2021 - 08/06/2021

Vendor Set: Vendor Set 01

Vendor	Name	Volume
0014	AMERICAN PLANNING ASSOCIATION	1,232.00
0022	ASSOCIATION OF WA CITIES	3,200.00
0024	BAKER, DAVID	745.00
0037	BASTYR UNIVERSITY	50,000.00
0054	BULGER SAFE & LOCK, INC.	94.35
0064	CASCADE PEST CONTROL	1,013.10
0067	CENTER FOR HUMAN SERVICES	14,550.00
0076	CITY OF BELLEVUE	42,995.67
0081	CITY OF KENMORE	600.00
0083	CITY OF LAKE FOREST PARK	49,950.00
0092	CODE PUBLISHING COMPANY	4,445.86
0099	CONSOLIDATED PRESS	8,930.08
0106	CROWN PRODUCTS LLC	514.20
0109	DAILY JOURNAL OF COMMERCE	1,745.95
0111	DEPARTMENT OF ECOLOGY	10,561.00
0121	REPUBLIC SERVICES	6,899.48
0130	EMPLOYMENT SECURITY DEPARTMENT	10,140.34
0137	FERGUSON ENTERPRISES INC #3011	900.68
0145	FRUHLING SAND & TOPSOIL	1,314.65
0151	CALPORTLAND COMPANY	2,005.83
0169	HERRERA ENVIRONMENTAL CONSULTANTS	11,235.89
0173	HOME DEPOT CREDIT SERVICES	2,692.67
0184	INSLEE, BEST, DOEZIE & RYDER, P.S.	155,200.25
0189	INTERNATIONAL CITY/CNTY MGMT ASSOC	2,765.48
0191	INTERNATIONAL INST OF MUNI CLERKS	210.00
0197	JET CITY PRINTING	1,192.04
0205	KENMORE HERITAGE SOCIETY	100.00
0206	KENMORE MIDDLE SCHOOL	8,050.00
0212	KING COUNTY FINANCE W.L.R.D.	3,765.86
0218	KING COUNTY FINANCE	3,364.73
0219	KING COUNTY FINANCE	65,417.51
0230	KING COUNTY RADIO COMM SERVICES	601.14
0233	KING COUNTY SHERIFF	1,743,125.80
0235	KING COUNTY TREASURY	41,217.28
0251	LIGHTHOUSE CONSULTING INC	79,479.71
0261	PENDLETON CONSULTING LLC	3,200.00
0267	MR. T'S TROPHIES & AWARDS LLC	105.84
0285	NORTHSHORE FIRE DEPT	1,960.00
0286	NORTHSHORE SCHOOL DISTRICT	326,773.00
0287	NORTHSHORE SENIOR CENTER	27,400.00
0288	NORTHSHORE UTILITY DIST	87,561.85
0292	HONEY BUCKET	2,781.07
0299	EBIX, INC.	118.38
0300	OFFICE DEPOT	2,417.90
0304	OLYMPIC ENVIRONMENTAL RESOURCES INC	17,099.07
0310	PACIFIC TOPSOILS	5,616.83
0327	PUGET SOUND CLEAN AIR AGENCY	19,396.00
0328	PUGET SOUND ENERGY	146,916.84
0345	SEATTLE TIMES	2,683.01
0346	SECRETARY OF STATE	20.00
0355	STAPLES ADVANTAGE	8,692.64
0356	STATE AUDITOR'S OFFICE	2,318.55

Vendor Purchasing Report

For Date Range 01/01/2021 - 08/06/2021

Vendor Set: Vendor Set 01

Vendor	Name	Volume
0357	STEWART MACNICHOLS HARMELL, INC.	35,000.00
0359	SOUND CITIES ASSOC	15,539.29
0365	TOTAL LANDSCAPE CORP	57,780.65
0371	UNITED STATES POSTMASTER	5,486.58
0375	US POSTAL SERVICE (HASLER)	3,688.02
0385	WA ASSOC OF BUILDING OFFICIALS	2,000.00
0386	WA ASSOC OF CODE ENFORCEMENT	20.00
0387	WA CITIES INSURANCE AUTHORITY	382,432.00
0389	WASHINGTON CITY/COUNTY MGMT ASSOC	325.00
0390	WA FINANCE OFFICERS ASSOCIATION	75.00
0400	WASHINGTON STATE DEPT OF REVENUE	801.79
0401	WA STATE DEPT OF TRANSPORTATION	13,495.81
0405	WASHINGTON STATE OFFICE CASH MGMT	1,150.00
0412	WM CORPORATE SVCS - COLUMBIA RIDGE LANDFILL	16,271.25
0424	ICMA RETIREMENT TRUST 457 / 304745	119,404.49
0425	DRS 457	16,263.60
0426	AFLAC	1,513.33
0428	BANK OF AMERICA 941	302,616.41
0429	AWC EMPLOYEE BENEFIT TRUST	493,642.34
0431	DEPARTMENT OF RETIREMENT SYSTEMS	494,426.97
0432	DEPARTMENT OF LABOR AND INDUSTRIES	28,076.24
0434	UNITED WAY OF KING COUNTY	888.45
0436	NATIONAL LIFE OF VERMONT	862.19
0448	UPS STORE KENMORE	565.25
0450	AURORA RENTS	4,692.44
0484	CITY WIDE FENCE COMPANY, INC	825.75
0497	DAY WIRELESS SYSTEMS	153.72
0542	AMERICAN SOCIETY OF COMPOSERS	367.00
0558	SNOHOMISH COUNTY	2,093.00
0586	QUADIENT LEASING USA, INC.	1,420.28
0588	ENVIRONMENTAL SYSTEMS RESEARCH INST	6,017.79
0610	WA STATE DEPT OF TRANSPORTATION	27,465.77
0617	KING COUNTY FINANCE	9,003.78
0685	PACE ENGINEERS, INC.	9,891.50
0689	DIGITAL REPROGRAPHICS SERVICES INC.	984.50
0690	BUILDERS EXCHANGE OF WASHINGTON INC	196.70
0692	HDR ENGINEERING, INC	463,096.67
0696	AMERICAN GENERAL LIFE GPO/400S	1,959.44
0743	BANNER BANK NO	950.21
0781	QUALITY BUSINESS SYSTEMS INC.	1,916.38
0791	NORTHSHORE ROTARY CLUB	180.00
0817	GRAINGER	936.95
0831	NORTHSHORE PARK & REC SERVICE AREA	2,720.00
0892	JACOBS ENGINEERING GROUP	82,837.86
0898	ZONAR SYSTEMS	528.21
0899	SHRED IT, C/O STERICYCLE, INC>	1,052.23
0913	KENMORE ELEMENTARY	2,500.00
0981	COMCAST BUSINESS	1,811.55
0994	GORDON THOMAS HONEYWELL	23,408.80
1003	IWORQ SYSTEMS	2,800.00
1010	WESTLAKE HARDWARE WA-153	1,644.14
1034	EMERALD FIRE LLC	517.47
1045	HORIZON DISTRIBUTORS INC	2,585.22
1052	FIRE PROTECTION, INC	12,183.34
1068	WA STATE DEPT OF LABOR & INDUSTRIES	147.20
1123	AM TEST, INC	1,775.00
1148	AGORA REFRESHMENTS	252.84
1152	WASHINGTON ENERGY SERVICES CO. LLC	268.80

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Vendor	Name	Volume
1168	SCHINDLER ELEVATOR CORPORATION	9,513.58
1197	MILLER STEPHENS, MARY	7,500.00
1215	STATE OF FLORIDA DISBURSEMENT UNIT	4,125.00
1216	ADVANCE TESTING & SERVICE INC	1,626.00
1222	OLSON BROTHERS PRO VAC	26,247.17
1267	ALBIREO ENERGY, LLC	762.00
1299	VERIZON WIRELESS	1,659.34
1309	BANNER BANK BAKER	5,811.01
1311	WASHINGTON STATE PATROL	1,107.35
1313	BOTHELL KENMORE CHAMBER OF COMMERCE	3,600.00
1326	JOYCE ZIKER PARKINSON	1,087.50
1331	KBA INC.	594,897.45
1337	STATE OF WA DEPT. OF LICENSING	0.40
1339	STATE OF WA DEPARTMENT OF LICENSING	20.00
1342	PETERSON, JANET	350.00
1345	SHERWIN WILLIAMS CO. #8099	391.95
1358	ALPHAGRAPHS	333.31
1359	EVERGREEN FIRE AND SAFETY, INC.	466.95
1372	AAA PRINTING	412.87
1383	CHICAGO TITLE	250,011.58
1385	CITYWORKS/ AZTECA SYSTEMS INC.	33,030.00
1387	ST OF WA DEPT OF FISH & WILDLIFE	40.00
1390	UTILITIES UNDERGROUND LOCATION CTR	1,229.37
1403	OSBORN CONSULTING INC.	146,909.17
1431	BRIEN, GAYLYNN	350.00
1452	CITY OF KENT	500.00
1456	HESTON VISUAL ARTS	358.15
1457	LANGUAGE LINE SERVICES, INC.	2.55
1459	FLEMINGS HOLIDAY LIGHTING LLC	2,547.71
1482	HIGHWIRE	543.12
1492	MACDONALD MILLER FACILITY SOLUTIONS	13,728.96
1500	MARINE FLOATS CORPORATION	3,456.20
1504	SCORE	43,229.86
1524	GRANICUS LLC	20,140.46
1544	METROPOLITAN TRANS. COMMISSION	1,500.00
1555	LINCOLN NATIONAL LIFE INSURANCE	10,255.67
1580	NORTHWEST TROPHY	165.00
1644	PASIFIKA ARTIST NETWORK LLC	1,000.00
1673	KPFF CONSULTING ENGINEERS	324,340.63
1689	MOTT MACDONALD GROUP, INC.	184,373.05
1701	THE SEATTLE TIMES NIE	256.45
1704	BANNER BANK RK	489.46
1708	APPLIED CONCEPTS, INC.	3,512.19
1711	SOFTWAREONE, INC.	11,925.63
1712	SITEIMPROVE, INC.	3,356.95
1731	NORTHWEST ARBORICULTURE LLC	792.72
1739	FIX AUTO	1,259.22
1754	RFI ENTERPRISES INC.	2,164.57
1763	REID, JAMES FALCONER	6,772.50
1786	TYLER TECHNOLOGIES, INC.	19,697.87
1789	BLUEBEAM, INC.	349.00
1791	PROFFITT, QUINN	220.10
1800	NORTHWEST PRECISION BUILDERS	60,004.22
1814	YSI INCORPORATED, A XYLEM BRAND	1,403.12
1816	NAVIA	20,748.10
1828	QUALITY BUSINESS SYSTEMS / WELLS FARGO	5,695.52
1829	SHI INTERNATIONAL CORP.	1,400.87
1838	AVIDIA HEALTH	1,500.00

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Vendor	Name	Volume
1863	HAULWAY STORAGE CONTAINERS, INC.	382.05
1874	LEGER, DEVON	25.00
1884	CADMAN MATERIALS, INC.	750.12
1885	NATIONAL BARRICADE CO., LLC	1,977.24
1889	WILLIAMS, KASTNER & GIBBS PLLC	43,172.40
1900	ASPECT CONSULTING LLC	1,912.75
1914	MCNAMARA SIGNS	5,325.08
1927	GAMETIME	2,614.88
1930	T MOBILE USA, INC.	5,082.08
1932	U.S. BANK N.A. / CUSTODY	248.00
1948	MULTICARE CENTERS OF OCCUPATIONAL MEDICINE	220.00
1961	WESTERN ENTRANCE TECHNOLOGY, LLC	655.10
1964	EARTHWORKS	13,360.72
1970	CROSSROAD SIGN	2,538.91
1979	MSPT XXII, LLC C/O FLYWAY RETAIL + LIVING	4,000.00
1980	HRA VEBA TRUST	39,157.26
1993	HYAS GROUP, LLC	7,500.00
1994	LAKE CITY PARTNERS ENDING HOMELESSNESS	2,250.00
1999	KING COUNTY POLICE CHIEFS ASSOCIATION	50.00
2004	RED BARN ENGINEERING, INC.	80,530.99
2007	HYDROPOINT DATA SYSTEMS, INC.	2,072.00
2010	JUDHA OF LION LANDSCAPING AND SERVICES LLC	4,734.30
2024	DFR LAW GROUP, LLC	900.00
2035	JURASSIC PARLIAMENT	1,600.00
2047	PUGET SOUND PLANTS	2,382.38
2048	SMS CLEANING, INC.	45,465.00
2079	ZESBAUGH, INC.	638.58
2081	SHANNON & WILSON, INC.	7,790.50
2095	TRANSCO GROUP USA INC.	13,182.55
2096	TUPLING, SANDRA	146.50
2097	ROBINSON AND NOBLE, INC.	2,850.00
2109	SEATOWN DEVELOPMENT GROUP	7,500.00
2113	WA ASSOC. OF SHERIFFS & POLICE CHIEFS	180.00
2142	ICMA RETIREMENT C/O ALLFIRST BANK / 109964	286,045.65
2145	NORTHWEST ELECTRIC AND SOLAR	536.74
2157	SOUND SAFETY PRODUCTS CO.	1,345.35
2159	TRAILER BOSS	9,032.10
2175	ELECTRONIC BUSINESS MACHINES	1,377.92
2176	CANON FINANCIAL SERVICES, INC.	1,862.56
2183	SISKUN POWER EQUIPMENT	5,882.75
2184	DIVERSIFICATION INC.	2,855.55
2209	MORUP SIGNS, INC.	5,273.80
2211	PRECISION FUEL SOLUTIONS	1,684.53
2221	O'REILLY/FIRST CALL	254.77
2224	BROWN, STEPHANIE	31.98
2226	QUANTUM HOMES	7,500.00
2227	EARTHCORPS	1,838.67
2236	COMCAST	16,097.22
2242	MARY'S PLACE	23,500.00
2249	KING COUNTY BAR ASSOCIATION	500.00
2250	NAMI EASTSIDE	750.00
2252	TRUGREEN	1,023.94
2254	U.S. BANK PURCHASE CARDS	86,630.06
2259	MINUTEMAN PRESS	14,407.83
2262	DILIGENT CORPORATION	17,220.25
2270	LAKESIDE INDUSTRIES	914.10
2285	QUALITY WATER FINANCIAL	1,080.13
2298	WAPRO	145.00

IV. A. Approve Total Check #s 47803 through 47902 totaling \$256,033.99 a...

Vendor Purchasing Report

For Date Range 01/01/2021 - 08/06/2021

Vendor Set: Vendor Set 01

Vendor	Name	Volume
2318	PIXEYES GRAPHICS & DESIGN	780.00
2327	PACIFIC AIR CONTROL, INC.	8,696.19
2340	MOJO STRATEGIES	1,562.50
2353	NORTHSHORE SCHOOLS FOUNDATION	750.00
2362	CHASEWEST VENTURES, INC.	2,175.00
2379	JENNIFER DIXON	8,473.00
2382	FOCUS TOOLS & ENGINEERING, INC.	11,723.40
2385	TACOMA SCREW PRODUCTS, INC.	47.75
2386	CECCANTI, INC.	10,181,710.41
2392	DEPARTMENT OF COMMERCE	21,885.05
2393	SEATTLE PUMP & EQUIPMENT CO./JETTERS NORTHWE	1,304.69
2396	ZIPLY FIBER	6,002.87
2402	PACIFIC OFFICE AUTOMATION	594.12
2403	AMERICALL	1,118.16
2411	STELL ENVIRONMENTAL ENTERPRISES, INC	6,824.10
2413	ICLEI	1,200.00
2416	KIERA CONDON	1,600.00
2419	MIKE FOLDEN PRODUCTIONS	400.00
2421	SIGNARAMA	418.45
2425	THOMCO CONSTRUCTION, INC.	3,286,004.89
2434	PSR MECHANICAL	24,665.15
2459	NELSON ELECTRIC, INC.	18,989.64
2468	DAVIDSON MACRI SWEEPING, INC.	10,393.44
2473	THE ROOT OF US LLC	2,000.00
2482	KIMLEY HORN AND ASSOCIATES, INC.	22,410.00
2486	CASCADIA LAW GROUP	16,962.75
2489	THE ORIGINAL POOP BAGS	2,223.79
2508	SERENITY DILLAWAY	100.00
2511	SALCIDO, LETICIA	1,016.68
2512	CARASOFT TECHNOLOGY CORPORATION	3,630.00
2513	DGR DEVELOPMENT, INC.	7,500.00
2514	STAN YAO	7,804.00
2517	CLEARVIEW NURSERY, INC.	392.12
2518	CYSTIC FIBROSIS FOUNDATION	100.00
2519	HAMBELL	375.00
2520	KING COUNTY FINANCE	15.00
2521	UNITED PRINT SIGNS GRAPHICS	385.35
2522	TRC ENVIRONMENTAL CORPORATION	13,145.24
2523	ALL AROUND FENCE COMPANY	990.90
2524	VARITECH INDUSTRIES INC.	3,855.02
2525	SERVICE ELECTRIC CO. INC.	743.18
2526	CONVERGINT TECHNOLOGIES	5,259.61
2527	SHOC NETWORKS	8,222.78
2528	HIATT PARK LLC	16,306.20
2529	FORCE AMERICA DISTRIBUTING LLC	440.40
2530	CASCADIA CONSULTING GROUP, INC.	46,781.25
2531	BCN TELECOM, INC.	2,218.03
2532	BIO CLEAN, INC.	1,596.45
2533	JAMES R. WAGNER JR.	500.00
2535	BRASS MONKEY INVESTMENTS LLC	54.90
2536	JOHNSON ELECTRIC, INC.	7,727.92
2537	HUNTINGTON TECHNOLOGY FINANCE	47,388.75
2538	SHAWN PECKHAM	50.90
2539	C + C INC.	1,000.00
2540	CHILD CARE RESOURCES	375.00
2541	TOWN CENTER HARDWARE	115.26
2542	DEERE & COMPANY	9,074.74
2543	FOSTER GARVEY PC	28,028.00

IV. A. Approve Total Check #s 47803 through 47902 totaling \$256,033.99 a...

Vendor Purchasing Report

For Date Range 01/01/2021 - 08/06/2021

Vendor Set: Vendor Set 01

Vendor	Name	Volume
2544	ACTION SERVICES CORPORATION	1,456.00
2545	KLB CONSTRUCTION, INC.	2,138,320.31
2546	1901 WLD KENMORE 68TH LLC	31.50
2547	OSW EQUIPMENT & REPAIR, LLC	4,980.85
2548	CAMP UNITY EASTSIDE	6,400.00
2549	DAVID EVANS	192.33
2550	THOMAS & MARIANNE IVEY	7,500.00
2551	MICHAEL O'LEARY	171.68
2552	WEINSTEIN AU LLC	8,616.05
2553	TICOR TITLE	250,000.00
2554	ECONOMY FENCE CENTER	9,459.11
2555	VTO SCULPTURE	18,786.50
2557	NOVA BUILD INC	7,500.00
2558	FOREMOST PROMOTIONS	1,171.90
2559	KING COUNTY DEPT OF ADULT & JUVENILE DETENTION	736.53
2561	PRR, INC	15,498.36
2562	ABS VALUATION	3,000.00
2563	BELMONT HOMES	7,500.00
2564	DAVID CHAMBLISS	496.65
2565	KNOCKOUT PLUMBING & MECHANICAL LLC	235.20
2566	AMERICAN CITY BUSINESS JOURNALS, INC.	135.00
2569	FUN TIMES ICE CREAM	300.00
2570	H.D. FOWLER COMPANY	2,590.33
2571	AJ LEE & BLUE SUMMIT	1,000.00
2572	TIMBERLAND CONSTRUCTION	421.40
2573	WHISTLE WORKWEAR	173.71
2574	WANKER PRODUCTIONS	2,500.00
Vendor Set Vendor Set 01 Total:		24,620,265.31



City Council Business Agenda Item
City of Kenmore, WA

Subject/Topic: (1) Hold Public Hearing (2) Move to Adopt Ordinance No. 21-0532 An Ordinance of the City of Kenmore Washington, Authorizing the acquisition of real property, the City's participation in the State of Washington Local Program to finance such property, and the execution of a local agency site lease, a local agency financing lease, and related documentation relating to the acquisition of such property, and other matters related thereto. Proposed Council Action/Motion: Adopt Ordinance No. 21-0532	For Council Meeting Agenda of: August 30, 2021 Department: City Manager, Finance/Administration Prepared by: Leticia Salcido, Director Finance/Administration <table border="0"> <tr> <td>Approved by Department Head:</td><td><u>Initial & Date</u></td></tr> <tr> <td>Approved by City Attorney:</td><td><u>[Signature]</u></td></tr> <tr> <td>Approved by Finance Director:</td><td><u>[Signature]</u></td></tr> <tr> <td>Approved by City Manager:</td><td><u>RGK</u> RGR</td></tr> </table> Exhibits/Attachments: Attachment 1: Local Program Authorizing Ordinance No. 21-0532 Annex 1 – Notice of Intent Annex 2 – Local Agency Site Lease & Memo series 2021 C Annex 3 – Local Agency Financing Lease & Memo Annex 4 – Certificate Designating Authorized Agency Representatives Attachment 2: Certificate of authorizing ordinance	Approved by Department Head:	<u>Initial & Date</u>	Approved by City Attorney:	<u>[Signature]</u>	Approved by Finance Director:	<u>[Signature]</u>	Approved by City Manager:	<u>RGK</u> RGR
Approved by Department Head:	<u>Initial & Date</u>								
Approved by City Attorney:	<u>[Signature]</u>								
Approved by Finance Director:	<u>[Signature]</u>								
Approved by City Manager:	<u>RGK</u> RGR								
<u>INFORMATION/BACKGROUND:</u>									

At the end of 2018, the long-standing contract for public works maintenance provided by the City of Lake Forest Park ended. Kenmore created a new in-house public works maintenance operation starting in January 2019. Public works has been operating without a designated property for their shop and operation. The City's Capital Program for 2021-2026 identified and includes a capital project for the public works shop land acquisition and development.

In 2021, after an extensive search and review process, the City identified three contiguous properties that met the requirements for the public works shop location. The City of Kenmore entered into a purchase agreement at a total cost of \$5,850,000 (including closing costs).

Various financing options were researched and evaluated. The Local Program Real Estate financing for local governments offered by the Office of the State Treasurer surfaced as the best option for the City. Local financing is structured as a financing contract (lease) offered through the Office of the State Treasurer (OST). Participants enter into a financing contract (lease) with the Office of the State Treasurer. OST pools the various lease agreements across all Local participants and packages them as Certificates of Participation (COP). COP's are similar to municipal bonds, structured with regular principal and interest payments and sold to investors. By pooling with the State's Aa1 rated COP issuances and economy of scale LOCAL participants are able to take advantage of the State's very low tax-exempt interest rates and lower issuance costs. The next and final time, in 2021, that OST will go to market is October 2021. The City submitted a Notice of intent and credit form (non-binding) for credit consideration and financing in the amount of \$5,850,000. The City received credit approval on August 10, 2021. Final rates will be locked in at issuance. As of August, the estimated annual debt service is \$385,000 with payment due on June 1 (principal/interest) and December 1 (interest only).

The timeline is as follows:

- Sale date – October 26, 2021
- Funds available – November 17, 2021
- First payment due date – December 1, 2021

The next step in this process is the review, consideration, and approval of the following documents and subsequent submittal to the Office of the State Treasurer by September 7, 2021. The documents include the following:

- 1) Authorizing Ordinance – authorizes the financing of the property through the LOCAL Program and specifies the number of agency representatives required to execute the financing. The Local financing lease to be in an amount not to exceed \$5,850,000 plus related financing costs. Designating a minimum of one (1) authorized Agency Representative that will be required to execute any one documents in order for it to be considered duly executed on behalf of the Local Agency.
 - a. Annex 1 – Notice of intent
 - b. Annex 2 – Local Agency Site Lease & Memo – provides the collateral for the financing lease
 - c. Annex 3 – Local Agency Financing Lease & Memo – establishes the contractual obligations of the Local Agency in the transaction.
 - d. Annex 4 - Certificate Designating Authorized Agency Representatives – Names the agency representatives authorized to execute the financing documents. The authorized representative listed on this form include the City Manager, Assistant City Manager & Director of Finance/Administration.
- 2) Certificate of authorizing ordinance – certifies a true copy of the ordinance

This is the public hearing of the Ordinance and questions and comments from the City Council are encouraged.

FISCAL CONSIDERATION:

The Ordinance provides authorization for the execution of a Local agency Financing Lease, in the amount of \$5,850,000, related to the acquisition of real property.

COUNCIL GOAL/BUDGET OBJECTIVE BEING ADDRESSED:

CITY OF KENMORE, WASHINGTON

ORDINANCE NO. 21-0532

AN ORDINANCE OF THE CITY OF KENMORE, WASHINGTON, AUTHORIZING THE ACQUISITION OF REAL PROPERTY, THE CITY'S PARTICIPATION IN THE STATE OF WASHINGTON LOCAL PROGRAM TO FINANCE SUCH PROPERTY, AND THE EXECUTION OF A LOCAL AGENCY SITE LEASE, A LOCAL AGENCY FINANCING LEASE, AND RELATED DOCUMENTATION RELATING TO THE ACQUISITION OF SUCH PROPERTY, AND OTHER MATTERS RELATED THERETO.

WHEREAS, the City of Kenmore, Washington (the "City") has executed a Notice of Intent to the Office of State Treasurer, in the form attached hereto as Annex 1 (the "NOI"), in relation to the acquisition of and the financing of the acquisition, improvement and betterment (collectively, the "acquisition") of the Property, as defined below, under the provisions of chapter 39.94 RCW; and

WHEREAS, after due consideration, the City Council (the "City Council" or "Council") of the City has deemed it necessary and advisable that the City acquire the real property, equipment, improvements, and fixtures identified on Annex 1 attached hereto ("Property"); and

WHEREAS, it is deemed necessary and advisable by the City Council that the City enter into a Local Agency Site Lease with the Washington Finance Officers Association (the "Corporation") in the form attached hereto as Annex 2 (the "Local Agency Site Lease") to facilitate the financing of the Property; and

WHEREAS, it is deemed necessary and advisable by the City Council that the City enter into a Local Agency Financing Lease with the Office of the State Treasurer, in the form attached hereto as Annex 3 (the "Local Agency Financing Lease"), in an amount not to exceed \$5,850,000, plus related financing costs, in order to acquire the Property, and finance the acquisition of the Property; and

WHEREAS, the City will undertake to acquire and/or improve the Property on behalf of and as agent of the Corporation pursuant to the terms of the Local Agency Financing Lease, and in accordance with all applicable purchasing statutes and regulations applicable to the City; and

WHEREAS, the City desires to appoint the individuals set forth in Annex 4 as the designated representatives of the City in connection with the acquisition of the Property and execution of the Local Agency Financing Lease (each, an "Authorized Agency Representative");

Attachment 1

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF KENMORE, WASHINGTON, DO ORDAIN AS FOLLOWS:

Section 1. The City's participation in the State LOCAL Program ("LOCAL Program") to finance the Property is hereby approved. The Property and related project include the acquisition, construction, improvement, equipping and maintenance of City public works and shop facilities, including real property. The individuals holding the offices or positions set forth in Annex 4 are each hereby appointed as a representative of the City in connection with the acquisition of the Property and execution of the Local Agency Financing Lease, the Local Agency Site Lease, and all other related documents. The signature of one Authorized Agency Representative shall be sufficient to execute any document in order for it to be considered duly executed on behalf of the City.

Section 2. The form of the Local Agency Site Lease, attached hereto as Annex 2, is hereby approved and the Authorized Agency Representatives are hereby authorized and directed to execute and deliver the Local Agency Site Lease, in substantially the form attached hereto with such changes as may be approved by the Authorized Representatives, to facilitate the acquisition and/or improvement of the Property and financing of the acquisition of the property.

Section 3. The form of the Local Agency Financing Lease, attached hereto as Annex 3, is hereby approved and the Authorized Agency Representatives are hereby authorized and directed to execute and deliver the Local Agency Financing Lease, in an amount not to exceed \$5,850,000, plus related financing costs, and in substantially the form attached hereto with such changes as may be approved by the Authorized Representatives, for the acquisition of the property and financing of the acquisition of the Property.

Section 4. The City hereby authorizes the acquisition of the Property as agent of the Corporation in accordance with the terms and provisions of the Local Agency Financing Lease.

Section 5. The Authorized Representatives are hereby authorized to execute and deliver to the Office of State Treasurer all other documents, agreements and certificates, and to take all other action, which they deem necessary or appropriate in connection with the financing of the Property, including, but not limited to, any amendment to the NOI, any tax certificate and any agreements relating to initial and ongoing disclosure in connection with the offering of securities related to the financing.

Section 6. The City reasonably expects to reimburse prior expenditures relating to the Property with proceeds of the Local Agency Financing Contract. Such prior expenditures have been or are expected to be made with available revenue of the City. The maximum principal amount of such reimbursement for prior expenditures for costs of the Property will not exceed \$5,850,000.

Attachment 1

Section 7. This ordinance shall be published in the official newspaper of the City, and shall take effect and be in full force five (5) days after the date of the publication.

PASSED BY THE CITY COUNCIL OF THE CITY OF KENMORE, WASHINGTON
AT A SPECIAL MEETING ON THIS 30TH DAY OF AUGUST, 2021.

CITY OF KENMORE, WASHINGTON

David Baker, Mayor

ATTEST/AUTHENTICATED:

Kelly Chelin, City Clerk

Approved as to form:

Pacifica Law Group LLP

Date of Publication: _____

Effective Date: _____

Annex 1

NOI (Attached)

Notice of Intent

State of Washington LOCAL PROGRAM

Local Agency Information

Legal Name: CITY OF KENMORE

County: KING

Address: 18120 68th Ave. NE

Contact Person: Leticia Salcido

Phone: 425-398-6190

E-mail: lsalcido@kenmorewa.gov

MCAG No.:

Zip: 98028

Title: Director Finance/Administration

Fax: 425-481-3236

Property (Real Estate or Equipment)

Property description (include quantity, if applicable): purchase of lots for construction of public works shop. 6506, 6520 & 6450

Purpose of property (Please be specific and include dept. of use):

construction of public works shop

Total Project/Property Cost \$ 5,850,000

Finance term: 25 years

Local Funds \$ ()

Useful life: 50+

Grants \$ ()

Desired financing date: October 2021

Other \$ ()

LOCAL Financing Request: \$ 5,850,000

If **real estate**, the Real Estate Worksheet: ☒ Is attached ☐ Will be provided by (date):If **equipment**, select how the property purchase price will be paid:

☐ Reimbursement to Local Agency. *If expenditures are made prior to the COP closing date, a Reimbursement Resolution will be required with your financing documents. To comply with IRS requirements, expenditures made more than 60 days prior to the date of the resolution cannot be reimbursed.*

☐ Direct payment to vendor. *Confirm the vendor is registered in the Statewide Vendor System at <https://ofm.wa.gov/it-systems/statewide-vendorpayee-services> or call 360.407.8180.*

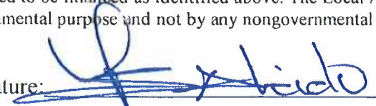
Security Pledge
☐ Voted general obligation of local government ☒ Non-voted general obligation of local government
Other Information

If any of the following apply, please provide a complete discussion on a separate page:

☐ Yes ☒ No Is the local agency a party to significant litigation?

☐ Yes ☒ No Has the agency received a bond rating in the last two years? If yes, bond rating(s):
(attach rating agency letter)

The Local Agency reasonably expects to be reimbursed for original expenditures made to acquire the personal/real property from sale proceeds of certificates of participation in a Personal/Real Property Financing Lease with the State Treasurer in the maximum amount expected to be financed as identified above. The Local Agency reasonably expects that the personal/real property will be used for its governmental purpose and not by any nongovernmental person for private business use.

Signature: 

Date: 7/1/2021

Printed Name: Leticia Salcido

Title: Director Finance/Administration

Credit Application

State of Washington LOCAL PROGRAM

Please provide the following information with the agency's Notice of Intent to finance through the LOCAL PROGRAM.

General

Local Agency Name: CITY OF KENMORE

Located in the incorporated community of: Kenmore Washington

Population served: 23450

Please provide a brief background on the agency: when it was formed, recent changes in service area or tax base related to annexations or mergers.

City of Kenmore is located in the northern part of King county. The City was incorporated in 1998 and is comprised of 6.1 sq. miles and 7984 occupied housing units (2010).

Are you aware of any proposed changes to the tax base of the agency such as plans to annex/merge/dissolve portions of a district/county/city)? If so, how would this affect the agency's size and operations?

no known changes to tax base of the agency.

Provide the number of agency employees in each of the past three years. Do unions represent employees or bargaining groups? If yes, when do the associated contracts expire? Are labor relations considered satisfactory?

2021 - 44.64, 2020 - 42.64, 2019 - 42.04, 2018 - 33.89,

The city does not have unions or bargaining groups for employee representation. labor relations appear satisfactory.

Discuss any major changes to significant employers or taxpayers in the area. Are you aware of pending closures or changes in employment levels?

No known significant changes to employer/taxpayer base in the area. There is no known pending closures or changes in employer levels. No known pending closures or change in employment levels.

Special Purpose Districts only: List facilities and major equipment operated by the district.

n/a

Litigation

Please accept or modify as appropriate, the following:

There is not now pending or, to the best of knowledge, threatened, any litigation restraining or enjoining the execution of the Local Agency Financing Agreement or the levy and collection of taxes to pay the payments thereunder. The City is party to routine legal proceedings and claims, and the collective impact of these legal proceedings and claims is not likely to have a material impact on revenues of the entity.

Assessed Valuation

Please complete the table below on assessed value, noting the source materials. Explain any unique or unusual valuation numbers (e.g. revaluation year).

Year of tax collection (include last 5 years)	Total assessed value for regular levy	Reduced assessed value for excess or bond levy
Current year	5,286,534,417	
2020	5,300,171,003	
2019	4,851,092,698	
2018	4,243,907,472	
2017	3,903,901,850	
2016	3,606,487,174	

Tax Levy and Rate

Provide the levy rate per \$1,000 assessed to taxpayers for the last five years, and the dollar amount of regular levy.

Year of Tax Collection	Regular Levy Rate per \$1,000	Regular Levy Total \$\$ Levied	Other Levy Rate per \$1,000	Bond Levy Rate per \$1,000	Levy Lid Lift Included? (Y/N) If Y, provide amount
Current Year	1.01	5359025		0.147	
2020	1.00	5,306,488		0.10	
2019	1.14	5,053,032		0.25	
2018	1.14	4,837,631		0.29	
2017	1.20	4,677,083		0.29	
2016	1.26	4,537,138		0	

Does the agency currently have authority to impose any voter-approved levy lid lifts in the future? If so, please describe the term(s) and authorized amount(s) of such lid lifts.

no

Has the levy rate been reduced in recent years because of other taxing district levies?

no

Are you aware of any potential or impending constraints or reductions associated with the agency's levy rates? If yes, please explain.

no

Financial Operations**Statement of Revenues and Expenditures and Fund Balance Report**Basis of accounting: ☒ Cash ☐ Accrual

Please attach copies of the Statement of Revenues and Expenditures and Fund Balance Report for the General or Operating Fund, for the past five years. Clearly indicate whether each year has been audited. If financial statements are not available for the most recent year, please provide preliminary numbers. Please provide details to explain any unusual activity such as one-time expenditures or revenues.

☒ The past 5 years of financial reports are attached

Budget – General/Operating Fund (2 years)

Please attach the budget summary for the General or Operating fund for the current and past year. Be sure it includes summary information on revenues and expenditures – do not send the entire budget.

☒ Budget reports are attached

Please discuss any ending fund balance policies. Is there an expectation that the ending fund balance will be drawn down to a pre-determined level in the future? If so, why and when?

The city has a financial policy - to maintain undesignated General Fund reserves at no less than 20% of annual budgeted.

Service Contracts

Briefly describe any service contracts (terms, length, dollar value, etc), including contracts with cities, counties or special purpose districts within the applicant's boundaries, if any. If such contracts constitute more than 10% of your agencies annual operating revenues or expenditures, please provide a history of the specific revenue/expenditures associated with the contract(s) and the remaining term of the contract(s). An example of such a contract might include a fire district that receives revenue from another entity for purposes of fire protection services outside of that fire district's natural boundaries.

The City contracts with King County for provision of law enforcement services to the City. The annual contract cost for 2021 is \$3.7 million.

The City contracts with King County for provision of court services to the City. The current contract expires on

Debt**Outstanding Long-term Debt**

Provide the following information on all outstanding debt. Include general obligation debt and other types of debt that are payable from the agency's general or operating fund, as well as any outstanding state loans. Use an additional page or attachment if necessary.

	Debt No. 1	Debt No. 2	Debt No. 3
Description of debt	Unlimited Tax - General Obligation Bonds		
First payment date	12/01/2017		
Last payment date	12/01/2036		
Voted or non-voted pledge	Voted	Voted	Voted
Amount originally borrowed	\$9,220,000		
Amount currently outstanding	\$6,210,000		
Annual payments due	\$531,000		
Fund responsible for repayment	Debt Service Fund - 200		

Short-term Obligations

Provide information on any short-term obligations including interfund loans or loans from the County Treasurer, noting the amount of the loan, the purpose, the repayment schedule and the fund source for repayment.

n/a

Additional Financing Plans

Discuss additional financing plans that are in process or anticipated over the next 18 to 24 months.

The city is in the process of issuing series 2 of Unlimited Tax General Obligation Bonds for walkways/waterways projects. Series two will be in the amount of \$10 million. A ballot measure was approved at an election held in the City on November 8, 2016, which authorized the City to issue up to \$19,750,000 of unlimited tax general obligation bonds for the purpose of financing the construction of new sidewalks and pedestrian and bicycle safety improvements along arterials and

Expected payment source for COP lease payments

Does the agency anticipate making the COP lease payments from a source other than the agency's general or operating fund? If so please describe this alternative source of funds, provide a 5-year history and any other claims on this source of funds.

The COP lease payments will be paid by the General Fund. Other funds will reimburse the General Fund for their respective share of the cost. Other funds include Surface Water fund, Street Fund, and Transportation Benefit District Fund.

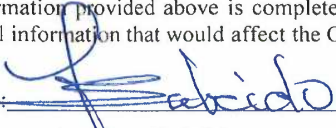
Reserves

Does the agency maintain any financial reserves outside of its general or operating fund? Please describe these reserves, provide a 5-year history and any expected expenditure of these reserve funds in the near future.

The City maintains a Strategic Reserve fund whose purpose is to serve as the City's emergency reserve fund. The ending fund balance was as follows: 2020-\$1,345,297, 2019-\$1,333,964, 2018-\$1,309,777, 2017-\$1,286,663, 2016-\$1,273,849. No expenditures are budgeted for 2021/2022 out of this fund.

Provide any additional information that would be helpful for the review of the LOCAL PROGRAM credit application.

The information provided above is complete and accurate to the best of my knowledge. I am not aware of any additional information that would affect the Office of the State Treasurer's review of the agency.

Signature: 

Date: 07/01/2021

Printed Name: Leticia Salcido

Title: Director Finance/Administrati

Forward this application to the LOCAL Program
matthew.schoenfeld@tre.wa.gov
brianna.may@tre.wa.gov
Office of the State Treasurer, Legislative Building, PO Box
40200, Olympia, WA 98504-0200
(360) 902-9022

LOCAL Real Estate Financing and Project Overview

General

Common name of property/building	Public works shop	
Address of property/building	6506, 6520, 6450 NE 202 nd street Kenmore WA	
Contact Information	Leticia Salcido – Director of Finance & Administration	
Finance Contact		Real Estate/Construction Contact
Name	Leticia Salcido	Name
Title	Director Finance/Administration	Title
Phone	425-398-6190	Phone
Email	lsalcido@kenmorewa.gov	Email

Select the type of project you intend to finance:

- ☐ New Construction
☒ Acquisition of Property
☐ Refinancing – *Please provide a copy of the existing financing contract to OST*

Timing

Target acquisition date, if acquisition :	August, September 2021
Expected timing, if construction: 2023	
Bid date:	
Construction start:	
Construction completion:	

Required Information and Documentation

Please attach a copy of the **legal description** of the property

Has a title report or preliminary commitment for **title insurance** been obtained?

☒ The Legal Description is included

☐ Yes ☐ No
If yes, please provide a copy to OST.

will forward as soon as obtain a copy.

Estimated Project and Finance Information *

Please provide an estimated project budget as follows. All soft costs should be identified.

Acquisition Price	5,700,000
Acquisition Costs (provide detail)	150,000
Title Insurance	
Phase I	
Other	
Other	
Construction Costs	
Contract price	
Architect/Engineer	
Other	
Total project cost	
Amount paid by agency	
Total amount to be financed	5,850,000

** Include only costs to be incurred by the Agency. All costs relating to the LOCAL Program financing will be estimated and provided by the Office of the State Treasurer.*

Desired length of financing	25 years
Repayment source (i.e. voted levy, revenue, savings from payment reductions)	General Fund

Use of Land or Building

Building size	sq ft - n/a
Who will occupy the building upon completion of the project?	City of Kenmore
What is the intended use of the building?	public works shop
Who were the previous tenants?	private owners
What was the previous use?	residential
Is the property to be acquired currently occupied by any agency of the State, or other local government agencies?	☐ Yes ☒ No
If so, are any private or federal government tenant leases expected to continue?	n/a
For any private or federal government leases that are expected to continue, please provide the following for <u>EACH</u> tenant: n/a	
Business/agency use	
Ending date of lease term	
Terms of any renewal options	
Periodic lease payments	(monthly) (annually)
Square footage occupied	
Intended use by the State Agency	
Any state agency leases that are expected to continue must be assigned to the State Agency. Also, for any private tenants, estoppels must be provided, and all security deposits and prepaid rents should be transferred to the Agency. n/a	
Does the Agency expect to enter into ANY type of management agreements, service contracts or other business arrangements relating to the property with any other parties?	no
Has a Phase 1 Environmental Review been performed? If so, were there any item that indicated the need for a Phase 2 review?	no

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Association
ALL RIGHTS RESERVED



Form: PS_1A
Purchase & Sale Agreement
Rev. 7/2020
Page 17 of 17

**COMMERCIAL & INVESTMENT REAL ESTATE
PURCHASE & SALE AGREEMENT
(CONTINUED)**

EXHIBIT A *
[Legal Description]

Parcel Number: 011410-0370 (King County)

ALDERWOOD MANOR # 14 LOT A KC SHORT PLAT #274038 AF #7408270358 SD SHORT PLAT DAF LOT 2
BLOCK 8 ALDERWOOD MANOR #14 LESS NLY 624.85 FT AS MEAS ALG E & W LNS SD LOT 2 PLAT
BLOCK: 8 PLAT LOT: 2

Parcel Number: 011410-0371 (King County)

ALDERWOOD MANOR #14 LOT B KC SHORT PLAT #274038 AF #7408270358 SD SHORT PLAT DAF LOT 2
BLOCK 8 ALDERWOOD MANOR #14 LESS NLY 624.85 FT AS MEAS ALG E & W LNS SD LOT 2 PLAT
BLOCK: 8 PLAT LOT: 2

The Parties agree that the Title Insurance Company providing Title Insurance or this transaction may substitute
or perfect the Legal Description at Closing.

* To ensure accuracy in the legal description, consider substituting the legal description contained in the
preliminary commitment for title insurance or a copy of the Property's last vesting deed for this page. Do not
neglect to label the substitution "Exhibit A." You should avoid transcribing the legal description because any error
in transcription may render the legal description inaccurate and this Agreement unenforceable.

INITIALS: Buyer RYK Date 6-7-21 Seller [Signature] Date 6-7-21
Buyer _____ Date _____ Seller _____ Date _____

EXHIBIT A TO SELLER'S CLOSING CERTIFICATE

Legal Description:

LOT 3, BLOCK 8, ALDERWOOD MANOR NO. 14, ACCORDING TO THE
PLAT THEREOF RECORDED IN VOLUME 26, PAGE 4, RECORDS OF
KING COUNTY, WASHINGTON.

EXCEPT THE NORTHERLY 624.85 FEET THEREOF;

SITUATE IN THE COUNTY OF KING, STATE OF WASHINGTON.

TAX PARCEL NUMBER: 011410-0375-08

-20-

787049.4 - 363945 -0021
FG:54341471.1

Annex 2

Form of Local Agency Site Lease (Attached)

Transaction No. 1268-1-1

LOCAL AGENCY SITE LEASE, SERIES 2021C

by and between the

CITY OF KENMORE, WASHINGTON, as lessor

and the

WASHINGTON FINANCE OFFICERS ASSOCIATION, as lessee

Dated as of November 17, 2021

LOCAL AGENCY SITE LEASE, SERIES 2021C

THIS LOCAL AGENCY SITE LEASE, SERIES 2021C (the "Site Lease"), dated as of November 17, 2021 (the "Dated Date"), is entered into by and between the City of Kenmore, Washington, a municipal corporation duly organized and existing under and by virtue of the laws of the state of Washington (the "Local Agency"), and the Washington Finance Officers Association, a Washington nonprofit corporation (the "Corporation").

RECITALS:

The Parties are entering into this Site Lease based upon the following facts and expectations:

1. Chapter 39.94 RCW (the "Act") authorizes the state of Washington (the "State"), acting by and through the State Treasurer (the "State Treasurer"), to enter into financing contracts, including but not limited to financing leases, on behalf of certain "other agencies" ("Local Agencies") for the use and acquisition for public purposes of real and personal property by such Local Agencies; and

2. the Local Agency has determined that it is necessary and desirable to lease the Site legally described in Exhibit A to the Corporation for the purpose of enabling the Corporation to sublease the Site to the State, and further to enable the State to sublease the Site back to the Local Agency, to provide financing or refinancing for the acquisition or construction of improvements on the Site (the "Project," and, together with the Site, the "Property"); and

3. simultaneously with the execution and delivery of this Site Lease, the State is entering into a Master Financing Lease, Series 2021C, dated as of the Dated Date (the "Master Financing Lease"), with the Corporation to provide financing for the costs of acquisition or improvement of various parcels of real property for and on behalf of certain State Agencies and Local Agencies, including the Local Agency, under the terms set forth therein; and

4. pursuant to the Master Financing Lease, the State is obligated to make Rent Payments to the Corporation for the lease of the Property; and

5. simultaneously with the execution and delivery of the Master Financing Lease, the State will sublease the Property to the Local Agency pursuant to a Local Agency Financing Lease, Series 2021C (the "Agency Financing Lease"), dated as of the Dated Date; and

6. the Corporation will grant, sell, assign, transfer and convey without recourse to the Trustee all of its rights to receive the Rent Payments scheduled to be made by the State under the Master Financing Lease, together with all of its remaining right, title and interest in, to and under this Site Lease, the Master Financing Lease, the Agency Financing Leases and the Property by means of a Master Assignment, Series 2021C (the "Master Assignment"), dated as of the Dated Date; and

7. in consideration of such assignment and pursuant to the Trust Agreement, Series 2021C (the "Trust Agreement"), dated as of the Dated Date, by and among the Trustee,

the State and the Corporation, the Trustee has agreed to execute and deliver the State of Washington Certificates of Participation, Series 2021C (State and Local Agency Real and Personal Property), in an aggregate principal amount of \$[_____] (the "Certificates"), a portion of the proceeds of which will be used to finance or refinance the costs of the Project;

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein and for other valuable consideration, the Parties agree as follows:

SECTION 1. Definitions; Construction; Miscellaneous Provisions; Supplements.

Appendix 1 to the Series 2021C Agreements ("Appendix 1") is incorporated as part of this Site Lease by this reference. Appendix 1 provides (i) definitions for the capitalized terms used and not otherwise defined in this Site Lease; (ii) certain rules for interpreting this Site Lease; (iii) miscellaneous technical provisions that apply to this Site Lease; and (iv) rules on how this Site Lease may be amended or supplemented.

SECTION 2. Lease of the Site; Ownership.

(a) The Local Agency leases to the Corporation on the terms and conditions hereinafter set forth, the Site legally described in Exhibit A, subject to all easements, covenants, conditions and restrictions existing as of the date hereof.

(b) The Local Agency represents and warrants that it is the owner in fee of the Site, subject only to Permitted Encumbrances.

SECTION 3. Term.

The term of this Site Lease shall commence on the Dated Date, and shall end on _____, unless such term is extended or sooner terminated as hereinafter provided. If on such date, the Local Agency Financing Lease shall not be discharged by its terms, then the term of this Site Lease shall be extended until 10 days after all amounts due under the Local Agency Financing Lease shall have been paid and the Local Agency Financing Lease shall have been discharged by its terms, except that the term of this Site Lease shall in no event be extended beyond _____. If prior to _____, all amounts due under the Local Agency Financing Lease shall have been paid and the Local Agency Financing Lease shall have been discharged by its terms, the term of this Site Lease shall end 10 days thereafter or 10 days after written notice by the Local Agency to the Corporation, whichever is earlier.

SECTION 4. Rental.

The Corporation shall pay to State Treasurer, for the benefit of the Local Agency pursuant to the Master Financing Lease and the Local Agency Financing Lease, as the total rent due hereunder, the amount set forth in Exhibit B (the "Prepaid Site Lease Rent"), all of which shall be payable on the Closing Date. The Parties agree that the amount of the Prepaid Site Lease Rent represents fair consideration for the leasehold interest being transferred hereunder, given the purposes, terms and provisions hereof. The Corporation shall not be obligated to pay such rent other than from the proceeds of the Certificates. Anything herein to the contrary notwithstanding, the Corporation waives any right that it may have under the laws of the State to

a rebate or repayment of any portion of such rent in the event that there is substantial interference with the use or right to possession by the Corporation of the Site or any portion thereof as a result of material damage, destruction or condemnation.

SECTION 5. Purpose.

The Corporation shall use the Site solely for the purpose of subleasing the Property to the State pursuant to the Master Financing Lease, to enable the State to sublease the Property to the Local Agency pursuant to the Local Agency Financing Lease, and for such purposes as may be incidental thereto; *provided*, that in the event of a default by the State under the Master Financing Lease or by the Local Agency under the Local Agency Financing Lease, the Corporation may exercise the remedies provided therein.

SECTION 6. Assignments and Subleases.

(a) The Corporation shall not grant, sell, assign, mortgage, pledge, sublet or transfer any of its right, title or interest in, to or under this Site Lease or the Site except as expressly provided in the Master Assignment, the Master Financing Lease and the Local Agency Financing Lease, without the prior written consent of the Local Agency. The Local Agency consents to the sublease of the Property pursuant to the Master Financing Lease, and the assignment of the Corporation's right, title and interest hereunder to the Trustee pursuant to the Master Assignment for the benefit of the Owners of the Certificates.

(b) Upon the occurrence and continuance of an Event of Default or Agency Event of Default with respect to the Property, the Corporation shall have the right, pursuant to the Master Assignment, the Trust Agreement and the Master Financing Lease, to sublease all or any portion of the Property; *provided*, that the subtenant and the terms and provisions of the sublease shall be subject to the prior written approval of the Local Agency, which approval shall not be unreasonably withheld or delayed.

SECTION 7. Right of Entry.

The Local Agency reserves the right for any of its duly authorized representatives to enter upon the Site at any reasonable time (or in an emergency at any time) to inspect the same, or to make any repairs, improvements or changes necessary for the preservation thereof.

SECTION 8. Termination.

The Corporation agrees, upon the termination or expiration of this Site Lease, to quit and surrender the Site in the same good order, condition and repair as the same was in at the time of commencement of the term hereunder, except for acts of God, reasonable wear and tear, and any actions by the Local Agency that affect the condition of the Site. The Corporation agrees that any permanent improvements and structures existing upon the Site at the time of such termination or expiration of this Site Lease shall remain thereon and title thereto shall vest in the Local Agency. The Corporation shall thereafter execute, acknowledge and deliver to the Local Agency such instruments of further assurance as in the reasonable opinion of the Local Agency are necessary or desirable to confirm the Local Agency's right, title and interest in and to the Site.

SECTION 9. Default.

In the event that the Corporation shall be in default in the performance of any obligation on its part to be performed under the terms of this Site Lease, which default continues for 60 days following notice and demand for correction thereof to the Corporation, the Local Agency may exercise any and all remedies granted by law, except that as described in Section (k) of Part 3 of Appendix 1, no merger of this Site Lease shall be deemed to occur as a result thereof; *provided, however*, that the Local Agency shall have no power to terminate this Site Lease by reason of any default on the part of the Corporation; and *provided further*, that so long as any Certificates are outstanding and unpaid in accordance with the terms of the Trust Agreement and the Master Financing Lease, the Rent Payments or Additional Rent or any part thereof payable to the Corporation shall continue to be paid to the Corporation. So long as the Trustee shall duly perform the terms and conditions of this Site Lease, the Master Assignment, the Master Financing Lease and of the Trust Agreement, the Trustee shall be deemed to be and shall become the tenant of the Local Agency hereunder and shall be entitled to all of the rights and privileges granted to the Corporation hereunder and under the Master Assignment, the Master Financing Lease and the Trust Agreement.

SECTION 10. Waiver.

No delay or omission to exercise any right or remedy accruing upon a default hereunder shall impair any such right or remedy or shall be construed to be a waiver of such default, but any such right or remedy may be exercised from time to time and as often as may be deemed necessary or expedient. In order to exercise any remedy reserved to the Local Agency hereunder, it shall not be necessary to give any notice, other than such notice as may be required hereunder. A waiver by the Local Agency of any default hereunder shall not constitute a waiver of any subsequent default hereunder, and shall not affect or impair the rights or remedies of the Local Agency in connection with any such subsequent default.

SECTION 11. Quiet Enjoyment.

The Corporation and its authorized assignees and sublessees at all times during the term of this Site Lease, subject to the provisions of Section 9, shall peaceably and quietly have, hold and enjoy all of the Site without suit, trouble or hindrance from the Local Agency.

SECTION 12. Taxes.

The Local Agency covenants and agrees to pay any and all Impositions of any kind or character, including but not limited to possessory interest taxes, levied or assessed upon the Property (including both land and improvements), or with respect to this Site Lease, the Local Agency Financing Lease, or the lease of the Property pursuant to the Master Financing Lease; *provided, however*, that the Local Agency shall not pay any possessory interest taxes levied as a result of any assignment or sublease of or with respect to all or any part of the Property then in effect between the Corporation and any assignee or subtenant of the Corporation (other than as lessee under the Local Agency Financing Lease).

SECTION 13. Eminent Domain; Loss of Title.

In the event the whole or any part of the Property is taken permanently or temporarily under the power of eminent domain (or sold under threat of condemnation), or there is a loss of title to the whole or any part of the Property, the interest of the Corporation in the Property shall be recognized and is hereby determined to be an amount not less than the then unpaid indebtedness incurred by the Local Agency under its Local Agency Financing Lease. The term "unpaid indebtedness," as used in the preceding sentence, includes all unpaid Agency Principal Components, Agency Interest Components and all other payments required to be made by the Local Agency pursuant to the Local Agency Financing Lease, until all Agency Rent Payments due thereunder have been paid or the payment thereof provided for in accordance therewith. The amount of any such award, judgment or payment shall be paid to the Corporation, and the balance, if any, in excess of the unpaid indebtedness shall be paid to the Local Agency.

IN WITNESS WHEREOF, the Local Agency and the Corporation have caused this Site Lease to be executed in their respective names by their respective duly authorized officers, all as of the Dated Date.

CITY OF KENMORE, WASHINGTON, as lessor

By _____
Authorized Agency Representative

By _____
Authorized Agency Representative

By _____
Authorized Agency Representative

WASHINGTON FINANCE OFFICERS
ASSOCIATION, as lessee

By _____
Authorized Corporation Representative

[illegible]

I certify that I know or have satisfactory evidence that _____ is the person who appeared before me, and said person acknowledged that [s]he signed this instrument, on oath stated that [s]he was authorized to execute the instrument and acknowledged it as _____ of the CITY OF KENMORE, WASHINGTON to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: _____

(Use this space for notarial stamp/seal)

(Signature of Notary)

Print Name

(Legibly Print or Stamp Name of Notary)

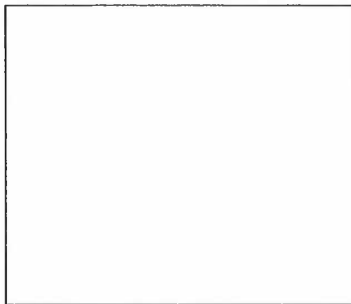
Notary public in and for the state of Washington, residing at

My commission expires _____

STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

I certify that I know or have satisfactory evidence that _____ is the person who appeared before me, and said person acknowledged that [s]he signed this instrument, on oath stated that [s]he was authorized to execute the instrument and acknowledged it as _____ of the CITY OF KENMORE, WASHINGTON to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: _____



(Use this space for notarial stamp/seal)

(Signature of Notary)

Print Name _____

(Legibly Print or Stamp Name of Notary)

Notary public in and for the state of Washington, residing at _____

My commission expires _____

STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

I certify that I know or have satisfactory evidence that _____ is the person who appeared before me, and said person acknowledged that [s]he signed this instrument, on oath stated that [s]he was authorized to execute the instrument and acknowledged it as _____ of the CITY OF KENMORE, WASHINGTON, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: _____

(Use this space for notarial stamp/seal)

(Signature of Notary)

Print Name

(Legibly Print or Stamp Name of Notary)

Notary public in and for the state of Washington, residing at

My commission expires _____

STATE OF WASHINGTON)
) ss.
 COUNTY OF THURSTON)

I certify that I know or have satisfactory evidence that DALE E. HOUGH is the person who appeared before me, and said person acknowledged that he signed this instrument, on oath stated that he was authorized to execute the instrument and acknowledged it as the President of the WASHINGTON FINANCE OFFICERS ASSOCIATION to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: _____



(Use this space for notarial stamp/seal)

 (Signature of Notary)

Print Name DEBORAH A. ARCHER
 (Legibly Print or Stamp Name of Notary)

Notary public in and for the state of Washington, residing at
Olympia, WA

My commission expires 2-18-2023

N-4

LOCAL AGENCY SITE LEASE

FG-54351661.1

EXHIBIT A
Description of Site

A-1

FG:54351661.1

LOCAL AGENCY SITE LEASE

EXHIBIT B

Prepaid Site Lease Rent

Ten Dollars (\$10.00)

B-1

LOCAL AGENCY SITE LEASE

FG:54351661.1

Recording Requested by and Return To:
WASHINGTON FINANCE OFFICERS
ASSOCIATION
c/o Foster Garvey P.C.
1111 Third Avenue, Suite 3000
Seattle, Washington 98101
Attn: William G. Tonkin

MEMORANDUM OF LOCAL AGENCY SITE LEASE, SERIES 2021C

This Memorandum of a Local Agency Site Lease dated as of November 17, 2021, having a term ending on [____], unless extended or sooner terminated as permitted therein, which Local Agency Site Lease is between the CITY OF KENMORE, WASHINGTON, as Lessor, and the WASHINGTON FINANCE OFFICERS ASSOCIATION, as Lessee, with respect to the land described on Exhibit A, attached hereto and incorporated herein by this reference.

Abbreviated Legal Description:

Full Legal Description See Exhibit A

Assessor's Tax Parcel ID No.

**Reference number(s) of related/
assigned/released/document(s):** _____

[SIGNATURES ON FOLLOWING PAGE]

[Signature page Memorandum of Local Agency Site Lease]

Lessor:

CITY OF KENMORE, WASHINGTON

By _____
Authorized Agency Representative

By _____
Authorized Agency Representative

By _____
Authorized Agency Representative

Lessee:

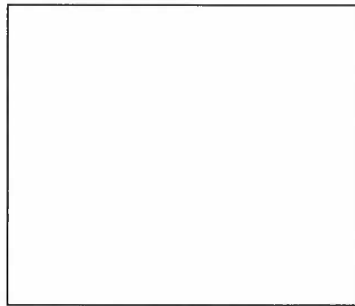
WASHINGTON FINANCE OFFICERS
ASSOCIATION

By _____
Authorized Corporation Representative

STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

I certify that I know or have satisfactory evidence that _____ is the person who appeared before me, and said person acknowledged that [s]he signed this instrument, on oath stated that [s]he was authorized to execute the instrument and acknowledged it as _____ of the CITY OF KENMORE, WASHINGTON to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: _____



(Use this space for notarial stamp/seal)

(Signature of Notary)

Print Name _____
(Legibly Print or Stamp Name of Notary)

Notary public in and for the state of Washington, residing at _____

My commission expires _____

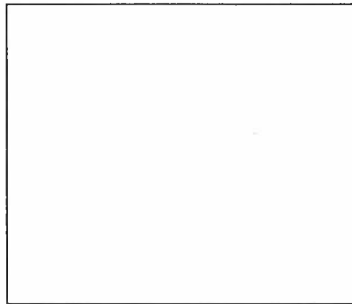
N-1

FG:54351663.1

STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

I certify that I know or have satisfactory evidence that _____ is the person who appeared before me, and said person acknowledged that [s]he signed this instrument, on oath stated that [s]he was authorized to execute the instrument and acknowledged it as _____ of the CITY OF KENMORE, WASHINGTON to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: _____



(Use this space for notarial stamp/seal)

(Signature of Notary)

Print Name _____
(Legibly Print or Stamp Name of Notary)

Notary public in and for the state of Washington, residing at _____

My commission expires _____

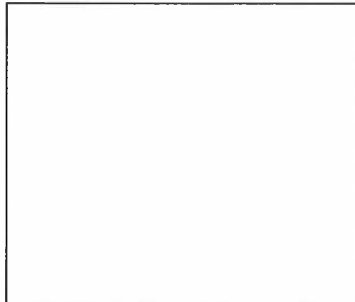
N-2

FG:54351663.1

STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

I certify that I know or have satisfactory evidence that _____ is the person who appeared before me, and said person acknowledged that [s]he signed this instrument, on oath stated that [s]he was authorized to execute the instrument and acknowledged it as _____ of the CITY OF KENMORE, WASHINGTON to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: _____



(Use this space for notarial stamp/seal)

(Signature of Notary)

Print Name _____
(Legibly Print or Stamp Name of Notary)

Notary public in and for the state of Washington, residing at _____

My commission expires _____

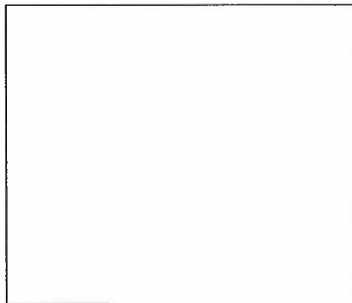
N-3

FG:54351663.1

STATE OF WASHINGTON)
) ss.
 COUNTY OF THURSTON)

I certify that I know or have satisfactory evidence that DALE E. HOUGH is the person who appeared before me, and said person acknowledged that he signed this instrument, on oath stated that he was authorized to execute the instrument and acknowledged it as the President of the WASHINGTON FINANCE OFFICERS ASSOCIATION to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: _____



(Use this space for notarial stamp/seal)

 (Signature of Notary)

Print Name DEBORAH A. ARCHER
 (Legibly Print or Stamp Name of Notary)

Notary public in and for the state of Washington, residing at
Olympia, WA

My commission expires 2-18-2023

N-4

FG:54351663.1

EXHIBIT A
Legal Description

FG:54351663.1

Annex 3

Form of Local Agency Financing Lease (Attached)

TRANSACTION NO. 1268-1-1

LOCAL AGENCY FINANCING LEASE
(Real Property)

by and between the

STATE OF WASHINGTON

and

the CITY OF KENMORE, WASHINGTON,
a municipal corporation
("Local Agency")

Relating to
\$[]

State of Washington
Certificates of Participation, Series 2021C
(State and Local Agency Real and Personal Property)

Dated as of November 17, 2021

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**LOCAL AGENCY FINANCING LEASE, SERIES 2021C
(Real Property)**

This Local Agency Financing Lease, Series 2021C (the “Local Agency Financing Lease”), is entered into by and between the state of Washington (the “State”), acting by and through the State Treasurer (the “State Treasurer”), and the City of Kenmore, Washington, a municipal corporation of the State (the “Local Agency”).

RECITALS

The Parties are entering into this Local Agency Financing Lease based upon the following facts and expectations:

1. Chapter 39.94 RCW (the “Act”) authorizes the State to enter into financing contracts for itself, including for state agencies, departments or instrumentalities, the state board for community and technical colleges, and any state institution of higher education (“State Agencies”), for the use and purchase of real and personal property by the State; and
2. the Act also authorizes the State to enter into financing contracts on behalf of certain “other agencies” (“Local Agencies”), including the Local Agency, for the use and acquisition for public purposes of real and personal property by such Local Agencies; and
3. the Act authorizes the State Finance Committee to consolidate existing or potential financing contracts into master financing contracts with respect to property acquired by one or more State Agencies or Local Agencies (together, “Agencies”); and
4. Chapter 43.33 RCW provides that the State Treasurer shall act as chair of the State Finance Committee and provide administrative assistance for the State Finance Committee, and the State Treasurer on behalf of the State Finance Committee has established a consolidated program for the execution and delivery of certificates of participation in master financing contracts in series from time to time in order to provide financing or refinancing for the costs of acquisition of such real and personal property by Agencies; and
5. the State Finance Committee has approved the form of this Local Agency Financing Lease by Resolution No. 1190 adopted on October 31, 2016; and
6. the Washington Finance Officers Association (the “Corporation”), a Washington nonprofit corporation, and the Local Agency have entered into a Local Agency Site Lease, Series 2021C, dated as of the Dated Date (the “Site Lease”), for the lease of certain real property legally described in the Site Lease (the “Site”) for the sole purpose of enabling the Corporation to sublease the Site to the State, and for the State to further sublease the Site back to the Local Agency pursuant to this Local Agency Financing Lease, in order to finance or refinance the acquisition or construction of improvements on the Site as described herein (the “Project,” and, together with the Site, the “Property”); and
7. simultaneously with the execution and delivery of this Local Agency Financing Lease, the State is entering into a Master Financing Lease, Series 2021C, dated as of the Dated Date

(the “Master Financing Lease”) with the Corporation, to provide financing or refinancing for the Project on behalf of the Local Agency, among others, through the sublease of the Property from the Corporation; and

8. the Local Agency has determined that it is necessary and desirable to enter into this Local Agency Financing Lease, in conjunction with the State’s entry into the Master Financing Lease, to obtain financing or refinancing for the Project for the Local Agency;

NOW THEREFORE, in consideration of the mutual covenants and agreements contained herein and for other valuable consideration, the Parties hereto mutually agree as follows:

ARTICLE I DEFINITIONS; CONSTRUCTION; MISCELLANEOUS PROVISIONS; SUPPLEMENTS

Section 1.1 Appendix 1 and Exhibits Incorporated. Appendix 1 to the Series 2021C Agreements (“Appendix 1”) and Exhibits A, B, C and D to this Local Agency Financing Lease are incorporated as part of this Local Agency Financing Lease by this reference. Appendix 1 provides (i) definitions for the capitalized terms used and not otherwise defined in this Local Agency Financing Lease; (ii) certain rules for interpreting this Local Agency Financing Lease; (iii) miscellaneous technical provisions that apply to this Local Agency Financing Lease; and (iv) rules on how this Local Agency Financing Lease may be amended or supplemented.

Section 1.2 Notice of Intent; Certificate Designating Authorized Agency Representative. The Local Agency has delivered a Notice of Intent to the State Treasurer in the form of Exhibit A. The Local Agency has delivered a Certificate Designating Authorized Agency Representatives to the State Treasurer in the form of Exhibit B. That Certificate is currently in force and has not been amended, withdrawn or superseded, and the signatures shown thereon are true and correct originals of the signatures of the persons who hold the titles shown opposite their names. The signature of any one of the individuals shown on that Certificate is sufficient to bind the Local Agency under this Local Agency Financing Lease with respect to any of the undertakings contemplated herein.

Section 1.3 Performance by Representatives. Any authority granted or duty imposed upon the State hereunder may be undertaken and performed by the State Treasurer or the Treasurer Representative. Any authority or duty imposed upon the Local Agency hereunder may be undertaken and performed by the Authorized Agency Representative.

Section 1.4 Sublease of Property. The State subleases to the Local Agency, upon the terms and conditions set forth in this Local Agency Financing Lease, the Site legally described in Exhibit C, together with all improvements, if any, to be constructed on the Site, including but not limited to the Project (collectively, the “Property”), subject to all easements, covenants, conditions and restrictions existing as of the Dated Date.

The Local Agency acknowledges and agrees that this Local Agency Financing Lease shall be subject and subordinate in all respects to the terms and provisions of the Master Financing Lease. The Local Agency at all times during the term of this Local Agency Financing Lease, subject to the provisions of Section 7.1, shall peaceably and quietly hold and enjoy all of the Property without suit, trouble or hindrance from the State.

Section 1.5 Agency Rent Payments. In consideration of the sublease of the Property and the covenants and agreements of the State in this Local Agency Financing Lease, the Local Agency promises to pay to the State the following amounts at the following times: (a) On each Agency Rent Payment Date, the Agency Rent Payment set forth in Exhibit D, consisting of an Agency Principal Component and/or an Agency Interest Component as set forth in Exhibit D; and (b) all Additional Rent incurred by the State in connection with the sublease of the Property to the Local Agency, the execution and delivery of the Certificates, and the observance and performance of the Series 2021C Agreements, within 30 days following receipt of an invoice from the State that includes (i) a brief description of each item of Additional Rent, (ii) the party to whom payment is due, (iii) the amount thereof, and (iv) such additional information as the Local Agency may reasonably request.

Section 1.6 Term. The term of this Local Agency Financing Lease shall commence on the Dated Date, and shall end on the scheduled termination date for this Local Agency Financing Lease as set forth in Section 8.2, unless the term is extended or sooner terminated as provided in Section 8.2.

ARTICLE II ACQUISITION AND CONSTRUCTION OF THE PROJECT

Section 2.1 Local Agency Financing Lease Consolidated with Master Financing Lease. The Local Agency acknowledges that the State Treasurer, acting on behalf of the State Finance Committee, has consolidated this Local Agency Financing Lease with the Master Financing Lease pursuant to RCW 39.94.030(1)(a).

Section 2.2 Appointment as Agent; Acquisition and Construction of Project.

(a) *Appointment as Agent.* The Local Agency accepts its appointment in the Master Financing Lease as agent of the Corporation in connection with the design, acquisition and/or construction of the Project and the financing or refinancing of the Property and acknowledges that such appointment is irrevocable, and shall not be terminated by any act of the Local Agency, the State Treasurer or otherwise.

(b) *Acquisition and Construction of the Project.* The Local Agency agrees that (i) it has caused or will cause the Project to be designed, acquired and/or constructed with all reasonable dispatch, as agent for the Corporation, in accordance with the plans, specifications, bidding documents, and construction and other contracts approved by the Local Agency, and in accordance with applicable laws and regulations; and (ii) it will pay or cause to be paid the Project Costs from funds available to it pursuant to this Local Agency Financing Lease and the Master Financing Lease. The Local Agency shall file requisitions with the State Treasurer for the Project Costs of its Project or reimbursement therefor in such form as the State Treasurer shall reasonably require. Neither the Corporation nor the State shall have any responsibility, liability or obligation with respect to the design, acquisition and/or construction of the Project.

(c) *Payment of Project Costs if Project Fund Not Sufficient.* If money in the Project Fund allocable to the Local Agency shall not be sufficient to pay the Project Costs in full, the Local Agency shall cause the Project Costs in excess of the allocable amount in the Project Fund

to be paid from other money of the Local Agency. Neither the Corporation nor the State Treasurer as agent for the Corporation for the disbursement of funds from the Project Fund makes any representation or warranty, either express or implied, that the money which will be deposited into the Project Fund allocable to the Local Agency will be sufficient to pay the Project Costs. Neither the Corporation nor the State Treasurer as agent for the Corporation for the disbursement of funds from the Project Fund shall have any obligation or liability for the payment of the Project Costs other than from the proceeds of the Certificates and any other amounts that may be provided by the Local Agency. If the Local Agency shall pay or cause the payment of any Project Costs in excess of the allocable amounts in the Project Fund available for such purpose from other funds, the Local Agency shall not be entitled to any reimbursement from the Corporation or the State Treasurer as agent for the Corporation for the disbursement of funds from the Project Fund for such payments, nor shall the Local Agency be entitled to any diminution, reduction, abatement, postponement, counterclaim, defense or set-off of the Agency Rent Payments, Additional Rent or other amounts otherwise required to be paid hereunder.

(d) *Additions to the Property.* The Local Agency shall have the right during the term of this Local Agency Financing Lease, at its cost and expense, to make additions, betterments and improvements to the Property, and to attach fixtures, structures and signs thereto; *provided*, that such additions, betterments and improvements and fixtures, structures and signs (i) shall be constructed and installed in accordance with applicable laws and regulations, and not in violation of any easements, restrictions, conditions or covenants affecting title to the Property; and (ii) shall not diminish the value, capacity or usefulness of the Property. The Local Agency also shall have the right during the term of this Local Agency Financing Lease, without the consent of any Owners, to enter into Additional Local Agency Financing Leases and Additional Site Leases with the Corporation to finance all or any portion of the cost of such additions, betterments and improvements to the Property so long as such leases do not reduce the obligation of the State to perform its obligations under the Master Financing Lease, including without limitation its obligation to make Rent Payments, and will not, in an Opinion of Counsel, adversely affect the tax-exempt status of the Interest Component of Rent Payments evidenced and represented by the Certificates. If the Local Agency enters into any Additional Local Agency Financing Lease for this purpose, the Corporation may be granted an interest in the Property under an Additional Site Lease of all or any portion of the Property, which leasehold interest may be assigned to the Trustee for the benefit of owners of certificates of participation in the Additional Master Financing Lease to which such Additional Local Agency Financing Lease is related. The occurrence of an Event of Default with respect to this Local Agency Financing Lease shall constitute a like event under any Additional Local Agency Financing Lease, and the occurrence of any such like event under any Additional Local Agency Financing Lease shall constitute an Event of Default under this Local Agency Financing Lease. The owners of certificates of participation in any Additional Master Financing Lease shall be secured *pari passu* with the Owners with respect to any amounts received by the Trustee with respect to the Property following the occurrence of an Event of Default.

(e) *Release of Property.* After design, acquisition, construction, financing or refinancing of the Project, the Local Agency, with the prior written consent of the State Treasurer and only upon the satisfaction of the requirements set forth in Section 2.2(d) of the Master Financing Lease, may release a portion of the Property leased under the Site Lease, and subleased under and pursuant to the Master Financing Lease and this Local Agency Financing

Lease. As a condition to any such release, the Local Agency shall (i) deliver to the State Treasurer an appraisal or other written evidence from an independent, disinterested real property appraiser acceptable to the State Treasurer to the effect that the remaining portion of the Property has an estimated fair rental value for the remaining term of this Local Agency Financing Lease equal to or greater than the Agency Rent Payments due from time to time hereunder; (ii) provide any necessary easements, reciprocal agreements or other rights as may be necessary to provide comparable pedestrian and vehicular access, and other uses and amenities (including but not limited to water, sewer, electrical, gas, telephone and other utilities) as existed prior to such release. The State, the Trustee, as assignee of the Corporation, and the Local Agency shall execute, deliver and record such amendments and modifications to the Site Lease, the Master Financing Lease, the Master Assignment and this Local Agency Financing Lease, and such other documents, agreements and instruments, as the State shall deem necessary or desirable in connection with such release.

Section 2.3 Title to the Property. Fee title to the Property, and all additions, modifications, repairs and improvements thereto, shall remain and vest in the Local Agency, subject to the respective leasehold estates under the Site Lease, the Master Financing Lease and this Local Agency Financing Lease, without any further action by the State, the Local Agency or the Corporation.

Section 2.4 Assignment. In order to secure the payment and performance of the State of its obligations under the Master Financing Lease, the State has assigned and transferred to the Corporation the State's interest in this Local Agency Financing Lease and the rentals, income and profits to be received under this Local Agency Financing Lease, including without limitation the Agency Rent Payments. The Local Agency acknowledges and agrees to such assignment and transfer. The State irrevocably authorizes and directs the Local Agency, upon receipt of written notice from the Trustee, as assignee of the Corporation, that an Event of Default has occurred and is continuing under the Master Financing Lease, to pay to the Trustee, as assignee of the Corporation, the Agency Rent Payments and other amounts due and to become due hereunder. The State shall not have any right or claim against the Local Agency for any Agency Rent Payments or other amounts so paid by the Local Agency to the Trustee as assignee of the Corporation.

Section 2.5 Disclaimer of Warranties. The Local Agency acknowledges and agrees that it has had adequate opportunity to inspect the Property, and that such Property, including but not limited to the structures and improvements thereon, is acceptable to the Local Agency in its present condition. The Local Agency subleases the Property in its present condition, "as is." The State makes no warranty or representation, either express or implied, and assumes no responsibility, liability or obligation, as to the value, design, structural or other condition, usability, suitability, occupancy or management of the Property, as to the income from or expense of the use or operation thereof, as to title to the Property, as to compliance with applicable zoning, subdivision, planning, safety, fire, health or environmental laws, regulations, ordinances or codes, or as to compliance with applicable covenants, conditions or restrictions, or any other representation or warranty with respect to the Property.

Section 2.6 State Not Liable. The State and its officers and employees shall not be liable to the Local Agency or to any other Person for any death, injury or damage that may result

to any Person or property by or from any cause whatsoever in, on, about or relating to the Property.

ARTICLE III
AGENCY RENT PAYMENTS; CONDITIONAL PAYMENT BY STATE; FULL FAITH AND
CREDIT OBLIGATION

Section 3.1 Agency Rent Payments. Each Agency Rent Payment shall consist of an Agency Principal Component and/or an Agency Interest Component as set forth in Exhibit D to this Local Agency Financing Lease. Interest shall accrue and be calculated as determined by the State Treasurer, which determination shall be binding and conclusive against the Local Agency, absent manifest error. Each Agency Rent Payment shall be paid to or upon the order of the State Treasurer by electronic funds transfer (or by other means acceptable to the State Treasurer) in lawful money of the United States of America at such place as the State Treasurer shall direct in writing not less than 10 Business Days prior to the Agency Rent Payment Date. Payments of Additional Rent shall be made to or upon the order of the State Treasurer. Each Agency Rent Payment shall be applied first to the Agency Interest Component, and then to the Agency Principal Component.

The Agency Rent Payments and Additional Rent for each rental payment period during the term of this Local Agency Financing Lease shall constitute the total rental due for such period, and shall be paid for and in consideration of the use and occupancy and continued quiet enjoyment of the Property for such period. The Parties have determined and agreed that such total rental does not exceed the fair rental value of the Property for each such rental period, given the purposes, terms and provisions of this Local Agency Financing Lease. Anything herein to the contrary notwithstanding, the Local Agency waives any right that it may have under the laws of the State to a rebate or repayment of any portion of such rental in the event that there is substantial interference with the use or right to possession by the Local Agency of the Property or any portion thereof as a result of material damage, destruction or condemnation.

Section 3.2 Sources of Payment of Agency Rent Payments.

(a) *Local Agency Financing Lease.* The Local Agency acknowledges and agrees that the State is subleasing the Property from the Corporation for and on behalf of the Local Agency. Concurrently with the execution of this Local Agency Financing Lease, the State shall execute and deliver the Master Financing Lease with the Corporation, pursuant to which the State agrees to make Rent Payments for the sublease of the Property for and on behalf of the Local Agency, at such times and in such amounts as provided therein, that will be sufficient in the aggregate to pay the Project Costs of the Project to be designed, acquired and/or constructed by the Local Agency, but only to the extent such Project Costs are financed under the Master Financing Lease. The Agency Rent Payments by the Local Agency under this Local Agency Financing Lease shall be sufficient in the aggregate to pay, on each Rent Payment Date, the Rent Payment for the Property subleased by the State from the Corporation for and on behalf of the Local Agency under the Master Financing Lease. The Local Agency pledges its full faith and credit to make the Agency Rent Payments that are required to be paid to the State under this Local Agency Financing Lease.

Rent Payments allocable to Project Costs of Local Agencies shall be payable by the State solely from Agency Rent Payments to be made by the respective Local Agencies, including the Local Agency, except as otherwise provided in Sections 3.2(c) and 3.2(d) of the Master Financing Lease and Sections 3.2(b) and 3.2(c) of this Local Agency Financing Lease.

(b) *Intercept of Local Agency Share of State Revenues.* In the event that the Local Agency fails to make any payment due under this Local Agency Financing Lease, pursuant to RCW 39.94.030(1), the State Treasurer shall withhold an amount sufficient to make such payment from the Local Agency's share of State revenues or other amounts authorized or required by law to be distributed by the State to the Local Agency; but (i) only if the use of any such revenues or amounts to make such payments is otherwise authorized or permitted by State law, and (ii) only to the extent the Local Agency is otherwise entitled to receive such share of State revenues or other amounts. Such withholding shall continue until all such delinquent payments have been made. Amounts withheld by the State Treasurer pursuant to this Section 3.2(b) shall be applied to make any such payment due under this Local Agency Financing Lease on behalf of the Local Agency, or to reimburse the State for any such payment made pursuant to Section 3.2(c). The Local Agency authorizes, approves and consents to any such withholding.

(c) *Conditional Payment of Agency Rent Payments.* Upon the failure of the Local Agency to make any Agency Rent Payment at such time and in such amount as required pursuant to this Local Agency Financing Lease, the State shall, to the extent of legally available appropriated funds and subject to any Executive Order reduction, make such payment into the Agency Rent Payment Fund (established under the Master Financing Lease) on behalf of such Local Agency within 15 Business Days after such Agency Rent Payment Date. The Local Agency shall reimburse the State for such payments made on its behalf immediately thereafter and in any case not later than 10 Business Days after such Agency Rent Payment Date, together with interest thereon at a rate equal to the State Reimbursement Rate. Anything herein to the contrary notwithstanding, failure of the Local Agency to reimburse the State Treasurer for any such payment shall not constitute an Agency Event of Default, but the State may institute such legal action and pursue such other remedies against the Local Agency as the State deems necessary or desirable including but not limited to actions for specific performance, injunction and/or the recovery of damages.

(d) *Payments by Local Agency Treasurer.* The treasurer of the Local Agency shall establish and/or maintain a special fund in the "bonds payable" category of accounts of the Local Agency for the purposes of paying the Local Agency's Agency Rent Payments and Additional Rent. The treasurer of the Local Agency shall remit each Agency Rent Payment to the State on each Agency Rent Payment Date and any Additional Rent when due hereunder from any legally available funds of the Local Agency.

Section 3.3 Net Lease. The obligation of the Local Agency to make Agency Rent Payments from the sources set forth herein and to perform its other obligations hereunder shall be absolute and unconditional. This Local Agency Financing Lease shall be deemed and construed to be a "triple net lease" with respect to the State. The Local Agency shall pay the Agency Rent Payments, Additional Rent and all other amounts due hereunder, as well as taxes, assessments, insurance, utilities, and all normal maintenance and operating costs for the Project, as further described in part in Sections 6.2(k), (l) and (n) of this Local Agency Financing Lease.

The Local Agency shall pay such obligations without notice or demand, and without any diminution, reduction, postponement, abatement, counterclaim, defense or set-off as a result of any dispute, claim or right of action by, against among the Local Agency, the State, the Corporation, the Trustee, and/or any other Person, or for any other reason; *provided*, that nothing in this Section 3.3 shall be construed to release or excuse the State from the observance or performance of its obligations hereunder.

Section 3.4 Assignments by the Corporation. The Local Agency acknowledges and agrees that, concurrently with the execution and delivery of this Local Agency Financing Lease, the Corporation will unconditionally assign to the Trustee pursuant to the Master Assignment, without recourse, (i) all of its rights to the Sites pursuant to the Site Leases, (ii) all of its rights to receive the Rent Payments and any Additional Rent under the Master Financing Lease, (iii) its right to take all actions, exercise all remedies, and give all consents under the Site Leases and the Master Financing Lease, (iv) all of its remaining right, title and interest in, to and under the Site Leases, the Master Financing Lease and this Local Agency Financing Lease, and in and to the Property and any rents or profits from the Property, and (v) its right of access described in the Master Financing Lease, in consideration for the Trustee's causing to be paid to the State Treasurer, as agent of the Corporation, of the proceeds of the sale of the Certificates. The State and the Corporation have acknowledged and agreed that such assignment by the Corporation is intended to be a true sale of the Corporation's right, title and interest, and that upon such assignment the Corporation shall cease to have any rights or obligations under the Site Leases and Master Financing Lease or with respect to the Property, and the Trustee shall thereafter have all the rights and obligations of the Corporation under the Site Leases and Master Financing Lease as if the Trustee had been the original party thereto. Except where the context otherwise requires, every reference in the Site Leases, Master Financing Lease and this Local Agency Financing Lease to the Corporation shall be deemed to be a reference to the Trustee in its capacity as assignee of the Corporation.

ARTICLE IV

OPTIONAL AND EXTRAORDINARY PREPAYMENT OF AGENCY RENT PAYMENTS

Section 4.1 Optional Prepayment. (a) The Local Agency may, at its option and upon approval of the State Treasurer, prepay its Agency Rent Payments then unpaid, in whole or in part on any date, by causing to be deposited with the State Treasurer money and/or Government Obligations in an amount sufficient for the State to provide for the payment or defeasance of the portion of the State's Rent Payments corresponding thereto in accordance with Section 4.1(a) or 4.1(b), respectively, of the Master Financing Lease and to pay any Additional Rent in connection therewith.

(b) The Local Agency shall provide the State Treasurer with not less than 60 days' prior written notice of its intention to prepay any of its Agency Rent Payments, which notice shall specify the date of prepayment, and the amount and the Agency Rent Payment Dates of the Agency Rent Payments to be prepaid. The State Treasurer shall notify the Local Agency within 15 Business Days after receipt of such notice from the Local Agency as to the amount required to be paid in connection with such prepayment or provision for payment of the corresponding Rent Payments, including any Additional Rent in connection therewith. The determination by

the State Treasurer of the amount to be paid by the Local Agency shall be binding and conclusive against such Local Agency, absent manifest error.

Section 4.2 Extraordinary Prepayments.

(a) *Eminent Domain; Loss of Title.* The Local Agency shall prepay or cause to be prepaid from eminent domain awards or sale proceeds received pursuant to Section 5.1, and from the net proceeds of title insurance received pursuant to Section 5.2, Agency Principal Components then unpaid, in whole or in part on any date, at a prepayment price equal to the sum of the Agency Principal Components so prepaid, plus accrued interest to the date of prepayment. The aggregate annual Agency Rent Payments for the related Property from and after such prepayment date shall be in approximately equal amounts.

(b) *Insurance Proceeds.* The Local Agency may, at its option and upon approval of the State Treasurer, prepay or cause to be prepaid from net insurance proceeds received pursuant to Section 5.3, Agency Principal Components then unpaid, in whole or in part on any date, at a prepayment Price equal to the sum of the Agency Principal Components so prepaid, plus accrued interest to the date of prepayment. The aggregate annual Agency Rent Payments for the related Property from and after such prepayment date shall be in approximately equal amounts.

Section 4.3 Revision of Agency Rent Payments upon Prepayment. The Agency Principal Component and Agency Interest Component of the Agency Rent Payment due on each Agency Rent Payment Date on and after the date of any prepayment pursuant to Sections 4.1 or 4.2, as set forth in Exhibit D, shall be reduced by the State Treasurer to reflect such prepayment, in such amounts and on such Agency Rent Payment Dates as the Local Agency shall elect in its written notice to the State Treasurer pursuant to Section 4.1(b).

Section 4.4 Discharge of Agency Local Agency Financing Lease. All right, title and interest of the State and all obligations of the Local Agency under this Local Agency Financing Lease shall terminate and be completely discharged and satisfied (except for the right of the State and the Corporation and the obligation of the Local Agency to have the money and Government Obligations set aside pursuant to Section 4.4(b) applied to make the remaining Agency Rent Payments) when either:

(a) all Agency Rent Payments and all Additional Rent and other amounts due hereunder have been paid in accordance herewith; or

(b) (i) the Local Agency shall have delivered a written notice to the State Treasurer of its intention to prepay all of the Agency Rent Payments remaining unpaid; (ii) the Local Agency shall have caused to be deposited with the State Treasurer (A) money and/or Government Obligations in accordance with Section 4.1; and (B) an Opinion of Counsel to the effect that such actions are permitted under this Local Agency Financing Lease, the Master Financing Lease and the Trust Agreement and will not cause interest evidenced and represented by the Certificates to be includable in gross income for federal income tax purposes under the Code; and (iii) for so long as any Rent Payments remain unpaid, provision shall have been made satisfactory to the Corporation for payment of all Additional Rent.

ARTICLE V
EMINENT DOMAIN; LOSS OF TITLE; DAMAGE AND DESTRUCTION

Section 5.1 Eminent Domain. If all of the Property subleased to the Local Agency pursuant to this Local Agency Financing Lease, or so much of it that the remainder becomes unsuitable for the Local Agency's then-existing needs, is taken under the power of eminent domain (or sold under threat of condemnation), the sublease of the Property pursuant to this Local Agency Financing Lease shall cease as of the day that the Local Agency is required to vacate the Property. If less than all of the Property is taken under the power of eminent domain (or sold under threat of condemnation), and the remainder is suitable for the Local Agency's then-existing needs, as reasonably determined by the State, then this Local Agency Financing Lease shall continue in effect as to the remainder, and the Parties waive any benefits of the law to the contrary. In that event, there shall be no abatement of the rental due from the Local Agency. So long as any Agency Rent Payments under this Local Agency Financing Lease remain unpaid, any eminent domain award and any proceeds of sale under threat of condemnation for all or any part of the Property shall be applied to the prepayment of Agency Rent Payments as provided in Section 4.2(a). Any award or proceeds in excess of the amount necessary to prepay the Agency Rent Payments, and thereby to prepay or provide for the payment of the corresponding portion of the Rent Payments under the Master Financing Lease, shall be paid to the Corporation, the State and the Local Agency as their respective interests may appear.

Section 5.2 Loss of Title. If there is a loss of title to the Property which is insured under a policy or policies of title insurance, or so much of it that the remainder becomes unsuitable for the Local Agency's then-existing needs, then the Local Agency's sublease of the Property shall cease as of the day that the Local Agency is required to vacate the Property. If there is a loss of title to less than all of the Property, and the remainder is suitable for the Local Agency's then-existing needs, as reasonably determined by the State Treasurer, then this Local Agency Financing Lease shall continue in effect as to the remainder, and the Parties waive any benefits of the law to the contrary. In that event, there shall be no abatement of the rental due from the Local Agency. So long as any Agency Rent Payments under this Local Agency Financing Lease remain unpaid, any payments under any title insurance policy or policies with respect to the Property shall be applied to the prepayment of Agency Rent Payments as provided in Section 4.2(a). Any payment in excess of the amount necessary to prepay such Agency Rent Payments, and thereby to prepay or provide for the payment of the corresponding portion of the Rent Payments due under the Master Financing Lease, shall be paid to the Corporation, the State and the Local Agency as their respective interests may appear.

Section 5.3 Damage or Destruction. If all or any portion of the Property subleased to the Local Agency pursuant to this Local Agency Financing Lease is damaged or destroyed by fire or other casualty, this Local Agency Financing Lease shall not terminate, and there shall be no abatement of the rent due from the Local Agency. So long as any Agency Rent Payments remain unpaid, any payments under the property insurance policy or policies with respect to the Property may be applied to the prepayment of Agency Rent Payments as provided Section 4.2(b), or may be paid to the State Treasurer and applied as provided in Section 5.03 of the Trust Agreement.

ARTICLE VI
REPRESENTATIONS, WARRANTIES, COVENANTS AND AGREEMENTS

Section 6.1 Representations and Warranties of the Local Agency. The Local Agency represents and warrants as follows:

(a) The Local Agency is an “other agency” within the meaning of the Act, duly organized and validly existing under the Constitution and laws of the State.

(b) The Local Agency is authorized under the laws of the State and its charter or other constituent document, if any, to enter into and perform its obligations under this Local Agency Financing Lease.

(c) Neither the execution and delivery by the Local Agency of this Local Agency Financing Lease, nor the observance and performance of its terms and conditions, nor the consummation of the transactions contemplated by it, conflicts with or constitutes a breach of or default under any agreement or instrument to which the Local Agency is a party or by which the Local Agency or its property is bound, or results in the creation or imposition of any lien, charge or encumbrance whatsoever upon the Site or the Project, except as expressly provided in this Local Agency Financing Lease and the Master Financing Lease.

(d) The Local Agency has duly authorized, executed and delivered this Local Agency Financing Lease.

(e) This Local Agency Financing Lease constitutes valid and binding general obligation indebtedness of the Local Agency, enforceable against it in accordance with its terms, except as such enforceability may be affected by bankruptcy, insolvency, reorganization, moratorium and other laws relating to or affecting creditors’ rights generally, to the application of equitable principles, and to the exercise of judicial discretion in appropriate cases.

(f) The Site and the Project thereon to be designed, acquired and/or constructed pursuant to this Local Agency Financing Lease is essential to the Local Agency’s ability to carry out its governmental functions and responsibilities, and the Local Agency expects to make immediate and continuing use of such Property during the term of this Local Agency Financing Lease.

(g) The useful life of the Property is equal to or exceeds the term of this Local Agency Financing Lease.

(h) The obligations of the Local Agency under this Local Agency Financing Lease, together with all other outstanding indebtedness of the Local Agency, do not exceed any statutory or constitutional debt limit applicable to the Local Agency.

(i) The Local Agency is the owner in fee of the Property.

(j) The Local Agency is not in violation of, or subject to any pending or threatened investigation by, any governmental authority under any federal, State or local law, regulation, or ordinance pertaining to the handling, transportation, storage, treatment, usage or disposal of

Toxic or Hazardous Substances, air emissions, other environmental matters or any zoning or land use matters with respect to the Property or the Project.

Section 6.2 Covenants and Agreements of the Local Agency. The Local Agency covenants and agrees as follows:

(a) *Preservation of Existence.* The Local Agency will do or cause to be done all things necessary to preserve its existence as an “other agency” within the meaning of the Act.

(b) *Budget.* The Local Agency shall take such action as may be necessary to include all the Agency Rent Payments and Additional Rent due hereunder in its annual budget and to make any necessary appropriations for all such Agency Rent Payments and Additional Rent.

(c) *Levy of Taxes.* If and to the extent authorized by law, the Local Agency covenants that it will levy taxes in such amounts and at such times as shall be necessary, within and as a part of the tax levy, if any, permitted to be made by the Local Agency without a vote of its electors, to provide funds, together with other legally available money, sufficient to make the Agency Rent Payments and the other payments required under this Local Agency Financing Lease.

(d) *Notice of Nonpayment.* The Local Agency shall give written notice to the State Treasurer and the Corporation prior to any Agency Rent Payment Date if the Local Agency knows prior to such date that it will be unable to make all or any portion of the Agency Rent Payment due on such date.

(e) *Tax-Exemption.* The Local Agency shall not make any use of the proceeds of this Local Agency Financing Lease or the Certificates or of any other amounts, regardless of the source, or of any property, and shall not take or refrain from taking any action, that would cause the Master Financing Lease or the Certificates to be “arbitrage bonds” within the meaning of Section 148 of the Code. The Local Agency shall not use or permit the use of the Property or any part thereof by any Person other than a “governmental unit” as that term is defined in Section 141 of the Code, in such manner or to such extent as would result in the loss of the exclusion from gross income for federal income tax purposes of the Interest Component of the Rent Payments under Section 103 of the Code. The Local Agency shall not make any use of the proceeds of this Local Agency Financing Lease or the Certificates or of any other amounts, and shall not take or refrain from taking any action, that would cause the Master Financing Lease or the Certificates to be “federally guaranteed” within the meaning of Section 149(b) of the Code or “private activity bonds” within the meaning of Section 141 of the Code, or “hedge bonds” within the meaning of Section 149 of the Code. To that end, for so long as any Agency Rent Payments remain unpaid, the Local Agency, with respect to such proceeds and other amounts, will comply with all requirements under such Sections and all applicable regulations of the United States Department of the Treasury promulgated thereunder. The Local Agency will at all times do and perform all acts and things permitted by law which are necessary or desirable in order to assure that the Interest Components of the Rent Payments will not be included in gross income of the Owners of the Certificates for federal income tax purposes under the Code, and will take no action that would result in such interest being so included. The Local Agency shall comply with the applicable provisions of the Tax Certificate.

(f) *No Liens, Assignments or Subleases.* The Local Agency shall not create, incur or assume any mortgage, pledge, lien, charge, encumbrance or claim on or with respect to the Property or any part thereof, except for Permitted Encumbrances. The Local Agency shall promptly, at its own expense, take such action as may be necessary to duly discharge any such mortgage, pledge, lien, charge, encumbrance or claim if the same shall arise at any time. The Local Agency shall not grant, sell, transfer, assign, pledge, convey, mortgage, pledge, sublet or otherwise dispose of any of the Property or any interest therein during the term of this Local Agency Financing Lease, and any such attempted grant, sale, transfer, assignment, pledge, conveyance or disposal shall be void.

(g) *Performance.* The Local Agency shall punctually pay the Agency Rent Payments and Additional Rent in conformity with the terms and provisions of this Local Agency Financing Lease, and will faithfully observe and perform all the covenants, terms and other obligations contained herein required to be observed and performed by the Local Agency. The Local Agency will not suffer or permit any default to occur hereunder, or do or permit anything to be done, or omit or refrain from doing anything, in any case where any such act done or permitted to be done, or any such omission or refraining from doing anything, would or might be ground for cancellation or termination of this Local Agency Financing Lease.

(h) *Further Assurances.* The Local Agency will preserve and protect the rights of the State hereunder, and will warrant and defend such rights against all claims and demands of all Persons. The Local Agency will promptly execute, make, deliver, file and record any and all further assurances, instruments and agreements, and do or cause to be done such other and further things, as may be necessary or proper to carry out the intention or to facilitate the performance hereof and for the better assuring and confirming to the State the rights and benefits provided to it hereunder.

(i) *Use of Property.* During the term of this Local Agency Financing Lease, the Local Agency will use the Property for the purposes of performing one or more of its essential governmental functions or responsibilities.

(j) *Financial Statements.* The Local Agency shall prepare annual financial statements and obtain audits thereof as required by law. Upon the Written Request of the State Treasurer, the Local Agency shall provide the State Treasurer with a copy of its most recent audited and unaudited financial statements.

(k) *Maintenance; Repairs.* For so long as the Local Agency is in possession of the Property, the Local Agency shall be solely responsible for the maintenance and repair, both ordinary and extraordinary, of the Property. The Local Agency will (i) keep and maintain the Property in good repair and condition, protect the same from deterioration other than normal wear and tear, and pay or cause to be paid all charges for utility services to the Property; (ii) comply with the requirements of applicable laws, ordinances and regulations and the requirements of any insurance or self-insurance program required under Section 6.2(n) in connection with the use, occupation and maintenance of the Property; (iii) obtain all permits and licenses, if any, required by law for the use, occupation and maintenance of the Property; and (iv) pay all costs, claims, damages, fees and charges arising out of its possession, use or maintenance of the Property.

(l) *Impositions.* If during the term of this Local Agency Financing Lease, any Imposition is imposed or incurred in connection with the sublease of the Property by the Corporation to the State, or by the State to the Local Agency, or the ownership, operation, possession or use of the Property by the Corporation, the State or the Local Agency, or the payment of the Agency Rent Payments by the Local Agency, or the payment of the Rent Payments payable therefrom by the State, the Local Agency shall pay all such Impositions when due. The Local Agency at its own expense may contest any such Impositions until it obtains a final administrative or judicial determination with respect thereto, unless the Property is encumbered by any levy, lien or any other type of encumbrance because of the Local Agency's failure to pay such Impositions. If the Corporation or the State pays any such Impositions for which the Local Agency is responsible or liable hereunder, the Local Agency shall reimburse the Corporation or the State for such payments as Additional Rent.

(m) *Hazardous Substances.*

(i) *Use.* The Property does not currently violate, and neither the Local Agency nor its officers, agents, employees, contractors, or invitees, shall use the Property in a manner that violates, any applicable federal, state or local law, regulation or ordinance, including, but not limited to, any such law, regulation or ordinance pertaining to air and water quality, the handling, transportation, storage, treatment, usage and disposal of Toxic or Hazardous Substances, air emissions, other environmental matters, and all zoning and other land use matters. The Local Agency shall not cause or permit the release or disposal of any Toxic or Hazardous Substances on or from the Property.

(ii) *Indemnity.* The Local Agency, to the extent permitted by law, agrees to protect, indemnify, defend (with counsel satisfactory to the Local Agency) and hold the State, the Corporation and the Trustee, and their respective directors, officers, employees and agents harmless from any claims, judgments, damages, penalties, fines, expenses, liabilities or losses arising out of or in any way relating to the presence, release or disposal of Toxic or Hazardous Substances on or from the Property; *provided, however*, that the Local Agency shall not be obligated to indemnify such parties, in its capacity as Lessor under the Site Lease, from any such claims, judgments, damages, penalties, fines, expenses, liabilities or losses relating to the presence, release or disposal of Toxic or Hazardous Substances on or from the Property occurring when the Local Agency is not or was not in possession of the Property. Such indemnity shall include, without limitation, costs incurred in connection with:

(A) Toxic or Hazardous Substances present or suspected to be present in the soil, groundwater or soil vapor on or under the Property; or

(B) Toxic or Hazardous Substances that migrate, flow, percolate, diffuse, or in any way move onto or under the Property; or

(C) Toxic or Hazardous Substances present on or under the Property as a result of any discharge, dumping, spilling (accidental or otherwise) onto the Property by any person, corporation, partnership, or entity other than the Local Agency, its officials, officers, employees or agents.

The indemnification provided by this subsection shall also specifically cover, without limitation, costs incurred in connection with any investigation of site conditions or any cleanup, remedial, removal or restoration work required by any federal, state or local governmental agency or political subdivision or other third party because of the presence or suspected presence of Toxic or Hazardous Substances in the soil, groundwater, or soil vapor on or under the Property. Such costs may include, but not be limited to, damages for the loss or restriction on use of rentable or usable space or of any amenity of the Property, sums paid in settlements of claims, attorney's fees, consultants fees, and expert fees.

(iii) *Notification Requirements.* The Local Agency shall promptly notify the other Parties in writing of all spills or releases of any Toxic or Hazardous Substances, all failures to comply with any federal, state, or local law, regulation or ordinance, all inspections of the Property by any regulatory entity concerning the same, all notices, orders, fines or communications of any kind from any governmental entity or third party that relate to the existence of or potential for environmental pollution of any kind existing on or resulting from the use of the Property or any activity conducted thereon, and all responses or interim cleanup action taken by or proposed to be taken by any government entity or private party on the Property.

Upon request by any Party, the Local Agency shall provide such Party with a written report (A) listing the Toxic or Hazardous Substances that were used or stored on the Property; (B) discussing all releases of Toxic or Hazardous Substances that occurred or were discovered on the Property and all compliance activities related to Toxic or Hazardous Substances, including all contacts with and all requests from third parties for cleanup or compliance; (C) providing copies of all permits, manifests, business plans, consent agreements or other contracts relating to Toxic or Hazardous Substances executed or requested during that time period; and (D) including such other information requested by such Party.

(iv) *Inspection Rights.* The Parties, and their officers, employees and agents, shall have the right, but not the duty, to inspect the Property and the Local Agency's relevant environmental and land use documents at any time and to perform such tests on the Property as are reasonably necessary to determine whether the Local Agency is complying with the terms of this Local Agency Financing Lease. The Local Agency shall be responsible for paying for any testing that is conducted if the Local Agency is not in compliance with this Local Agency Financing Lease and such Party has reason to believe such noncompliance is due to the Local Agency's operations or use of the Property. If the Local Agency is not in compliance with this Local Agency Financing Lease, such Party, without waiving or releasing any right or remedy it may have with respect to such noncompliance, shall have the right to immediately enter upon the Property to remedy any contamination caused by the Local Agency's failure to comply notwithstanding any other provision of this Local Agency Financing Lease. The Party shall use reasonable efforts to minimize interference with the Local Agency's business but shall not be liable for any interference caused thereby.

(v) *Corrective Action.* In the event any investigation, site monitoring, containment, cleanup, removal, restoration or other remedial work ("Remedial Work") of any kind is necessary under any applicable federal, state or local laws, regulations or ordinances, or is required by any governmental entity or other third person because of or in connection with the presence or suspected presence of Toxic or Hazardous Substances on or under the Property, the Local Agency shall assume responsibility for all such Remedial Work and shall promptly commence and thereafter diligently prosecute to completion all such Remedial Work. The Local Agency shall pay for all costs and expenses of such Remedial Work, including, without limitation, the Party's reasonable attorneys' fees and costs incurred in connection with monitoring or review of such Remedial Work. In the event the Local Agency shall fail to timely commence, or cause to be commenced, or fail to diligently prosecute to completion, such Remedial Work, such Party may, but shall not be required to, cause such Remedial Work to be performed and all costs and expenses thereof, or incurred in connection therewith, shall become immediately due and payable as Additional Rent due to the State from the Local Agency.

(n) *Insurance.*

(i) The Local Agency shall maintain, or cause to be maintained, in full force and effect, comprehensive general liability insurance with respect to the Property in such amounts as may be reasonably determined by the Local Agency from time to time but in any event not less than \$1,000,000 per occurrence, or such greater amount as the State Treasurer may reasonably require from time to time. Such insurance may be carried under a blanket policy with umbrella coverage. Such insurance shall cover any and all liability of the Local Agency and its officials, officers, employees and volunteers. Such insurance shall include (A) coverage for any accident resulting in personal injury to or death of any person and consequential damages arising therefrom; and (B) comprehensive property damage insurance.

(ii) The Local Agency shall maintain or cause to be maintained in full force and effect fire and extended coverage insurance with respect to the Property in such amounts and covering such risks as the Local Agency may reasonably determine from time to time, but in any event not less than the aggregate amount of the Agency Principal Components of Agency Rent Payments due hereunder which remain unpaid. Such insurance may be carried under a policy or policies covering other property of the Local Agency. Such property insurance shall be "all risk" insurance, and shall cover physical loss or damage as a result of fire, lightning, theft, vandalism, malicious mischief, flood, earthquake, and boiler and machinery; provided, that the State Treasurer may waive the requirement for earthquake or flood insurance if it determines, in its reasonable discretion, that the same is not available from reputable insurers and commercially reasonable rates. Such extended coverage insurance shall, as nearly as practicable, cover loss or damage by explosion, windstorm, riot, aircraft, vehicle damage, smoke and such other hazards as the Local Agency may reasonably determine from time to time. Such policies of insurance shall provide that all proceeds thereunder shall be payable to the Trustee, as assignee of the Corporation, pursuant to a lender's loss payable endorsement in a form approved in writing by the State Treasurer, which approval shall not be unreasonably withheld or delayed. The net proceeds of such insurance shall be applied as

provided in Section 5.03 of the Trust Agreement. Such insurance may at any time include a deductible of not to exceed \$5,000 for losses in any year, or such greater amount as the State Treasurer may approve in writing.

(iii) The insurance required under paragraphs (i) and (ii) above (A) shall be provided by a financially responsible insurance company authorized to do business in the State; (B) except for the insurance required under paragraph (ii) above and as provided in paragraph (iv) below, shall name the State and the Trustee as additional insureds thereunder; (C) shall provide that the same may not be canceled or given notice of non-renewal, nor shall the terms or conditions thereof be altered, amended or modified, without at least 45 days' prior written notice being given by the insurer to the State Treasurer; and (D) may be provided in whole or in part through a funded program of self-insurance reviewed at least annually by an insurance actuary.

(iv) In the event that the Local Agency provides the insurance required under paragraph (i) above through its membership in a local government risk pool established under chapter 48.62 RCW, the State and the Trustee shall not be required to be named as additional insureds under such insurance; provided, however, that in such event the Local Agency agrees to protect, indemnify, and hold the State and the Trustee harmless from any claims, judgments, damages, expenses and losses covered by such insurance.

(v) A certificate of insurance with respect to the required coverages shall be provided by the Local Agency to the State Treasurer annually on or prior to December 1 with respect to any required insurance maintained pursuant hereto.

(vi) Unless otherwise agreed by the State, the Local Agency shall obtain a policy or policies of title insurance on the Property, subject only to Permitted Encumbrances, in an amount equal to the aggregate amount of Agency Rent Payments to become due hereunder, payable to the State and the Trustee, in a form and from a provider approved in writing by the State Treasurer, which approval shall not be unreasonably withheld or delayed. The proceeds received under any such policy shall be applied as provided in Section 5.2.

(vii) The Local Agency will pay or cause to be paid when due the premiums for all insurance policies required by this Section 6.2(n).

ARTICLE VII EVENTS OF DEFAULT; REMEDIES

Section 7.1 Agency Event of Default. Each of the following shall constitute an "Agency Event of Default" hereunder:

(a) Failure by the Local Agency to pay or cause to be paid any Agency Rent Payment required to be paid hereunder within ten 10 Business Days of the respective Agency Rent Payment Date;

(b) Failure by the Local Agency to observe or perform any covenant, agreement, term or condition on its part to be observed or performed hereunder, other than as set forth in

paragraph (a) above, for a period of 30 days after written notice from the State or the Trustee to the Local Agency specifying such failure and requesting that it be remedied; *provided, however*, that such period shall be extended for an additional 60 days if such failure cannot be corrected within such period, and the corrective action is commenced by the Local Agency within such period and diligently pursued until the failure is corrected;

(c) If any statement, representation, or warranty made by the Local Agency in this Local Agency Financing Lease or in any writing delivered by the Local Agency pursuant hereto or in connection herewith is false, misleading, or erroneous in any material respect;

(d) If the Local Agency shall abandon or vacate the Property; and

(e) Inability of the Local Agency to generally pay its debts as such debts become due, or admission by the Local Agency, in writing, of its inability to pay its debts generally, or the making by the Local Agency of a general assignment for the benefit of creditors, or the institution of any proceeding by or against the Local Agency seeking to adjudicate it as bankrupt or insolvent, or seeking liquidation, winding-up, reorganization, reimbursement, adjustment, protection, relief or composition of it or its debts under any law relating to bankruptcy, insolvency or reorganization or relief of debtors, or seeking the entry of an order for relief or for appointment of a receiver, trustee, or other similar officer of it or any substantial part of its property, or the taking of any action by the Local Agency to authorize any of the actions set forth above in this Section 7.1(e).

(f) If an event of default shall occur under any Additional Financing Lease Agreement.

Notwithstanding the foregoing provisions of this Section 7.1, if by reason of *force majeure* the Local Agency is unable in whole or in part to carry out the covenants, agreements, terms and conditions on its part contained in this Local Agency Financing Lease, the Local Agency shall not be deemed in default during the continuance of such inability. The term "*force majeure*" means the following: acts of God; strikes; lockouts or other industrial disturbances or disputes; acts of public enemies; orders or restraints of any kind of the government of the United States of America or any of its departments, agencies or officials, or of its civil or military authorities; orders or restraints of the State or of any of its departments, agencies or officials or civil or military authorities of the State; wars, rebellions, insurrections; riots; civil disorders; blockade or embargo; landslides; earthquakes; fires; storms; droughts; floods; explosions; or any other cause or event not within the control of the Local Agency.

The State Treasurer, with the prior written consent of the Corporation, may, at its election, waive any default or Agency Event of Default and its consequences hereunder and annul any notice thereof by written notice to the Local Agency to such effect, and thereupon the respective rights of the Parties hereunder shall be as they would have been if such default or Agency Event of Default had not occurred.

Section 7.2 Rights of State Following Agency Event of Default. Whenever an Agency Event of Default hereunder shall have occurred and be continuing, the State shall have the following rights and may exercise any one or more of the following remedies:

(a) *Continuation; Reentry and Reletting.* The State may continue this Local Agency Financing Lease in full force and effect, and (i) collect rent and other amounts as they become due hereunder, (ii) enforce every other term and provision hereof to be observed or performed by the Local Agency, and (iii) exercise any and all rights of entry and reentry upon the Property. In the event that the State does not elect to terminate this Local Agency Financing Lease in the manner provided pursuant to paragraph (b) of this Section, the Local Agency agrees to observe and perform all terms and provisions herein to be observed or performed by it, and, if the Property is not relet, to pay the full amount of the rent and other amounts due hereunder for the term of this Local Agency Financing Lease, or, if the Property or any part thereof is relet, to pay any deficiency that results therefrom, in each case at the same time and in the same manner as otherwise provided herein, and notwithstanding any reentry or reletting by the State, or suit in unlawful detainer or otherwise brought by the State for the purpose of effecting such re-entry or obtaining possession of all or any part of the Property. Should the State elect to re-enter or obtain possession of all or any part of the Property, the Local Agency hereby irrevocably appoints the State as the Local Agency's agent and attorney-in-fact (i) to relet the Property, or any part thereof, from time to time, either in the name of the State or otherwise, upon such terms and conditions and for such use and period as the State may determine in its discretion, (ii) to remove all persons in possession thereof and all personal property whatsoever situated upon the Property, and (iii) to place such personal property in storage in any warehouse or other suitable place for the Local Agency in the county in which such personal property is located, for the account of and at the expense of the Local Agency. The Local Agency shall be liable for, and hereby agrees to pay the State, the State's costs and expenses in connection with reentry of the Property, removal and storage of any personal property, and reletting of the Property. The Local Agency hereby agrees that the terms of this Local Agency Financing Lease constitute full and sufficient notice of the right of the State to reenter and relet the Property or any part thereof without effecting a surrender or termination of this Local Agency Financing Lease. Termination of this Local Agency Financing Lease upon an Agency Event of Default shall be effected solely as provided in paragraph (b) of this Section. The Local Agency further waives any right to, and releases, any rental obtained by the State upon reletting in excess of the rental and other amounts otherwise due hereunder.

(b) *Termination.* The State may terminate this Local Agency Financing Lease, but solely upon written notice by the State to the Local Agency of such election. No notice to pay rent, notice of default, or notice to deliver possession of the Property or of any part thereof, nor any entry or reentry upon the Property or any part thereof by the State, nor any proceeding in unlawful detainer or otherwise brought by the State for the purpose of effecting such reentry or obtaining possession, nor any surrender of the Property or any part thereof by the Local Agency, nor any other act shall operate to terminate this Local Agency Financing Lease, and no termination of this Local Agency Financing Lease on account of a Master Financing Lease Event of Default shall be or become effective by operation of law or acts of the Parties or otherwise, unless and until such notice of termination shall have been given by the State. Upon such termination, the State may (i) reenter the Property or any part thereof and remove all persons in possession thereof and all personal property whatsoever situated upon the Property, and (ii) place such personal property in storage in any warehouse or other suitable place for the Local Agency in the county in which such personal property is located, for the account of and at the expense of the Local Agency. Upon such termination, the Local Agency's right to possession of the Property shall terminate, and the Local Agency shall surrender possession thereof to the State.

In the event of such termination, the Local Agency shall remain liable to the State for damages in an amount equal to the rent and other amounts that would have been due hereunder for the balance of the term hereof, less the net proceeds, if any, of any reletting of the Property or any part thereof by the State subsequent to such termination, after deducting the expenses incurred by the State in connection with any such reentry, removal and storage of personal property, and reletting. The State shall be entitled to collect damages from the Local Agency on the respective Agency Rent Payment Dates.

(c) *Other Remedies.* In addition to the other remedies set forth in this Section, upon the occurrence and continuance of an Agency Event of Default, the State shall be entitled to proceed to protect and enforce the rights vested in them by this Local Agency Financing Lease or by law. The terms and provisions of this Local Agency Financing Lease and the duties and obligations of the Local Agency hereunder, and the officers and employees thereof, shall be enforceable by the State by an action at law or in equity, for damages or for specific performance, or for writ of mandate, or by other appropriate action, suit or proceeding in any court of competent jurisdiction. Without limiting the generality of the foregoing, the State shall have the right to bring the following actions:

(i) Accounting. By action or suit in equity to require the Local Agency and its officers and employees to account as the trustee of an express trust;

(ii) Injunction. By action or suit in equity to enjoin the violation of the rights of the State.

(iii) Mandate. By writ of mandate or other action, suit or proceeding at law or in equity to enforce the State's rights against the Local Agency and its officers and employees, and to compel the Local Agency to perform and carry out its duties and obligations under the law and its covenants and agreements with the State as provided herein.

In the event that the State shall prevail in any action, suit or proceeding brought to enforce any of the terms of provisions of this Local Agency Financing Lease, the Local Agency shall be liable for the reasonable attorneys' fees of the State in connection therewith.

The Local Agency hereby waives any and all claims for damages caused or which may be caused by the State in reentering and taking possession of the Property or any part thereof as provided herein, and all claims for damages that may result from the destruction of or injury to the Property or any part thereof, and all claims for damages to or loss of any personal property that may be in or upon the Property.

Section 7.3 No Remedy Exclusive; Non-Waiver. No remedy conferred upon or reserved to the State hereunder or under applicable law is intended to or shall be exclusive, and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Local Agency Financing Lease or now or hereafter existing at law or in equity. No delay or omission to exercise any right or remedy accruing upon a default or an Agency Event of Default hereunder shall impair any such right or remedy or shall be construed to be a waiver of such default or Agency Event of Default, but any such right or remedy may be exercised from

time to time and as often as may be deemed necessary or expedient. In order to exercise any remedy reserved to the State hereunder, it shall not be necessary to give any notice, other than such notice as may be required hereunder. A waiver by the State of any default or Agency Event of Default hereunder shall not constitute a waiver of any subsequent default or Agency Event of Default, and shall not affect or impair the rights or remedies of the State Treasurer in connection with any such subsequent default or Agency Event of Default.

No acceptance of less than the full amount of a rental payment due hereunder shall constitute an accord and satisfaction or compromise of any such payment unless the State specifically agrees to such accord and satisfaction or compromise in writing.

Section 7.4 Default by State. Anything herein to the contrary notwithstanding, the State shall not be in default in the observance or performance of any of the covenants, agreements, terms or conditions to be observed or performed by it hereunder unless and until the State shall have failed to observe or perform such covenant, agreement, term or condition for a period of 60 days after written notice by the Local Agency to the State Treasurer specifying such failure and requesting that it be remedied; *provided, however*, that such period shall be extended for such additional time as shall be reasonably required to correct such failure if corrective action is commenced by the State within such period and diligently pursued until the failure is corrected.

ARTICLE VIII MISCELLANEOUS PROVISIONS

Section 8.1 Indemnification of State and the Corporation. To the extent permitted by law, the Local Agency hereby releases the State and the Corporation from, agrees that the State and the Corporation shall not be liable for, and agrees to indemnify and hold the State and the Corporation and their respective directors, officers, officials, employees, and agents harmless from, any liability for any loss or damage to property or any injury to or death of any person that may be occasioned by any cause whatsoever arising out of the ownership or operation of the Property or the design, acquisition, construction, financing or refinancing thereof. To the extent permitted by law, the Local Agency agrees to indemnify and hold the State and the Corporation and their respective directors, officers, officials, employees, and agents harmless from any losses, costs, charges, expenses (including reasonable attorneys' fees), judgments and liabilities incurred by it or them, as the case may be, in connection with any action, suit or proceeding instituted or threatened in connection with the transactions contemplated by this Local Agency Financing Lease or the exercise of rights or the performance of duties of the State or the Corporation under this Local Agency Financing Lease, the Master Financing Lease or the other Series 2021C Agreements, except to the extent caused by the gross negligence or willful misconduct of such indemnified party. The indemnification provided in this Section 8.1 shall survive the final payment of the Agency Rent Payments and the termination of this Local Agency Financing Lease for any reason.

Section 8.2 Term. If on [] (the "Scheduled Termination Date"), all amounts due hereunder shall not have been paid or the payment thereof duly provided for pursuant to Section 4.4, then the term of this Local Agency Financing Lease shall be extended until 10 days after all amounts due hereunder shall have been paid or the payment thereof so provided for,

except that the term of this Local Agency Financing Lease shall in no event be extended more than five years beyond the Scheduled Termination Date. If prior to the Scheduled Termination Date, all amounts due hereunder shall have been paid or the payment thereof so provided for, the term of this Local Agency Financing Lease shall end 10 days thereafter or 10 days after written notice by the Local Agency to the State Treasurer, whichever is earlier.

Section 8.3 Termination. The Local Agency agrees, upon the termination of this Local Agency Financing Lease, to quit and surrender the Property (i) in the same good order, condition and repair as the same was in at the time of commencement of the term hereunder, except for acts of God and reasonable wear and tear, that affect the condition of the Property; and (ii) free and clear of all leases, occupancies, liens and encumbrances, other than those existing as of the Dated Date or subsequently created in accordance herewith. The Local Agency agrees that any permanent improvements and structures existing upon the Property at the time of such termination of this Local Agency Financing Lease shall remain thereon. The Local Agency shall thereafter execute, acknowledge and deliver to the State such instruments of further assurance as in the reasonable opinion of the State Treasurer are necessary or desirable to confirm the State's leasehold right, title and interest in and to the Property.

Section 8.4 Notices to Agency. The notice address for the Local Agency shall be as set forth in the Notice of Intent.

STATE OF WASHINGTON OFFICE OF THE
STATE TREASURER

By _____
Treasurer Representative

CITY OF KENMORE, WASHINGTON,
as Local Agency

By _____
Authorized Agency Representative

By _____
Authorized Agency Representative

By _____
Authorized Agency Representative

STATE OF WASHINGTON)
) ss.
COUNTY OF THURSTON)

I certify that I know or have satisfactory evidence that JASON P. RICHTER is the person who appeared before me, and said person acknowledged that he signed this instrument, on oath stated that he was authorized to execute the instrument and acknowledged it as the Deputy State Treasurer Debt Management of the STATE OF WASHINGTON to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: _____



(Use this space for notarial stamp/seal)

(Signature of Notary)

Print Name _____
(Legibly Print or Stamp Name of Notary)

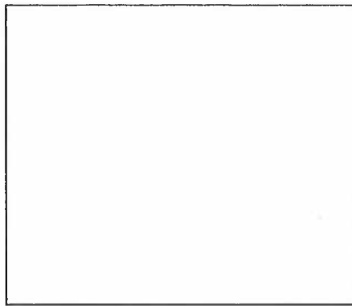
Notary public in and for the state of Washington, residing at

My commission expires _____

STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

I certify that I know or have satisfactory evidence that _____ is the person who appeared before me, and said person acknowledged that [s]he signed this instrument, on oath stated that [s]he was authorized to execute the instrument and acknowledged it as _____ of the CITY OF KENMORE, WASHINGTON to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: _____



(Use this space for notarial stamp/seal)

(Signature of Notary)

Print Name _____
(Legibly Print or Stamp Name of Notary)

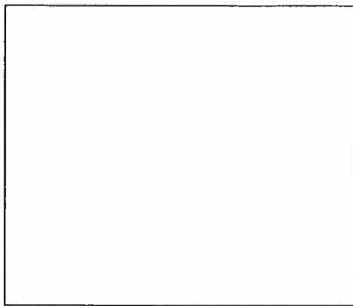
Notary public in and for the state of Washington, residing at _____

My commission expires _____

STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

I certify that I know or have satisfactory evidence that _____ is the person who appeared before me, and said person acknowledged that [s]he signed this instrument, on oath stated that [s]he was authorized to execute the instrument and acknowledged it as _____ of the CITY OF KENMORE, WASHINGTON to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: _____



(Use this space for notarial stamp/seal)

(Signature of Notary)

Print Name _____
(Legibly Print or Stamp Name of Notary)

Notary public in and for the state of Washington, residing at _____

My commission expires _____

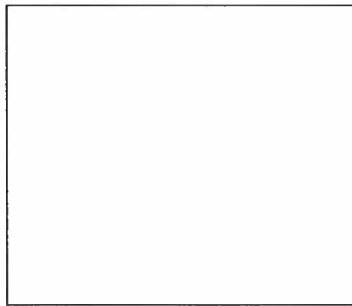
N-3

FG-54351703.1

STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

I certify that I know or have satisfactory evidence that _____ is the person who appeared before me, and said person acknowledged that [s]he signed this instrument, on oath stated that [s]he was authorized to execute the instrument and acknowledged it as _____ of the CITY OF KENMORE, WASHINGTON to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: _____



(Use this space for notarial stamp/seal)

(Signature of Notary)

Print Name _____
(Legibly Print or Stamp Name of Notary)

Notary public in and for the state of Washington, residing at _____

My commission expires _____

N-4

FG:54351703.1

EXHIBIT A
NOTICE OF INTENT

FG:54351703.1

EXHIBIT B

CERTIFICATE DESIGNATING AUTHORIZED AGENCY REPRESENTATIVE

FG:54351703.1

EXHIBIT C
LEGAL DESCRIPTION

FG:54351703.1

EXHIBIT D
AGENCY RENT PAYMENTS

FG-54351703.1

Recording Requested by and Return To:
WASHINGTON FINANCE OFFICERS
ASSOCIATION
c/o Foster Garvey PC
1111 Third Avenue, Suite 3000
Seattle, Washington 98101
Attn: William G. Tonkin

MEMORANDUM OF LOCAL AGENCY FINANCING LEASE

This Memorandum of a Local Agency Financing Lease is made as of November 17, 2021, by and between the STATE OF WASHINGTON, as landlord and sublessor ("Landlord"), and the CITY OF KENMORE, WASHINGTON, as tenant and sublessee ("Tenant"), in connection with that certain Local Agency Financing Lease, Series 2021C, dated as of November 17, 2021, and executed by and between Landlord and Tenant (the "Lease"), in connection with (among other things) that certain real property (the "Property") described on Exhibit A, attached hereto and incorporated herein by this reference.

Landlord hereby leases to Tenant and Tenant leases from Landlord the Property on the terms and conditions set forth in the Lease for a term commencing as of November 17, 2021, and ending on _____, 20__. Upon the occurrence of certain events, the term of the Lease with respect to the Property may be extended to _____, 20__.

Abbreviated Legal Description:

Full Legal Description See Exhibit A

Assessor's Tax Parcel ID No.

**Reference number(s) of related/
assigned/released/document(s):** _____

[SIGNATURES ON FOLLOWING PAGE]

TRANSACTION NO. 1268-1-1

FG:54351720.1

[Signature page Memorandum of Local Agency Financing Lease]

LANDLORD:

STATE OF WASHINGTON, acting by
and through the State Treasurer

By _____
Treasurer Representative

TENANT:

CITY OF KENMORE, WASHINGTON

By _____
Authorized Agency Representative

By _____
Authorized Agency Representative

By _____
Authorized Agency Representative



(Signature of Notary)

Print Name _____
(Legibly Print or Stamp Name of Notary)

Notary public in and for the state of Washington, residing at _____

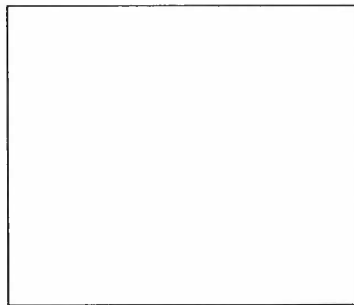
My commission expires _____

FG:54351720.1

STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

I certify that I know or have satisfactory evidence that _____ is the person who appeared before me, and said person acknowledged that [s]he signed this instrument, on oath stated that [s]he was authorized to execute the instrument and acknowledged it as _____ of the CITY OF KENMORE, WASHINGTON to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: _____



(Use this space for notarial stamp/seal)

(Signature of Notary)

Print Name _____
(Legibly Print or Stamp Name of Notary)

Notary public in and for the state of Washington, residing at _____

My commission expires _____

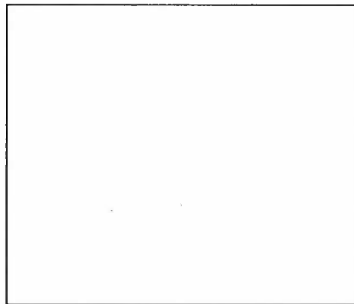
N-2

FG:54351720.1

STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

I certify that I know or have satisfactory evidence that _____ is the person who appeared before me, and said person acknowledged that [s]he signed this instrument, on oath stated that [s]he was authorized to execute the instrument and acknowledged it as _____ of the CITY OF KENMORE, WASHINGTON to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: _____



(Use this space for notarial stamp/seal)

(Signature of Notary)

Print Name _____
(Legibly Print or Stamp Name of Notary)

Notary public in and for the state of Washington, residing at _____

My commission expires _____

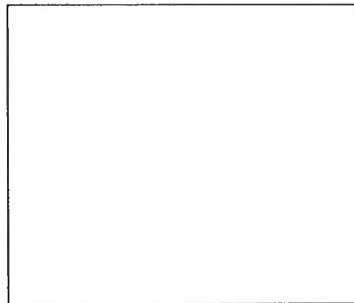
N-3

FG:54351720.1

STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

I certify that I know or have satisfactory evidence that _____ is the person who appeared before me, and said person acknowledged that [s]he signed this instrument, on oath stated that [s]he was authorized to execute the instrument and acknowledged it as _____ of the CITY OF KENMORE, WASHINGTON to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: _____



(Use this space for notarial stamp/seal)

(Signature of Notary)

Print Name _____
(Legibly Print or Stamp Name of Notary)

Notary public in and for the state of Washington, residing at _____

My commission expires _____

N-4

FG:54351720.1

EXHIBIT A
Legal Description

FG:54351720.1

Annex 4

Authorized Agency Representatives

Robert Karlinsey
Nancy Ousley
Leticia Salcido

City Manager
Assistant City Manager
Finance and Administration Director

Certificate Designating Authorized Agency Representatives

I, Anastasiya Warhol, City Clerk of the City of Kenmore, (the "Local Agency") hereby certify that, as of the date hereof, pursuant to Ordinance No. 21-0532 the following individuals are each an "Authorized Agency Representative," as indicated by the title appended to each signature, that the following individuals are duly authorized to execute and deliver the Local Agency Financing Lease to which this Certificate is attached as Exhibit B, and all documentation in connection therewith, including but not limited to the Local Agency Site Lease, that the signatures set forth below are the true and genuine signatures of said Authorized Agency Representatives and that pursuant to such ordinance, the signature of one of the following individuals is required on each of the aforementioned documents in order to consider such documents executed on behalf of the Local Agency:

<u>Signature</u> _____	<u>Name</u> _____	<u>Title</u> _____
_____	Rob Karlinsey	City Manager
_____	Nancy Ousley	Assistant City Manager
_____	Leticia Salcido	Finance and Administration Director

Dated this _____ day of November, 2021.

CITY OF KENMORE, WASHINGTON

Anastasiya Warhol, City Clerk
City of Kenmore, Washington

SUBSCRIBED AND SWORN TO before me this _____ day of _____, 2021.

By: _____
NOTARY PUBLIC in and for the State of
Washington, residing at:

Printed Name: _____
My Commission Expires: _____

CERTIFICATE OF AUTHORIZING ORDINANCE

I, Anastasiya Warhol, City Clerk of the City of Kenmore, Washington (the "City"), DO HEREBY CERTIFY:

1. That the attached Ordinance No. 21-_0532 (herein called the "Ordinance") is a true and correct copy of an ordinance of the City passed at a special meeting of the City Council held on the 30th day of August, 2021, and duly recorded in my office;

2. That said meeting was duly convened and held in all respects in accordance with law; and to the extent required by law, due and proper notice of such meeting was given; that a quorum of the City Council was present throughout the meeting and a legally sufficient number of members of the City Council voted in the proper manner for the passage of the Ordinance;

3. That all other requirements and proceedings incident to the proper passage of the Ordinance have been duly fulfilled, carried out and otherwise observed;

4. That the Ordinance remains in full force and effect and has not been amended, repealed or superseded; and

5. That I am authorized to execute this certificate.

DATED as of this _____ day of _____, 2021.

CITY OF KENMORE, WASHINGTON

Anastasiya Warhol, City Clerk
City of Kenmore, Washington

Signature: Rob Karlinsey
Rob Karlinsey (Aug 21, 2021 14:37 PDT)
Email: rkarlinsey@kenmorewa.gov

AB-Local Loan 8-30-21 meeting

Final Audit Report

2021-08-21

Created:	2021-08-21
By:	Leticia Salcido (lsalcido@kenmorewa.gov)
Status:	Signed
Transaction ID:	CBJCHBCAABAABAK2f4O5ABFJw-YVbC-cBjJMfWk7RUI3Ao

"AB-Local Loan 8-30-21 meeting" History



Document created by Leticia Salcido (lsalcido@kenmorewa.gov)

2021-08-21 - 0:18:22 AM GMT- IP address: 50.235.209.34



Document emailed to Rob Karlinsey (rkarlinsey@kenmorewa.gov) for signature

2021-08-21 - 0:18:50 AM GMT



Email viewed by Rob Karlinsey (rkarlinsey@kenmorewa.gov)

2021-08-21 - 9:36:30 PM GMT- IP address: 24.22.167.111



Document e-signed by Rob Karlinsey (rkarlinsey@kenmorewa.gov)

Signature Date: 2021-08-21 - 9:37:50 PM GMT - Time Source: server- IP address: 24.22.167.111



Agreement completed.

2021-08-21 - 9:37:50 PM GMT



POWERED BY
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City Council Business Agenda Item
City of Kenmore, WA

Subject/Topic: (1) Hold Public Hearing (2) Move to Adopt Ordinance No. 21-0532 An Ordinance of the City of Kenmore Washington, Authorizing the acquisition of real property, the City's participation in the State of Washington Local Program to finance such property, and the execution of a local agency site lease, a local agency financing lease, and related documentation relating to the acquisition of such property, and other matters related thereto. Proposed Council Action/Motion: Adopt Ordinance No. 21-0532	For Council Meeting Agenda of: August 30, 2021 Department: City Manager, Finance/Administration Prepared by: Leticia Salcido, Director Finance/Administration <table border="0"> <tr> <td>Approved by Department Head:</td><td><u>Initial & Date</u></td></tr> <tr> <td>Approved by City Attorney:</td><td><u> </u></td></tr> <tr> <td>Approved by Finance Director:</td><td><u> </u></td></tr> <tr> <td>Approved by City Manager:</td><td><u>RGK</u> RGR</td></tr> </table> Exhibits/Attachments: Attachment 1: Local Program Authorizing Ordinance No. 21-0532 Annex 1 – Notice of Intent Annex 2 – Local Agency Site Lease & Memo series 2021 C Annex 3 – Local Agency Financing Lease & Memo Annex 4 – Certificate Designating Authorized Agency Representatives Attachment 2: Certificate of authorizing ordinance	Approved by Department Head:	<u>Initial & Date</u>	Approved by City Attorney:	<u> </u>	Approved by Finance Director:	<u> </u>	Approved by City Manager:	<u>RGK</u> RGR
Approved by Department Head:	<u>Initial & Date</u>								
Approved by City Attorney:	<u> </u>								
Approved by Finance Director:	<u> </u>								
Approved by City Manager:	<u>RGK</u> RGR								
<u>INFORMATION/BACKGROUND:</u>									

At the end of 2018, the long-standing contract for public works maintenance provided by the City of Lake Forest Park ended. Kenmore created a new in-house public works maintenance operation starting in January 2019. Public works has been operating without a designated property for their shop and operation. The City's Capital Program for 2021-2026 identified and includes a capital project for the public works shop land acquisition and development.

In 2021, after an extensive search and review process, the City identified three contiguous properties that met the requirements for the public works shop location. The City of Kenmore entered into a purchase agreement at a total cost of \$5,850,000 (including closing costs).

Various financing options were researched and evaluated. The Local Program Real Estate financing for local governments offered by the Office of the State Treasurer surfaced as the best option for the City. Local financing is structured as a financing contract (lease) offered through the Office of the State Treasurer (OST). Participants enter into a financing contract (lease) with the Office of the State Treasurer. OST pools the various lease agreements across all Local participants and packages them as Certificates of Participation (COP). COP's are similar to municipal bonds, structured with regular principal and interest payments and sold to investors. By pooling with the State's Aa1 rated COP issuances and economy of scale LOCAL participants are able to take advantage of the State's very low tax-exempt interest rates and lower issuance costs. The next and final time, in 2021, that OST will go to market is October 2021. The City submitted a Notice of intent and credit form (non-binding) for credit consideration and financing in the amount of \$5,850,000. The City received credit approval on August 10, 2021. Final rates will be locked in at issuance. As of August, the estimated annual debt service is \$385,000 with payment due on June 1 (principal/interest) and December 1 (interest only).

The timeline is as follows:

- Sale date – October 26, 2021
- Funds available – November 17, 2021
- First payment due date – December 1, 2021

The next step in this process is the review, consideration, and approval of the following documents and subsequent submittal to the Office of the State Treasurer by September 7, 2021. The documents include the following:

- 1) Authorizing Ordinance – authorizes the financing of the property through the LOCAL Program and specifies the number of agency representatives required to execute the financing. The Local financing lease to be in an amount not to exceed \$5,850,000 plus related financing costs. Designating a minimum of one (1) authorized Agency Representative that will be required to execute any one documents in order for it to be considered duly executed on behalf of the Local Agency.
 - a. Annex 1 – Notice of intent
 - b. Annex 2 – Local Agency Site Lease & Memo – provides the collateral for the financing lease
 - c. Annex 3 – Local Agency Financing Lease & Memo – establishes the contractual obligations of the Local Agency in the transaction.
 - d. Annex 4 - Certificate Designating Authorized Agency Representatives – Names the agency representatives authorized to execute the financing documents. The authorized representative listed on this form include the City Manager, Assistant City Manager & Director of Finance/Administration.
- 2) Certificate of authorizing ordinance – certifies a true copy of the ordinance

This is the public hearing of the Ordinance and questions and comments from the City Council are encouraged.

FISCAL CONSIDERATION:

The Ordinance provides authorization for the execution of a Local agency Financing Lease, in the amount of \$5,850,000, related to the acquisition of real property.

COUNCIL GOAL/BUDGET OBJECTIVE BEING ADDRESSED:

CITY OF KENMORE, WASHINGTON

ORDINANCE NO. 21-0532

AN ORDINANCE OF THE CITY OF KENMORE, WASHINGTON, AUTHORIZING THE ACQUISITION OF REAL PROPERTY, THE CITY'S PARTICIPATION IN THE STATE OF WASHINGTON LOCAL PROGRAM TO FINANCE SUCH PROPERTY, AND THE EXECUTION OF A LOCAL AGENCY SITE LEASE, A LOCAL AGENCY FINANCING LEASE, AND RELATED DOCUMENTATION RELATING TO THE ACQUISITION OF SUCH PROPERTY, AND OTHER MATTERS RELATED THERETO.

WHEREAS, the City of Kenmore, Washington (the "City") has executed a Notice of Intent to the Office of State Treasurer, in the form attached hereto as Annex 1 (the "NOI"), in relation to the acquisition of and the financing of the acquisition, improvement and betterment (collectively, the "acquisition") of the Property, as defined below, under the provisions of chapter 39.94 RCW; and

WHEREAS, after due consideration, the City Council (the "City Council" or "Council") of the City has deemed it necessary and advisable that the City acquire the real property, equipment, improvements, and fixtures identified on Annex 1 attached hereto ("Property"); and

WHEREAS, it is deemed necessary and advisable by the City Council that the City enter into a Local Agency Site Lease with the Washington Finance Officers Association (the "Corporation") in the form attached hereto as Annex 2 (the "Local Agency Site Lease") to facilitate the financing of the Property; and

WHEREAS, it is deemed necessary and advisable by the City Council that the City enter into a Local Agency Financing Lease with the Office of the State Treasurer, in the form attached hereto as Annex 3 (the "Local Agency Financing Lease"), in an amount not to exceed \$5,850,000, plus related financing costs, in order to acquire the Property, and finance the acquisition of the Property; and

WHEREAS, the City will undertake to acquire and/or improve the Property on behalf of and as agent of the Corporation pursuant to the terms of the Local Agency Financing Lease, and in accordance with all applicable purchasing statutes and regulations applicable to the City; and

WHEREAS, the City desires to appoint the individuals set forth in Annex 4 as the designated representatives of the City in connection with the acquisition of the Property and execution of the Local Agency Financing Lease (each, an "Authorized Agency Representative");

Attachment 1

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF KENMORE, WASHINGTON, DO ORDAIN AS FOLLOWS:

Section 1. The City's participation in the State LOCAL Program ("LOCAL Program") to finance the Property is hereby approved. The Property and related project include the acquisition, construction, improvement, equipping and maintenance of City public works and shop facilities, including real property. The individuals holding the offices or positions set forth in Annex 4 are each hereby appointed as a representative of the City in connection with the acquisition of the Property and execution of the Local Agency Financing Lease, the Local Agency Site Lease, and all other related documents. The signature of one Authorized Agency Representative shall be sufficient to execute any document in order for it to be considered duly executed on behalf of the City.

Section 2. The form of the Local Agency Site Lease, attached hereto as Annex 2, is hereby approved and the Authorized Agency Representatives are hereby authorized and directed to execute and deliver the Local Agency Site Lease, in substantially the form attached hereto with such changes as may be approved by the Authorized Representatives, to facilitate the acquisition and/or improvement of the Property and financing of the acquisition of the property.

Section 3. The form of the Local Agency Financing Lease, attached hereto as Annex 3, is hereby approved and the Authorized Agency Representatives are hereby authorized and directed to execute and deliver the Local Agency Financing Lease, in an amount not to exceed \$5,850,000, plus related financing costs, and in substantially the form attached hereto with such changes as may be approved by the Authorized Representatives, for the acquisition of the property and financing of the acquisition of the Property.

Section 4. The City hereby authorizes the acquisition of the Property as agent of the Corporation in accordance with the terms and provisions of the Local Agency Financing Lease.

Section 5. The Authorized Representatives are hereby authorized to execute and deliver to the Office of State Treasurer all other documents, agreements and certificates, and to take all other action, which they deem necessary or appropriate in connection with the financing of the Property, including, but not limited to, any amendment to the NOI, any tax certificate and any agreements relating to initial and ongoing disclosure in connection with the offering of securities related to the financing.

Section 6. The City reasonably expects to reimburse prior expenditures relating to the Property with proceeds of the Local Agency Financing Contract. Such prior expenditures have been or are expected to be made with available revenue of the City. The maximum principal amount of such reimbursement for prior expenditures for costs of the Property will not exceed \$5,850,000.

Attachment 1

Section 7. This ordinance shall be published in the official newspaper of the City, and shall take effect and be in full force five (5) days after the date of the publication.

PASSED BY THE CITY COUNCIL OF THE CITY OF KENMORE, WASHINGTON
AT A SPECIAL MEETING ON THIS 30TH DAY OF AUGUST, 2021.

CITY OF KENMORE, WASHINGTON

David Baker, Mayor

ATTEST/AUTHENTICATED:

Kelly Chelin, City Clerk

Approved as to form:

Pacifica Law Group LLP

Date of Publication: _____

Effective Date: _____

Annex 1

NOI (Attached)

Notice of Intent

State of Washington LOCAL PROGRAM

Local Agency Information

Legal Name: CITY OF KENMORE

County: KING

Address: 18120 68th Ave. NE

Contact Person: Leticia Salcido

Phone: 425-398-6190

E-mail: lsalcido@kenmorewa.gov

MCAG No.:

Zip: 98028

Title: Director Finance/Administration

Fax: 425-481-3236

Property (Real Estate or Equipment)

Property description (include quantity, if applicable): purchase of lots for construction of public works shop. 6506, 6520 & 6450

Purpose of property (Please be specific and include dept. of use):

construction of public works shop

Total Project/Property Cost \$ 5,850,000

Finance term: 25 years

Local Funds \$ ()

Useful life: 50+

Grants \$ ()

Desired financing date: October 2021

Other \$ ()

LOCAL Financing Request: \$ 5,850,000

If **real estate**, the Real Estate Worksheet: ☒ Is attached ☐ Will be provided by (date):If **equipment**, select how the property purchase price will be paid:

☐ Reimbursement to Local Agency. *If expenditures are made prior to the COP closing date, a Reimbursement Resolution will be required with your financing documents. To comply with IRS requirements, expenditures made more than 60 days prior to the date of the resolution cannot be reimbursed.*

☐ Direct payment to vendor. *Confirm the vendor is registered in the Statewide Vendor System at <https://ofm.wa.gov/it-systems/statewide-vendorpayee-services> or call 360.407.8180.*

Security Pledge

☐ Voted general obligation of local government ☒ Non-voted general obligation of local government

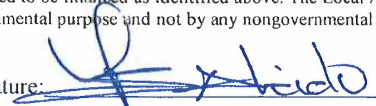
Other Information

If any of the following apply, please provide a complete discussion on a separate page:

☐ Yes ☒ No Is the local agency a party to significant litigation?

☐ Yes ☒ No Has the agency received a bond rating in the last two years? If yes, bond rating(s):
(attach rating agency letter)

The Local Agency reasonably expects to be reimbursed for original expenditures made to acquire the personal/real property from sale proceeds of certificates of participation in a Personal/Real Property Financing Lease with the State Treasurer in the maximum amount expected to be financed as identified above. The Local Agency reasonably expects that the personal/real property will be used for its governmental purpose and not by any nongovernmental person for private business use.

Signature: 

Date: 7/1/2021

Printed Name: Leticia Salcido

Title: Director Finance/Administration

Credit Application

State of Washington LOCAL PROGRAM

Please provide the following information with the agency's Notice of Intent to finance through the LOCAL PROGRAM.

General

Local Agency Name: CITY OF KENMORE

Located in the incorporated community of: Kenmore Washington

Population served: 23450

Please provide a brief background on the agency: when it was formed, recent changes in service area or tax base related to annexations or mergers.

City of Kenmore is located in the northern part of King county. The City was incorporated in 1998 and is comprised of 6.1 sq. miles and 7984 occupied housing units (2010).

Are you aware of any proposed changes to the tax base of the agency such as plans to annex/merge/dissolve portions of a district/county/city)? If so, how would this affect the agency's size and operations?

no known changes to tax base of the agency.

Provide the number of agency employees in each of the past three years. Do unions represent employees or bargaining groups? If yes, when do the associated contracts expire? Are labor relations considered satisfactory?

2021 - 44.64, 2020 - 42.64, 2019 - 42.04, 2018 - 33.89,

The city does not have unions or bargaining groups for employee representation. labor relations appear satisfactory.

Discuss any major changes to significant employers or taxpayers in the area. Are you aware of pending closures or changes in employment levels?

No known significant changes to employer/taxpayer base in the area. There is no known pending closures or changes in employer levels. No known pending closures or change in employment levels.

Special Purpose Districts only: List facilities and major equipment operated by the district.

n/a

Litigation

Please accept or modify as appropriate, the following:

There is not now pending or, to the best of knowledge, threatened, any litigation restraining or enjoining the execution of the Local Agency Financing Agreement or the levy and collection of taxes to pay the payments thereunder. The City is party to routine legal proceedings and claims, and the collective impact of these legal proceedings and claims is not likely to have a material impact on revenues of the entity.

Assessed Valuation

Please complete the table below on assessed value, noting the source materials. Explain any unique or unusual valuation numbers (e.g. revaluation year).

Year of tax collection (include last 5 years)	Total assessed value for regular levy	Reduced assessed value for excess or bond levy
Current year	5,286,534,417	
2020	5,300,171,003	
2019	4,851,092,698	
2018	4,243,907,472	
2017	3,903,901,850	
2016	3,606,487,174	

Tax Levy and Rate

Provide the levy rate per \$1,000 assessed to taxpayers for the last five years, and the dollar amount of regular levy.

Year of Tax Collection	Regular Levy Rate per \$1,000	Regular Levy Total \$\$ Levied	Other Levy Rate per \$1,000	Bond Levy Rate per \$1,000	Levy Lid Lift Included? (Y/N) If Y, provide amount
Current Year	1.01	5359025		0.147	
2020	1.00	5,306,488		0.10	
2019	1.14	5,053,032		0.25	
2018	1.14	4,837,631		0.29	
2017	1.20	4,677,083		0.29	
2016	1.26	4,537,138		0	

Does the agency currently have authority to impose any voter-approved levy lid lifts in the future? If so, please describe the term(s) and authorized amount(s) of such lid lifts.

no

Has the levy rate been reduced in recent years because of other taxing district levies?

no

Are you aware of any potential or impending constraints or reductions associated with the agency's levy rates? If yes, please explain.

no

Financial Operations**Statement of Revenues and Expenditures and Fund Balance Report**Basis of accounting: ☒ Cash ☐ Accrual

Please attach copies of the Statement of Revenues and Expenditures and Fund Balance Report for the General or Operating Fund, for the past five years. Clearly indicate whether each year has been audited. If financial statements are not available for the most recent year, please provide preliminary numbers. Please provide details to explain any unusual activity such as one-time expenditures or revenues.

☒ The past 5 years of financial reports are attached

Budget – General/Operating Fund (2 years)

Please attach the budget summary for the General or Operating fund for the current and past year. Be sure it includes summary information on revenues and expenditures – do not send the entire budget.

☒ Budget reports are attached

Please discuss any ending fund balance policies. Is there an expectation that the ending fund balance will be drawn down to a pre-determined level in the future? If so, why and when?

The city has a financial policy - to maintain undesignated General Fund reserves at no less than 20% of annual budgeted.

Service Contracts

Briefly describe any service contracts (terms, length, dollar value, etc), including contracts with cities, counties or special purpose districts within the applicant's boundaries, if any. If such contracts constitute more than 10% of your agencies annual operating revenues or expenditures, please provide a history of the specific revenue/expenditures associated with the contract(s) and the remaining term of the contract(s). An example of such a contract might include a fire district that receives revenue from another entity for purposes of fire protection services outside of that fire district's natural boundaries.

The City contracts with King County for provision of law enforcement services to the City. The annual contract cost for 2021 is \$3.7 million.

The City contracts with King County for provision of court services to the City. The current contract expires on

Debt**Outstanding Long-term Debt**

Provide the following information on all outstanding debt. Include general obligation debt and other types of debt that are payable from the agency's general or operating fund, as well as any outstanding state loans. Use an additional page or attachment if necessary.

	Debt No. 1	Debt No. 2	Debt No. 3
Description of debt	Unlimited Tax - General Obligation Bonds		
First payment date	12/01/2017		
Last payment date	12/01/2036		
Voted or non-voted pledge	Voted	Voted	Voted
Amount originally borrowed	\$9,220,000		
Amount currently outstanding	\$6,210,000		
Annual payments due	\$531,000		
Fund responsible for repayment	Debt Service Fund - 200		

Short-term Obligations

Provide information on any short-term obligations including interfund loans or loans from the County Treasurer, noting the amount of the loan, the purpose, the repayment schedule and the fund source for repayment.

n/a

Additional Financing Plans

Discuss additional financing plans that are in process or anticipated over the next 18 to 24 months.

The city is in the process of issuing series 2 of Unlimited Tax General Obligation Bonds for walkways/waterways projects. Series two will be in the amount of \$10 million. A ballot measure was approved at an election held in the City on November 8, 2016, which authorized the City to issue up to \$19,750,000 of unlimited tax general obligation bonds for the purpose of financing the construction of new sidewalks and pedestrian and bicycle safety improvements along arterials and

Expected payment source for COP lease payments

Does the agency anticipate making the COP lease payments from a source other than the agency's general or operating fund? If so please describe this alternative source of funds, provide a 5-year history and any other claims on this source of funds.

The COP lease payments will be paid by the General Fund. Other funds will reimburse the General Fund for their respective share of the cost. Other funds include Surface Water fund, Street Fund, and Transportation Benefit District Fund.

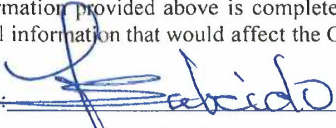
Reserves

Does the agency maintain any financial reserves outside of its general or operating fund? Please describe these reserves, provide a 5-year history and any expected expenditure of these reserve funds in the near future.

The City maintains a Strategic Reserve fund whose purpose is to serve as the City's emergency reserve fund. The ending fund balance was as follows: 2020-\$1,345,297, 2019-\$1,333,964, 2018-\$1,309,777, 2017-\$1,286,663, 2016-\$1,273,849. No expenditures are budgeted for 2021/2022 out of this fund.

Provide any additional information that would be helpful for the review of the LOCAL PROGRAM credit application.

The information provided above is complete and accurate to the best of my knowledge. I am not aware of any additional information that would affect the Office of the State Treasurer's review of the agency.

Signature: 

Date: 07/01/2021

Printed Name: Leticia Salcido

Title: Director Finance/Administrati

Forward this application to the LOCAL Program
matthew.schoenfeld@tre.wa.gov
brianna.may@tre.wa.gov
Office of the State Treasurer, Legislative Building, PO Box
40200, Olympia, WA 98504-0200
(360) 902-9022

LOCAL Real Estate Financing and Project Overview

General

Common name of property/building	Public works shop	
Address of property/building	6506, 6520, 6450 NE 202 nd street Kenmore WA	
Contact Information	Leticia Salcido – Director of Finance & Administration	
Finance Contact		Real Estate/Construction Contact
Name	Leticia Salcido	Name
Title	Director Finance/Administration	Title
Phone	425-398-6190	Phone
Email	lsalcido@kenmorewa.gov	Email

Select the type of project you intend to finance:

- ☐ New Construction
☒ Acquisition of Property
☐ Refinancing – *Please provide a copy of the existing financing contract to OST*

Timing

Target acquisition date, if acquisition :	August, September 2021
Expected timing, if construction: 2023	
Bid date:	
Construction start:	
Construction completion:	

Required Information and Documentation

Please attach a copy of the **legal description** of the property

Has a title report or preliminary commitment for **title insurance** been obtained?

☒ The Legal Description is included

☐ Yes ☐ No
If yes, please provide a copy to OST.

will forward as soon as obtain a copy.

Estimated Project and Finance Information *

Please provide an estimated project budget as follows. All soft costs should be identified.

Acquisition Price	5,700,000
Acquisition Costs (provide detail)	150,000
Title Insurance	
Phase I	
Other	
Other	
Construction Costs	
Contract price	
Architect/Engineer	
Other	
Total project cost	
Amount paid by agency	
Total amount to be financed	5,850,000

** Include only costs to be incurred by the Agency. All costs relating to the LOCAL Program financing will be estimated and provided by the Office of the State Treasurer.*

Desired length of financing	25 years
Repayment source (i.e. voted levy, revenue, savings from payment reductions)	General Fund

Use of Land or Building

Building size	sq ft - n/a
Who will occupy the building upon completion of the project?	City of Kenmore
What is the intended use of the building?	public works shop
Who were the previous tenants?	private owners
What was the previous use?	residential
Is the property to be acquired currently occupied by any agency of the State, or other local government agencies?	☐ Yes ☒ No
If so, are any private or federal government tenant leases expected to continue?	n/a
For any private or federal government leases that are expected to continue, please provide the following for <u>EACH</u> tenant: n/a	
Business/agency use	
Ending date of lease term	
Terms of any renewal options	
Periodic lease payments	(monthly) (annually)
Square footage occupied	
Intended use by the State Agency	
Any state agency leases that are expected to continue must be assigned to the State Agency. Also, for any private tenants, estoppels must be provided, and all security deposits and prepaid rents should be transferred to the Agency. n/a	
Does the Agency expect to enter into ANY type of management agreements, service contracts or other business arrangements relating to the property with any other parties?	no
Has a Phase 1 Environmental Review been performed? If so, were there any item that indicated the need for a Phase 2 review?	no

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Association
ALL RIGHTS RESERVED



Form: PS_1A
Purchase & Sale Agreement
Rev. 7/2020
Page 17 of 17

**COMMERCIAL & INVESTMENT REAL ESTATE
PURCHASE & SALE AGREEMENT
(CONTINUED)**

EXHIBIT A *
[Legal Description]

Parcel Number: 011410-0370 (King County)

ALDERWOOD MANOR # 14 LOT A KC SHORT PLAT #274038 AF #7408270358 SD SHORT PLAT DAF LOT 2
BLOCK 8 ALDERWOOD MANOR #14 LESS NLY 624.85 FT AS MEAS ALG E & W LNS SD LOT 2 PLAT
BLOCK: 8 PLAT LOT: 2

Parcel Number: 011410-0371 (King County)

ALDERWOOD MANOR #14 LOT B KC SHORT PLAT #274038 AF #7408270358 SD SHORT PLAT DAF LOT 2
BLOCK 8 ALDERWOOD MANOR #14 LESS NLY 624.85 FT AS MEAS ALG E & W LNS SD LOT 2 PLAT
BLOCK: 8 PLAT LOT: 2

The Parties agree that the Title Insurance Company providing Title Insurance or this transaction may substitute
or perfect the Legal Description at Closing.

* To ensure accuracy in the legal description, consider substituting the legal description contained in the
preliminary commitment for title insurance or a copy of the Property's last vesting deed for this page. Do not
neglect to label the substitution "Exhibit A." You should avoid transcribing the legal description because any error
in transcription may render the legal description inaccurate and this Agreement unenforceable.

INITIALS: Buyer RYK Date 6-7-21 Seller [Signature] Date 6-7-21
Buyer _____ Date _____ Seller _____ Date _____

EXHIBIT A TO SELLER'S CLOSING CERTIFICATE

Legal Description:

LOT 3, BLOCK 8, ALDERWOOD MANOR NO. 14, ACCORDING TO THE
PLAT THEREOF RECORDED IN VOLUME 26, PAGE 4, RECORDS OF
KING COUNTY, WASHINGTON.

EXCEPT THE NORTHERLY 624.85 FEET THEREOF;

SITUATE IN THE COUNTY OF KING, STATE OF WASHINGTON.

TAX PARCEL NUMBER: 011410-0375-08

-20-

787049.4 - 363945 -0021
FG:54341471.1

Annex 2

Form of Local Agency Site Lease (Attached)

Transaction No. 1268-1-1

LOCAL AGENCY SITE LEASE, SERIES 2021C

by and between the

CITY OF KENMORE, WASHINGTON, as lessor

and the

WASHINGTON FINANCE OFFICERS ASSOCIATION, as lessee

Dated as of November 17, 2021

LOCAL AGENCY SITE LEASE, SERIES 2021C

THIS LOCAL AGENCY SITE LEASE, SERIES 2021C (the "Site Lease"), dated as of November 17, 2021 (the "Dated Date"), is entered into by and between the City of Kenmore, Washington, a municipal corporation duly organized and existing under and by virtue of the laws of the state of Washington (the "Local Agency"), and the Washington Finance Officers Association, a Washington nonprofit corporation (the "Corporation").

RECITALS:

The Parties are entering into this Site Lease based upon the following facts and expectations:

1. Chapter 39.94 RCW (the "Act") authorizes the state of Washington (the "State"), acting by and through the State Treasurer (the "State Treasurer"), to enter into financing contracts, including but not limited to financing leases, on behalf of certain "other agencies" ("Local Agencies") for the use and acquisition for public purposes of real and personal property by such Local Agencies; and

2. the Local Agency has determined that it is necessary and desirable to lease the Site legally described in Exhibit A to the Corporation for the purpose of enabling the Corporation to sublease the Site to the State, and further to enable the State to sublease the Site back to the Local Agency, to provide financing or refinancing for the acquisition or construction of improvements on the Site (the "Project," and, together with the Site, the "Property"); and

3. simultaneously with the execution and delivery of this Site Lease, the State is entering into a Master Financing Lease, Series 2021C, dated as of the Dated Date (the "Master Financing Lease"), with the Corporation to provide financing for the costs of acquisition or improvement of various parcels of real property for and on behalf of certain State Agencies and Local Agencies, including the Local Agency, under the terms set forth therein; and

4. pursuant to the Master Financing Lease, the State is obligated to make Rent Payments to the Corporation for the lease of the Property; and

5. simultaneously with the execution and delivery of the Master Financing Lease, the State will sublease the Property to the Local Agency pursuant to a Local Agency Financing Lease, Series 2021C (the "Agency Financing Lease"), dated as of the Dated Date; and

6. the Corporation will grant, sell, assign, transfer and convey without recourse to the Trustee all of its rights to receive the Rent Payments scheduled to be made by the State under the Master Financing Lease, together with all of its remaining right, title and interest in, to and under this Site Lease, the Master Financing Lease, the Agency Financing Leases and the Property by means of a Master Assignment, Series 2021C (the "Master Assignment"), dated as of the Dated Date; and

7. in consideration of such assignment and pursuant to the Trust Agreement, Series 2021C (the "Trust Agreement"), dated as of the Dated Date, by and among the Trustee,

the State and the Corporation, the Trustee has agreed to execute and deliver the State of Washington Certificates of Participation, Series 2021C (State and Local Agency Real and Personal Property), in an aggregate principal amount of \$[_____] (the "Certificates"), a portion of the proceeds of which will be used to finance or refinance the costs of the Project;

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein and for other valuable consideration, the Parties agree as follows:

SECTION 1. Definitions; Construction; Miscellaneous Provisions; Supplements.

Appendix 1 to the Series 2021C Agreements ("Appendix 1") is incorporated as part of this Site Lease by this reference. Appendix 1 provides (i) definitions for the capitalized terms used and not otherwise defined in this Site Lease; (ii) certain rules for interpreting this Site Lease; (iii) miscellaneous technical provisions that apply to this Site Lease; and (iv) rules on how this Site Lease may be amended or supplemented.

SECTION 2. Lease of the Site; Ownership.

(a) The Local Agency leases to the Corporation on the terms and conditions hereinafter set forth, the Site legally described in Exhibit A, subject to all easements, covenants, conditions and restrictions existing as of the date hereof.

(b) The Local Agency represents and warrants that it is the owner in fee of the Site, subject only to Permitted Encumbrances.

SECTION 3. Term.

The term of this Site Lease shall commence on the Dated Date, and shall end on _____, unless such term is extended or sooner terminated as hereinafter provided. If on such date, the Local Agency Financing Lease shall not be discharged by its terms, then the term of this Site Lease shall be extended until 10 days after all amounts due under the Local Agency Financing Lease shall have been paid and the Local Agency Financing Lease shall have been discharged by its terms, except that the term of this Site Lease shall in no event be extended beyond _____. If prior to _____, all amounts due under the Local Agency Financing Lease shall have been paid and the Local Agency Financing Lease shall have been discharged by its terms, the term of this Site Lease shall end 10 days thereafter or 10 days after written notice by the Local Agency to the Corporation, whichever is earlier.

SECTION 4. Rental.

The Corporation shall pay to State Treasurer, for the benefit of the Local Agency pursuant to the Master Financing Lease and the Local Agency Financing Lease, as the total rent due hereunder, the amount set forth in Exhibit B (the "Prepaid Site Lease Rent"), all of which shall be payable on the Closing Date. The Parties agree that the amount of the Prepaid Site Lease Rent represents fair consideration for the leasehold interest being transferred hereunder, given the purposes, terms and provisions hereof. The Corporation shall not be obligated to pay such rent other than from the proceeds of the Certificates. Anything herein to the contrary notwithstanding, the Corporation waives any right that it may have under the laws of the State to

a rebate or repayment of any portion of such rent in the event that there is substantial interference with the use or right to possession by the Corporation of the Site or any portion thereof as a result of material damage, destruction or condemnation.

SECTION 5. Purpose.

The Corporation shall use the Site solely for the purpose of subleasing the Property to the State pursuant to the Master Financing Lease, to enable the State to sublease the Property to the Local Agency pursuant to the Local Agency Financing Lease, and for such purposes as may be incidental thereto; *provided*, that in the event of a default by the State under the Master Financing Lease or by the Local Agency under the Local Agency Financing Lease, the Corporation may exercise the remedies provided therein.

SECTION 6. Assignments and Subleases.

(a) The Corporation shall not grant, sell, assign, mortgage, pledge, sublet or transfer any of its right, title or interest in, to or under this Site Lease or the Site except as expressly provided in the Master Assignment, the Master Financing Lease and the Local Agency Financing Lease, without the prior written consent of the Local Agency. The Local Agency consents to the sublease of the Property pursuant to the Master Financing Lease, and the assignment of the Corporation's right, title and interest hereunder to the Trustee pursuant to the Master Assignment for the benefit of the Owners of the Certificates.

(b) Upon the occurrence and continuance of an Event of Default or Agency Event of Default with respect to the Property, the Corporation shall have the right, pursuant to the Master Assignment, the Trust Agreement and the Master Financing Lease, to sublease all or any portion of the Property; *provided*, that the subtenant and the terms and provisions of the sublease shall be subject to the prior written approval of the Local Agency, which approval shall not be unreasonably withheld or delayed.

SECTION 7. Right of Entry.

The Local Agency reserves the right for any of its duly authorized representatives to enter upon the Site at any reasonable time (or in an emergency at any time) to inspect the same, or to make any repairs, improvements or changes necessary for the preservation thereof.

SECTION 8. Termination.

The Corporation agrees, upon the termination or expiration of this Site Lease, to quit and surrender the Site in the same good order, condition and repair as the same was in at the time of commencement of the term hereunder, except for acts of God, reasonable wear and tear, and any actions by the Local Agency that affect the condition of the Site. The Corporation agrees that any permanent improvements and structures existing upon the Site at the time of such termination or expiration of this Site Lease shall remain thereon and title thereto shall vest in the Local Agency. The Corporation shall thereafter execute, acknowledge and deliver to the Local Agency such instruments of further assurance as in the reasonable opinion of the Local Agency are necessary or desirable to confirm the Local Agency's right, title and interest in and to the Site.

SECTION 9. Default.

In the event that the Corporation shall be in default in the performance of any obligation on its part to be performed under the terms of this Site Lease, which default continues for 60 days following notice and demand for correction thereof to the Corporation, the Local Agency may exercise any and all remedies granted by law, except that as described in Section (k) of Part 3 of Appendix 1, no merger of this Site Lease shall be deemed to occur as a result thereof; *provided, however*, that the Local Agency shall have no power to terminate this Site Lease by reason of any default on the part of the Corporation; and *provided further*, that so long as any Certificates are outstanding and unpaid in accordance with the terms of the Trust Agreement and the Master Financing Lease, the Rent Payments or Additional Rent or any part thereof payable to the Corporation shall continue to be paid to the Corporation. So long as the Trustee shall duly perform the terms and conditions of this Site Lease, the Master Assignment, the Master Financing Lease and of the Trust Agreement, the Trustee shall be deemed to be and shall become the tenant of the Local Agency hereunder and shall be entitled to all of the rights and privileges granted to the Corporation hereunder and under the Master Assignment, the Master Financing Lease and the Trust Agreement.

SECTION 10. Waiver.

No delay or omission to exercise any right or remedy accruing upon a default hereunder shall impair any such right or remedy or shall be construed to be a waiver of such default, but any such right or remedy may be exercised from time to time and as often as may be deemed necessary or expedient. In order to exercise any remedy reserved to the Local Agency hereunder, it shall not be necessary to give any notice, other than such notice as may be required hereunder. A waiver by the Local Agency of any default hereunder shall not constitute a waiver of any subsequent default hereunder, and shall not affect or impair the rights or remedies of the Local Agency in connection with any such subsequent default.

SECTION 11. Quiet Enjoyment.

The Corporation and its authorized assignees and sublessees at all times during the term of this Site Lease, subject to the provisions of Section 9, shall peaceably and quietly have, hold and enjoy all of the Site without suit, trouble or hindrance from the Local Agency.

SECTION 12. Taxes.

The Local Agency covenants and agrees to pay any and all Impositions of any kind or character, including but not limited to possessory interest taxes, levied or assessed upon the Property (including both land and improvements), or with respect to this Site Lease, the Local Agency Financing Lease, or the lease of the Property pursuant to the Master Financing Lease; *provided, however*, that the Local Agency shall not pay any possessory interest taxes levied as a result of any assignment or sublease of or with respect to all or any part of the Property then in effect between the Corporation and any assignee or subtenant of the Corporation (other than as lessee under the Local Agency Financing Lease).

SECTION 13. Eminent Domain; Loss of Title.

In the event the whole or any part of the Property is taken permanently or temporarily under the power of eminent domain (or sold under threat of condemnation), or there is a loss of title to the whole or any part of the Property, the interest of the Corporation in the Property shall be recognized and is hereby determined to be an amount not less than the then unpaid indebtedness incurred by the Local Agency under its Local Agency Financing Lease. The term "unpaid indebtedness," as used in the preceding sentence, includes all unpaid Agency Principal Components, Agency Interest Components and all other payments required to be made by the Local Agency pursuant to the Local Agency Financing Lease, until all Agency Rent Payments due thereunder have been paid or the payment thereof provided for in accordance therewith. The amount of any such award, judgment or payment shall be paid to the Corporation, and the balance, if any, in excess of the unpaid indebtedness shall be paid to the Local Agency.

IN WITNESS WHEREOF, the Local Agency and the Corporation have caused this Site Lease to be executed in their respective names by their respective duly authorized officers, all as of the Dated Date.

CITY OF KENMORE, WASHINGTON, as lessor

By _____
Authorized Agency Representative

By _____
Authorized Agency Representative

By _____
Authorized Agency Representative

WASHINGTON FINANCE OFFICERS
ASSOCIATION, as lessee

By _____
Authorized Corporation Representative

I certify that I know or have satisfactory evidence that _____ is the person who appeared before me, and said person acknowledged that [s]he signed this instrument, on oath stated that [s]he was authorized to execute the instrument and acknowledged it as _____ of the CITY OF KENMORE, WASHINGTON to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: _____

(Use this space for notarial stamp/seal)

(Signature of Notary)

Print Name

(Legibly Print or Stamp Name of Notary)

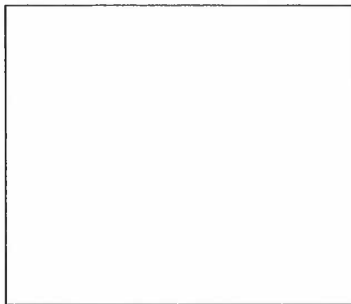
Notary public in and for the state of Washington, residing at

My commission expires _____

STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

I certify that I know or have satisfactory evidence that _____ is the person who appeared before me, and said person acknowledged that [s]he signed this instrument, on oath stated that [s]he was authorized to execute the instrument and acknowledged it as _____ of the CITY OF KENMORE, WASHINGTON to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: _____



(Use this space for notarial stamp/seal)

(Signature of Notary)

Print Name _____

(Legibly Print or Stamp Name of Notary)

Notary public in and for the state of Washington, residing at _____

My commission expires _____

[illegible]

I certify that I know or have satisfactory evidence that _____ is the person who appeared before me, and said person acknowledged that [s]he signed this instrument, on oath stated that [s]he was authorized to execute the instrument and acknowledged it as _____ of the CITY OF KENMORE, WASHINGTON to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: _____

(Use this space for notarial stamp/seal)

(Signature of Notary)

Print Name

(Legibly Print or Stamp Name of Notary)

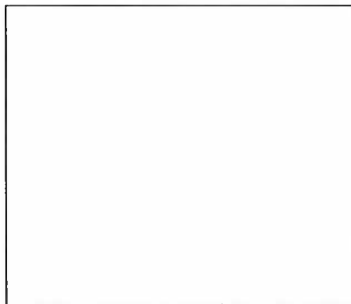
Notary public in and for the state of Washington, residing at

My commission expires _____

STATE OF WASHINGTON)
) ss.
 COUNTY OF THURSTON)

I certify that I know or have satisfactory evidence that DALE E. HOUGH is the person who appeared before me, and said person acknowledged that he signed this instrument, on oath stated that he was authorized to execute the instrument and acknowledged it as the President of the WASHINGTON FINANCE OFFICERS ASSOCIATION to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: _____



(Use this space for notarial stamp/seal)

 (Signature of Notary)
 Print Name DEBORAH A. ARCHER
 (Legibly Print or Stamp Name of Notary)
 Notary public in and for the state of Washington, residing at
 Olympia, WA
 My commission expires 2-18-2023

EXHIBIT A
Description of Site

A-1

FG-54351661.1

LOCAL AGENCY SITE LEASE

EXHIBIT B

Prepaid Site Lease Rent

Ten Dollars (\$10.00)

B-1

LOCAL AGENCY SITE LEASE

FG:54351661.1

Recording Requested by and Return To:
WASHINGTON FINANCE OFFICERS
ASSOCIATION
c/o Foster Garvey P.C.
1111 Third Avenue, Suite 3000
Seattle, Washington 98101
Attn: William G. Tonkin

MEMORANDUM OF LOCAL AGENCY SITE LEASE, SERIES 2021C

This Memorandum of a Local Agency Site Lease dated as of November 17, 2021, having a term ending on [____], unless extended or sooner terminated as permitted therein, which Local Agency Site Lease is between the CITY OF KENMORE, WASHINGTON, as Lessor, and the WASHINGTON FINANCE OFFICERS ASSOCIATION, as Lessee, with respect to the land described on Exhibit A, attached hereto and incorporated herein by this reference.

Abbreviated Legal Description:

Full Legal Description

See Exhibit A

Assessor's Tax Parcel ID No.

**Reference number(s) of related/
assigned/released/document(s):**

[SIGNATURES ON FOLLOWING PAGE]

[Signature page Memorandum of Local Agency Site Lease]

Lessor:

CITY OF KENMORE, WASHINGTON

By _____
Authorized Agency Representative

By _____
Authorized Agency Representative

By _____
Authorized Agency Representative

Lessee:

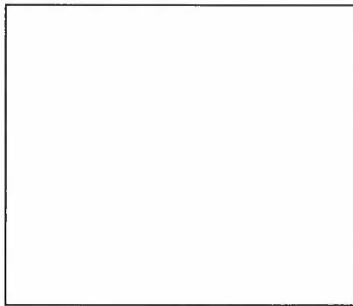
WASHINGTON FINANCE OFFICERS
ASSOCIATION

By _____
Authorized Corporation Representative

STATE OF WASHINGTON)
) ss.
 COUNTY OF KING)

I certify that I know or have satisfactory evidence that _____ is the person who appeared before me, and said person acknowledged that [s]he signed this instrument, on oath stated that [s]he was authorized to execute the instrument and acknowledged it as _____ of the CITY OF KENMORE, WASHINGTON to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: _____



(Use this space for notarial stamp/seal)

 (Signature of Notary)

Print Name _____
 (Legibly Print or Stamp Name of Notary)

Notary public in and for the state of Washington, residing at _____

My commission expires _____

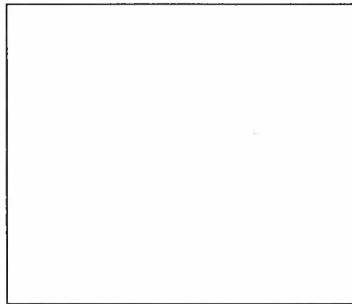
N-1

FG:54351663.1

STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

I certify that I know or have satisfactory evidence that _____ is the person who appeared before me, and said person acknowledged that [s]he signed this instrument, on oath stated that [s]he was authorized to execute the instrument and acknowledged it as _____ of the CITY OF KENMORE, WASHINGTON to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: _____



(Use this space for notarial stamp/seal)

(Signature of Notary)

Print Name _____
(Legibly Print or Stamp Name of Notary)

Notary public in and for the state of Washington, residing at _____

My commission expires _____

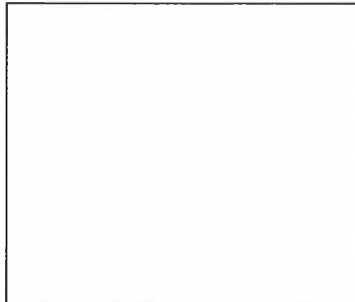
N-2

FG:54351663.1

STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

I certify that I know or have satisfactory evidence that _____ is the person who appeared before me, and said person acknowledged that [s]he signed this instrument, on oath stated that [s]he was authorized to execute the instrument and acknowledged it as _____ of the CITY OF KENMORE, WASHINGTON to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: _____



(Use this space for notarial stamp/seal)

(Signature of Notary)

Print Name _____
(Legibly Print or Stamp Name of Notary)

Notary public in and for the state of Washington, residing at _____

My commission expires _____

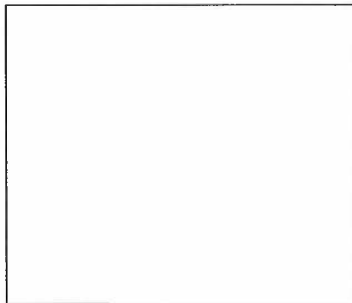
N-3

FG:54351663.1

STATE OF WASHINGTON)
) ss.
 COUNTY OF THURSTON)

I certify that I know or have satisfactory evidence that DALE E. HOUGH is the person who appeared before me, and said person acknowledged that he signed this instrument, on oath stated that he was authorized to execute the instrument and acknowledged it as the President of the WASHINGTON FINANCE OFFICERS ASSOCIATION to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: _____



(Use this space for notarial stamp/seal)

 (Signature of Notary)

Print Name DEBORAH A. ARCHER
 (Legibly Print or Stamp Name of Notary)

Notary public in and for the state of Washington, residing at
Olympia, WA

My commission expires 2-18-2023

N-4

FG:54351663.1

EXHIBIT A
Legal Description

FG:54351663.1

Annex 3

Form of Local Agency Financing Lease (Attached)

TRANSACTION NO. 1268-1-1

LOCAL AGENCY FINANCING LEASE
(Real Property)

by and between the

STATE OF WASHINGTON

and

the CITY OF KENMORE, WASHINGTON,
a municipal corporation
("Local Agency")

Relating to
\$[]

State of Washington
Certificates of Participation, Series 2021C
(State and Local Agency Real and Personal Property)

Dated as of November 17, 2021

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**LOCAL AGENCY FINANCING LEASE, SERIES 2021C
(Real Property)**

This Local Agency Financing Lease, Series 2021C (the “Local Agency Financing Lease”), is entered into by and between the state of Washington (the “State”), acting by and through the State Treasurer (the “State Treasurer”), and the City of Kenmore, Washington, a municipal corporation of the State (the “Local Agency”).

RECITALS

The Parties are entering into this Local Agency Financing Lease based upon the following facts and expectations:

1. Chapter 39.94 RCW (the “Act”) authorizes the State to enter into financing contracts for itself, including for state agencies, departments or instrumentalities, the state board for community and technical colleges, and any state institution of higher education (“State Agencies”), for the use and purchase of real and personal property by the State; and
2. the Act also authorizes the State to enter into financing contracts on behalf of certain “other agencies” (“Local Agencies”), including the Local Agency, for the use and acquisition for public purposes of real and personal property by such Local Agencies; and
3. the Act authorizes the State Finance Committee to consolidate existing or potential financing contracts into master financing contracts with respect to property acquired by one or more State Agencies or Local Agencies (together, “Agencies”); and
4. Chapter 43.33 RCW provides that the State Treasurer shall act as chair of the State Finance Committee and provide administrative assistance for the State Finance Committee, and the State Treasurer on behalf of the State Finance Committee has established a consolidated program for the execution and delivery of certificates of participation in master financing contracts in series from time to time in order to provide financing or refinancing for the costs of acquisition of such real and personal property by Agencies; and
5. the State Finance Committee has approved the form of this Local Agency Financing Lease by Resolution No. 1190 adopted on October 31, 2016; and
6. the Washington Finance Officers Association (the “Corporation”), a Washington nonprofit corporation, and the Local Agency have entered into a Local Agency Site Lease, Series 2021C, dated as of the Dated Date (the “Site Lease”), for the lease of certain real property legally described in the Site Lease (the “Site”) for the sole purpose of enabling the Corporation to sublease the Site to the State, and for the State to further sublease the Site back to the Local Agency pursuant to this Local Agency Financing Lease, in order to finance or refinance the acquisition or construction of improvements on the Site as described herein (the “Project,” and, together with the Site, the “Property”); and
7. simultaneously with the execution and delivery of this Local Agency Financing Lease, the State is entering into a Master Financing Lease, Series 2021C, dated as of the Dated Date

(the “Master Financing Lease”) with the Corporation, to provide financing or refinancing for the Project on behalf of the Local Agency, among others, through the sublease of the Property from the Corporation; and

8. the Local Agency has determined that it is necessary and desirable to enter into this Local Agency Financing Lease, in conjunction with the State’s entry into the Master Financing Lease, to obtain financing or refinancing for the Project for the Local Agency;

NOW THEREFORE, in consideration of the mutual covenants and agreements contained herein and for other valuable consideration, the Parties hereto mutually agree as follows:

ARTICLE I

DEFINITIONS; CONSTRUCTION; MISCELLANEOUS PROVISIONS; SUPPLEMENTS

Section 1.1 Appendix 1 and Exhibits Incorporated. Appendix 1 to the Series 2021C Agreements (“Appendix 1”) and Exhibits A, B, C and D to this Local Agency Financing Lease are incorporated as part of this Local Agency Financing Lease by this reference. Appendix 1 provides (i) definitions for the capitalized terms used and not otherwise defined in this Local Agency Financing Lease; (ii) certain rules for interpreting this Local Agency Financing Lease; (iii) miscellaneous technical provisions that apply to this Local Agency Financing Lease; and (iv) rules on how this Local Agency Financing Lease may be amended or supplemented.

Section 1.2 Notice of Intent; Certificate Designating Authorized Agency Representative. The Local Agency has delivered a Notice of Intent to the State Treasurer in the form of Exhibit A. The Local Agency has delivered a Certificate Designating Authorized Agency Representatives to the State Treasurer in the form of Exhibit B. That Certificate is currently in force and has not been amended, withdrawn or superseded, and the signatures shown thereon are true and correct originals of the signatures of the persons who hold the titles shown opposite their names. The signature of any one of the individuals shown on that Certificate is sufficient to bind the Local Agency under this Local Agency Financing Lease with respect to any of the undertakings contemplated herein.

Section 1.3 Performance by Representatives. Any authority granted or duty imposed upon the State hereunder may be undertaken and performed by the State Treasurer or the Treasurer Representative. Any authority or duty imposed upon the Local Agency hereunder may be undertaken and performed by the Authorized Agency Representative.

Section 1.4 Sublease of Property. The State subleases to the Local Agency, upon the terms and conditions set forth in this Local Agency Financing Lease, the Site legally described in Exhibit C, together with all improvements, if any, to be constructed on the Site, including but not limited to the Project (collectively, the “Property”), subject to all easements, covenants, conditions and restrictions existing as of the Dated Date.

The Local Agency acknowledges and agrees that this Local Agency Financing Lease shall be subject and subordinate in all respects to the terms and provisions of the Master Financing Lease. The Local Agency at all times during the term of this Local Agency Financing Lease, subject to the provisions of Section 7.1, shall peaceably and quietly hold and enjoy all of the Property without suit, trouble or hindrance from the State.

Section 1.5 Agency Rent Payments. In consideration of the sublease of the Property and the covenants and agreements of the State in this Local Agency Financing Lease, the Local Agency promises to pay to the State the following amounts at the following times: (a) On each Agency Rent Payment Date, the Agency Rent Payment set forth in Exhibit D, consisting of an Agency Principal Component and/or an Agency Interest Component as set forth in Exhibit D; and (b) all Additional Rent incurred by the State in connection with the sublease of the Property to the Local Agency, the execution and delivery of the Certificates, and the observance and performance of the Series 2021C Agreements, within 30 days following receipt of an invoice from the State that includes (i) a brief description of each item of Additional Rent, (ii) the party to whom payment is due, (iii) the amount thereof, and (iv) such additional information as the Local Agency may reasonably request.

Section 1.6 Term. The term of this Local Agency Financing Lease shall commence on the Dated Date, and shall end on the scheduled termination date for this Local Agency Financing Lease as set forth in Section 8.2, unless the term is extended or sooner terminated as provided in Section 8.2.

ARTICLE II ACQUISITION AND CONSTRUCTION OF THE PROJECT

Section 2.1 Local Agency Financing Lease Consolidated with Master Financing Lease. The Local Agency acknowledges that the State Treasurer, acting on behalf of the State Finance Committee, has consolidated this Local Agency Financing Lease with the Master Financing Lease pursuant to RCW 39.94.030(1)(a).

Section 2.2 Appointment as Agent; Acquisition and Construction of Project.

(a) *Appointment as Agent.* The Local Agency accepts its appointment in the Master Financing Lease as agent of the Corporation in connection with the design, acquisition and/or construction of the Project and the financing or refinancing of the Property and acknowledges that such appointment is irrevocable, and shall not be terminated by any act of the Local Agency, the State Treasurer or otherwise.

(b) *Acquisition and Construction of the Project.* The Local Agency agrees that (i) it has caused or will cause the Project to be designed, acquired and/or constructed with all reasonable dispatch, as agent for the Corporation, in accordance with the plans, specifications, bidding documents, and construction and other contracts approved by the Local Agency, and in accordance with applicable laws and regulations; and (ii) it will pay or cause to be paid the Project Costs from funds available to it pursuant to this Local Agency Financing Lease and the Master Financing Lease. The Local Agency shall file requisitions with the State Treasurer for the Project Costs of its Project or reimbursement therefor in such form as the State Treasurer shall reasonably require. Neither the Corporation nor the State shall have any responsibility, liability or obligation with respect to the design, acquisition and/or construction of the Project.

(c) *Payment of Project Costs if Project Fund Not Sufficient.* If money in the Project Fund allocable to the Local Agency shall not be sufficient to pay the Project Costs in full, the Local Agency shall cause the Project Costs in excess of the allocable amount in the Project Fund

to be paid from other money of the Local Agency. Neither the Corporation nor the State Treasurer as agent for the Corporation for the disbursement of funds from the Project Fund makes any representation or warranty, either express or implied, that the money which will be deposited into the Project Fund allocable to the Local Agency will be sufficient to pay the Project Costs. Neither the Corporation nor the State Treasurer as agent for the Corporation for the disbursement of funds from the Project Fund shall have any obligation or liability for the payment of the Project Costs other than from the proceeds of the Certificates and any other amounts that may be provided by the Local Agency. If the Local Agency shall pay or cause the payment of any Project Costs in excess of the allocable amounts in the Project Fund available for such purpose from other funds, the Local Agency shall not be entitled to any reimbursement from the Corporation or the State Treasurer as agent for the Corporation for the disbursement of funds from the Project Fund for such payments, nor shall the Local Agency be entitled to any diminution, reduction, abatement, postponement, counterclaim, defense or set-off of the Agency Rent Payments, Additional Rent or other amounts otherwise required to be paid hereunder.

(d) *Additions to the Property.* The Local Agency shall have the right during the term of this Local Agency Financing Lease, at its cost and expense, to make additions, betterments and improvements to the Property, and to attach fixtures, structures and signs thereto; *provided*, that such additions, betterments and improvements and fixtures, structures and signs (i) shall be constructed and installed in accordance with applicable laws and regulations, and not in violation of any easements, restrictions, conditions or covenants affecting title to the Property; and (ii) shall not diminish the value, capacity or usefulness of the Property. The Local Agency also shall have the right during the term of this Local Agency Financing Lease, without the consent of any Owners, to enter into Additional Local Agency Financing Leases and Additional Site Leases with the Corporation to finance all or any portion of the cost of such additions, betterments and improvements to the Property so long as such leases do not reduce the obligation of the State to perform its obligations under the Master Financing Lease, including without limitation its obligation to make Rent Payments, and will not, in an Opinion of Counsel, adversely affect the tax-exempt status of the Interest Component of Rent Payments evidenced and represented by the Certificates. If the Local Agency enters into any Additional Local Agency Financing Lease for this purpose, the Corporation may be granted an interest in the Property under an Additional Site Lease of all or any portion of the Property, which leasehold interest may be assigned to the Trustee for the benefit of owners of certificates of participation in the Additional Master Financing Lease to which such Additional Local Agency Financing Lease is related. The occurrence of an Event of Default with respect to this Local Agency Financing Lease shall constitute a like event under any Additional Local Agency Financing Lease, and the occurrence of any such like event under any Additional Local Agency Financing Lease shall constitute an Event of Default under this Local Agency Financing Lease. The owners of certificates of participation in any Additional Master Financing Lease shall be secured *pari passu* with the Owners with respect to any amounts received by the Trustee with respect to the Property following the occurrence of an Event of Default.

(e) *Release of Property.* After design, acquisition, construction, financing or refinancing of the Project, the Local Agency, with the prior written consent of the State Treasurer and only upon the satisfaction of the requirements set forth in Section 2.2(d) of the Master Financing Lease, may release a portion of the Property leased under the Site Lease, and subleased under and pursuant to the Master Financing Lease and this Local Agency Financing

Lease. As a condition to any such release, the Local Agency shall (i) deliver to the State Treasurer an appraisal or other written evidence from an independent, disinterested real property appraiser acceptable to the State Treasurer to the effect that the remaining portion of the Property has an estimated fair rental value for the remaining term of this Local Agency Financing Lease equal to or greater than the Agency Rent Payments due from time to time hereunder; (ii) provide any necessary easements, reciprocal agreements or other rights as may be necessary to provide comparable pedestrian and vehicular access, and other uses and amenities (including but not limited to water, sewer, electrical, gas, telephone and other utilities) as existed prior to such release. The State, the Trustee, as assignee of the Corporation, and the Local Agency shall execute, deliver and record such amendments and modifications to the Site Lease, the Master Financing Lease, the Master Assignment and this Local Agency Financing Lease, and such other documents, agreements and instruments, as the State shall deem necessary or desirable in connection with such release.

Section 2.3 Title to the Property. Fee title to the Property, and all additions, modifications, repairs and improvements thereto, shall remain and vest in the Local Agency, subject to the respective leasehold estates under the Site Lease, the Master Financing Lease and this Local Agency Financing Lease, without any further action by the State, the Local Agency or the Corporation.

Section 2.4 Assignment. In order to secure the payment and performance of the State of its obligations under the Master Financing Lease, the State has assigned and transferred to the Corporation the State's interest in this Local Agency Financing Lease and the rentals, income and profits to be received under this Local Agency Financing Lease, including without limitation the Agency Rent Payments. The Local Agency acknowledges and agrees to such assignment and transfer. The State irrevocably authorizes and directs the Local Agency, upon receipt of written notice from the Trustee, as assignee of the Corporation, that an Event of Default has occurred and is continuing under the Master Financing Lease, to pay to the Trustee, as assignee of the Corporation, the Agency Rent Payments and other amounts due and to become due hereunder. The State shall not have any right or claim against the Local Agency for any Agency Rent Payments or other amounts so paid by the Local Agency to the Trustee as assignee of the Corporation.

Section 2.5 Disclaimer of Warranties. The Local Agency acknowledges and agrees that it has had adequate opportunity to inspect the Property, and that such Property, including but not limited to the structures and improvements thereon, is acceptable to the Local Agency in its present condition. The Local Agency subleases the Property in its present condition, "as is." The State makes no warranty or representation, either express or implied, and assumes no responsibility, liability or obligation, as to the value, design, structural or other condition, usability, suitability, occupancy or management of the Property, as to the income from or expense of the use or operation thereof, as to title to the Property, as to compliance with applicable zoning, subdivision, planning, safety, fire, health or environmental laws, regulations, ordinances or codes, or as to compliance with applicable covenants, conditions or restrictions, or any other representation or warranty with respect to the Property.

Section 2.6 State Not Liable. The State and its officers and employees shall not be liable to the Local Agency or to any other Person for any death, injury or damage that may result

to any Person or property by or from any cause whatsoever in, on, about or relating to the Property.

ARTICLE III
AGENCY RENT PAYMENTS; CONDITIONAL PAYMENT BY STATE; FULL FAITH AND
CREDIT OBLIGATION

Section 3.1 Agency Rent Payments. Each Agency Rent Payment shall consist of an Agency Principal Component and/or an Agency Interest Component as set forth in Exhibit D to this Local Agency Financing Lease. Interest shall accrue and be calculated as determined by the State Treasurer, which determination shall be binding and conclusive against the Local Agency, absent manifest error. Each Agency Rent Payment shall be paid to or upon the order of the State Treasurer by electronic funds transfer (or by other means acceptable to the State Treasurer) in lawful money of the United States of America at such place as the State Treasurer shall direct in writing not less than 10 Business Days prior to the Agency Rent Payment Date. Payments of Additional Rent shall be made to or upon the order of the State Treasurer. Each Agency Rent Payment shall be applied first to the Agency Interest Component, and then to the Agency Principal Component.

The Agency Rent Payments and Additional Rent for each rental payment period during the term of this Local Agency Financing Lease shall constitute the total rental due for such period, and shall be paid for and in consideration of the use and occupancy and continued quiet enjoyment of the Property for such period. The Parties have determined and agreed that such total rental does not exceed the fair rental value of the Property for each such rental period, given the purposes, terms and provisions of this Local Agency Financing Lease. Anything herein to the contrary notwithstanding, the Local Agency waives any right that it may have under the laws of the State to a rebate or repayment of any portion of such rental in the event that there is substantial interference with the use or right to possession by the Local Agency of the Property or any portion thereof as a result of material damage, destruction or condemnation.

Section 3.2 Sources of Payment of Agency Rent Payments.

(a) *Local Agency Financing Lease.* The Local Agency acknowledges and agrees that the State is subleasing the Property from the Corporation for and on behalf of the Local Agency. Concurrently with the execution of this Local Agency Financing Lease, the State shall execute and deliver the Master Financing Lease with the Corporation, pursuant to which the State agrees to make Rent Payments for the sublease of the Property for and on behalf of the Local Agency, at such times and in such amounts as provided therein, that will be sufficient in the aggregate to pay the Project Costs of the Project to be designed, acquired and/or constructed by the Local Agency, but only to the extent such Project Costs are financed under the Master Financing Lease. The Agency Rent Payments by the Local Agency under this Local Agency Financing Lease shall be sufficient in the aggregate to pay, on each Rent Payment Date, the Rent Payment for the Property subleased by the State from the Corporation for and on behalf of the Local Agency under the Master Financing Lease. The Local Agency pledges its full faith and credit to make the Agency Rent Payments that are required to be paid to the State under this Local Agency Financing Lease.

Rent Payments allocable to Project Costs of Local Agencies shall be payable by the State solely from Agency Rent Payments to be made by the respective Local Agencies, including the Local Agency, except as otherwise provided in Sections 3.2(c) and 3.2(d) of the Master Financing Lease and Sections 3.2(b) and 3.2(c) of this Local Agency Financing Lease.

(b) *Intercept of Local Agency Share of State Revenues.* In the event that the Local Agency fails to make any payment due under this Local Agency Financing Lease, pursuant to RCW 39.94.030(1), the State Treasurer shall withhold an amount sufficient to make such payment from the Local Agency's share of State revenues or other amounts authorized or required by law to be distributed by the State to the Local Agency; but (i) only if the use of any such revenues or amounts to make such payments is otherwise authorized or permitted by State law, and (ii) only to the extent the Local Agency is otherwise entitled to receive such share of State revenues or other amounts. Such withholding shall continue until all such delinquent payments have been made. Amounts withheld by the State Treasurer pursuant to this Section 3.2(b) shall be applied to make any such payment due under this Local Agency Financing Lease on behalf of the Local Agency, or to reimburse the State for any such payment made pursuant to Section 3.2(c). The Local Agency authorizes, approves and consents to any such withholding.

(c) *Conditional Payment of Agency Rent Payments.* Upon the failure of the Local Agency to make any Agency Rent Payment at such time and in such amount as required pursuant to this Local Agency Financing Lease, the State shall, to the extent of legally available appropriated funds and subject to any Executive Order reduction, make such payment into the Agency Rent Payment Fund (established under the Master Financing Lease) on behalf of such Local Agency within 15 Business Days after such Agency Rent Payment Date. The Local Agency shall reimburse the State for such payments made on its behalf immediately thereafter and in any case not later than 10 Business Days after such Agency Rent Payment Date, together with interest thereon at a rate equal to the State Reimbursement Rate. Anything herein to the contrary notwithstanding, failure of the Local Agency to reimburse the State Treasurer for any such payment shall not constitute an Agency Event of Default, but the State may institute such legal action and pursue such other remedies against the Local Agency as the State deems necessary or desirable including but not limited to actions for specific performance, injunction and/or the recovery of damages.

(d) *Payments by Local Agency Treasurer.* The treasurer of the Local Agency shall establish and/or maintain a special fund in the "bonds payable" category of accounts of the Local Agency for the purposes of paying the Local Agency's Agency Rent Payments and Additional Rent. The treasurer of the Local Agency shall remit each Agency Rent Payment to the State on each Agency Rent Payment Date and any Additional Rent when due hereunder from any legally available funds of the Local Agency.

Section 3.3 Net Lease. The obligation of the Local Agency to make Agency Rent Payments from the sources set forth herein and to perform its other obligations hereunder shall be absolute and unconditional. This Local Agency Financing Lease shall be deemed and construed to be a "triple net lease" with respect to the State. The Local Agency shall pay the Agency Rent Payments, Additional Rent and all other amounts due hereunder, as well as taxes, assessments, insurance, utilities, and all normal maintenance and operating costs for the Project, as further described in part in Sections 6.2(k), (l) and (n) of this Local Agency Financing Lease.

The Local Agency shall pay such obligations without notice or demand, and without any diminution, reduction, postponement, abatement, counterclaim, defense or set-off as a result of any dispute, claim or right of action by, against among the Local Agency, the State, the Corporation, the Trustee, and/or any other Person, or for any other reason; *provided*, that nothing in this Section 3.3 shall be construed to release or excuse the State from the observance or performance of its obligations hereunder.

Section 3.4 Assignments by the Corporation. The Local Agency acknowledges and agrees that, concurrently with the execution and delivery of this Local Agency Financing Lease, the Corporation will unconditionally assign to the Trustee pursuant to the Master Assignment, without recourse, (i) all of its rights to the Sites pursuant to the Site Leases, (ii) all of its rights to receive the Rent Payments and any Additional Rent under the Master Financing Lease, (iii) its right to take all actions, exercise all remedies, and give all consents under the Site Leases and the Master Financing Lease, (iv) all of its remaining right, title and interest in, to and under the Site Leases, the Master Financing Lease and this Local Agency Financing Lease, and in and to the Property and any rents or profits from the Property, and (v) its right of access described in the Master Financing Lease, in consideration for the Trustee's causing to be paid to the State Treasurer, as agent of the Corporation, of the proceeds of the sale of the Certificates. The State and the Corporation have acknowledged and agreed that such assignment by the Corporation is intended to be a true sale of the Corporation's right, title and interest, and that upon such assignment the Corporation shall cease to have any rights or obligations under the Site Leases and Master Financing Lease or with respect to the Property, and the Trustee shall thereafter have all the rights and obligations of the Corporation under the Site Leases and Master Financing Lease as if the Trustee had been the original party thereto. Except where the context otherwise requires, every reference in the Site Leases, Master Financing Lease and this Local Agency Financing Lease to the Corporation shall be deemed to be a reference to the Trustee in its capacity as assignee of the Corporation.

ARTICLE IV

OPTIONAL AND EXTRAORDINARY PREPAYMENT OF AGENCY RENT PAYMENTS

Section 4.1 Optional Prepayment. (a) The Local Agency may, at its option and upon approval of the State Treasurer, prepay its Agency Rent Payments then unpaid, in whole or in part on any date, by causing to be deposited with the State Treasurer money and/or Government Obligations in an amount sufficient for the State to provide for the payment or defeasance of the portion of the State's Rent Payments corresponding thereto in accordance with Section 4.1(a) or 4.1(b), respectively, of the Master Financing Lease and to pay any Additional Rent in connection therewith.

(b) The Local Agency shall provide the State Treasurer with not less than 60 days' prior written notice of its intention to prepay any of its Agency Rent Payments, which notice shall specify the date of prepayment, and the amount and the Agency Rent Payment Dates of the Agency Rent Payments to be prepaid. The State Treasurer shall notify the Local Agency within 15 Business Days after receipt of such notice from the Local Agency as to the amount required to be paid in connection with such prepayment or provision for payment of the corresponding Rent Payments, including any Additional Rent in connection therewith. The determination by

the State Treasurer of the amount to be paid by the Local Agency shall be binding and conclusive against such Local Agency, absent manifest error.

Section 4.2 Extraordinary Prepayments.

(a) *Eminent Domain; Loss of Title.* The Local Agency shall prepay or cause to be prepaid from eminent domain awards or sale proceeds received pursuant to Section 5.1, and from the net proceeds of title insurance received pursuant to Section 5.2, Agency Principal Components then unpaid, in whole or in part on any date, at a prepayment price equal to the sum of the Agency Principal Components so prepaid, plus accrued interest to the date of prepayment. The aggregate annual Agency Rent Payments for the related Property from and after such prepayment date shall be in approximately equal amounts.

(b) *Insurance Proceeds.* The Local Agency may, at its option and upon approval of the State Treasurer, prepay or cause to be prepaid from net insurance proceeds received pursuant to Section 5.3, Agency Principal Components then unpaid, in whole or in part on any date, at a prepayment Price equal to the sum of the Agency Principal Components so prepaid, plus accrued interest to the date of prepayment. The aggregate annual Agency Rent Payments for the related Property from and after such prepayment date shall be in approximately equal amounts.

Section 4.3 Revision of Agency Rent Payments upon Prepayment. The Agency Principal Component and Agency Interest Component of the Agency Rent Payment due on each Agency Rent Payment Date on and after the date of any prepayment pursuant to Sections 4.1 or 4.2, as set forth in Exhibit D, shall be reduced by the State Treasurer to reflect such prepayment, in such amounts and on such Agency Rent Payment Dates as the Local Agency shall elect in its written notice to the State Treasurer pursuant to Section 4.1(b).

Section 4.4 Discharge of Agency Local Agency Financing Lease. All right, title and interest of the State and all obligations of the Local Agency under this Local Agency Financing Lease shall terminate and be completely discharged and satisfied (except for the right of the State and the Corporation and the obligation of the Local Agency to have the money and Government Obligations set aside pursuant to Section 4.4(b) applied to make the remaining Agency Rent Payments) when either:

(a) all Agency Rent Payments and all Additional Rent and other amounts due hereunder have been paid in accordance herewith; or

(b) (i) the Local Agency shall have delivered a written notice to the State Treasurer of its intention to prepay all of the Agency Rent Payments remaining unpaid; (ii) the Local Agency shall have caused to be deposited with the State Treasurer (A) money and/or Government Obligations in accordance with Section 4.1; and (B) an Opinion of Counsel to the effect that such actions are permitted under this Local Agency Financing Lease, the Master Financing Lease and the Trust Agreement and will not cause interest evidenced and represented by the Certificates to be includable in gross income for federal income tax purposes under the Code; and (iii) for so long as any Rent Payments remain unpaid, provision shall have been made satisfactory to the Corporation for payment of all Additional Rent.

ARTICLE V
EMINENT DOMAIN; LOSS OF TITLE; DAMAGE AND DESTRUCTION

Section 5.1 Eminent Domain. If all of the Property subleased to the Local Agency pursuant to this Local Agency Financing Lease, or so much of it that the remainder becomes unsuitable for the Local Agency's then-existing needs, is taken under the power of eminent domain (or sold under threat of condemnation), the sublease of the Property pursuant to this Local Agency Financing Lease shall cease as of the day that the Local Agency is required to vacate the Property. If less than all of the Property is taken under the power of eminent domain (or sold under threat of condemnation), and the remainder is suitable for the Local Agency's then-existing needs, as reasonably determined by the State, then this Local Agency Financing Lease shall continue in effect as to the remainder, and the Parties waive any benefits of the law to the contrary. In that event, there shall be no abatement of the rental due from the Local Agency. So long as any Agency Rent Payments under this Local Agency Financing Lease remain unpaid, any eminent domain award and any proceeds of sale under threat of condemnation for all or any part of the Property shall be applied to the prepayment of Agency Rent Payments as provided in Section 4.2(a). Any award or proceeds in excess of the amount necessary to prepay the Agency Rent Payments, and thereby to prepay or provide for the payment of the corresponding portion of the Rent Payments under the Master Financing Lease, shall be paid to the Corporation, the State and the Local Agency as their respective interests may appear.

Section 5.2 Loss of Title. If there is a loss of title to the Property which is insured under a policy or policies of title insurance, or so much of it that the remainder becomes unsuitable for the Local Agency's then-existing needs, then the Local Agency's sublease of the Property shall cease as of the day that the Local Agency is required to vacate the Property. If there is a loss of title to less than all of the Property, and the remainder is suitable for the Local Agency's then-existing needs, as reasonably determined by the State Treasurer, then this Local Agency Financing Lease shall continue in effect as to the remainder, and the Parties waive any benefits of the law to the contrary. In that event, there shall be no abatement of the rental due from the Local Agency. So long as any Agency Rent Payments under this Local Agency Financing Lease remain unpaid, any payments under any title insurance policy or policies with respect to the Property shall be applied to the prepayment of Agency Rent Payments as provided in Section 4.2(a). Any payment in excess of the amount necessary to prepay such Agency Rent Payments, and thereby to prepay or provide for the payment of the corresponding portion of the Rent Payments due under the Master Financing Lease, shall be paid to the Corporation, the State and the Local Agency as their respective interests may appear.

Section 5.3 Damage or Destruction. If all or any portion of the Property subleased to the Local Agency pursuant to this Local Agency Financing Lease is damaged or destroyed by fire or other casualty, this Local Agency Financing Lease shall not terminate, and there shall be no abatement of the rent due from the Local Agency. So long as any Agency Rent Payments remain unpaid, any payments under the property insurance policy or policies with respect to the Property may be applied to the prepayment of Agency Rent Payments as provided Section 4.2(b), or may be paid to the State Treasurer and applied as provided in Section 5.03 of the Trust Agreement.

ARTICLE VI
REPRESENTATIONS, WARRANTIES, COVENANTS AND AGREEMENTS

Section 6.1 Representations and Warranties of the Local Agency. The Local Agency represents and warrants as follows:

(a) The Local Agency is an “other agency” within the meaning of the Act, duly organized and validly existing under the Constitution and laws of the State.

(b) The Local Agency is authorized under the laws of the State and its charter or other constituent document, if any, to enter into and perform its obligations under this Local Agency Financing Lease.

(c) Neither the execution and delivery by the Local Agency of this Local Agency Financing Lease, nor the observance and performance of its terms and conditions, nor the consummation of the transactions contemplated by it, conflicts with or constitutes a breach of or default under any agreement or instrument to which the Local Agency is a party or by which the Local Agency or its property is bound, or results in the creation or imposition of any lien, charge or encumbrance whatsoever upon the Site or the Project, except as expressly provided in this Local Agency Financing Lease and the Master Financing Lease.

(d) The Local Agency has duly authorized, executed and delivered this Local Agency Financing Lease.

(e) This Local Agency Financing Lease constitutes valid and binding general obligation indebtedness of the Local Agency, enforceable against it in accordance with its terms, except as such enforceability may be affected by bankruptcy, insolvency, reorganization, moratorium and other laws relating to or affecting creditors’ rights generally, to the application of equitable principles, and to the exercise of judicial discretion in appropriate cases.

(f) The Site and the Project thereon to be designed, acquired and/or constructed pursuant to this Local Agency Financing Lease is essential to the Local Agency’s ability to carry out its governmental functions and responsibilities, and the Local Agency expects to make immediate and continuing use of such Property during the term of this Local Agency Financing Lease.

(g) The useful life of the Property is equal to or exceeds the term of this Local Agency Financing Lease.

(h) The obligations of the Local Agency under this Local Agency Financing Lease, together with all other outstanding indebtedness of the Local Agency, do not exceed any statutory or constitutional debt limit applicable to the Local Agency.

(i) The Local Agency is the owner in fee of the Property.

(j) The Local Agency is not in violation of, or subject to any pending or threatened investigation by, any governmental authority under any federal, State or local law, regulation, or ordinance pertaining to the handling, transportation, storage, treatment, usage or disposal of

Toxic or Hazardous Substances, air emissions, other environmental matters or any zoning or land use matters with respect to the Property or the Project.

Section 6.2 Covenants and Agreements of the Local Agency. The Local Agency covenants and agrees as follows:

(a) *Preservation of Existence.* The Local Agency will do or cause to be done all things necessary to preserve its existence as an “other agency” within the meaning of the Act.

(b) *Budget.* The Local Agency shall take such action as may be necessary to include all the Agency Rent Payments and Additional Rent due hereunder in its annual budget and to make any necessary appropriations for all such Agency Rent Payments and Additional Rent.

(c) *Levy of Taxes.* If and to the extent authorized by law, the Local Agency covenants that it will levy taxes in such amounts and at such times as shall be necessary, within and as a part of the tax levy, if any, permitted to be made by the Local Agency without a vote of its electors, to provide funds, together with other legally available money, sufficient to make the Agency Rent Payments and the other payments required under this Local Agency Financing Lease.

(d) *Notice of Nonpayment.* The Local Agency shall give written notice to the State Treasurer and the Corporation prior to any Agency Rent Payment Date if the Local Agency knows prior to such date that it will be unable to make all or any portion of the Agency Rent Payment due on such date.

(e) *Tax-Exemption.* The Local Agency shall not make any use of the proceeds of this Local Agency Financing Lease or the Certificates or of any other amounts, regardless of the source, or of any property, and shall not take or refrain from taking any action, that would cause the Master Financing Lease or the Certificates to be “arbitrage bonds” within the meaning of Section 148 of the Code. The Local Agency shall not use or permit the use of the Property or any part thereof by any Person other than a “governmental unit” as that term is defined in Section 141 of the Code, in such manner or to such extent as would result in the loss of the exclusion from gross income for federal income tax purposes of the Interest Component of the Rent Payments under Section 103 of the Code. The Local Agency shall not make any use of the proceeds of this Local Agency Financing Lease or the Certificates or of any other amounts, and shall not take or refrain from taking any action, that would cause the Master Financing Lease or the Certificates to be “federally guaranteed” within the meaning of Section 149(b) of the Code or “private activity bonds” within the meaning of Section 141 of the Code, or “hedge bonds” within the meaning of Section 149 of the Code. To that end, for so long as any Agency Rent Payments remain unpaid, the Local Agency, with respect to such proceeds and other amounts, will comply with all requirements under such Sections and all applicable regulations of the United States Department of the Treasury promulgated thereunder. The Local Agency will at all times do and perform all acts and things permitted by law which are necessary or desirable in order to assure that the Interest Components of the Rent Payments will not be included in gross income of the Owners of the Certificates for federal income tax purposes under the Code, and will take no action that would result in such interest being so included. The Local Agency shall comply with the applicable provisions of the Tax Certificate.

(f) *No Liens, Assignments or Subleases.* The Local Agency shall not create, incur or assume any mortgage, pledge, lien, charge, encumbrance or claim on or with respect to the Property or any part thereof, except for Permitted Encumbrances. The Local Agency shall promptly, at its own expense, take such action as may be necessary to duly discharge any such mortgage, pledge, lien, charge, encumbrance or claim if the same shall arise at any time. The Local Agency shall not grant, sell, transfer, assign, pledge, convey, mortgage, pledge, sublet or otherwise dispose of any of the Property or any interest therein during the term of this Local Agency Financing Lease, and any such attempted grant, sale, transfer, assignment, pledge, conveyance or disposal shall be void.

(g) *Performance.* The Local Agency shall punctually pay the Agency Rent Payments and Additional Rent in conformity with the terms and provisions of this Local Agency Financing Lease, and will faithfully observe and perform all the covenants, terms and other obligations contained herein required to be observed and performed by the Local Agency. The Local Agency will not suffer or permit any default to occur hereunder, or do or permit anything to be done, or omit or refrain from doing anything, in any case where any such act done or permitted to be done, or any such omission or refraining from doing anything, would or might be ground for cancellation or termination of this Local Agency Financing Lease.

(h) *Further Assurances.* The Local Agency will preserve and protect the rights of the State hereunder, and will warrant and defend such rights against all claims and demands of all Persons. The Local Agency will promptly execute, make, deliver, file and record any and all further assurances, instruments and agreements, and do or cause to be done such other and further things, as may be necessary or proper to carry out the intention or to facilitate the performance hereof and for the better assuring and confirming to the State the rights and benefits provided to it hereunder.

(i) *Use of Property.* During the term of this Local Agency Financing Lease, the Local Agency will use the Property for the purposes of performing one or more of its essential governmental functions or responsibilities.

(j) *Financial Statements.* The Local Agency shall prepare annual financial statements and obtain audits thereof as required by law. Upon the Written Request of the State Treasurer, the Local Agency shall provide the State Treasurer with a copy of its most recent audited and unaudited financial statements.

(k) *Maintenance; Repairs.* For so long as the Local Agency is in possession of the Property, the Local Agency shall be solely responsible for the maintenance and repair, both ordinary and extraordinary, of the Property. The Local Agency will (i) keep and maintain the Property in good repair and condition, protect the same from deterioration other than normal wear and tear, and pay or cause to be paid all charges for utility services to the Property; (ii) comply with the requirements of applicable laws, ordinances and regulations and the requirements of any insurance or self-insurance program required under Section 6.2(n) in connection with the use, occupation and maintenance of the Property; (iii) obtain all permits and licenses, if any, required by law for the use, occupation and maintenance of the Property; and (iv) pay all costs, claims, damages, fees and charges arising out of its possession, use or maintenance of the Property.

(l) *Impositions.* If during the term of this Local Agency Financing Lease, any Imposition is imposed or incurred in connection with the sublease of the Property by the Corporation to the State, or by the State to the Local Agency, or the ownership, operation, possession or use of the Property by the Corporation, the State or the Local Agency, or the payment of the Agency Rent Payments by the Local Agency, or the payment of the Rent Payments payable therefrom by the State, the Local Agency shall pay all such Impositions when due. The Local Agency at its own expense may contest any such Impositions until it obtains a final administrative or judicial determination with respect thereto, unless the Property is encumbered by any levy, lien or any other type of encumbrance because of the Local Agency's failure to pay such Impositions. If the Corporation or the State pays any such Impositions for which the Local Agency is responsible or liable hereunder, the Local Agency shall reimburse the Corporation or the State for such payments as Additional Rent.

(m) *Hazardous Substances.*

(i) *Use.* The Property does not currently violate, and neither the Local Agency nor its officers, agents, employees, contractors, or invitees, shall use the Property in a manner that violates, any applicable federal, state or local law, regulation or ordinance, including, but not limited to, any such law, regulation or ordinance pertaining to air and water quality, the handling, transportation, storage, treatment, usage and disposal of Toxic or Hazardous Substances, air emissions, other environmental matters, and all zoning and other land use matters. The Local Agency shall not cause or permit the release or disposal of any Toxic or Hazardous Substances on or from the Property.

(ii) *Indemnity.* The Local Agency, to the extent permitted by law, agrees to protect, indemnify, defend (with counsel satisfactory to the Local Agency) and hold the State, the Corporation and the Trustee, and their respective directors, officers, employees and agents harmless from any claims, judgments, damages, penalties, fines, expenses, liabilities or losses arising out of or in any way relating to the presence, release or disposal of Toxic or Hazardous Substances on or from the Property; *provided, however*, that the Local Agency shall not be obligated to indemnify such parties, in its capacity as Lessor under the Site Lease, from any such claims, judgments, damages, penalties, fines, expenses, liabilities or losses relating to the presence, release or disposal of Toxic or Hazardous Substances on or from the Property occurring when the Local Agency is not or was not in possession of the Property. Such indemnity shall include, without limitation, costs incurred in connection with:

(A) Toxic or Hazardous Substances present or suspected to be present in the soil, groundwater or soil vapor on or under the Property; or

(B) Toxic or Hazardous Substances that migrate, flow, percolate, diffuse, or in any way move onto or under the Property; or

(C) Toxic or Hazardous Substances present on or under the Property as a result of any discharge, dumping, spilling (accidental or otherwise) onto the Property by any person, corporation, partnership, or entity other than the Local Agency, its officials, officers, employees or agents.

The indemnification provided by this subsection shall also specifically cover, without limitation, costs incurred in connection with any investigation of site conditions or any cleanup, remedial, removal or restoration work required by any federal, state or local governmental agency or political subdivision or other third party because of the presence or suspected presence of Toxic or Hazardous Substances in the soil, groundwater, or soil vapor on or under the Property. Such costs may include, but not be limited to, damages for the loss or restriction on use of rentable or usable space or of any amenity of the Property, sums paid in settlements of claims, attorney's fees, consultants fees, and expert fees.

(iii) *Notification Requirements.* The Local Agency shall promptly notify the other Parties in writing of all spills or releases of any Toxic or Hazardous Substances, all failures to comply with any federal, state, or local law, regulation or ordinance, all inspections of the Property by any regulatory entity concerning the same, all notices, orders, fines or communications of any kind from any governmental entity or third party that relate to the existence of or potential for environmental pollution of any kind existing on or resulting from the use of the Property or any activity conducted thereon, and all responses or interim cleanup action taken by or proposed to be taken by any government entity or private party on the Property.

Upon request by any Party, the Local Agency shall provide such Party with a written report (A) listing the Toxic or Hazardous Substances that were used or stored on the Property; (B) discussing all releases of Toxic or Hazardous Substances that occurred or were discovered on the Property and all compliance activities related to Toxic or Hazardous Substances, including all contacts with and all requests from third parties for cleanup or compliance; (C) providing copies of all permits, manifests, business plans, consent agreements or other contracts relating to Toxic or Hazardous Substances executed or requested during that time period; and (D) including such other information requested by such Party.

(iv) *Inspection Rights.* The Parties, and their officers, employees and agents, shall have the right, but not the duty, to inspect the Property and the Local Agency's relevant environmental and land use documents at any time and to perform such tests on the Property as are reasonably necessary to determine whether the Local Agency is complying with the terms of this Local Agency Financing Lease. The Local Agency shall be responsible for paying for any testing that is conducted if the Local Agency is not in compliance with this Local Agency Financing Lease and such Party has reason to believe such noncompliance is due to the Local Agency's operations or use of the Property. If the Local Agency is not in compliance with this Local Agency Financing Lease, such Party, without waiving or releasing any right or remedy it may have with respect to such noncompliance, shall have the right to immediately enter upon the Property to remedy any contamination caused by the Local Agency's failure to comply notwithstanding any other provision of this Local Agency Financing Lease. The Party shall use reasonable efforts to minimize interference with the Local Agency's business but shall not be liable for any interference caused thereby.

(v) *Corrective Action.* In the event any investigation, site monitoring, containment, cleanup, removal, restoration or other remedial work ("Remedial Work") of any kind is necessary under any applicable federal, state or local laws, regulations or ordinances, or is required by any governmental entity or other third person because of or in connection with the presence or suspected presence of Toxic or Hazardous Substances on or under the Property, the Local Agency shall assume responsibility for all such Remedial Work and shall promptly commence and thereafter diligently prosecute to completion all such Remedial Work. The Local Agency shall pay for all costs and expenses of such Remedial Work, including, without limitation, the Party's reasonable attorneys' fees and costs incurred in connection with monitoring or review of such Remedial Work. In the event the Local Agency shall fail to timely commence, or cause to be commenced, or fail to diligently prosecute to completion, such Remedial Work, such Party may, but shall not be required to, cause such Remedial Work to be performed and all costs and expenses thereof, or incurred in connection therewith, shall become immediately due and payable as Additional Rent due to the State from the Local Agency.

(n) *Insurance.*

(i) The Local Agency shall maintain, or cause to be maintained, in full force and effect, comprehensive general liability insurance with respect to the Property in such amounts as may be reasonably determined by the Local Agency from time to time but in any event not less than \$1,000,000 per occurrence, or such greater amount as the State Treasurer may reasonably require from time to time. Such insurance may be carried under a blanket policy with umbrella coverage. Such insurance shall cover any and all liability of the Local Agency and its officials, officers, employees and volunteers. Such insurance shall include (A) coverage for any accident resulting in personal injury to or death of any person and consequential damages arising therefrom; and (B) comprehensive property damage insurance.

(ii) The Local Agency shall maintain or cause to be maintained in full force and effect fire and extended coverage insurance with respect to the Property in such amounts and covering such risks as the Local Agency may reasonably determine from time to time, but in any event not less than the aggregate amount of the Agency Principal Components of Agency Rent Payments due hereunder which remain unpaid. Such insurance may be carried under a policy or policies covering other property of the Local Agency. Such property insurance shall be "all risk" insurance, and shall cover physical loss or damage as a result of fire, lightning, theft, vandalism, malicious mischief, flood, earthquake, and boiler and machinery; provided, that the State Treasurer may waive the requirement for earthquake or flood insurance if it determines, in its reasonable discretion, that the same is not available from reputable insurers and commercially reasonable rates. Such extended coverage insurance shall, as nearly as practicable, cover loss or damage by explosion, windstorm, riot, aircraft, vehicle damage, smoke and such other hazards as the Local Agency may reasonably determine from time to time. Such policies of insurance shall provide that all proceeds thereunder shall be payable to the Trustee, as assignee of the Corporation, pursuant to a lender's loss payable endorsement in a form approved in writing by the State Treasurer, which approval shall not be unreasonably withheld or delayed. The net proceeds of such insurance shall be applied as

provided in Section 5.03 of the Trust Agreement. Such insurance may at any time include a deductible of not to exceed \$5,000 for losses in any year, or such greater amount as the State Treasurer may approve in writing.

(iii) The insurance required under paragraphs (i) and (ii) above (A) shall be provided by a financially responsible insurance company authorized to do business in the State; (B) except for the insurance required under paragraph (ii) above and as provided in paragraph (iv) below, shall name the State and the Trustee as additional insureds thereunder; (C) shall provide that the same may not be canceled or given notice of non-renewal, nor shall the terms or conditions thereof be altered, amended or modified, without at least 45 days' prior written notice being given by the insurer to the State Treasurer; and (D) may be provided in whole or in part through a funded program of self-insurance reviewed at least annually by an insurance actuary.

(iv) In the event that the Local Agency provides the insurance required under paragraph (i) above through its membership in a local government risk pool established under chapter 48.62 RCW, the State and the Trustee shall not be required to be named as additional insureds under such insurance; provided, however, that in such event the Local Agency agrees to protect, indemnify, and hold the State and the Trustee harmless from any claims, judgments, damages, expenses and losses covered by such insurance.

(v) A certificate of insurance with respect to the required coverages shall be provided by the Local Agency to the State Treasurer annually on or prior to December 1 with respect to any required insurance maintained pursuant hereto.

(vi) Unless otherwise agreed by the State, the Local Agency shall obtain a policy or policies of title insurance on the Property, subject only to Permitted Encumbrances, in an amount equal to the aggregate amount of Agency Rent Payments to become due hereunder, payable to the State and the Trustee, in a form and from a provider approved in writing by the State Treasurer, which approval shall not be unreasonably withheld or delayed. The proceeds received under any such policy shall be applied as provided in Section 5.2.

(vii) The Local Agency will pay or cause to be paid when due the premiums for all insurance policies required by this Section 6.2(n).

ARTICLE VII EVENTS OF DEFAULT; REMEDIES

Section 7.1 Agency Event of Default. Each of the following shall constitute an "Agency Event of Default" hereunder:

(a) Failure by the Local Agency to pay or cause to be paid any Agency Rent Payment required to be paid hereunder within ten 10 Business Days of the respective Agency Rent Payment Date;

(b) Failure by the Local Agency to observe or perform any covenant, agreement, term or condition on its part to be observed or performed hereunder, other than as set forth in

paragraph (a) above, for a period of 30 days after written notice from the State or the Trustee to the Local Agency specifying such failure and requesting that it be remedied; *provided, however*, that such period shall be extended for an additional 60 days if such failure cannot be corrected within such period, and the corrective action is commenced by the Local Agency within such period and diligently pursued until the failure is corrected;

(c) If any statement, representation, or warranty made by the Local Agency in this Local Agency Financing Lease or in any writing delivered by the Local Agency pursuant hereto or in connection herewith is false, misleading, or erroneous in any material respect;

(d) If the Local Agency shall abandon or vacate the Property; and

(e) Inability of the Local Agency to generally pay its debts as such debts become due, or admission by the Local Agency, in writing, of its inability to pay its debts generally, or the making by the Local Agency of a general assignment for the benefit of creditors, or the institution of any proceeding by or against the Local Agency seeking to adjudicate it as bankrupt or insolvent, or seeking liquidation, winding-up, reorganization, reimbursement, adjustment, protection, relief or composition of it or its debts under any law relating to bankruptcy, insolvency or reorganization or relief of debtors, or seeking the entry of an order for relief or for appointment of a receiver, trustee, or other similar officer of it or any substantial part of its property, or the taking of any action by the Local Agency to authorize any of the actions set forth above in this Section 7.1(e).

(f) If an event of default shall occur under any Additional Financing Lease Agreement.

Notwithstanding the foregoing provisions of this Section 7.1, if by reason of *force majeure* the Local Agency is unable in whole or in part to carry out the covenants, agreements, terms and conditions on its part contained in this Local Agency Financing Lease, the Local Agency shall not be deemed in default during the continuance of such inability. The term "*force majeure*" means the following: acts of God; strikes; lockouts or other industrial disturbances or disputes; acts of public enemies; orders or restraints of any kind of the government of the United States of America or any of its departments, agencies or officials, or of its civil or military authorities; orders or restraints of the State or of any of its departments, agencies or officials or civil or military authorities of the State; wars, rebellions, insurrections; riots; civil disorders; blockade or embargo; landslides; earthquakes; fires; storms; droughts; floods; explosions; or any other cause or event not within the control of the Local Agency.

The State Treasurer, with the prior written consent of the Corporation, may, at its election, waive any default or Agency Event of Default and its consequences hereunder and annul any notice thereof by written notice to the Local Agency to such effect, and thereupon the respective rights of the Parties hereunder shall be as they would have been if such default or Agency Event of Default had not occurred.

Section 7.2 Rights of State Following Agency Event of Default. Whenever an Agency Event of Default hereunder shall have occurred and be continuing, the State shall have the following rights and may exercise any one or more of the following remedies:

(a) *Continuation; Reentry and Reletting.* The State may continue this Local Agency Financing Lease in full force and effect, and (i) collect rent and other amounts as they become due hereunder, (ii) enforce every other term and provision hereof to be observed or performed by the Local Agency, and (iii) exercise any and all rights of entry and reentry upon the Property. In the event that the State does not elect to terminate this Local Agency Financing Lease in the manner provided pursuant to paragraph (b) of this Section, the Local Agency agrees to observe and perform all terms and provisions herein to be observed or performed by it, and, if the Property is not relet, to pay the full amount of the rent and other amounts due hereunder for the term of this Local Agency Financing Lease, or, if the Property or any part thereof is relet, to pay any deficiency that results therefrom, in each case at the same time and in the same manner as otherwise provided herein, and notwithstanding any reentry or reletting by the State, or suit in unlawful detainer or otherwise brought by the State for the purpose of effecting such re-entry or obtaining possession of all or any part of the Property. Should the State elect to re-enter or obtain possession of all or any part of the Property, the Local Agency hereby irrevocably appoints the State as the Local Agency's agent and attorney-in-fact (i) to relet the Property, or any part thereof, from time to time, either in the name of the State or otherwise, upon such terms and conditions and for such use and period as the State may determine in its discretion, (ii) to remove all persons in possession thereof and all personal property whatsoever situated upon the Property, and (iii) to place such personal property in storage in any warehouse or other suitable place for the Local Agency in the county in which such personal property is located, for the account of and at the expense of the Local Agency. The Local Agency shall be liable for, and hereby agrees to pay the State, the State's costs and expenses in connection with reentry of the Property, removal and storage of any personal property, and reletting of the Property. The Local Agency hereby agrees that the terms of this Local Agency Financing Lease constitute full and sufficient notice of the right of the State to reenter and relet the Property or any part thereof without effecting a surrender or termination of this Local Agency Financing Lease. Termination of this Local Agency Financing Lease upon an Agency Event of Default shall be effected solely as provided in paragraph (b) of this Section. The Local Agency further waives any right to, and releases, any rental obtained by the State upon reletting in excess of the rental and other amounts otherwise due hereunder.

(b) *Termination.* The State may terminate this Local Agency Financing Lease, but solely upon written notice by the State to the Local Agency of such election. No notice to pay rent, notice of default, or notice to deliver possession of the Property or of any part thereof, nor any entry or reentry upon the Property or any part thereof by the State, nor any proceeding in unlawful detainer or otherwise brought by the State for the purpose of effecting such reentry or obtaining possession, nor any surrender of the Property or any part thereof by the Local Agency, nor any other act shall operate to terminate this Local Agency Financing Lease, and no termination of this Local Agency Financing Lease on account of a Master Financing Lease Event of Default shall be or become effective by operation of law or acts of the Parties or otherwise, unless and until such notice of termination shall have been given by the State. Upon such termination, the State may (i) reenter the Property or any part thereof and remove all persons in possession thereof and all personal property whatsoever situated upon the Property, and (ii) place such personal property in storage in any warehouse or other suitable place for the Local Agency in the county in which such personal property is located, for the account of and at the expense of the Local Agency. Upon such termination, the Local Agency's right to possession of the Property shall terminate, and the Local Agency shall surrender possession thereof to the State.

In the event of such termination, the Local Agency shall remain liable to the State for damages in an amount equal to the rent and other amounts that would have been due hereunder for the balance of the term hereof, less the net proceeds, if any, of any reletting of the Property or any part thereof by the State subsequent to such termination, after deducting the expenses incurred by the State in connection with any such reentry, removal and storage of personal property, and reletting. The State shall be entitled to collect damages from the Local Agency on the respective Agency Rent Payment Dates.

(c) *Other Remedies.* In addition to the other remedies set forth in this Section, upon the occurrence and continuance of an Agency Event of Default, the State shall be entitled to proceed to protect and enforce the rights vested in them by this Local Agency Financing Lease or by law. The terms and provisions of this Local Agency Financing Lease and the duties and obligations of the Local Agency hereunder, and the officers and employees thereof, shall be enforceable by the State by an action at law or in equity, for damages or for specific performance, or for writ of mandate, or by other appropriate action, suit or proceeding in any court of competent jurisdiction. Without limiting the generality of the foregoing, the State shall have the right to bring the following actions:

(i) Accounting. By action or suit in equity to require the Local Agency and its officers and employees to account as the trustee of an express trust;

(ii) Injunction. By action or suit in equity to enjoin the violation of the rights of the State.

(iii) Mandate. By writ of mandate or other action, suit or proceeding at law or in equity to enforce the State's rights against the Local Agency and its officers and employees, and to compel the Local Agency to perform and carry out its duties and obligations under the law and its covenants and agreements with the State as provided herein.

In the event that the State shall prevail in any action, suit or proceeding brought to enforce any of the terms of provisions of this Local Agency Financing Lease, the Local Agency shall be liable for the reasonable attorneys' fees of the State in connection therewith.

The Local Agency hereby waives any and all claims for damages caused or which may be caused by the State in reentering and taking possession of the Property or any part thereof as provided herein, and all claims for damages that may result from the destruction of or injury to the Property or any part thereof, and all claims for damages to or loss of any personal property that may be in or upon the Property.

Section 7.3 No Remedy Exclusive; Non-Waiver. No remedy conferred upon or reserved to the State hereunder or under applicable law is intended to or shall be exclusive, and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Local Agency Financing Lease or now or hereafter existing at law or in equity. No delay or omission to exercise any right or remedy accruing upon a default or an Agency Event of Default hereunder shall impair any such right or remedy or shall be construed to be a waiver of such default or Agency Event of Default, but any such right or remedy may be exercised from

time to time and as often as may be deemed necessary or expedient. In order to exercise any remedy reserved to the State hereunder, it shall not be necessary to give any notice, other than such notice as may be required hereunder. A waiver by the State of any default or Agency Event of Default hereunder shall not constitute a waiver of any subsequent default or Agency Event of Default, and shall not affect or impair the rights or remedies of the State Treasurer in connection with any such subsequent default or Agency Event of Default.

No acceptance of less than the full amount of a rental payment due hereunder shall constitute an accord and satisfaction or compromise of any such payment unless the State specifically agrees to such accord and satisfaction or compromise in writing.

Section 7.4 Default by State. Anything herein to the contrary notwithstanding, the State shall not be in default in the observance or performance of any of the covenants, agreements, terms or conditions to be observed or performed by it hereunder unless and until the State shall have failed to observe or perform such covenant, agreement, term or condition for a period of 60 days after written notice by the Local Agency to the State Treasurer specifying such failure and requesting that it be remedied; *provided, however*, that such period shall be extended for such additional time as shall be reasonably required to correct such failure if corrective action is commenced by the State within such period and diligently pursued until the failure is corrected.

ARTICLE VIII MISCELLANEOUS PROVISIONS

Section 8.1 Indemnification of State and the Corporation. To the extent permitted by law, the Local Agency hereby releases the State and the Corporation from, agrees that the State and the Corporation shall not be liable for, and agrees to indemnify and hold the State and the Corporation and their respective directors, officers, officials, employees, and agents harmless from, any liability for any loss or damage to property or any injury to or death of any person that may be occasioned by any cause whatsoever arising out of the ownership or operation of the Property or the design, acquisition, construction, financing or refinancing thereof. To the extent permitted by law, the Local Agency agrees to indemnify and hold the State and the Corporation and their respective directors, officers, officials, employees, and agents harmless from any losses, costs, charges, expenses (including reasonable attorneys' fees), judgments and liabilities incurred by it or them, as the case may be, in connection with any action, suit or proceeding instituted or threatened in connection with the transactions contemplated by this Local Agency Financing Lease or the exercise of rights or the performance of duties of the State or the Corporation under this Local Agency Financing Lease, the Master Financing Lease or the other Series 2021C Agreements, except to the extent caused by the gross negligence or willful misconduct of such indemnified party. The indemnification provided in this Section 8.1 shall survive the final payment of the Agency Rent Payments and the termination of this Local Agency Financing Lease for any reason.

Section 8.2 Term. If on [] (the "Scheduled Termination Date"), all amounts due hereunder shall not have been paid or the payment thereof duly provided for pursuant to Section 4.4, then the term of this Local Agency Financing Lease shall be extended until 10 days after all amounts due hereunder shall have been paid or the payment thereof so provided for,

except that the term of this Local Agency Financing Lease shall in no event be extended more than five years beyond the Scheduled Termination Date. If prior to the Scheduled Termination Date, all amounts due hereunder shall have been paid or the payment thereof so provided for, the term of this Local Agency Financing Lease shall end 10 days thereafter or 10 days after written notice by the Local Agency to the State Treasurer, whichever is earlier.

Section 8.3 Termination. The Local Agency agrees, upon the termination of this Local Agency Financing Lease, to quit and surrender the Property (i) in the same good order, condition and repair as the same was in at the time of commencement of the term hereunder, except for acts of God and reasonable wear and tear, that affect the condition of the Property; and (ii) free and clear of all leases, occupancies, liens and encumbrances, other than those existing as of the Dated Date or subsequently created in accordance herewith. The Local Agency agrees that any permanent improvements and structures existing upon the Property at the time of such termination of this Local Agency Financing Lease shall remain thereon. The Local Agency shall thereafter execute, acknowledge and deliver to the State such instruments of further assurance as in the reasonable opinion of the State Treasurer are necessary or desirable to confirm the State's leasehold right, title and interest in and to the Property.

Section 8.4 Notices to Agency. The notice address for the Local Agency shall be as set forth in the Notice of Intent.

STATE OF WASHINGTON OFFICE OF THE
STATE TREASURER

By _____
Treasurer Representative

CITY OF KENMORE, WASHINGTON,
as Local Agency

By _____
Authorized Agency Representative

By _____
Authorized Agency Representative

By _____
Authorized Agency Representative

STATE OF WASHINGTON)
) ss.
COUNTY OF THURSTON)

I certify that I know or have satisfactory evidence that JASON P. RICHTER is the person who appeared before me, and said person acknowledged that he signed this instrument, on oath stated that he was authorized to execute the instrument and acknowledged it as the Deputy State Treasurer Debt Management of the STATE OF WASHINGTON to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: _____



(Use this space for notarial stamp/seal)

(Signature of Notary)

Print Name _____
(Legibly Print or Stamp Name of Notary)

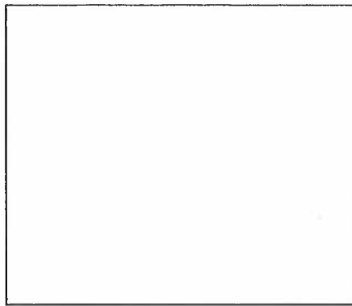
Notary public in and for the state of Washington, residing at

My commission expires _____

STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

I certify that I know or have satisfactory evidence that _____ is the person who appeared before me, and said person acknowledged that [s]he signed this instrument, on oath stated that [s]he was authorized to execute the instrument and acknowledged it as _____ of the CITY OF KENMORE, WASHINGTON to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: _____



(Use this space for notarial stamp/seal)

(Signature of Notary)

Print Name _____
(Legibly Print or Stamp Name of Notary)

Notary public in and for the state of Washington, residing at _____

My commission expires _____

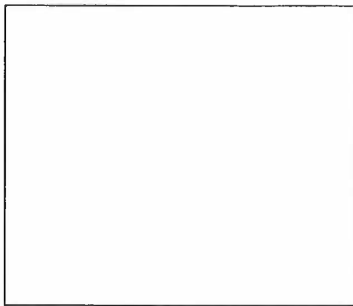
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FG-54351703.1

STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

I certify that I know or have satisfactory evidence that _____ is the person who appeared before me, and said person acknowledged that [s]he signed this instrument, on oath stated that [s]he was authorized to execute the instrument and acknowledged it as _____ of the CITY OF KENMORE, WASHINGTON to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: _____



(Use this space for notarial stamp/seal)

(Signature of Notary)

Print Name _____
(Legibly Print or Stamp Name of Notary)

Notary public in and for the state of Washington, residing at _____

My commission expires _____

N-3

FG-54351703.1

STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

I certify that I know or have satisfactory evidence that _____ is the person who appeared before me, and said person acknowledged that [s]he signed this instrument, on oath stated that [s]he was authorized to execute the instrument and acknowledged it as _____ of the CITY OF KENMORE, WASHINGTON to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: _____



(Use this space for notarial stamp/seal)

(Signature of Notary)

Print Name _____
(Legibly Print or Stamp Name of Notary)

Notary public in and for the state of Washington, residing at _____

My commission expires _____

N-4

FG:54351703.1

EXHIBIT A
NOTICE OF INTENT

FG:54351703.1

EXHIBIT B

CERTIFICATE DESIGNATING AUTHORIZED AGENCY REPRESENTATIVE

FG:54351703.1

EXHIBIT C
LEGAL DESCRIPTION

FG:54351703.1

EXHIBIT D
AGENCY RENT PAYMENTS

FG-54351703.1

Recording Requested by and Return To:
WASHINGTON FINANCE OFFICERS
ASSOCIATION
c/o Foster Garvey PC
1111 Third Avenue, Suite 3000
Seattle, Washington 98101
Attn: William G. Tonkin

MEMORANDUM OF LOCAL AGENCY FINANCING LEASE

This Memorandum of a Local Agency Financing Lease is made as of November 17, 2021, by and between the STATE OF WASHINGTON, as landlord and sublessor ("Landlord"), and the CITY OF KENMORE, WASHINGTON, as tenant and sublessee ("Tenant"), in connection with that certain Local Agency Financing Lease, Series 2021C, dated as of November 17, 2021, and executed by and between Landlord and Tenant (the "Lease"), in connection with (among other things) that certain real property (the "Property") described on Exhibit A, attached hereto and incorporated herein by this reference.

Landlord hereby leases to Tenant and Tenant leases from Landlord the Property on the terms and conditions set forth in the Lease for a term commencing as of November 17, 2021, and ending on _____, 20__. Upon the occurrence of certain events, the term of the Lease with respect to the Property may be extended to _____, 20__.

Abbreviated Legal Description:

Full Legal Description See Exhibit A

Assessor's Tax Parcel ID No.

**Reference number(s) of related/
assigned/released/document(s):** _____

[SIGNATURES ON FOLLOWING PAGE]

TRANSACTION NO. 1268-1-1

FG.54351720.1

[Signature page Memorandum of Local Agency Financing Lease]

LANDLORD:

STATE OF WASHINGTON, acting by
and through the State Treasurer

By _____
Treasurer Representative

TENANT:

CITY OF KENMORE, WASHINGTON

By _____
Authorized Agency Representative

By _____
Authorized Agency Representative

By _____
Authorized Agency Representative

STATE OF WASHINGTON)
) ss.
COUNTY OF THURSTON)

I certify that I know or have satisfactory evidence that JASON P. RICHTER is the person who appeared before me, and said person acknowledged that he signed this instrument, on oath stated that he was authorized to execute the instrument and acknowledged it as the Deputy State Treasurer Debt-Management of the STATE OF WASHINGTON to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: _____

(Use this space for notarial stamp/seal)

(Signature of Notary)

Print Name _____
(Legibly Print or Stamp Name of Notary)

Notary public in and for the state of Washington, residing at

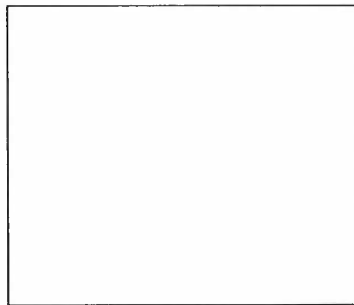
My commission expires _____

N-1

STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

I certify that I know or have satisfactory evidence that _____ is the person who appeared before me, and said person acknowledged that [s]he signed this instrument, on oath stated that [s]he was authorized to execute the instrument and acknowledged it as _____ of the CITY OF KENMORE, WASHINGTON to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: _____



(Use this space for notarial stamp/seal)

(Signature of Notary)

Print Name _____
(Legibly Print or Stamp Name of Notary)

Notary public in and for the state of Washington, residing at _____

My commission expires _____

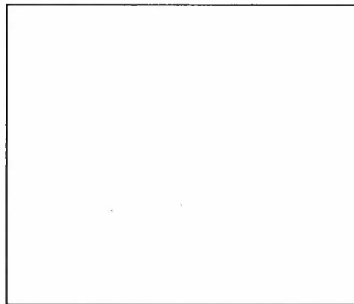
N-2

FG:54351720.1

STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

I certify that I know or have satisfactory evidence that _____ is the person who appeared before me, and said person acknowledged that [s]he signed this instrument, on oath stated that [s]he was authorized to execute the instrument and acknowledged it as _____ of the CITY OF KENMORE, WASHINGTON to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: _____



(Use this space for notarial stamp/seal)

(Signature of Notary)

Print Name _____
(Legibly Print or Stamp Name of Notary)

Notary public in and for the state of Washington, residing at _____

My commission expires _____

N-3

FG:54351720.1

STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

I certify that I know or have satisfactory evidence that _____ is the person who appeared before me, and said person acknowledged that [s]he signed this instrument, on oath stated that [s]he was authorized to execute the instrument and acknowledged it as _____ of the CITY OF KENMORE, WASHINGTON to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: _____

(Use this space for notarial stamp/seal)

(Signature of Notary)

Print Name _____
(Legibly Print or Stamp Name of Notary)

Notary public in and for the state of Washington, residing at

My commission expires _____

EXHIBIT A
Legal Description

FG:54351720.1

Annex 4

Authorized Agency Representatives

Robert Karlinsey
Nancy Ousley
Leticia Salcido

City Manager
Assistant City Manager
Finance and Administration Director

Certificate Designating Authorized Agency Representatives

I, Anastasiya Warhol, City Clerk of the City of Kenmore, (the "Local Agency") hereby certify that, as of the date hereof, pursuant to Ordinance No. 21-0532 the following individuals are each an "Authorized Agency Representative," as indicated by the title appended to each signature, that the following individuals are duly authorized to execute and deliver the Local Agency Financing Lease to which this Certificate is attached as Exhibit B, and all documentation in connection therewith, including but not limited to the Local Agency Site Lease, that the signatures set forth below are the true and genuine signatures of said Authorized Agency Representatives and that pursuant to such ordinance, the signature of one of the following individuals is required on each of the aforementioned documents in order to consider such documents executed on behalf of the Local Agency:

<u>Signature</u> _____	<u>Name</u> _____	<u>Title</u> _____
_____	Rob Karlinsey	City Manager
_____	Nancy Ousley	Assistant City Manager
_____	Leticia Salcido	Finance and Administration Director

Dated this _____ day of November, 2021.

CITY OF KENMORE, WASHINGTON

Anastasiya Warhol, City Clerk
City of Kenmore, Washington

SUBSCRIBED AND SWORN TO before me this _____ day of _____, 2021.

By: _____
NOTARY PUBLIC in and for the State of
Washington, residing at:

Printed Name: _____
My Commission Expires: _____

CERTIFICATE OF AUTHORIZING ORDINANCE

I, Anastasiya Warhol, City Clerk of the City of Kenmore, Washington (the "City"), DO HEREBY CERTIFY:

1. That the attached Ordinance No. 21-_0532 (herein called the "Ordinance") is a true and correct copy of an ordinance of the City passed at a special meeting of the City Council held on the 30th day of August, 2021, and duly recorded in my office;

2. That said meeting was duly convened and held in all respects in accordance with law; and to the extent required by law, due and proper notice of such meeting was given; that a quorum of the City Council was present throughout the meeting and a legally sufficient number of members of the City Council voted in the proper manner for the passage of the Ordinance;

3. That all other requirements and proceedings incident to the proper passage of the Ordinance have been duly fulfilled, carried out and otherwise observed;

4. That the Ordinance remains in full force and effect and has not been amended, repealed or superseded; and

5. That I am authorized to execute this certificate.

DATED as of this _____ day of _____, 2021.

CITY OF KENMORE, WASHINGTON

Anastasiya Warhol, City Clerk
City of Kenmore, Washington

Signature: Rob Karlinsey
Rob Karlinsey (Aug 21, 2021 14:37 PDT)
Email: rkarlinsey@kenmorewa.gov

AB-Local Loan 8-30-21 meeting

Final Audit Report

2021-08-21

Created:	2021-08-21
By:	Leticia Salcido (lsalcido@kenmorewa.gov)
Status:	Signed
Transaction ID:	CBJCHBCAABAAK2f4O5ABFJw-YVbC-cBjJMfWk7RUI3Ao

"AB-Local Loan 8-30-21 meeting" History



Document created by Leticia Salcido (lsalcido@kenmorewa.gov)

2021-08-21 - 0:18:22 AM GMT- IP address: 50.235.209.34



Document emailed to Rob Karlinsey (rkarlinsey@kenmorewa.gov) for signature

2021-08-21 - 0:18:50 AM GMT



Email viewed by Rob Karlinsey (rkarlinsey@kenmorewa.gov)

2021-08-21 - 9:36:30 PM GMT- IP address: 24.22.167.111



Document e-signed by Rob Karlinsey (rkarlinsey@kenmorewa.gov)

Signature Date: 2021-08-21 - 9:37:50 PM GMT - Time Source: server- IP address: 24.22.167.111



Agreement completed.

2021-08-21 - 9:37:50 PM GMT



POWERED BY
Adobe Sign



City Council Business Agenda Item
City of Kenmore, WA

Subject/Topic:	For Council Meeting Agenda of: August 30, 2021
Amendment and Reinstatement of the Pandemic and Public Health Emergency Response and Recovery Proclamation 20-02	Department: City Manager's Office
Move to:	Prepared by: Rob Karlinsey, City Manager
Approve and reinstate the Amended Pandemic and Public Health Emergency Response and Recovery Proclamation 20-02.5.	<u>Initial & Date</u> Approved by Department Head: <u>LP</u> Approved by City Attorney: <u>KFW, 08/20/21 via email</u> Approved by Finance Director: <u>LS</u> Approved by City Manager: <u>RK</u> Exhibits/Attachments: Pandemic and Public Health Emergency Response and Recovery Proclamation 20-02.6

INFORMATION/BACKGROUND:

At the March 5, 2020 City Council meeting, the Kenmore City Council adopted Proclamation 20-02, approving the Pandemic and Public Health Emergency Response and Recovery Policy. The proclamation has since been amended several times by the City Council, on April 27th, 2020, July 13th, 2020, February 8th, 2021, March 22, 2021, and May 24, 2021.

A number of City employees have been utilizing the pandemic-related leave benefit under the Families First Coronavirus Response Act (FFCRA) that was passed by Congress last spring. The benefit provides employees up to ten (10) days of emergency paid sick leave and up to twelve (12) weeks of public health emergency leave (the first two weeks unpaid) in connection with pandemic-related medical and childcare needs. Any time-off not qualifying under the FFCRA may be covered by the employee's use of accrued City leave or leave without pay.

This leave benefit expired on its own terms on December 31, 2020. Although Congress did not extend the FFCRA, in December 2020 it passed another relief package that allowed for employers to voluntarily extend "FFCRA-like" leave benefits through March 31, 2021. This relief was extended through September 30, 2021 per the American Rescue Plan Act of 2021.

In late December 2020, the City Manager signed Emergency Proclamation 20-02.3 providing for the extension of the FFCRA leave benefits offered by the City through March 31, 2021, and the City Council ratified this action on February 8, 2021. On March 22, 2021, the City Council approved the City Manager's recommendation to extend the FFCRA benefits through May 2021, and again through June 2021. The FFCRA benefits offered by the City expired as of June 30, 2021. Because the spread of the coronavirus has not been fully contained, there has been an uptick in COVID-19 cases throughout the state and nation, and the process of vaccinating the general population is still ongoing, the City Manager recommends reinstating and extending the City's FFCRA benefits through December 31, 2021 in order to proactively support and protect our employees and the community.



**Proclamation 20-02.6 – Amendment:
Pandemic and Public Health Emergency Response and Recovery**

1. PURPOSE: The purpose of this policy is to provide guidance and establish procedures in the event a pandemic illness or public health emergency is expected to, or currently is taking place, which may affect the operations of the City of Kenmore and/or pose a risk to the health or safety of staff and the community at large.
2. SCOPE: This policy applies to all City of Kenmore departments and employees.
3. DEFINITIONS:
 - A. Outbreak: a widespread occurrence of an infectious disease in a community at a particular time with a hospitalization and/or mortality rate significantly higher than the common flu.
 - B. Pandemic: a disease that is prevalent over a region, country, or the world.
 - C. Families First Coronavirus Response Act (FFCRA): Federally mandated leave program, voluntarily offered by the City through December 31, 2021, that provides for Emergency Paid Sick Leave (EPSL) and Public Health Emergency Leave (PHEL).
4. REFERENCES:
 - A. Chapter 7.05 RCW – Local Health Departments
 - B. Chapter 7.08 RCW – Combined City-County Health Departments
 - C. Chapter 70.26 RCW – Pandemic Influenza Preparedness
 - D. RCW 38.52.070 – Emergency Powers
 - E. Chapter 8.30 KMC – Emergency Operations Plan
 - F. City of Kenmore Comprehensive Emergency Management Plan
 - G. City of Kenmore Personnel Policies
 - H. Washington Department of Health: doh.wa.gov
 - I. Public Health – Seattle & King County: www.kingcounty.gov/depts/health.aspx
 - J. Families First Coronavirus Response Act under the authority of the U.S. Department of Labor Wage and Hour Division
5. POLICY: It is the policy of the City of Kenmore to take all appropriate measures needed to address a pandemic and protect public health. Protecting the community and City staff is a top priority and this policy establishes some of the actions that may be taken, and the

authority, granted to address a pandemic.

6. **PROCEDURES:** The following procedures are established to minimize disease exposure and maintain continuity of City operations in the event that a pandemic becomes a threat to the health or safety of City employees, their families, and the community at large.
 - A. Declaration of Pandemic and/or Public Health Emergency: Public health professionals at organizations such as the Centers for Disease Control and Prevention (CDC), Washington State Public Health Department, Washington State Governor, and/or King County/Seattle Public Health Department may declare that a pandemic, outbreak, or public health emergency exists. Such declarations may contain instructions or recommendations to both private and public sector entities. The City will follow all mandatory instructions and will implement recommendations to the extent it determines these to be applicable and/or feasible or practicable under the particular circumstances.
 - B. Procedures to help minimize the spread of germs: Employees are urged to practice standard Non-Pharmaceutical Interventions (“NPI’s”), including covering coughs by coughing into a tissue or, if a tissue is not available, into their elbows, regular hand washing, regular use of alcohol hand sanitizer, and avoiding touching eyes, nose, or mouth. Hands and work surfaces should be disinfected frequently. Employees are also urged to utilize social distancing such as maintaining a distance of six feet from others when practical to do so.
 - C. Proclamation of Emergency/Disaster Due to Pandemic: Upon the City’s proclamation of emergency/disaster due to pandemic, the following shall apply:
 - i. Employees who have a communicable illness or are experiencing flu-like symptoms (as then-defined by the applicable health authorities), are prohibited from coming to work and are encouraged to consult their physician.
 - ii. Employees reporting to work who exhibit symptoms of a communicable illness will be sent home and encouraged to consult their physician. Unless otherwise prohibited by law, the employee shall be required to utilize accrued leave, if any, pursuant to adopted Personnel Policies or applicable collective bargaining agreement if they are sent home due to symptoms of an illness.
 - iii. If the illness of an employee or member of an employee’s household interferes with reporting to work in a timely manner, the employee is responsible for notifying their supervisor pursuant to the provisions of the Personnel Policies or applicable collective bargaining agreement. Employees must not return to work until they have been free of illness symptoms (fever, chills, sore throat, etc.) for at least 24 hours (or as otherwise provided for in applicable guidelines published by the appropriate health authorities).

- iv. Except as otherwise provided or prohibited by law, employees are required to first utilize their accrued sick leave and then any other accrued paid time off (vacation leave, compensatory time, or floating holidays) while recovering from, or caring for a spouse or dependent recovering from, illness.
- v. If the school or place of care of an employee's child is closed due to pandemic, the employee may use accrued sick leave (or other accrued paid time off, to the extent the employee does not have sufficient sick leave), to care for the child.
- vi. Employees may donate accrued sick leave to employees who do not have enough accrued leave balances to cover their absence, in accordance with the City's shared leave policy.
- vii. When quarantine of an employee is ordered by State or County Health Officials due to a pandemic illness, employees may use accrued sick leave (or other accrued paid time off, to the extent the employee does not have sufficient sick leave) for the period of quarantine.
- viii. In response to the Covid-19 pandemic, the City shall provide emergency paid sick leave (EPSL) and public health emergency leave (PHEL) in accordance with those terms originally set forth in the FFCRA, through December 31, 2021.
- ix. At the discretion of the City Manager or designee, City Hall may alter its business practices, hours of business, and services provided. Examples of potential measures that could be taken include but are not limited to:
 - a. The City may implement temporary emergency procedures to minimize in-person contact between employees. Such measures may include greater use of e-mail, phone, and teleconferences as opposed to in-person meetings and contact.
 - b. Reduced Reception and Front Counter Service: The City may alter how it conducts business with the public by limiting or halting services at counters/areas of the City Hall and other facilities where front-line services are typically provided.
 - c. Partial Work from Home Schedules: Some staff may be permitted or assigned to work from home.
 - d. Full or partial City Hall Closure: City Hall may be partially or fully closed. During closure, staff who are able to reasonably work from home, whether in full or partial shifts, will be allowed to do so, and City managers and supervisors will coordinate this directly with the subject employees. To the extent they are not able to fully or partially work

from home, staff will be provided leave in accordance with the provisions of the Families First Coronavirus Response Act (FFCRA), to the extent applicable. If FFCRA is not applicable, employees may use their accrued paid time off benefits in connection with absences due to City Hall closure. If the employee does not have accrued paid time off, the employee may be granted an unpaid leave of absence in accordance with normal City policy.

_____	_____
_____	_____



**Proclamation 20-02.5 – Amendment:
Pandemic and Public Health Emergency Response and Recovery**

1. PURPOSE: The purpose of this policy is to provide guidance and establish procedures in the event a pandemic illness or public health emergency is expected to, or currently is taking place, which may affect the operations of the City of Kenmore and/or pose a risk to the health or safety of staff and the community at large.
2. SCOPE: This policy applies to all City of Kenmore departments and employees.
3. DEFINITIONS:
 - A. Outbreak: a widespread occurrence of an infectious disease in a community at a particular time with a hospitalization and/or mortality rate significantly higher than the common flu.
 - B. Pandemic: a disease that is prevalent over a region, country, or the world.
 - C. Families First Coronavirus Response Act (FFCRA): Federally mandated leave program, voluntarily extended by the City through June 30, 2021, that provides for Emergency Paid Sick Leave (EPSL) and Public Health Emergency Leave (PHEL).
4. REFERENCES:
 - A. Chapter 7.05 RCW – Local Health Departments
 - B. Chapter 7.08 RCW – Combined City-County Health Departments
 - C. Chapter 70.26 RCW – Pandemic Influenza Preparedness
 - D. RCW 38.52.070 – Emergency Powers
 - E. Chapter 8.30 KMC – Emergency Operations Plan
 - F. City of Kenmore Comprehensive Emergency Management Plan
 - G. City of Kenmore Personnel Policies
 - H. Washington Department of Health: doh.wa.gov
 - I. Public Health – Seattle & King County: www.kingcounty.gov/depts/health.aspx
 - J. Families First Coronavirus Response Act under the authority of the U.S. Department of Labor Wage and Hour Division
5. POLICY: It is the policy of the City of Kenmore to take all appropriate measures needed to address a pandemic and protect public health. Protecting the community and City staff is a top priority and this policy establishes some of the actions that may be taken, and the authority, granted to address a pandemic.

6. PROCEDURES: The following procedures are established to minimize disease exposure and maintain continuity of City operations in the event that a pandemic becomes a threat to the health or safety of City employees, their families, and the community at large.
 - A. Declaration of Pandemic and/or Public Health Emergency: Public health professionals at organizations such as the Centers for Disease Control and Prevention (CDC), Washington State Public Health Department, Washington State Governor, and/or King County/Seattle Public Health Department may declare that a pandemic, outbreak, or public health emergency exists. Such declarations may contain instructions or recommendations to both private and public sector entities. The City will follow all mandatory instructions and will implement recommendations to the extent it determines these to be applicable and/or feasible or practicable under the particular circumstances.
 - B. Procedures to help minimize the spread of germs: Employees are urged to practice standard Non-Pharmaceutical Interventions (“NPI’s”), including covering coughs by coughing into a tissue or, if a tissue is not available, into their elbows, regular hand washing, regular use of alcohol hand sanitizer, and avoiding touching eyes, nose, or mouth. Hands and work surfaces should be disinfected frequently. Employees are also urged to utilize social distancing such as maintaining a distance of six feet from others when practical to do so.
 - C. Proclamation of Emergency/Disaster Due to Pandemic: Upon the City’s proclamation of emergency/disaster due to pandemic, the following shall apply:
 - i. Employees who have a communicable illness or are experiencing flu-like symptoms (as then-defined by the applicable health authorities), are prohibited from coming to work and are encouraged to consult their physician.
 - ii. Employees reporting to work who exhibit symptoms of a communicable illness will be sent home and encouraged to consult their physician. Unless otherwise prohibited by law, the employee shall be required to utilize accrued leave, if any, pursuant to adopted Personnel Policies or applicable collective bargaining agreement if they are sent home due to symptoms of an illness.
 - iii. If the illness of an employee or member of an employee’s household interferes with reporting to work in a timely manner, the employee is responsible for notifying their supervisor pursuant to the provisions of the Personnel Policies or applicable collective bargaining agreement. Employees must not return to work until they have been free of illness symptoms (fever, chills, sore throat, etc.) for at least 24 hours (or as otherwise provided for in applicable guidelines published by the appropriate health authorities).
 - iv. Except as otherwise provided or prohibited by law, employees are required to

first utilize their accrued sick leave and then any other accrued paid time off (vacation leave, compensatory time, or floating holidays) while recovering from, or caring for a spouse or dependent recovering from, illness.

- v. If the school or place of care of an employee's child is closed due to pandemic, the employee may use accrued sick leave (or other accrued paid time off, to the extent the employee does not have sufficient sick leave), to care for the child.
- vi. Employees may donate accrued sick leave to employees who do not have enough accrued leave balances to cover their absence, in accordance with the City's shared leave policy.
- vii. When quarantine of an employee is ordered by State or County Health Officials due to a pandemic illness, employees may use accrued sick leave (or other accrued paid time off, to the extent the employee does not have sufficient sick leave) for the period of quarantine.
- viii. In response to the Covid-19 pandemic, the City provides emergency paid sick leave and public health emergency leave in accordance with the FFCRA.
- ix. At the discretion of the City Manager or designee, City Hall may alter its business practices, hours of business, and services provided. Examples of potential measures that could be taken include but are not limited to:
 - a. The City may implement temporary emergency procedures to minimize in-person contact between employees. Such measures may include greater use of e-mail, phone, and teleconferences as opposed to in-person meetings and contact.
 - b. Reduced Reception and Front Counter Service: The City may alter how it conducts business with the public by limiting or halting services at counters/areas of the City Hall and other facilities where front-line services are typically provided.
 - c. Partial Work from Home Schedules: Some staff may be permitted or assigned to work from home.
 - d. Full or partial City Hall Closure: City Hall may be partially or fully closed. During closure, staff who are able to reasonably work from home, whether in full or partial shifts, will be allowed to do so, and City managers and supervisors will coordinate this directly with the subject employees. To the extent they are not able to fully or partially work from home, staff will be provided leave in accordance with the provisions of the Families First Coronavirus Response Act (FFCRA), to the extent applicable. If FFCRA is not applicable, employees may use

their accrued paid time off benefits in connection with absences due to City Hall closure. If the employee does not have accrued paid time off, the employee may be granted an unpaid leave of absence in accordance with normal City policy.



mayor

May 25, 2021



Rob Karlinsey (May 25, 2021 16:34 PDT)

City Manager

May 25, 2021