

Public Works New Operations Center Project Update

VANCOUVER
CITY HALL



June 28, 2021

Vancouver City Council Workshop

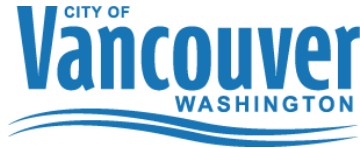
Jennifer Belknap Williamson, Public Works Director

Jean Singer, Facilities Capital Projects Manager

Tim Buck, Public Works Operations Manager

Presentation Overview

- Summary of April 26, 2021 Workshop
- Approach to Project Charter Document and Project Delivery
- Review Project Charter

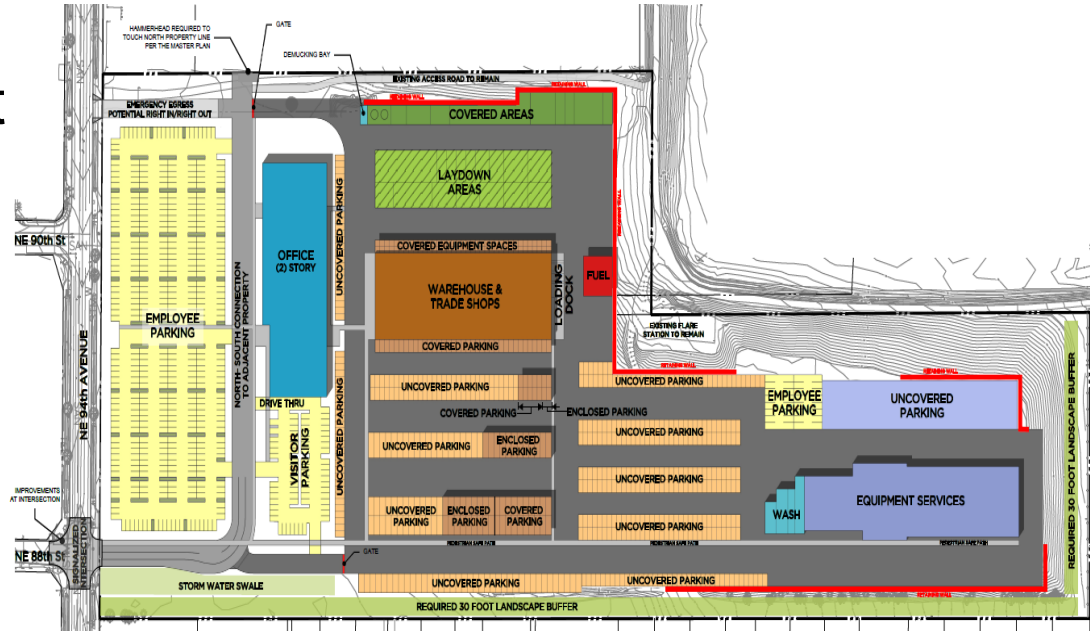


Target Workshop Outcomes

- Project charter as tool for alignment of strategic policies across project development
- Shared understanding of project expectations
- Council input: charter document

Workshop Summary April 26, 2021

- Master Planning History
- Concept Plan Development
- Site-Specific Analysis
- Policy Direction/Goals
- Project Governance and Chartering Approach
- Communications and Community Engagement



Public Works New Operations Center - 4

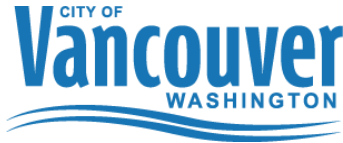
Project Purpose

Project Vision:

Building a more accessible, sustainable, resilient operations center to serve the current and future City of Vancouver.

Project Values:

Assure the project is in alignment with strategic goals, policies, and planning for the City of Vancouver.



Policy Direction and Project Goals Expansion

- **Resilience and Safety**

- Emergency Operations Center
- Assurance of resiliency through multiple energy sources

- **Capital Planning/Asset Management and Financial Policies**

- Consideration of telework opportunities
- Life cycle cost management

- **Environmental Sustainability**

- High level of sustainability, offering leadership for the community
- Alignment with state initiatives as well as local direction

- **Equity and Inclusion**

- Redevelopment of the Fourth Plain Blvd parcels
- Workforce development

Policy Direction/Goals: Framework and Alignment



Delivering a new Public Works Operations Center achieves many of the current policy and strategic planning goals of the City of Vancouver, which have been previously identified by City Council.



This is an opportunity to build a project that addresses a more holistic set of council and community goals.



Policy Direction/Goals: Framework and Alignment

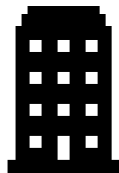
1. Policy points discussion serves as the framework for project goals.



2. Visions and Values (project goals) will be used to develop screening criteria for design options and the shape of project elements.



Policy Direction/Goals: Framework and Alignment



3. Visions and Values (project goals) will then become the project metrics for measuring progress and ultimately yield project deliverables.

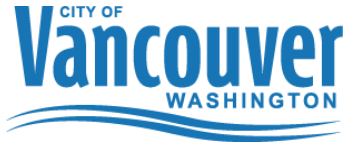


4. Project Charter documents this transition

Project Charter

Project Purpose/Executive Summary:

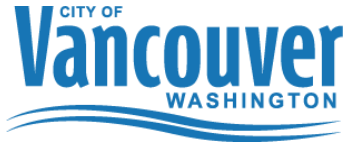
This Charter establishes and memorializes the project expectations for the City of Vancouver Public Works Department's New Operations Center. This document serves to define the visions and values as well as governance structures that will synchronize key City of Vancouver strategic policies and goals across project development.



Project Charter

Project Development: Initiate and Align

- Visions and Values
- Project Goals
- Project governance



Project Charter

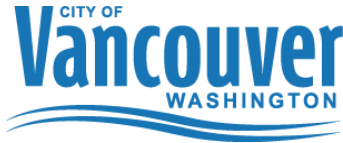
Project Baseline: Provides Initial Scope, Schedule and Budget

- Basis of Design
 - Campus Requirements
 - Level of Staffing
- Framework
 - Streamlined design
 - LID/Energy Code Compliant
 - Basic level of “LEED”

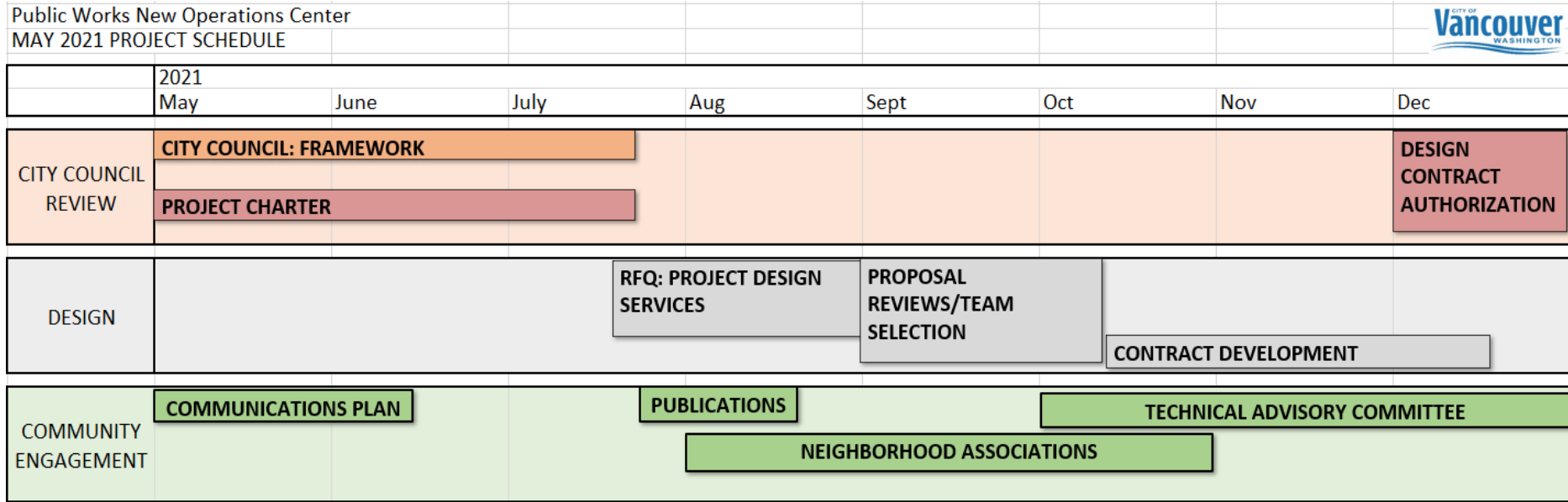
Project Charter

Project Constraints and Areas of Focus

- Physical, Regulatory, Legal and Financial Limits
- Focus Areas:
 - Escalation
 - Partnerships
 - Future thinking



Project Timeline 2021



Project Timeline 2021

Timeline for 2021 next steps

- Input from Council (June)
- Charter Document/Approval (July/August)
- RFQ (August-September)
- Design Contract Procurement/Development (October-November)
- Design Contract Approval (December)
- Kickoff and Ongoing communications

Communications and Community Engagement

Communications Plan under development

- “FAQ”s – both for project and Public Works Department
- Guiding principles and Purpose/Need
- Information available in multiple formats and readily accessible
- Neighborhood Engagement

Questions and Discussion

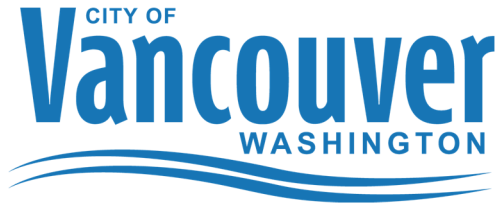
- Policy Direction and Project goals
- Project Charter
- Project Timeline
- Communications Plan

Next Steps

- Expansion of direction provided today
- Updated project charter for approval

Questions and Discussion

- Jean Singer, Facilities Capital Projects Manager
- Jean.Singer@cityofvancouver.us



MEMORANDUM

DATE: June 15, 2021

TO: Eric Holmes, City Manager

FROM: Jean Singer, Facilities Capital Project Manager

RE: **New Public Works Operations Center Project Charter - Draft**

Mr. Holmes,

As follow up to the Council workshop held on April 26, 2021, and for discussion at the June 28, 2021 Workshop, please find attached the draft charter for the new Public Works Operations Center project.

The charter document is intended to be the first directive that will be expanded on and developed as the project continues through the design phase.

Section 1 provides the Executive Summary of the project. Contained herein are the project's purpose and need statement, as well as the general project description.

Section 2.1 offers background on the nexus for the project need as well as identifying the context of the project within overall Citywide strategic goals. This section covers the policy direction offered by City Council as well as the project framework developed from that direction to yield initial target project goals. This section describes the project governance, higher level project management tools, and other supporting discussions around project parameters and challenges.

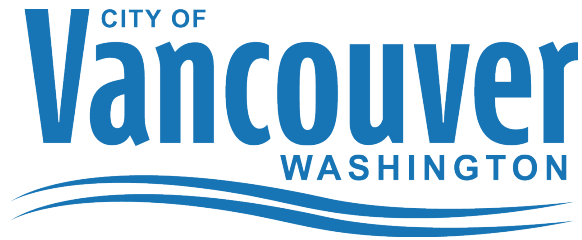
Section 2.2 describes the project's baseline shared understandings, including scope, an initial schedule for the project's milestones, and pre-design cost estimations.

Section 2.3 This pre-design draft starts to outline the project's constraints and areas of focus. This section will be enhanced as the design progresses.

Sections 3 and 4 will contain associated and reference documents that have already been developed or executed. An example is the Clark County Master plan for the site, which contains requirements and constraints for project development.

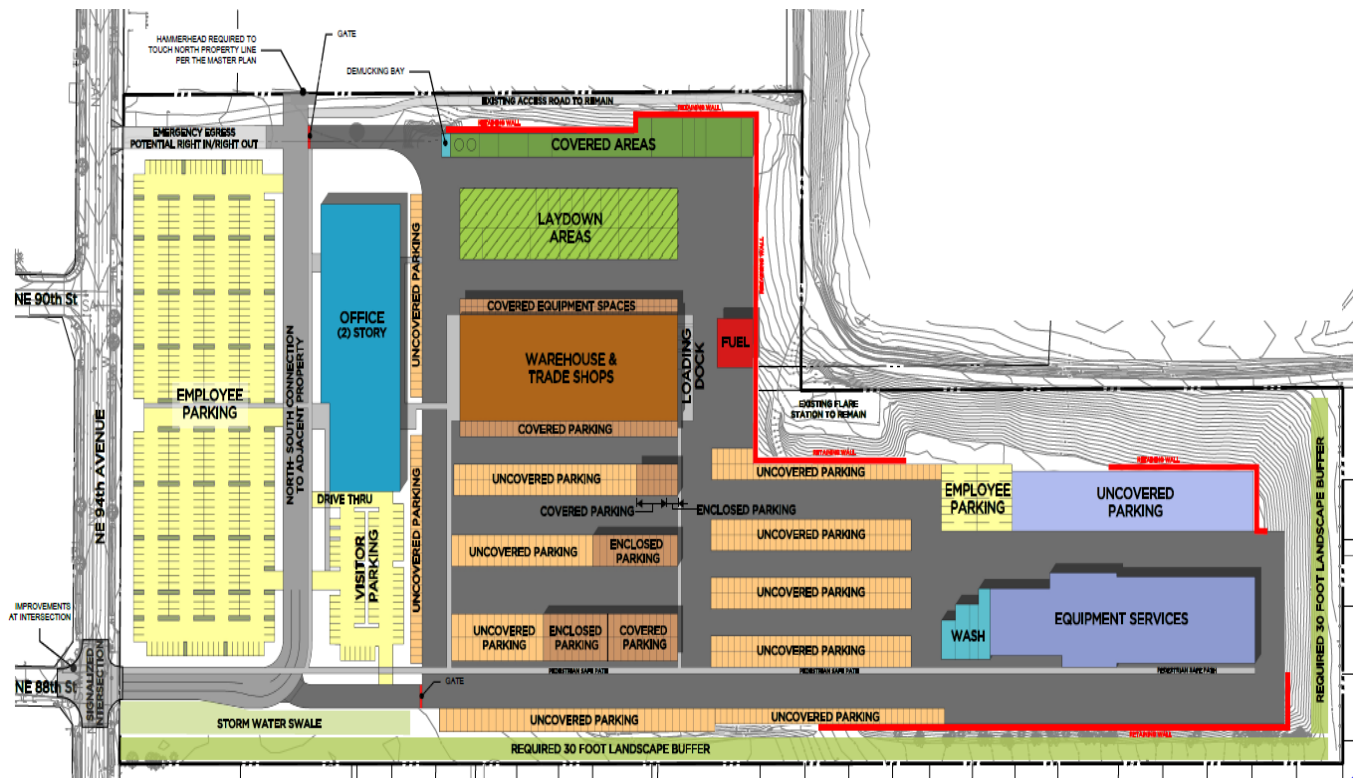
Section 5 will be an approval signature block and will formalize the charter document.

We look forward to continuing to develop this project's pathway forward with the City Council in the workshop on June 28, 2021.



PROJECT CHARTER

New Public Works Operations Center Project #PRJ083491



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Project Charter Document History

Date	Document Title	Version #
	Project Charter	

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1. Purpose/Executive Summary

This Charter establishes and memorializes the project expectations for the City of Vancouver Public Works Department's New Operations Center. This document serves to define the visions and values as well as governance structures that will synchronize key City of Vancouver (City) strategic policies and goals across project development. A separate Project Delivery Plan will govern design and execution of the project once the Project Charter is approved.

Project Purpose and Need Statement

The City of Vancouver Public Works Department is responsible for providing essential infrastructure and services for water, sewer, streets, bridges, traffic signals, street lighting, grounds maintenance, facilities, fleet services and surface water management, including the administration, engineering and operational support of these services.

The City of Vancouver Public Works Operations Center is the maintenance hub for providing these essential public services for the City of Vancouver and the surrounding urban area. Existing facilities are inadequate to serve the current and forecasted population, are vulnerable to moderate seismic events and do not meet current minimum building code standards. The existing Operations site at Fourth Plain Blvd and General Andersen cannot be efficiently or economically restructured to meet present and future needs.

The purpose of the New Operations Center Project is to meet service levels for public works, provide efficiency of operations, modernization of services, and serve as an Emergency Operations Center (EOC). Development and use of the new Operations Center will achieve multiple City of Vancouver policy and strategic planning objectives.

Project Description

This project will build a more accessible, sustainable, and resilient operations center in a strategic location to serve the current and future City of Vancouver. It will relocate and consolidate the Public Works Department as, well as the Vancouver Fire Department Fleet Services, to a suitable "green field site" (an undeveloped property). Services are anticipated to be provided for 50 years from the new site. A separate project will craft a redevelopment strategy for the existing Fourth Plain site in support of the applicable subarea plan. This project requires Planning, Land Acquisition, Contracting, Design, Permitting, Construction, Relocation and Management of a new Public Works Operations Center.

2. Project Development Information

2.1 Initiate and Align

2.1.1 Project Background/History/Site Selection

The existing City of Vancouver Public Works Operations Center complex location is inadequate to meet current and future populations and is at the end of its useful life. The complex is also on a site that will be vulnerable to damage from a large seismic event. This would limit the availability of critical public services to support and enable emergency cleanup and recovery after a seismic event.

Public Works administration, streets and traffic, grounds, greenway maintenance functions, fleet services, warehouse, facilities maintenance, utility operations, customer service and some engineering are housed at the existing Operations Center. Additional Public Works administration, construction, engineering, utility, finance, materials storage, property management and asset management groups are scattered at various sites around the city.

A 2018 analysis of the existing site determined that the existing site was not suitable to redevelop. The most appropriate alternative was to relocate operations to an undeveloped “green field site.” The existing site was determined infeasible to redevelop into a resilient operation center due to the following:

- Seismic Deficiencies, including high liquefaction risk
- Zoning Conflicts
- Public Street Bi-Section of Site
- Construction phasing challenges while maintaining continuous operations
- Cost to redevelop significantly exceeding cost to develop on a new site: 2018 Cost Estimate - \$160 Million (in 2021 Construction \$)

A preliminary program and cost estimate for a new Operations Center were developed in June 2018 with an initial target start construction date of 2021. The preliminary program accounted for future expanded service to approximately 1/3 of the currently unincorporated Vancouver Urban Growth Area (UGA), in addition to the existing City of Vancouver.

In 2020, a new site was acquired, and site-specific concept planning and design development began.

2.1.2 Visions and Values

Delivering a New Public Works Operations Center achieves many of the current policy and strategic planning goals of the City of Vancouver, which have been previously identified by City Council. This is an opportunity to build a project that addresses a more holistic set of council and community goals.

Project Vision:

Building a more accessible, sustainable, resilient operations center to serve the current and future City of Vancouver.

Project Values:

Assure the project is in alignment with strategic goals, policies, and planning for the City of Vancouver.

Four primary planning areas for this project are:

Resilience and Safety recognizes the role of Public Works as essential service hub and the need for resiliency, flexibility and future-readiness.

Environmental Sustainability to demonstrate climate leadership and stewardship for the community.

Equity and Inclusion with consideration of local and regional impacts of project. Improvement in resilience and safety of the community.

Capital Planning/Asset Management and Financial Policies offer consistency with City current and long term financial and capital planning/asset management policies for project financing and funding.

The primary planning areas will be used as screening criteria and performance measures for design options and shape both the approach and scope of the project.

2.1.3 Project Goals

These project goals will be developed, as feasible, into project metrics and project deliverables, which will be documented in the Project Delivery Plan.

Project Goals: Resilience and Safety

- Fully operational status after major seismic/weather events
- Continuity of Operations and scalable response capabilities
- Operations Center supports efficient delivery of all services
- Flexibility to accommodate and adapt to future needs
- Improved resiliency through multiple energy sources

Project Goals: Environmental Sustainability

- Align with overall City environmental strategy
- Inclusion of electric vehicle (EV) support infrastructure
- Carbon neutrality for energy usage of the campus if economically viable and feasible
- Buildings demonstrate an enhanced level of sustainable construction material utilization and/or performance over standard construction
- Focus on heat island reduction, native plantings, and enhanced tree canopy, where appropriate
- Update equipment and systems to current standards and best practices during cyclical renewals
- Partnerships with utilities for sustainable practices
- Achieve enhanced sustainability and resiliency within project budget
- Waste minimization during construction

Project Goals: Equity and Inclusion

- Enhance an equitable economy through contracting approaches
- DBE/WBE target goal for construction
- Workforce development and Apprenticeship goals to support living wage job growth
- Outreach to local businesses regarding contracting opportunities

Project Goals: Capital Planning/Asset Management and Financial Policies

- Document project benefits and align with policy goals
- Life-cycle cost management: optimize capital outlay, equipment & long-term maintenance expenses
- Application of climate sustainability and equity practices
- Utilize Lean Construction practices and Target Value Delivery to maximize project efficiency

2.1.4 Project Governance: Objectives, Authority and Responsibilities, Operating Guidelines

2.1.4a Objectives

The project governance objectives of the New Operations Center project charter are to:

- Assure on-going alignment with policymaker expectations in development and execution of the project.
- Provide clear and comprehensive executive ownership and oversight of the project and any associated activities having an influence on project delivery
- Offer efficient change management and a means for issue escalation
- Ensure coordinated management and expectations from the project team up to City Council

2.1.4b Authority and Responsibilities

City Council

RESPONSIBILITIES: Provides policy direction and authority.

ACTIONS: Approval of concepts and Level of Service, Funding/ Financing, and oversight of community engagement. Approval of Project Charter and verification of project alignment at milestone updates.

Executive Sponsors Committee

City Manager, Chief Financial Officer and Public Works Director

RESPONSIBILITIES: Provides executive level oversight to align with organization-wide objectives.

Provide oversight in context of Citywide policies, services and performance. Assures project delivery meets goals and metrics.

ACTIONS: Approval of overall concepts, high level scope elements, risk management strategies and budget. Bridge and facilitate support for project across city departments.

Public Works Management Team

The public works management team are the Public Works Director, Operations Manager, Finance and Asset Manager, Streets and Transportation Manager, Construction Manager and City Engineer. **The Public Works Director and Operations Manager are considered the Project Sponsors.**

RESPONSIBILITIES: Determination of scope for project in terms of complex elements, equipment and staffing as well as level of service. Ensure that preferred options meet the project metrics/purpose and need statement. This team is responsible and accountable to make decisions and apply resources to solve problems that arise beyond the typical day-to-day management of the project.

ACTIONS: Review of major milestone plan sets from both technical and practical perspectives.

Provide input on large scope/budget design decisions that are of a subjective nature and/or develop decision making processes for these project elements.

Support the project within respective divisions and assist with change management for staff.

Filter input from staff through decision making matrices, bringing larger concerns to the Public Works Management Team.

Support the project as needed through public outreach, public input and City Council workshops.

Operations Advisory Committee

City of Vancouver Managers from operations, utilities, fleet, facilities, IT and construction

RESPONSIBILITIES: Provide the user/practitioner expertise and input to project design and delivery.

ACTIONS: Input on programmatic elements, project specific needs and direction on how these elements and needs will support delivery of services.

Project Delivery Team

RESPONSIBILITIES: The Project Delivery Team provides management of working-level activities. The project delivery team is a multi-discipline team, both with internal and consultant members, in charge of the final project delivery. The Project Manager leads the project delivery team.

ACTIONS: Define the major phases of each constituent project element/area. Develop scoping, scheduling and budgeting management documents, create program and project level deliverables, run the procurement selection processes for design and construction contractors, and manage the day-to-day planning, design,

engineering, permitting, progress review, and construction efforts for the successfully delivery of the project into operation.

Additional peer review teams and focus groups, working with the Project Delivery Team, may be developed under the Project Delivery Plan.

Technical Advisory Committee

Members, external to the City, that have finance, construction, real estate, and facilities industry experience.

RESPONSIBILITIES: Offer opportunities and expertise to validate/challenge/stress project assumptions.

ACTIONS: Review, meet and discuss the 30/60/90% designs for verification that project design contract documents are clear for constructability and functionality.

2.1.4c Operating Guidelines

Operating Guidelines, a more detailed charge from the Responsibilities above, will be provided in the Project Delivery Plan for each committee and team. Generally, each committee or team acts as an advocate, expert and/or executive decision maker for the function they represent.

2.2 Project Baseline

The project baseline is the result of the master planning efforts and site-specific concept plan. The project design and construction will build from this baseline, applying the established visions and values, project goals and governance provided in the project charter. The current project cost estimate is based on the project baseline.

2.2.1 Project Initial Scope: Site Specific Concept Plan

Space is developed with existing and projected future needs, City Standards and national best practices from Public Works Departments. Buildings are simple in layout and function for efficiency and flexibility.

Designed to “No Collapse, Fully Operational” criteria for seismic response, as appropriate for each specific building or structure, including all building systems.

Service life of individual facilities and building systems will be typical life cycle, assuming cyclical renewals.

Finishes are industrial or mid-range, as applicable.

Buildings (approximately) at LEED certified or 1 Globe/Green Globe Program

Public Works Operations Center Campus

Administration Office Building

Warehouse/Trade Shop Building

Fleet Services Building (merged with Fire)

Fuel Station

Wash Station

Laydown areas (materials)

Covered storage (materials)

Uncovered and covered parking

Frontage improvements including a new traffic signal and turn lanes

Enhanced landscaping and low impact development stormwater management features

Staffing

Staff to be relocated include the operations and maintenance divisions, construction division, streets & transportation division, Public Works finance & asset management, Public Works administration and fire fleet/fleet services.

The campus is designed for 410 employees in the baseline project. The staff estimation was developed based on annexing and servicing the existing complete water/sewer system area. This is an expansion of 20.45 square miles from current City of Vancouver limits, which requires additional staffing and equipment for streets and transportation; grounds, greenways and stormwater; administration. Staffing projections increase only 28% over 2020 current staffing levels, while the expansion of service area increases approximate 40%. This can be attributed partially due to the existing operations and maintenance teams, water and sewer, already sized for full utility service areas. Service expansion (utility) growth area as the nexus for staffing will align the proposed rate increase for the bond payment with the customer base.

2.2.2 Project Initial Schedule Development: Site Specific Concept Plan

The preliminary schedule utilizes typical phase durations based on scope of work, permitting and needs of the project - assuming a linear and sequential process through planning, design, permitting and construction. Touchpoints for committees, technical advisory, focus groups, council updates, financing and public engagement are incorporated. Major Milestones are highlighted below:

- 2021 Project Charter
- 2021 Design RFQ/Design Contract
- 2022 30% and 60% Design
- 2023 Permitting
- 2023 90% and Final Design
- 2024 Bidding/Construction Start
- 2025 Construction Ongoing
- 2026 Construction Completion
- 2026 Relocation to New Site

2.2.3 Preliminary Cost Estimation & Budget Development: Site Specific Concept Plan

In 2018 a concept estimate for a generic “green field site” was developed with a target of 2021 as the start year of construction. That total project cost estimate was approximately \$126 Million (2021 \$). That analysis also included escalation to 2024 (the currently programmed construction start year) which yielded a total project cost estimate of \$136 Million (2024 \$). The 2020 updated site-specific concept plan total project cost estimate was \$132 Million (2024 \$). The \$4 million reduction between 2018 and 2020 was the result of further refinement of the master plan and development of a concept plan. Escalation and contingencies applied were consistent with current, at the time, market and industry standards.

Cash reserves funded the property acquisition, and will fund project planning, project design development, permitting and final design construction documents. A general obligation bond and a utility revenue bond will be issued for the cost of construction. Bond repayment duration will be 20-25 years and split 40% General Fund (internet sales tax revenue) and 60% Water Utility Fund through rate structures.

2.2.4 Preliminary Funding and Financing Plan and Assumptions

The project delivery assumes a funding/financing split commensurate with the project ownership: 60% of funding and debt service will be supported by the benefiting utilities (water, sewer, drainage, garbage) and 40% will be supported by the general fund.

The project assumes a combination of cash and debt financing, with debt supported proportionate to project ownership by current and projected utility rate revenue (60%) and general fund tax revenues (40%). General fund tax revenues have been identified and earmarked to support this project.

2.3 Constraints and Areas of Focus

2.3.1 Constraints

As a condition of the property sale, the new Public Works Operations Center must comply with existing approved site Master Plan completed by Clark County prior to the City's interest in the site. Ongoing confirmation will be required during design that proposed site works with all the necessary program elements in context of existing Master Plan.

Project is limited to the acquired parcels at the site and constrained by the associated easements, covenants and property/purchase agreements. The project is also constrained by legal and regulatory limits (environmental regulations, Statutes, etc.).

This Project Charter serves a boundary document for the project.

2.3.2 Areas of Focus

Escalation and Project Schedule – There is currently an unprecedented material and labor shortage as well as global supply chain challenges that have pressed construction costs to a high level of unpredictability. Project schedule extensions and delays will result in direct cost increases due to the natural pace of construction escalation, in addition to the unpredictability noted previously. For this project, each year of delay could equal **\$7,000,000 in increased construction cost**, assuming only a standard 6% rate of escalation.

Project Partnerships – Actively seeking out opportunities for partnerships, targeting utilities and service providers, for alignment of project goals with their agency opportunities and capabilities.

Future thinking – This area of focus offers a lens for review of project scope and components for both short- and long-term range of performance. This includes scale, life cycles and proactive discussion of anticipated reasonable future requirements.

3. APPENDIX - Associated Documents

(Master Plans, Past Alternatives Analysis, Project Site Documentation, Concept Plan Basis of Design)

4. REFERENCE DOCUMENTS

(Applicable City Policies, Strategic Plans, etc.)

5. Approval Signatures

The Signatures of the people below document acceptance and approval of the formal Project Charter. The Sponsor Representative must have the authority to commit the organization’s resources to the project. The Project Manager is empowered by this charter to proceed with the project as outlined in the charter.

Position / Title	Name	Signature	Date

Version 1 Only Requires Signatures



Staff Report 090-21

TO: Mayor and City Council

FROM: Eric Holmes, City Manager

DATE: 6/28/2021

SUBJECT Marshall Pool Resurface, construction acceptance and release of retainage

Key Points

- The project resurfaced the Marshall Pool shell with a durable fiberglass coating that will reduce maintenance and painting costs significantly over estimated lifespan as compared to the previously painted surface.
- Advanced Pool Coating of Loomis, California was awarded the contract in March of 2021 and work was physically completed in May of 2021.
- Final construction costs for the project are \$428,180.00.

Strategic Plan Alignment

Goal 1, Objective 1.2: Ensure our infrastructure, including buildings and utilities, is safe, environmentally responsible and well maintained.

Present Situation

The Marshall Pool shell was successfully resurfaced with a durable, long-lasting fiberglass shell.

The original construction contract bid was for \$428,180.00 and the final project and construction costs were \$428,180.00.

Advanced Pool Coating of Loomis, California, has satisfactorily completed the subject improvement in accordance with the plans and specifications.

TOTAL CONTRACT COSTS	
Labor, Equipment and Material	\$395,000.00
Sales Tax (8.5%)	\$33,180.00
Total	\$428,180.00
Retainage	\$21,409.00

Advantage(s)

1. Completes the City's contractual and statutory process for accepting the project.
2. Formal project acceptance allows for closure on third-party bond claims and facilitates release of retainage.

Disadvantage(s)

None

Budget Impact

The project cost of \$428,180.00 was funded as part of the Capital Repairs project fund.

Prior Council Review

The City Council awarded the construction contract on March 1, 2021.

Action Requested

Accept the Marshall Pool Resurface project as constructed by Advanced Pool Coatings of Loomis, California and authorize the release of the retainage of \$21,409.00, subject to all documentation required by law.

Andy Meade, Marshall Center Director, 360-487-7098; Justin Serface, Public Works Supervisor, 360-487-8386



Staff Report 091-21

TO: Mayor and City Council

FROM: Eric Holmes, City Manager

DATE: 6/28/2021

SUBJECT Designation of TV ETC and CVTV respectively as the education and government access providers on the Comcast cable system

Key Points

- The City/County Telecommunications is recommending that the Council re-designate TV ETC as the educational access provider and CVTV as the government access provider for Vancouver and Clark County on the Comcast cable system.
- Both CVTV and TV ETC have served as designated access providers for a number of years and produce professional, high quality programming.
- This is an annual recommendation made by the Telecommunications Commission to the City Council and Board of County Councilors.

Strategic Plan Alignment

Goal 10, Objective 10.1: Lend the City's support, as appropriate, to assist with the success of community projects.

Present Situation

The City and County have a cable television franchise agreement with Comcast of Washington, V LLC that was effective on July 1, 2013. Under the terms of this agreements, Comcast provides channels for Public, Education and Government (PEG) programming and it is the responsibility of the City and County to designate authorized entities to provide programming on those channels.

Organizations that are designated as access providers have authorization to broadcast programs over assigned channels on the Comcast cable system. They are also able to apply for annual PEG grants, administered by the City, for equipment and other capital expenses associated with producing and broadcasting programming.

TV ETC is a consortium of K-20 educational institutions operated by Educational Service District

112 and is the current educational access provider for Vancouver and Clark County. CVTV, operated by the City/County Cable Television Office, is the current government access provider for Vancouver and Clark County.

The City/County Telecommunications Commission ("Commission") recommends organizations to serve as access providers to the City Council, per VMC 5.19.320(7). The Commission met on June 2, 2021, to review designation applications and annual reports and to receive presentations from the applicants. Based on their review, the Commission is recommending re-designation of TV ETC and CVTV, respectively, as the education and government access providers for Vancouver and Clark County.

Advantage(s)

1. Continues to make local government and educational cable television programming available to the residents of Vancouver and Clark County.
2. Supports organizations which have proven track records of providing professional, high quality programs that are of interest to the local community.

Disadvantage(s)

None

Budget Impact

None, although designation as an access provider allows the organizations to apply for grants through the PEG Support Fund. PEG grants are funded through a \$1.00 per month fee collected by Comcast from residential subscribers.

Prior Council Review

Designations of the PEG access providers are made annually. On September 21, 2020, the City Council designated TV ETC as the educational access provider and CVTV as the government access provider.

Action Requested

Adopt resolutions approving The Vancouver Educational Telecommunications Consortium (TV ETC) as the designated educational access provider and Clark Vancouver Television (CVTV) as the designated government access provider for Vancouver and Clark County on the Comcast and CenturyLink cable systems.

Aaron Lande, Policy and Program Manager, 360-487-8612

ATTACHMENTS:

- ▣ Resolution - TV ETC
- ▣ Telecommunications Resolution 2021-02 - TV ETC
- ▣ Exhibit A - TV ETC Redesignation Application

- ▣ Exhibit B - TV ETC Annual Report
- ▣ Resolution - CVTV
- ▣ Telecommunications Resolution 2021-03 - CVTV
- ▣ Exhibit A - CVTV Redesignation Application
- ▣ Exhibit B - CVTV Annual Report

06/28/21

RESOLUTION NO. _____

A RESOLUTION relating to cable television and to the designation of the Vancouver Educational Telecommunications Consortium (“TV ETC”) as the educational access provider on the Comcast cable system for Vancouver and Clark County.

WHEREAS, Section 9 of the June 1, 2013, cable television franchise agreement between Comcast of Washington V, LLC (“Comcast”), the City of Vancouver (“City”) and Clark County (“County”), allows the Grantor (City and County) to designate authorized entities to manage the Public, Educational and Governmental (“PEG”) Access use channels on the cable system; and

WHEREAS, a consortium of public and private K-20 educational institutions operating as the Vancouver Educational Telecommunications Consortium (“TV ETC”), and funded through contributions from member institutions/districts, has operated channels on the local cable system which are designated as educational access channels; and

WHEREAS, all designated access providers (public, educational, and governmental) are evaluated and reviewed annually by the City/County Telecommunications Commission (“Commission”); and

WHEREAS, TV ETC applied to the Commission on April 30, 2021, seeking to be re-designated as the educational access provider; and

WHEREAS, the Commission reviewed the application on June 2, 2021, and found that TV ETC has fully complied with the criteria and expectations for the educational access provider and recommends that the Vancouver City Council and Clark County Council designate TV ETC as the educational access provider for the City and the County for the next year.

NOW, THEREFORE,

RESOLUTION - 1

BE IT RESOLVED BY THE CITY OF VANCOUVER:

Section 1. As recommended by the City/County Telecommunications Commission in Resolution 2021-02, attached hereto as Exhibit “A”, the Vancouver Educational Telecommunications Consortium is hereby designated as the educational access provider on the Comcast cable system in Vancouver and Clark County.

Section 2. TV ETC will continue to be allocated those channels previously allocated to TV ETC for educational access.

Section 3. TV ETC will be eligible to apply for and receive PEG Capital Support Funds pursuant to Ordinances M-3335 and M-3372.

Section 4. Acts taken pursuant to this resolution but prior to its approval are hereby ratified and confirmed.

ADOPTED at regular session of the Council of the City of Vancouver, on this ____ day of _____, 2021.

Anne McEnery-Ogle, Mayor

Attest:

Approved as to form:

Natasha Ramras, City Clerk

Jonathan Young, City Attorney

Attachment: Exhibit “A” – Telecommunications Commission Resolution 2021-02

RESOLUTION - 2

City/County Telecommunications Commission

RESOLUTION 2021-02

Regarding Annual Review of Educational Access Programming and Re-Designation of TV ETC as Educational Access Cable Provider

Section 1. Findings

- 1.1 The cable television franchise agreement between Comcast of Washington, V LLC ("Comcast") and the City of Vancouver ("City") and Clark County ("County") requires that the Grantor (City and County) designate authorized entity or entities to manage or co-manage the Public, Educational and Government ("PEG") Access use channels on the cable system.
- 1.2 A consortium of K-20 educational institutions (public and private) operating as The Vancouver Educational Telecommunications Consortium (TV ETC) and funded through contributions from member institutions/districts, operates three channels on the local cable system which are the designated educational access channels. The Commission originally approved the designation under the cable television franchise agreement via Resolution 1998-09 on December 3, 1998. TV ETC has been re-designated annually as the Educational Access Provider since that time.
- 1.3 All designated access providers (public, educational, and government) will be evaluated and reviewed annually by the Commission consistent with the provisions of the cable franchise agreement, Section 5.19.300 of the Vancouver Municipal Code and Clark County Code 36.12.160 and Section 1.6 of this Resolution.
- 1.4 TV ETC submitted an application to the Commission seeking designation as the authorized educational access provider on April 29, 2021, (attached as EXHIBIT A).
- 1.5 The Commission reviewed the TV ETC request for re-designation and representatives from TV ETC made a presentation to the Commission on June 3, 2021, in support of the re-designation and to review programming on the local educational access channels.
- 1.6 The performance criteria for designation is to include, but is not limited to the following:
 - a) Number of hours of locally produced original video programming/week per channel;
 - b) Number of hours of locally scheduled video programming/week per channel;
 - c) Number of days and hours per week the channel is programmed with locally produced and locally scheduled video programming;
 - d) Amount of operating budget which meets or exceeds the criteria of operating funds to capital funds established in section 9.6 of the franchise agreement with Comcast Corporation;

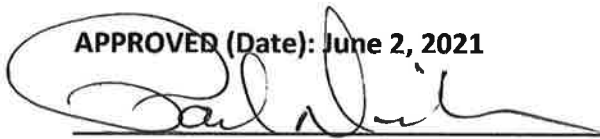
- e) Extent to which locally produced and locally scheduled video programming focuses on the designated access category;
 - f) Extent to which the locally produced and locally scheduled video programming provides value added to cable television subscribers in meeting the demonstrated needs established in the community ascertainment study.
 - g) Number of hours produced by each TV ETC member;
 - h) Number of hours scheduled for each TV ETC member;
 - i) Total number of local programs produced and airing on one of the three channels and by which providers/members, as well as by which grade level (elementary, middle school, high school) as appropriate, for airing on TV ETC channel.
- 1.7 The Commission finds that TV ETC, as the designated educational access provider since September 2, 2020, has fully complied with the criteria and expectations for designation and recommends that the designation should remain in effect and that the designation will be reviewed and evaluated annually by the Commission

NOW THEREFORE BE IT RESOLVED:

Section 2.

- 2.1 The City/County Telecommunications Commission, through this Resolution, recommends the continued designation of TV ETC as the educational access provider for the Comcast cable system, subject to annual review by the Commission as outlined in Section 1.3 and Section 1.6 of this Resolution.
- 2.2 The Commission recommends that TV ETC continue to be allocated four channels, channels 27, 28, 29 and high definition channel 328 on the Comcast cable system for educational access use.
- 2.3 Staff is directed to forward this Resolution to the Vancouver City Council and Clark County Council.

APPROVED (Date): June 2, 2021



Paul Dicker, Chair, City/County Telecommunications Commission

Exhibits:

Exhibit A –Designated Access Provider Application Form from TV ETC, dated April 29, 2021

Exhibit B – 2020 TV ETC Annual Report



April 29, 2021

OFFICERS

PRESIDENT
Rita Sanders
Battle Ground
Public Schools
(360) 885-5470

City/County Telecommunications Commission
PO Box 1995
Vancouver, WA 98668

PRESIDENT-ELECT
Tom Hagley
Vancouver
Public Schools
(360) 313-1236

To the City/County Telecommunications Commission:

SECRETARY
Gail Spolar
Evergreen
Public Schools
(360) 604-4088

Please consider this letter and application form as TV ETC's request to continue as the designated educational access provider for Clark County.

TREASURER
Monique Dugaw
Educational
Service District 112
(360) 952-3689

TV ETC is proud to provide programming to the educational and general cable viewing community and looks forward to continuing our high quality programming for Clark County.

The educational access channels represent part of the promise that local cable television made to our community. TV ETC members gratefully acknowledge this longstanding commitment, and we pledge to continue fulfilling our obligations as the designated educational access provider.

If you have any questions about TV ETC, please do not hesitate to contact us.

Sincerely,

A handwritten signature in black ink that reads "Tim G. Merlino". The signature is written in a cursive, flowing style.

Tim Merlino
Superintendent
Educational Service District 112
(360) 705-7500

2021 DESIGNATED ACCESS PROVIDER Public, Education, and Government

APPLICATION FORM

DATE: April 29, 2021

ACCESS CATEGORY: Educational Access

PROVIDER NAME: TV ETC

CONTACT: Mary Rentzel, TV ETC Coordinator, mary.rentzel@esd112.org

- 1) Channels Requested: Channel 27; Channel 28/328; Channel 29
- 2) Hours of original locally produced video programming per channel: Channel 27: 10 hours, Channel 28/328: 136 hours, Channel 29: 11 hours
- 3) Hours of locally scheduled video programming per channel: Channel 27: 4,238 hours, Channel 28/328: 7,707 hours, Channel 29: 4,237 hours
- 4) Hours of live programming per channel: Channel 27: 0 hours, Channel 28/328: 50 hours, Channel 29: 10 hours
- 5) Video programming hours per week per channel: Channel 27: 82 hours, Channel 28/328: 152 hours, Channel 29: 82 hours
- 6) Video programming days of the week per channel: Channel 27: 7 days, Channel 28/328: 7 days, Channel 29: 7 days
- 7) Video programming hours/days per channel: Channel 27: 21 hours, Channel 28/328: 23 hours, Channel 29: 23 hours
- 8) Hours of non-video programming/bulletin board per channel: Channel 27: 3 hours, Channel 28/328: 1 hour, Channel 29: 1 hour

Types of Programming:
(Attach schedules)

Primary Audience and any measurements (polling, etc.) of viewership per channel:

2021 Operating Budget: \$173,065

2021 Capital Budget: \$329,745

2020 Underwriting Revenue Collected (if any): N/A
(Attach Underwriting Policy/Guidelines)

Criteria to be considered by the City/County Telecommunications Commission in recommending designated access providers and channel allocations for PEG access:

- a) Number of hours of locally produced original video programming/week per channel;
- b) Number of hours of locally scheduled video programming/week per channel;
- c) Number of days and hours per week the channel is programmed with locally produced and locally scheduled video programming;
- d) Extent to which locally produced and locally scheduled video programming focuses on the designated access category;
- e) Extent to which the locally produced and locally scheduled video programming provides value added to cable television subscribers in meeting the demonstrated needs established in the community ascertainment study.

Program Schedule
12/6/2020 to 12/12/2020, Channel 29

Date/Time	Subject	Length
Sunday, 12/6/2020		
9:00 am In the Spotlight 2020 Battle Ground High School Choir Department presents IN	Arts &	1:04
10:05 am EPS Theater Festival 2020 Students from Union, Mtn. View, Evergreen, Heritage HS, and Cascade MS perform in the annual EPS Theater Festival.	Arts &	1:22
11:30 am VSAA Virtual Concert	Arts &	0:08
11:40 am VSAA MIA Show	Arts &	1:10
12:55 pm Southside Choral Festival 2019 Mtn. View HS; Shahala & Wy'East MS; Columbia Valley, Crestline, Ellsworth, Fisher's Landing, Marrion, & Riverview.	Arts &	0:42
1:40 pm VSAA Dance Showcase	Arts &	0:44
2:30 pm STEM in 30: International Space Station, Episode 3	Informational	0:29
3:00 pm Inside VPS Podcast, Episode 3 A video podcast featuring VPS superintendent Dr. Steve	Informational	0:34
3:35 pm Sit Down with the Supt., Episode 2 In person learning for small groups and safely transitioning to	Informational	0:15
4:00 pm Young Filmmakers Project, Episode 9 VSAA	Arts &	0:19
4:20 pm SW Washington Wind Symphony - Heart and Voice The SW Wash. Wind Syphony performs its late winter concert "Heart & Voice" with Conductor Mark Lane. Recorded	Arts &	1:05
5:30 pm VSAA Oliver!	Arts &	2:03
7:34 pm VSAA Band Informance	Arts &	0:25
8:00 pm VSAA Trojan Women	Arts &	1:01
9:05 pm Central Choral Festival 2019 Students choirs from Evergreen HS; Cascade MS; Burton, Endeavour, Fircrest, Hearthwood, Image, & Mill Plain	Arts &	0:50
10:00 pm Classic Arts Showcase www.classicartsshowcase.org	Arts &	11:00
Monday, 12/7/2020		
9:00 am Feedback, Episode 1 FutureMe	Informational	0:16
9:16 am Feedback, Episode 2 Foundation for Vancouver Public Schools	Informational	0:13
9:30 am Inside VPS Podcast, Episode 3 A video podcast featuring VPS superintendent Dr. Steve	Informational	0:34
10:05 am Sit Down with the Supt., Episode 2 In person learning for small groups and safely transitioning to	Informational	0:15
10:30 am Young Filmmakers Project, Episode 9 VSAA	Arts &	0:19
11:00 am VSAA Oliver!	Arts &	2:03

Program Schedule
12/6/2020 to 12/12/2020, Channel 29

Date/Tim	Subject	Length
1:05 pm SW Washington Wind Symphony: Songs of Life The Southwest Washington Wind Symphony presents it spring concert, Songs of Life. This was held at Union High	Arts &	1:18
2:25 pm VSAA Dance Showcase	Arts &	0:44
3:10 pm VSAA Strings & Cookies Concert 2019	Arts &	1:02
4:15 pm VSAA Theatre Showcase	Arts &	0:45
5:05 pm VSAA Vocal Spring Sing 2019	Arts &	1:38
6:45 pm VSAA MIA Show	Arts &	1:10
8:00 pm VSAA Vocal Informance	Arts &	0:56
8:58 pm VSAA Trojan Women	Arts &	1:01
10:00 pm Classic Arts Showcase www.classicartsshowcase.org	Arts &	11:00
Tuesday, 12/8/2020		
9:00 am VSAA Band Informance	Arts &	0:25
9:30 am VSAA EDDE Dance Showcase	Arts &	0:43
10:15 am SW Washington Wind Symphony: Contrasts The SWWWWS presents Contrasts - the Symphony's fall concert recorded on October 20, 2019 at Union High School.	Arts &	1:15
11:35 am EPS Theater Festival 2020 Students from Union, Mtn. View, Evergreen, Heritage HS, and Cascade MS perform in the annual EPS Theater Festival.	Arts &	1:22
1:00 pm Skyview High School Homecoming 2019 Concert	Arts &	0:57
2:00 pm STEM in 30: International Space Station, Episode 3	Informational	0:29
2:30 pm Northside Choral Festival 2019 Student choirs from Heritage HS; Covington & Frontier MS; Orchards, Sifton, Silver Star, Sunset, & York Elementary.	Arts &	0:45
3:20 pm VSAA Oliver!	Arts &	2:03
5:25 pm Eastside Choral Festival 2019 Student choirs from Union HS; Pacific MS; Burnt Bridge Creek, Harmony, Illahee, & Pioneer Elementary perform.	Arts &	0:42
6:10 pm VSAA Dance Showcase	Arts &	0:44
6:54 pm SW Washington Wind Symphony - Heart and Voice The SW Wash. Wind Syphony performs its late winter concert "Heart & Voice" with Conductor Mark Lane. Recorded	Arts &	1:05
8:00 pm Feedback, Episode 1 FutureMe	Informational	0:16
8:16 pm Feedback, Episode 2 Foundation for Vancouver Public Schools	Informational	0:13
8:30 pm Inside VPS Podcast, Episode 3 A video podcast featuring VPS superintendent Dr. Steve	Informational	0:34
9:05 pm Sit Down with the Supt., Episode 2 In person learning for small groups and safely transitioning to	Informational	0:15

Program Schedule
12/6/2020 to 12/12/2020, Channel 29

Date/Tim		Subject	Length
9:30 pm	Young Filmmakers Project, Episode 9 VSAA	Arts &	0:19
10:00 pm	Classic Arts Showcase www.classicartsshowcase.org	Arts &	11:00
Wednesday,			
9:00 am	VSAA Theatre Showcase	Arts &	0:45
9:50 am	Central Choral Festival 2019 Students choirs from Evergreen HS; Cascade MS; Burton, Endeavour, Fircrest, Hearthwood, Image, & Mill Plain	Arts &	0:50
10:45 am	VSAA MIA Show	Arts &	1:10
12:00 pm	Southside Choral Festival 2019 Mtn. View HS; Shahala & Wy'East MS; Columbia Valley, Crestline, Ellsworth, Fisher's Landing, Marrion, & Riverview.	Arts &	0:42
12:45 pm	VSAA EDDE Dance Showcase	Arts &	0:43
1:30 pm	VSAA Virtual Concert	Arts &	0:08
1:40 pm	EPS Theater Festival 2020 Students from Union, Mtn. View, Evergreen, Heritage HS, and Cascade MS perform in the annual EPS Theater Festival.	Arts &	1:22
3:03 pm	VSAA Vocal Informance	Arts &	0:56
4:00 pm	Feedback, Episode 1 FutureMe	Informational	0:16
4:16 pm	Feedback, Episode 2 Foundation for Vancouver Public Schools	Informational	0:13
4:30 pm	Inside VPS Podcast, Episode 3 A video podcast featuring VPS superintendent Dr. Steve	Informational	0:34
5:05 pm	Sit Down with the Supt., Episode 2 In person learning for small groups and safely transitioning to	Informational	0:15
5:30 pm	Young Filmmakers Project, Episode 9 VSAA	Arts &	0:19
6:00 pm	VSAA Trojan Women	Arts &	1:01
7:04 pm	VSAA Band Informance	Arts &	0:25
7:30 pm	STEM in 30: International Space Station, Episode 3	Informational	0:29
8:00 pm	Portland Percussion Group - Live at Mountain View HS PPG performs at MVHS in preparation for the GAIDA Festival of Contemporary Music in Vilnius, Lithuania.	Arts &	1:13
9:15 pm	VSAA Dance Showcase	Arts &	0:44
10:00 pm	Classic Arts Showcase www.classicartsshowcase.org	Arts &	11:00
Thursday, 12/10/2020			
9:00 am	In the Spotlight 2020 Battle Ground High School Choir Department presents IN	Arts &	1:04
10:05 am	VSAA Theatre Showcase	Arts &	0:45
10:55 am	VSAA Strings & Cookies Concert 2019	Arts &	1:02

Program Schedule
12/6/2020 to 12/12/2020, Channel 29

Date/Tim	Subject	Length
12:00 pm Feedback, Episode 1 FutureMe	Informational	0:16
12:16 pm Feedback, Episode 2 Foundation for Vancouver Public Schools	Informational	0:13
12:30 pm Inside VPS Podcast, Episode 3 A video podcast featuring VPS superintendent Dr. Steve	Informational	0:34
1:05 pm Sit Down with the Supt., Episode 2 In person learning for small groups and safely transitioning to	Informational	0:15
1:30 pm Young Filmmakers Project, Episode 9 VSAA	Arts &	0:19
2:00 pm VSAA Oliver!	Arts &	2:03
4:05 pm SW Washington Wind Symphony: Songs of Life The Southwest Washington Wind Symphony presents it spring concert, Songs of Life. This was held at Union High	Arts &	1:18
5:25 pm VSAA MIA Show	Arts &	1:10
6:40 pm SW Washington Wind Symphony: Contrasts The SWWWS presents Contrasts - the Symphony's fall concert recorded on October 20, 2019 at Union High School.	Arts &	1:15
7:55 pm VSAA Vocal Spring Sing 2019	Arts &	1:38
9:34 pm VSAA Band Informance	Arts &	0:25
10:00 pm Classic Arts Showcase www.classicartsshowcase.org	Arts &	11:00

Friday, 12/11/2020

9:00 am Feedback, Episode 1 FutureMe	Informational	0:16
9:16 am Feedback, Episode 2 Foundation for Vancouver Public Schools	Informational	0:13
9:30 am Inside VPS Podcast, Episode 3 A video podcast featuring VPS superintendent Dr. Steve	Informational	0:34
10:05 am Sit Down with the Supt., Episode 2 In person learning for small groups and safely transitioning to	Informational	0:15
10:30 am Young Filmmakers Project, Episode 9 VSAA	Arts &	0:19
11:00 am VSAA EDDE Dance Showcase	Arts &	0:43
11:45 am Skyview High School Homecoming 2019 Concert	Arts &	0:57
12:45 pm EPS Theater Festival 2020 Students from Union, Mtn. View, Evergreen, Heritage HS, and Cascade MS perform in the annual EPS Theater Festival.	Arts &	1:22
2:10 pm Northside Choral Festival 2019 Student choirs from Heritage HS; Covington & Frontier MS; Orchards, Sifton, Silver Star, Sunset, & York Elementary.	Arts &	0:45
3:00 pm VSAA Trojan Women	Arts &	1:01

Program Schedule
12/6/2020 to 12/12/2020, Channel 29

Date/Tim	Subject	Length
4:02 pm Northside Choral Festival 2019 Student choirs from Heritage HS; Covington & Frontier MS; Orchards, Sifton, Silver Star, Sunset, & York Elementary.	Arts &	0:45
4:48 pm STEM in 30: International Space Station, Episode 3	Informational	0:29
5:18 pm Central Choral Festival 2019 Students choirs from Evergreen HS; Cascade MS; Burton, Endeavour, Fircrest, Hearthwood, Image, & Mill Plain	Arts &	0:50
6:09 pm VSAA Dance Showcase	Arts &	0:44
6:54 pm SW Washington Wind Symphony - Heart and Voice The SW Wash. Wind Syphony performs its late winter concert "Heart & Voice" with Conductor Mark Lane. Recorded	Arts &	1:05
8:00 pm VSAA Theatre Showcase	Arts &	0:45
8:47 pm Southside Choral Festival 2019 Mtn. View HS; Shahala & Wy'East MS; Columbia Valley, Crestline, Ellsworth, Fisher's Landing, Marrion, & Riverview.	Arts &	0:42
9:30 pm STEM in 30: International Space Station, Episode 3	Informational	0:29
10:00 pm Classic Arts Showcase www.classicartsshowcase.org	Arts &	11:00
Saturday, 12/12/2020		
9:00 am VSAA Oliver!	Arts &	2:03
11:05 am VSAA Virtual Concert	Arts &	0:08
11:15 am VSAA MIA Show	Arts &	1:10
12:30 pm In the Spotlight 2020 Battle Ground High School Choir Department presents IN	Arts &	1:04
1:35 pm VSAA EDDE Dance Showcase	Arts &	0:43
2:20 pm Portland Percussion Group - Live at Mountain View HS PPG performs at MVHS in preparation for the GAIDA Festival of Contemporary Music in Vilnius, Lithuania.	Arts &	1:13
3:35 pm EPS Theater Festival 2020 Students from Union, Mtn. View, Evergreen, Heritage HS, and Cascade MS perform in the annual EPS Theater Festival.	Arts &	1:22
4:57 pm VSAA Strings & Cookies Concert 2019	Arts &	1:02
6:00 pm Feedback, Episode 1 FutureMe	Informational	0:16
6:16 pm Feedback, Episode 2 Foundation for Vancouver Public Schools	Informational	0:13
6:30 pm Inside VPS Podcast, Episode 3 A video podcast featuring VPS superintendent Dr. Steve	Informational	0:34
7:05 pm Sit Down with the Supt., Episode 2 In person learning for small groups and safely transitioning to	Informational	0:15
7:30 pm Young Filmmakers Project, Episode 9 VSAA	Arts &	0:19
8:00 pm VSAA Trojan Women	Arts &	1:01
9:03 pm VSAA Vocal Informance	Arts &	0:56

Program Schedule
12/6/2020 to 12/12/2020, Channel 29

Date/Tim	Subject	Length
10:00 pm Classic Arts Showcase www.classicartsshowcase.org	Arts &	11:00

Program Schedule
12/6/2020 to 12/12/2020, Channel 28/328

Date/Tim	Subject	Length
Sunday, 12/6/2020		
12:30 am VSAA Virtual Concert	Arts &	0:08
12:40 am VSAA MIA Show	Arts &	1:10
1:55 am Southside Choral Festival 2019 Mtn. View HS; Shahala & Wy'East MS; Columbia Valley, Crestline, Ellsworth, Fisher's Landing, Marriion, & Riverview.	Arts &	0:42
2:40 am VSAA Dance Showcase	Arts &	0:44
3:30 am STEM in 30: International Space Station, Episode 3	Informational	0:29
4:00 am Inside VPS Podcast, Episode 3 A video podcast featuring VPS superintendent Dr. Steve	Informational	0:34
4:35 am Sit Down with the Supt., Episode 2 In person learning for small groups and safely transitioning to	Informational	0:15
5:00 am Young Filmmakers Project, Episode 9 VSAA	Arts &	0:19
5:20 am SW Washington Wind Symphony - Heart and Voice The SW Wash. Wind Syphony performs its late winter concert "Heart & Voice" with Conductor Mark Lane. Recorded	Arts &	1:05
6:30 am VSAA Oliver!	Arts &	2:03
8:34 am VSAA Band Informance	Arts &	0:25
9:00 am Feedback, Episode 1 FutureMe	Informational	0:16
9:16 am Feedback, Episode 2 Foundation for Vancouver Public Schools	Informational	0:13
9:30 am Inside VPS Podcast, Episode 3 A video podcast featuring VPS superintendent Dr. Steve	Informational	0:34
10:05 am Sit Down with the Supt., Episode 2 In person learning for small groups and safely transitioning to	Informational	0:15
10:30 am Young Filmmakers Project, Episode 9 VSAA	Arts &	0:19
11:00 am VSAA Oliver!	Arts &	2:03
1:05 pm SW Washington Wind Symphony: Songs of Life The Southwest Washington Wind Symphony presents it spring concert, Songs of Life. This was held at Union High	Arts &	1:18
2:25 pm VSAA Dance Showcase	Arts &	0:44
3:10 pm VSAA Strings & Cookies Concert 2019	Arts &	1:02
4:15 pm VSAA Theatre Showcase	Arts &	0:45
5:05 pm VSAA Vocal Spring Sing 2019	Arts &	1:38
6:45 pm VSAA MIA Show	Arts &	1:10
8:00 pm VSAA Vocal Informance	Arts &	0:56
8:58 pm VSAA Trojan Women	Arts &	1:01
10:00 pm Feedback, Episode 1 FutureMe	Informational	0:16

Program Schedule
12/6/2020 to 12/12/2020, Channel 28/328

Date/Tim	Subject	Length
10:16 pm Feedback, Episode 2 Foundation for Vancouver Public Schools	Informational	0:13
10:30 pm Inside VPS Podcast, Episode 3 A video podcast featuring VPS superintendent Dr. Steve	Informational	0:34
11:05 pm Sit Down with the Supt., Episode 2 In person learning for small groups and safely transitioning to	Informational	0:15
11:30 pm Young Filmmakers Project, Episode 9 VSAA	Arts &	0:19
Monday, 12/7/2020		
12:00 am VSAA Oliver!	Arts &	2:03
2:05 am SW Washington Wind Symphony: Songs of Life The Southwest Washington Wind Symphony presents it spring concert, Songs of Life. This was held at Union High	Arts &	1:18
3:25 am VSAA Dance Showcase	Arts &	0:44
4:10 am VSAA Strings & Cookies Concert 2019	Arts &	1:02
5:15 am VSAA Theatre Showcase	Arts &	0:45
6:05 am VSAA Vocal Spring Sing 2019	Arts &	1:38
7:45 am VSAA MIA Show	Arts &	1:10
9:00 am VSAA Band Informance	Arts &	0:25
9:30 am VSAA EDDE Dance Showcase	Arts &	0:43
10:15 am SW Washington Wind Symphony: Contrasts The SWWWS presents Contrasts - the Symphony's fall concert recorded on October 20, 2019 at Union High School.	Arts &	1:15
11:35 am EPS Theater Festival 2020 Students from Union, Mtn. View, Evergreen, Heritage HS, and Cascade MS perform in the annual EPS Theater Festival.	Arts &	1:22
1:00 pm Skyview High School Homecoming 2019 Concert	Arts &	0:57
2:00 pm STEM in 30: International Space Station, Episode 3	Informational	0:29
2:30 pm Northside Choral Festival 2019 Student choirs from Heritage HS; Covington & Frontier MS; Orchards, Sifton, Silver Star, Sunset, & York Elementary.	Arts &	0:45
3:20 pm VSAA Oliver!	Arts &	2:03
5:25 pm Eastside Choral Festival 2019 Student choirs from Union HS; Pacific MS; Burnt Bridge Creek, Harmony, Illahee, & Pioneer Elementary perform.	Arts &	0:42
6:10 pm VSAA Dance Showcase	Arts &	0:44
6:54 pm SW Washington Wind Symphony - Heart and Voice The SW Wash. Wind Syphony performs its late winter concert "Heart & Voice" with Conductor Mark Lane. Recorded	Arts &	1:05
8:00 pm Feedback, Episode 1 FutureMe	Informational	0:16
8:16 pm Feedback, Episode 2 Foundation for Vancouver Public Schools	Informational	0:13

Program Schedule
12/6/2020 to 12/12/2020, Channel 28/328

Date/Tim	Subject	Length
8:30 pm Inside VPS Podcast, Episode 3 A video podcast featuring VPS superintendent Dr. Steve	Informational	0:34
9:05 pm Sit Down with the Supt., Episode 2 In person learning for small groups and safely transitioning to	Informational	0:15
9:30 pm Young Filmmakers Project, Episode 9 VSAA	Arts &	0:19
10:00 pm VSAA Band Informance	Arts &	0:25
10:30 pm VSAA EDDE Dance Showcase	Arts &	0:43
11:15 pm SW Washington Wind Symphony: Contrasts The SWWWWS presents Contrasts - the Symphony's fall concert recorded on October 20, 2019 at Union High School.	Arts &	1:15
Tuesday, 12/8/2020		
12:35 am EPS Theater Festival 2020 Students from Union, Mtn. View, Evergreen, Heritage HS, and Cascade MS perform in the annual EPS Theater Festival.	Arts &	1:22
2:00 am Skyview High School Homecoming 2019 Concert	Arts &	0:57
3:00 am STEM in 30: International Space Station, Episode 3	Informational	0:29
3:30 am Northside Choral Festival 2019 Student choirs from Heritage HS; Covington & Frontier MS; Orchards, Sifton, Silver Star, Sunset, & York Elementary.	Arts &	0:45
4:20 am VSAA Oliver!	Arts &	2:03
6:25 am Eastside Choral Festival 2019 Student choirs from Union HS; Pacific MS; Burnt Bridge Creek, Harmony, Illahee, & Pioneer Elementary perform.	Arts &	0:42
7:10 am VSAA Dance Showcase	Arts &	0:44
7:54 am SW Washington Wind Symphony - Heart and Voice The SW Wash. Wind Syphony performs its late winter concert "Heart & Voice" with Conductor Mark Lane. Recorded	Arts &	1:05
9:00 am VSAA Theatre Showcase	Arts &	0:45
9:50 am Central Choral Festival 2019 Students choirs from Evergreen HS; Cascade MS; Burton, Endeavour, Fircrest, Hearthwood, Image, & Mill Plain	Arts &	0:50
10:45 am VSAA MIA Show	Arts &	1:10
12:00 pm Southside Choral Festival 2019 Mtn. View HS; Shahala & Wy'East MS; Columbia Valley, Crestline, Ellsworth, Fisher's Landing, Marrion, & Riverview.	Arts &	0:42
12:45 pm VSAA EDDE Dance Showcase	Arts &	0:43
1:30 pm VSAA Virtual Concert	Arts &	0:08
1:40 pm EPS Theater Festival 2020 Students from Union, Mtn. View, Evergreen, Heritage HS, and Cascade MS perform in the annual EPS Theater Festival.	Arts &	1:22
3:03 pm VSAA Vocal Informance	Arts &	0:56
4:00 pm Feedback, Episode 1 FutureMe	Informational	0:16

Program Schedule
12/6/2020 to 12/12/2020, Channel 28/328

Date/Tim	Subject	Length
4:16 pm Feedback, Episode 2 Foundation for Vancouver Public Schools	Informational	0:13
4:30 pm Inside VPS Podcast, Episode 3 A video podcast featuring VPS superintendent Dr. Steve	Informational	0:34
5:05 pm Sit Down with the Supt., Episode 2 In person learning for small groups and safely transitioning to	Informational	0:15
5:30 pm Young Filmmakers Project, Episode 9 VSAA	Arts &	0:19
6:00 pm VSAA Trojan Women	Arts &	1:01
7:04 pm VSAA Band Informance	Arts &	0:25
7:30 pm STEM in 30: International Space Station, Episode 3	Informational	0:29
8:00 pm Portland Percussion Group - Live at Mountain View HS PPG performs at MVHS in preparation for the GAIDA Festival of Contemporary Music in Vilnius, Lithuania.	Arts &	1:13
9:15 pm VSAA Dance Showcase	Arts &	0:44
10:00 pm VSAA Theatre Showcase	Arts &	0:45
10:50 pm Central Choral Festival 2019 Students choirs from Evergreen HS; Cascade MS; Burton, Endeavour, Fircrest, Hearthwood, Image, & Mill Plain	Arts &	0:50
11:45 pm VSAA MIA Show	Arts &	1:10
Wednesday,		
1:00 am Southside Choral Festival 2019 Mtn. View HS; Shahala & Wy'East MS; Columbia Valley, Crestline, Ellsworth, Fisher's Landing, Marriion, & Riverview.	Arts &	0:42
1:45 am VSAA EDDE Dance Showcase	Arts &	0:43
2:30 am VSAA Virtual Concert	Arts &	0:08
2:40 am EPS Theater Festival 2020 Students from Union, Mtn. View, Evergreen, Heritage HS, and Cascade MS perform in the annual EPS Theater Festival.	Arts &	1:22
4:03 am VSAA Vocal Informance	Arts &	0:56
5:00 am Feedback, Episode 1 FutureMe	Informational	0:16
5:16 am Feedback, Episode 2 Foundation for Vancouver Public Schools	Informational	0:13
5:30 am Inside VPS Podcast, Episode 3 A video podcast featuring VPS superintendent Dr. Steve	Informational	0:34
6:05 am Sit Down with the Supt., Episode 2 In person learning for small groups and safely transitioning to	Informational	0:15
6:30 am Young Filmmakers Project, Episode 9 VSAA	Arts &	0:19
7:00 am VSAA Trojan Women	Arts &	1:01
8:04 am VSAA Band Informance	Arts &	0:25
8:30 am STEM in 30: International Space Station, Episode 3	Informational	0:29

Program Schedule
12/6/2020 to 12/12/2020, Channel 28/328

Date/Tim	Subject	Length
9:00 am In the Spotlight 2020 Battle Ground High School Choir Department presents IN	Arts &	1:04
10:05 am VSAA Theatre Showcase	Arts &	0:45
10:55 am VSAA Strings & Cookies Concert 2019	Arts &	1:02
12:00 pm Feedback, Episode 1 FutureMe	Informational	0:16
12:16 pm Feedback, Episode 2 Foundation for Vancouver Public Schools	Informational	0:13
12:30 pm Inside VPS Podcast, Episode 3 A video podcast featuring VPS superintendent Dr. Steve	Informational	0:34
1:05 pm Sit Down with the Supt., Episode 2 In person learning for small groups and safely transitioning to	Informational	0:15
1:30 pm Young Filmmakers Project, Episode 9 VSAA	Arts &	0:19
2:00 pm VSAA Oliver!	Arts &	2:03
4:05 pm SW Washington Wind Symphony: Songs of Life The Southwest Washington Wind Symphony presents it spring concert, Songs of Life. This was held at Union High	Arts &	1:18
5:25 pm VSAA MIA Show	Arts &	1:10
6:40 pm SW Washington Wind Symphony: Contrasts The SWWWS presents Contrasts - the Symphony's fall concert recorded on October 20, 2019 at Union High School.	Arts &	1:15
7:55 pm VSAA Vocal Spring Sing 2019	Arts &	1:38
9:34 pm VSAA Band Informance	Arts &	0:25
10:00 pm In the Spotlight 2020 Battle Ground High School Choir Department presents IN	Arts &	1:04
11:05 pm VSAA Theatre Showcase	Arts &	0:45
11:55 pm VSAA Strings & Cookies Concert 2019	Arts &	1:02

Thursday, 12/10/2020

1:00 am Feedback, Episode 1 FutureMe	Informational	0:16
1:16 am Feedback, Episode 2 Foundation for Vancouver Public Schools	Informational	0:13
1:30 am Inside VPS Podcast, Episode 3 A video podcast featuring VPS superintendent Dr. Steve	Informational	0:34
2:05 am Sit Down with the Supt., Episode 2 In person learning for small groups and safely transitioning to	Informational	0:15
2:30 am Young Filmmakers Project, Episode 9 VSAA	Arts &	0:19
3:00 am VSAA Oliver!	Arts &	2:03
5:05 am SW Washington Wind Symphony: Songs of Life The Southwest Washington Wind Symphony presents it spring concert, Songs of Life. This was held at Union High	Arts &	1:18

Program Schedule
12/6/2020 to 12/12/2020, Channel 28/328

Date/Tim		Subject	Length
6:25 am	VSAA MIA Show	Arts &	1:10
7:40 am	SW Washington Wind Symphony: Contrasts The SWWWWS presents Contrasts - the Symphony's fall concert recorded on October 20, 2019 at Union High School.	Arts &	1:15
9:00 am	Feedback, Episode 1 FutureMe	Informational	0:16
9:16 am	Feedback, Episode 2 Foundation for Vancouver Public Schools	Informational	0:13
9:30 am	Inside VPS Podcast, Episode 3 A video podcast featuring VPS superintendent Dr. Steve	Informational	0:34
10:05 am	Sit Down with the Supt., Episode 2 In person learning for small groups and safely transitioning to	Informational	0:15
10:30 am	Young Filmmakers Project, Episode 9 VSAA	Arts &	0:19
11:00 am	VSAA EDDE Dance Showcase	Arts &	0:43
11:45 am	Skyview High School Homecoming 2019 Concert	Arts &	0:57
12:45 pm	EPS Theater Festival 2020 Students from Union, Mtn. View, Evergreen, Heritage HS, and Cascade MS perform in the annual EPS Theater Festival.	Arts &	1:22
2:10 pm	Northside Choral Festival 2019 Student choirs from Heritage HS; Covington & Frontier MS; Orchards, Sifton, Silver Star, Sunset, & York Elementary.	Arts &	0:45
3:00 pm	VSAA Trojan Women	Arts &	1:01
4:02 pm	Northside Choral Festival 2019 Student choirs from Heritage HS; Covington & Frontier MS; Orchards, Sifton, Silver Star, Sunset, & York Elementary.	Arts &	0:45
4:48 pm	STEM in 30: International Space Station, Episode 3	Informational	0:29
5:18 pm	Central Choral Festival 2019 Students choirs from Evergreen HS; Cascade MS; Burton, Endeavour, Fircrest, Hearthwood, Image, & Mill Plain	Arts &	0:50
6:09 pm	VSAA Dance Showcase	Arts &	0:44
6:54 pm	SW Washington Wind Symphony - Heart and Voice The SW Wash. Wind Syphony performs its late winter concert "Heart & Voice" with Conductor Mark Lane. Recorded	Arts &	1:05
8:00 pm	VSAA Theatre Showcase	Arts &	0:45
8:47 pm	Southside Choral Festival 2019 Mtn. View HS; Shahala & Wy'East MS; Columbia Valley, Crestline, Ellsworth, Fisher's Landing, Marrion, & Riverview.	Arts &	0:42
9:30 pm	STEM in 30: International Space Station, Episode 3	Informational	0:29
10:00 pm	Feedback, Episode 1 FutureMe	Informational	0:16
10:16 pm	Feedback, Episode 2 Foundation for Vancouver Public Schools	Informational	0:13
10:30 pm	Inside VPS Podcast, Episode 3 A video podcast featuring VPS superintendent Dr. Steve	Informational	0:34

Program Schedule
12/6/2020 to 12/12/2020, Channel 28/328

Date/Tim	Subject	Length
11:05 pm Sit Down with the Supt., Episode 2 In person learning for small groups and safely transitioning to	Informational	0:15
11:30 pm Young Filmmakers Project, Episode 9 VSAA	Arts &	0:19
Friday, 12/11/2020		
12:00 am VSAA EDDE Dance Showcase	Arts &	0:43
12:45 am Skyview High School Homecoming 2019 Concert	Arts &	0:57
1:45 am EPS Theater Festival 2020 Students from Union, Mtn. View, Evergreen, Heritage HS, and Cascade MS perform in the annual EPS Theater Festival.	Arts &	1:22
3:10 am Northside Choral Festival 2019 Student choirs from Heritage HS; Covington & Frontier MS; Orchards, Sifton, Silver Star, Sunset, & York Elementary.	Arts &	0:45
4:00 am VSAA Trojan Women	Arts &	1:01
5:02 am Northside Choral Festival 2019 Student choirs from Heritage HS; Covington & Frontier MS; Orchards, Sifton, Silver Star, Sunset, & York Elementary.	Arts &	0:45
5:48 am STEM in 30: International Space Station, Episode 3	Informational	0:29
6:18 am Central Choral Festival 2019 Students choirs from Evergreen HS; Cascade MS; Burton, Endeavour, Fircrest, Hearthwood, Image, & Mill Plain	Arts &	0:50
7:09 am VSAA Dance Showcase	Arts &	0:44
7:54 am SW Washington Wind Symphony - Heart and Voice The SW Wash. Wind Syphony performs its late winter concert "Heart & Voice" with Conductor Mark Lane. Recorded	Arts &	1:05
9:00 am VSAA Oliver!	Arts &	2:03
11:05 am VSAA Virtual Concert	Arts &	0:08
11:15 am VSAA MIA Show	Arts &	1:10
12:30 pm In the Spotlight 2020 Battle Ground High School Choir Department presents IN	Arts &	1:04
1:35 pm VSAA EDDE Dance Showcase	Arts &	0:43
2:20 pm Portland Percussion Group - Live at Mountain View HS PPG performs at MVHS in preparation for the GAIDA Festival of Contemporary Music in Vilnius, Lithuania.	Arts &	1:13
3:35 pm EPS Theater Festival 2020 Students from Union, Mtn. View, Evergreen, Heritage HS, and Cascade MS perform in the annual EPS Theater Festival.	Arts &	1:22
4:57 pm VSAA Strings & Cookies Concert 2019	Arts &	1:02
6:00 pm Feedback, Episode 1 FutureMe	Informational	0:16
6:16 pm Feedback, Episode 2 Foundation for Vancouver Public Schools	Informational	0:13
6:30 pm Inside VPS Podcast, Episode 3 A video podcast featuring VPS superintendent Dr. Steve	Informational	0:34

Program Schedule
12/6/2020 to 12/12/2020, Channel 28/328

Date/Tim	Subject	Length
7:05 pm Sit Down with the Supt., Episode 2 In person learning for small groups and safely transitioning to	Informational	0:15
7:30 pm Young Filmmakers Project, Episode 9 VSAA	Arts &	0:19
8:00 pm VSAA Trojan Women	Arts &	1:01
9:03 pm VSAA Vocal Informance	Arts &	0:56
10:00 pm VSAA Oliver!	Arts &	2:03
Saturday, 12/12/2020		
12:05 am VSAA Virtual Concert	Arts &	0:08
12:15 am VSAA MIA Show	Arts &	1:10
1:30 am In the Spotlight 2020 Battle Ground High School Choir Department presents IN	Arts &	1:04
2:35 am VSAA EDDE Dance Showcase	Arts &	0:43
3:20 am Portland Percussion Group - Live at Mountain View HS PPG performs at MVHS in preparation for the GAIDA Festival of Contemporary Music in Vilnius, Lithuania.	Arts &	1:13
4:35 am EPS Theater Festival 2020 Students from Union, Mtn. View, Evergreen, Heritage HS, and Cascade MS perform in the annual EPS Theater Festival.	Arts &	1:22
5:57 am VSAA Strings & Cookies Concert 2019	Arts &	1:02
7:00 am Feedback, Episode 1 FutureMe	Informational	0:16
7:16 am Feedback, Episode 2 Foundation for Vancouver Public Schools	Informational	0:13
7:30 am Inside VPS Podcast, Episode 3 A video podcast featuring VPS superintendent Dr. Steve	Informational	0:34
8:05 am Sit Down with the Supt., Episode 2 In person learning for small groups and safely transitioning to	Informational	0:15
8:30 am Young Filmmakers Project, Episode 9 VSAA	Arts &	0:19
9:00 am STEM in 30: International Space Station, Episode 3	Informational	0:29
9:30 am SW Washington Wind Symphony: Songs of Life The Southwest Washington Wind Symphony presents it spring concert, Songs of Life. This was held at Union High	Arts &	1:18
10:50 am VSAA Oliver!	Arts &	2:03
12:53 pm VSAA Vocal Spring Sing 2019	Arts &	1:38
2:34 pm VSAA Band Informance	Arts &	0:25
3:00 pm Feedback, Episode 1 FutureMe	Informational	0:16
3:16 pm Feedback, Episode 2 Foundation for Vancouver Public Schools	Informational	0:13
3:30 pm Inside VPS Podcast, Episode 3 A video podcast featuring VPS superintendent Dr. Steve	Informational	0:34

Program Schedule
12/6/2020 to 12/12/2020, Channel 28/328

Date/Tim		Subject	Length
4:05 pm	Sit Down with the Supt., Episode 2 In person learning for small groups and safely transitioning to	Informational	0:15
4:30 pm	Young Filmmakers Project, Episode 9 VSAA	Arts &	0:19
5:00 pm	VSAA Dance Showcase	Arts &	0:44
5:45 pm	SW Washington Wind Symphony: Contrasts The SWWWS presents Contrasts - the Symphony's fall concert recorded on October 20, 2019 at Union High School.	Arts &	1:15
7:00 pm	Skyview High School Homecoming 2019 Concert	Arts &	0:57
8:00 pm	VSAA Theatre Showcase	Arts &	0:45
8:48 pm	Northside Choral Festival 2019 Student choirs from Heritage HS; Covington & Frontier MS; Orchards, Sifton, Silver Star, Sunset, & York Elementary.	Arts &	0:45
9:34 pm	VSAA Band Informance	Arts &	0:25
10:00 pm	STEM in 30: International Space Station, Episode 3	Informational	0:29
10:30 pm	SW Washington Wind Symphony: Songs of Life The Southwest Washington Wind Symphony presents it spring concert, Songs of Life. This was held at Union High	Arts &	1:18
11:50 pm	VSAA Oliver!	Arts &	2:03

Program Schedule
12/6/2020 to 12/12/2020, Channel 27

Date/Tim	Subject	Length
Sunday, 12/6/2020		
12:40 am VSAA Dance Showcase	Arts &	0:44
1:30 am STEM in 30: International Space Station, Episode 3	Informational	0:29
2:00 am Inside VPS Podcast, Episode 3 A video podcast featuring VPS superintendent Dr. Steve	Informational	0:34
2:35 am Sit Down with the Supt., Episode 2 In person learning for small groups and safely transitioning to	Informational	0:15
3:00 am Young Filmmakers Project, Episode 9 VSAA	Arts &	0:19
3:20 am SW Washington Wind Symphony - Heart and Voice The SW Wash. Wind Syphony performs its late winter concert "Heart & Voice" with Conductor Mark Lane. Recorded	Arts &	1:05
4:30 am VSAA Oliver!	Arts &	2:03
6:34 am VSAA Band Informance	Arts &	0:25
7:00 am VSAA Trojan Women	Arts &	1:01
8:05 am Central Choral Festival 2019 Students choirs from Evergreen HS; Cascade MS; Burton, Endeavour, Fircrest, Hearthwood, Image, & Mill Plain	Arts &	0:50
9:00 am Classic Arts Showcase www.classicartsshowcase.org	Arts &	11:00
8:00 pm Feedback, Episode 1 FutureMe	Informational	0:16
8:16 pm Feedback, Episode 2 Foundation for Vancouver Public Schools	Informational	0:13
8:30 pm Inside VPS Podcast, Episode 3 A video podcast featuring VPS superintendent Dr. Steve	Informational	0:34
9:05 pm Sit Down with the Supt., Episode 2 In person learning for small groups and safely transitioning to	Informational	0:15
9:30 pm Young Filmmakers Project, Episode 9 VSAA	Arts &	0:19
10:00 pm VSAA Oliver!	Arts &	2:03
Monday, 12/7/2020		
12:05 am SW Washington Wind Symphony: Songs of Life The Southwest Washington Wind Symphony presents it spring concert, Songs of Life. This was held at Union High	Arts &	1:18
1:25 am VSAA Dance Showcase	Arts &	0:44
2:10 am VSAA Strings & Cookies Concert 2019	Arts &	1:02
3:15 am VSAA Theatre Showcase	Arts &	0:45
4:05 am VSAA Vocal Spring Sing 2019	Arts &	1:38
5:45 am VSAA MIA Show	Arts &	1:10
7:00 am VSAA Vocal Informance	Arts &	0:56
7:58 am VSAA Trojan Women	Arts &	1:01

Program Schedule
12/6/2020 to 12/12/2020, Channel 27

Date/Tim	Subject	Length
9:00 am Classic Arts Showcase www.classicartsshowcase.org	Arts &	11:00
8:00 pm VSAA Band Informance	Arts &	0:25
8:30 pm VSAA EDDE Dance Showcase	Arts &	0:43
9:15 pm SW Washington Wind Symphony: Contrasts The SWWWS presents Contrasts - the Symphony's fall concert recorded on October 20, 2019 at Union High School.	Arts &	1:15
10:35 pm EPS Theater Festival 2020 Students from Union, Mtn. View, Evergreen, Heritage HS, and Cascade MS perform in the annual EPS Theater Festival.	Arts &	1:22
Tuesday, 12/8/2020		
12:00 am Skyview High School Homecoming 2019 Concert	Arts &	0:57
1:00 am STEM in 30: International Space Station, Episode 3	Informational	0:29
1:30 am Northside Choral Festival 2019 Student choirs from Heritage HS; Covington & Frontier MS; Orchards, Sifton, Silver Star, Sunset, & York Elementary.	Arts &	0:45
2:20 am VSAA Oliver!	Arts &	2:03
4:25 am Eastside Choral Festival 2019 Student choirs from Union HS; Pacific MS; Burnt Bridge Creek, Harmony, Illahee, & Pioneer Elementary perform.	Arts &	0:42
5:10 am VSAA Dance Showcase	Arts &	0:44
5:54 am SW Washington Wind Symphony - Heart and Voice The SW Wash. Wind Syphony performs its late winter concert "Heart & Voice" with Conductor Mark Lane. Recorded	Arts &	1:05
7:00 am Feedback, Episode 1 FutureMe	Informational	0:16
7:16 am Feedback, Episode 2 Foundation for Vancouver Public Schools	Informational	0:13
7:30 am Inside VPS Podcast, Episode 3 A video podcast featuring VPS superintendent Dr. Steve	Informational	0:34
8:05 am Sit Down with the Supt., Episode 2 In person learning for small groups and safely transitioning to	Informational	0:15
8:30 am Young Filmmakers Project, Episode 9 VSAA	Arts &	0:19
9:00 am Classic Arts Showcase www.classicartsshowcase.org	Arts &	11:00
8:00 pm VSAA Theatre Showcase	Arts &	0:45
8:50 pm Central Choral Festival 2019 Students choirs from Evergreen HS; Cascade MS; Burton, Endeavour, Fircrest, Hearthwood, Image, & Mill Plain	Arts &	0:50
9:45 pm VSAA MIA Show	Arts &	1:10
11:00 pm Southside Choral Festival 2019 Mtn. View HS; Shahala & Wy'East MS; Columbia Valley, Crestline, Ellsworth, Fisher's Landing, Marrion, & Riverview.	Arts &	0:42
11:45 pm VSAA EDDE Dance Showcase	Arts &	0:43

Program Schedule
12/6/2020 to 12/12/2020, Channel 27

Date/Tim	Subject	Length
Wednesday,		
12:30 am VSAA Virtual Concert	Arts &	0:08
12:40 am EPS Theater Festival 2020 Students from Union, Mtn. View, Evergreen, Heritage HS, and Cascade MS perform in the annual EPS Theater Festival.	Arts &	1:22
2:03 am VSAA Vocal Informance	Arts &	0:56
3:00 am Feedback, Episode 1 FutureMe	Informational	0:16
3:16 am Feedback, Episode 2 Foundation for Vancouver Public Schools	Informational	0:13
3:30 am Inside VPS Podcast, Episode 3 A video podcast featuring VPS superintendent Dr. Steve	Informational	0:34
4:05 am Sit Down with the Supt., Episode 2 In person learning for small groups and safely transitioning to	Informational	0:15
4:30 am Young Filmmakers Project, Episode 9 VSAA	Arts &	0:19
5:00 am VSAA Trojan Women	Arts &	1:01
6:04 am VSAA Band Informance	Arts &	0:25
6:30 am STEM in 30: International Space Station, Episode 3	Informational	0:29
7:00 am Portland Percussion Group - Live at Mountain View HS PPG performs at MVHS in preparation for the GAIDA Festival of Contemporary Music in Vilnius, Lithuania.	Arts &	1:13
8:15 am VSAA Dance Showcase	Arts &	0:44
9:00 am Classic Arts Showcase www.classicartsshowcase.org	Arts &	11:00
8:00 pm In the Spotlight 2020 Battle Ground High School Choir Department presents IN	Arts &	1:04
9:05 pm VSAA Theatre Showcase	Arts &	0:45
9:55 pm VSAA Strings & Cookies Concert 2019	Arts &	1:02
11:00 pm Feedback, Episode 1 FutureMe	Informational	0:16
11:16 pm Feedback, Episode 2 Foundation for Vancouver Public Schools	Informational	0:13
11:30 pm Inside VPS Podcast, Episode 3 A video podcast featuring VPS superintendent Dr. Steve	Informational	0:34
Thursday, 12/10/2020		
12:05 am Sit Down with the Supt., Episode 2 In person learning for small groups and safely transitioning to	Informational	0:15
12:30 am Young Filmmakers Project, Episode 9 VSAA	Arts &	0:19
1:00 am VSAA Oliver!	Arts &	2:03

Program Schedule
12/6/2020 to 12/12/2020, Channel 27

Date/Tim	Subject	Length
3:05 am SW Washington Wind Symphony: Songs of Life The Southwest Washington Wind Symphony presents it spring concert, Songs of Life. This was held at Union High	Arts &	1:18
4:25 am VSAA MIA Show	Arts &	1:10
5:40 am SW Washington Wind Symphony: Contrasts The SWWWWS presents Contrasts - the Symphony's fall concert recorded on October 20, 2019 at Union High School.	Arts &	1:15
6:55 am VSAA Vocal Spring Sing 2019	Arts &	1:38
8:34 am VSAA Band Informance	Arts &	0:25
9:00 am Classic Arts Showcase www.classicartsshowcase.org	Arts &	11:00
8:00 pm Feedback, Episode 1 FutureMe	Informational	0:16
8:16 pm Feedback, Episode 2 Foundation for Vancouver Public Schools	Informational	0:13
8:30 pm Inside VPS Podcast, Episode 3 A video podcast featuring VPS superintendent Dr. Steve	Informational	0:34
9:05 pm Sit Down with the Supt., Episode 2 In person learning for small groups and safely transitioning to	Informational	0:15
9:30 pm Young Filmmakers Project, Episode 9 VSAA	Arts &	0:19
10:00 pm VSAA EDDE Dance Showcase	Arts &	0:43
10:45 pm Skyview High School Homecoming 2019 Concert	Arts &	0:57
11:45 pm EPS Theater Festival 2020 Students from Union, Mtn. View, Evergreen, Heritage HS, and Cascade MS perform in the annual EPS Theater Festival.	Arts &	1:22
Friday, 12/11/2020		
1:10 am Northside Choral Festival 2019 Student choirs from Heritage HS; Covington & Frontier MS; Orchards, Sifton, Silver Star, Sunset, & York Elementary.	Arts &	0:45
2:00 am VSAA Trojan Women	Arts &	1:01
3:02 am Northside Choral Festival 2019 Student choirs from Heritage HS; Covington & Frontier MS; Orchards, Sifton, Silver Star, Sunset, & York Elementary.	Arts &	0:45
3:48 am STEM in 30: International Space Station, Episode 3	Informational	0:29
4:18 am Central Choral Festival 2019 Students choirs from Evergreen HS; Cascade MS; Burton, Endeavour, Fircrest, Hearthwood, Image, & Mill Plain	Arts &	0:50
5:09 am VSAA Dance Showcase	Arts &	0:44
5:54 am SW Washington Wind Symphony - Heart and Voice The SW Wash. Wind Syphony performs its late winter concert "Heart & Voice" with Conductor Mark Lane. Recorded	Arts &	1:05
7:00 am VSAA Theatre Showcase	Arts &	0:45

Program Schedule
12/6/2020 to 12/12/2020, Channel 27

Date/Tim	Subject	Length
7:47 am Southside Choral Festival 2019 Mtn. View HS; Shahala & Wy'East MS; Columbia Valley, Crestline, Ellsworth, Fisher's Landing, Marriion, & Riverview.	Arts &	0:42
8:30 am STEM in 30: International Space Station, Episode 3	Informational	0:29
9:00 am Classic Arts Showcase www.classicartsshowcase.org	Arts &	11:00
8:00 pm VSAA Oliver!	Arts &	2:03
10:05 pm VSAA Virtual Concert	Arts &	0:08
10:15 pm VSAA MIA Show	Arts &	1:10
11:30 pm In the Spotlight 2020 Battle Ground High School Choir Department presents IN	Arts &	1:04
Saturday, 12/12/2020		
12:35 am VSAA EDDE Dance Showcase	Arts &	0:43
1:20 am Portland Percussion Group - Live at Mountain View HS PPG performs at MVHS in preparation for the GAIDA Festival of Contemporary Music in Vilnius, Lithuania.	Arts &	1:13
2:35 am EPS Theater Festival 2020 Students from Union, Mtn. View, Evergreen, Heritage HS, and Cascade MS perform in the annual EPS Theater Festival.	Arts &	1:22
3:57 am VSAA Strings & Cookies Concert 2019	Arts &	1:02
5:00 am Feedback, Episode 1 FutureMe	Informational	0:16
5:16 am Feedback, Episode 2 Foundation for Vancouver Public Schools	Informational	0:13
5:30 am Inside VPS Podcast, Episode 3 A video podcast featuring VPS superintendent Dr. Steve	Informational	0:34
6:05 am Sit Down with the Supt., Episode 2 In person learning for small groups and safely transitioning to	Informational	0:15
6:30 am Young Filmmakers Project, Episode 9 VSAA	Arts &	0:19
7:00 am VSAA Trojan Women	Arts &	1:01
8:03 am VSAA Vocal Informance	Arts &	0:56
9:00 am Classic Arts Showcase www.classicartsshowcase.org	Arts &	11:00
8:00 pm STEM in 30: International Space Station, Episode 3	Informational	0:29
8:30 pm SW Washington Wind Symphony: Songs of Life The Southwest Washington Wind Symphony presents it spring concert, Songs of Life. This was held at Union High	Arts &	1:18
9:50 pm VSAA Oliver!	Arts &	2:03
11:53 pm VSAA Vocal Spring Sing 2019	Arts &	1:38



ANNUAL

REPORT

www.esd112.org/tvetc

Community



TV ETC is a partnership of Clark County schools sharing resources to provide local educational programming on cable television.

Since 1979, the Vancouver Educational Telecommunications Consortium (TV ETC) has served the educational and general community in Clark County.

TV ETC members produced 157 hours of original locally produced video programming in 2020.



TV ETC MEMBERS

3



Battle Ground
Public Schools



Evergreen
Public Schools



Vancouver
Public Schools



Educational
Service District 112



Camas
School District



Washougal
School District



Hockinson
School District

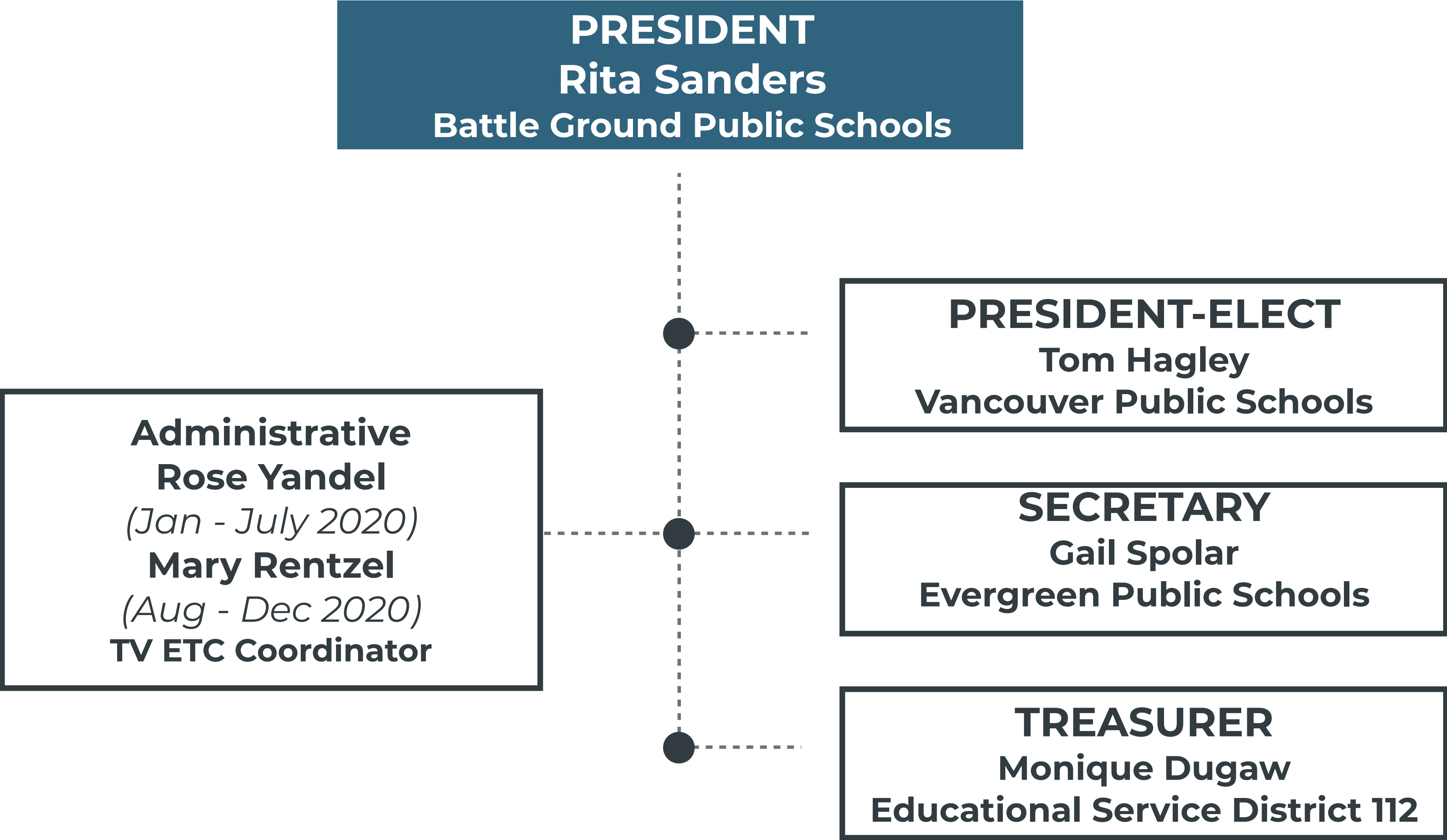


Washington State
School for the Blind

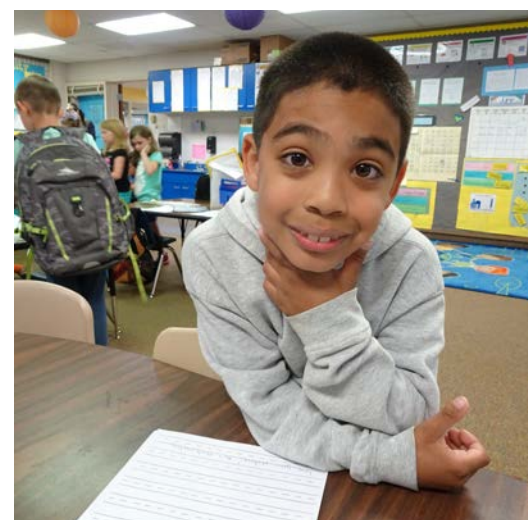


La Center
School District

TV ETC BOARD OF DIRECTORS



WHO WE SERVE



TV ETC members view our channels as a vital communications and information tool for our local schools.



○
SHARED
RESOURCES

VITAL
TOOL

POPULAR
PROGRAMS

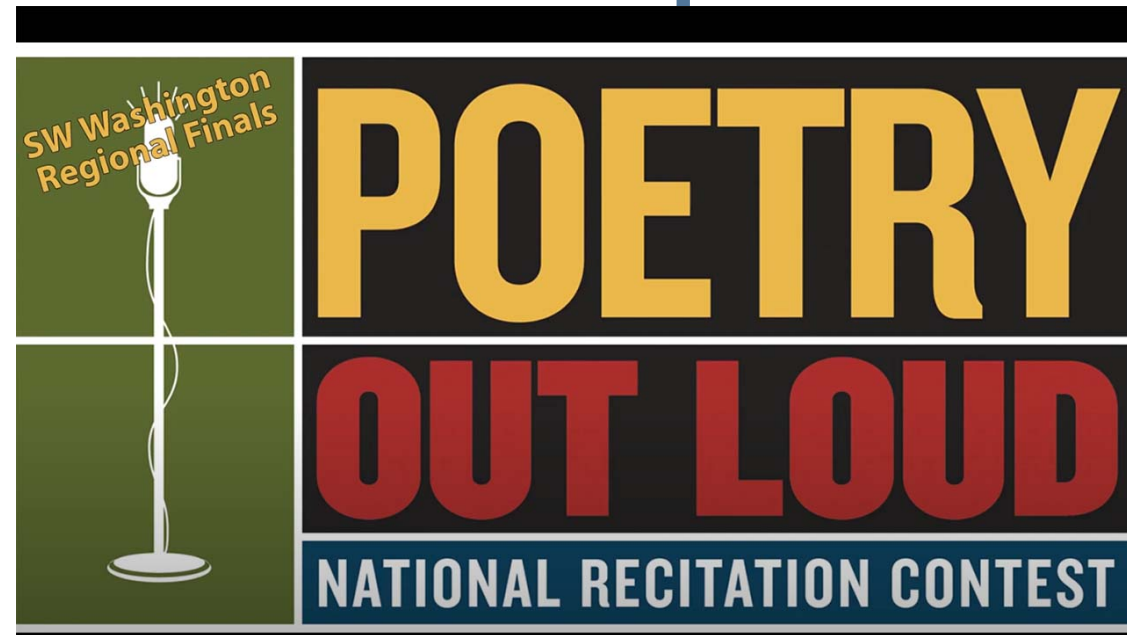
A consortium of educational institutions, both private and public, share educational access channels representing 75,000 students from Kindergarten through 12th grade in Clark County.



TV ETC produces popular programming such as school concerts, plays from elementary, middle and high schools; and sports events from our local schools.

VIDEO HIGHLIGHTS 2020

6



JAN

FEB

MAR



Poetry Out Loud

SW WA students recite poetry in this annual competition.



Inside VPS EP 6

A look into local levy dollars, construction projects, about district magnet programs at VPS.



EPS Theater Festival 2020

Evergreen Public Schools' Sifton Elementary Groundbreaking ceremony

VIDEO HIGHLIGHTS 2020

7



APRIL

MAY

JUNE



Quick Look - Grad Questions

District and school administrators discuss how graduations may work in June.



Women in STEM

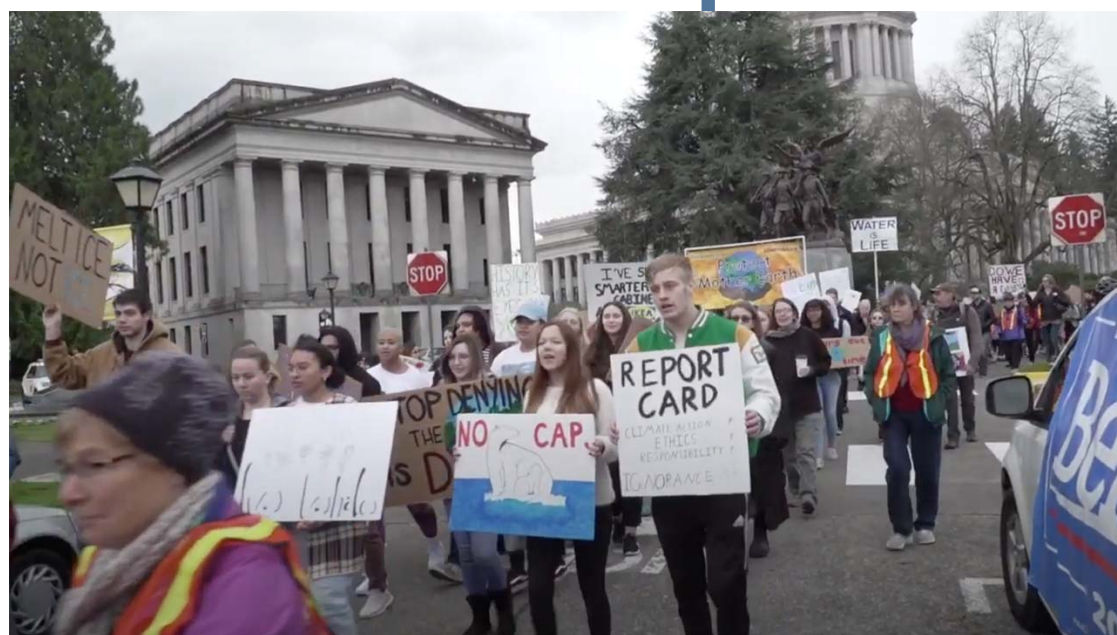
Panelists answer questions submitted by students about their jobs and how they got them.



EPS Porch Concerts

A creative outlet during the ongoing coronavirus quarantine for EPS music students.

VIDEO HIGHLIGHTS 2020



JULY

► ClimeTime - Student Voices

Students are leaving the classroom and marching in the streets to bring attention to the climate change emergency.



AUGUST

► Hudson's Bay HS Graduation 2020

Hudson's Bay High School Drive-through Graduation Ceremony.



SEPTEMBER

► Sit Down with the Supt.

The debut episode of "Sit Down with the Supt.," a periodic chat with Evergreen Public Schools Superintendent Mike Merlino.

VIDEO HIGHLIGHTS 2020

9



▶ OCTOBER

▶ Revitalizing VPS

Check out updates to Fruit Vally Elementary School, courtesy of the bond passed by voters!

NOVEMBER

▶ Medical Clinic at Evergreen HS

The Sea Mar Evergreen Medical Clinic, on the campus of Evergreen High School, is now open for patients.

DECEMBER

▶ Mountain View HS Choir Concert

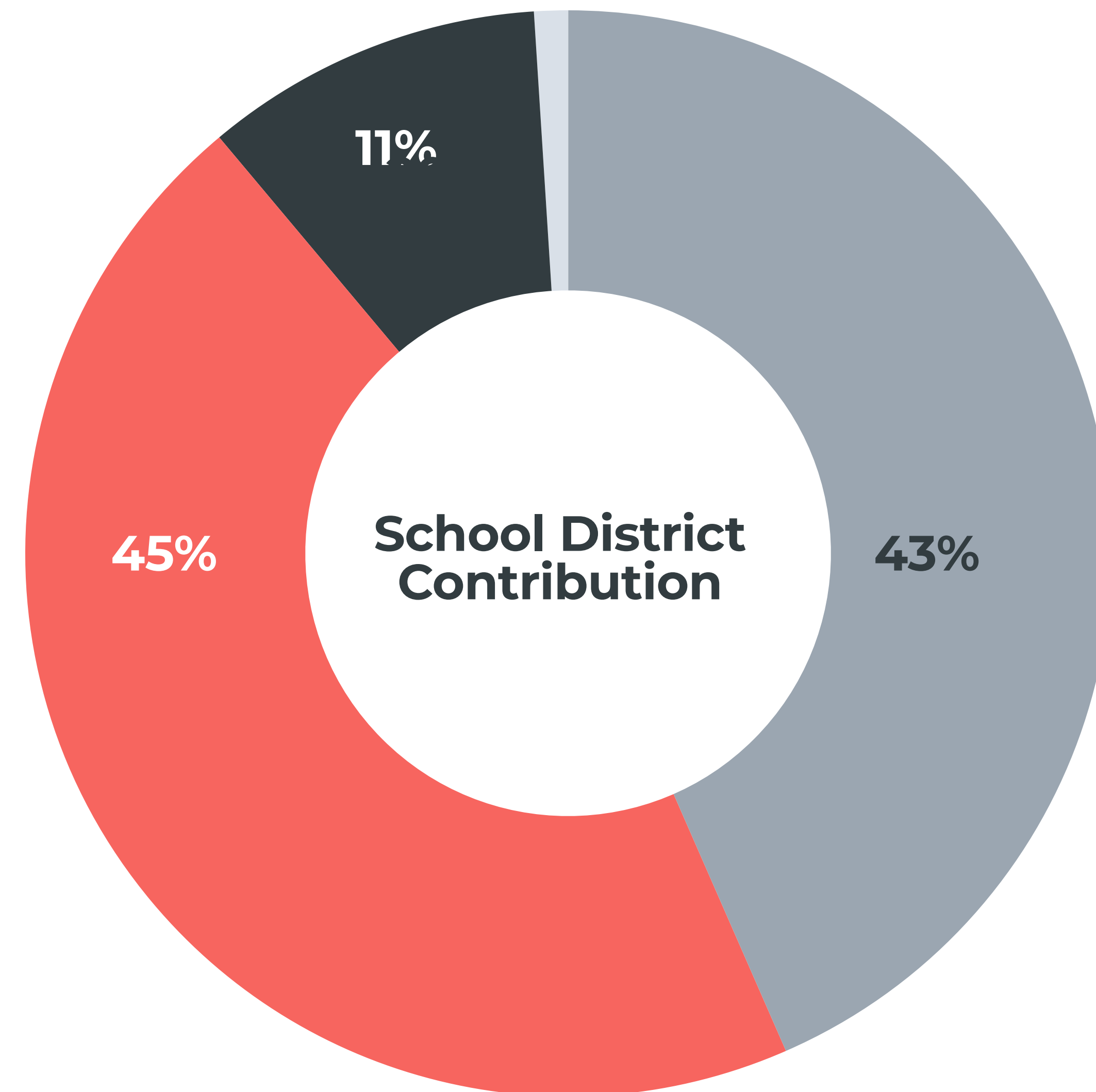
Members of the Mountain View High School Choir perform a selection of holiday songs.

1 Battle Ground
Public Schools
\$ 14,246

3 Vancouver
Public Schools
\$ 59,929

2 Evergreen
Public Schools
\$ 62,645

4 Other Educational
Institutions
\$1,260



► FINANCIAL OVERVIEW

11

Total revenue

\$ 176,742

Total expenses

\$ 177,334

PEG Capital Funds Award December, 2019

\$ 336,528

Grantee
Expenditures

\$ 228,430*



*Held back for EPS:
\$96,248.47

Grant Award Balance
(Savings from bid process)

\$ 11,849

ONLINE PRESENCE

12



Facebook

TV ETC production members use social media to promote local cable productions and to re-purpose content for their Facebook community.



Twitter

Twitter serves as an additional online source for announcements and promotions of video productions such as live shots and upcoming sports events.



YouTube Channels

TV ETC production members each have their own YouTube channel brand containing a catalog of present and past programming for viewers.

SECONDARY SCREENS

13



YOUTUBE PRESENCE

EVERGREEN PUBLIC



SCHOOLS

552,079 views

VANCOUVER PUBLIC

SCHOOLS

984,914 views

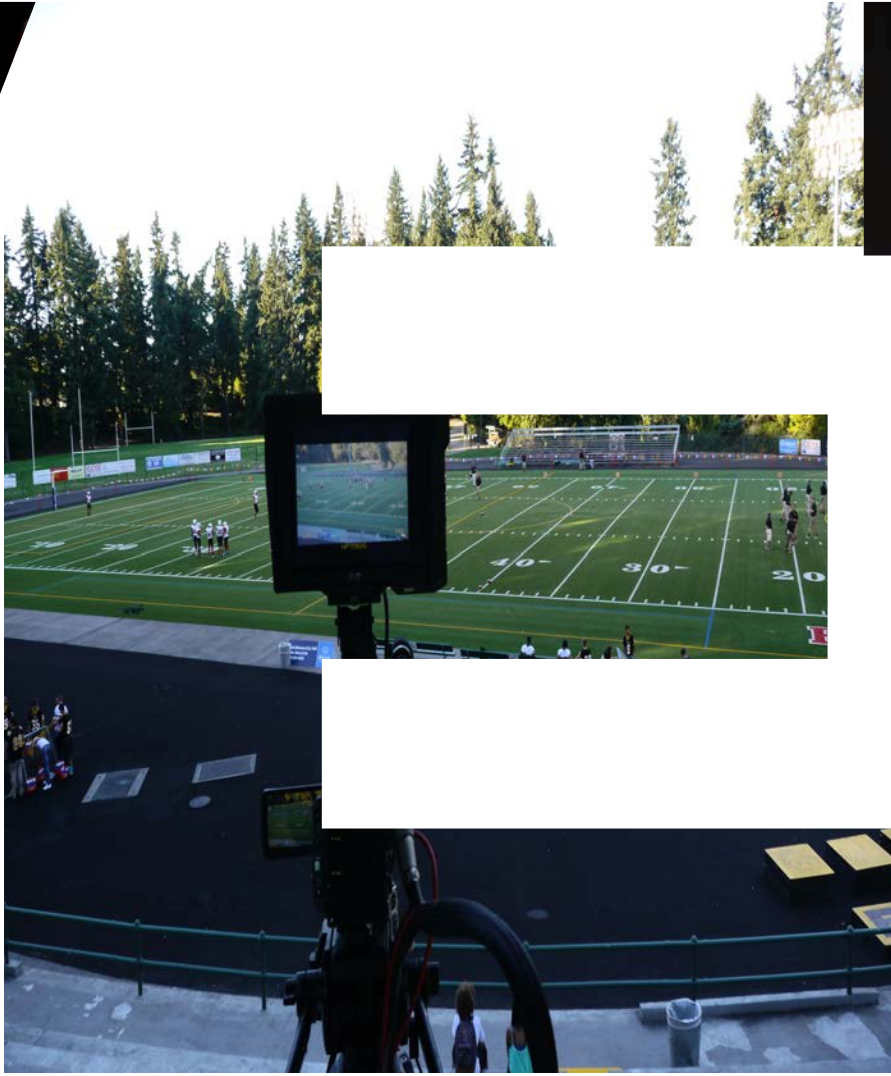
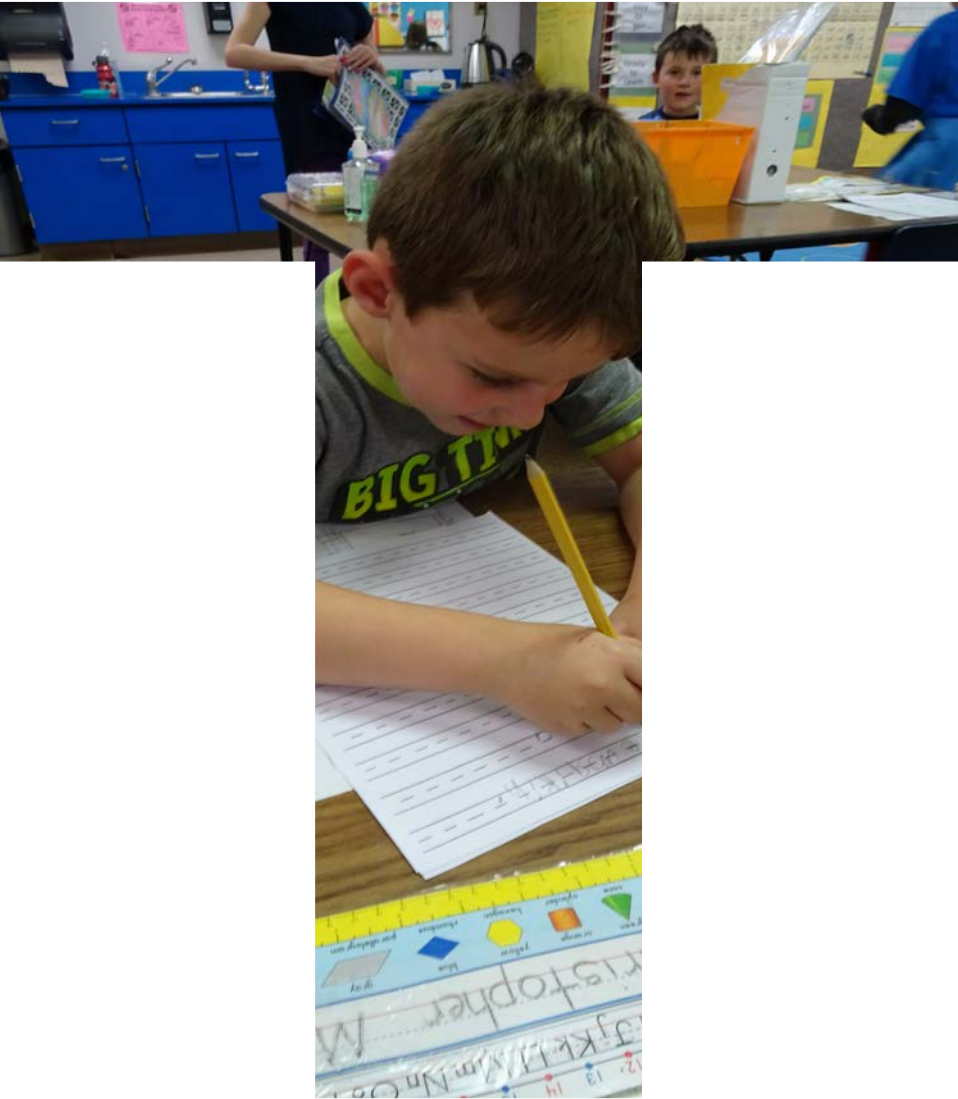
BATTLE GROUND PUBLIC SCHOOLS

66,754 views

TV ETC YouTube channel

236,687 views





06/28/21

RESOLUTION NO. _____

A RESOLUTION relating to cable television and to the designation of Clark Vancouver Television (“CVTV”) as the governmental access provider on the Comcast cable system for Vancouver and Clark County.

WHEREAS, Section 9 of the June 1, 2013, cable television franchise agreement between Comcast of Washington V, LLC (“Comcast”), the City of Vancouver (“City”) and Clark County (“County”), allows the Grantor (City and County) to designate authorized entities to manage the Public, Educational and Governmental (“PEG”) Access use channels on the cable system; and

WHEREAS, the City and County jointly fund and operate access channels on the local cable system, Clark Vancouver Television (“CVTV”); and

WHEREAS, all designated access providers (public, educational, and governmental) are evaluated and reviewed annually by the City/County Telecommunications Commission (“Commission”); and

WHEREAS, CVTV applied to the Commission on April 30, 2021, seeking to be re-designated as the governmental access provider; and

WHEREAS, the Commission reviewed the application on June 2, 2021, and found that CVTV has fully complied with the criteria and expectations for the governmental access provider and recommends that the Vancouver City Council and Clark County Council designate CVTV as the governmental access provider for the City and the County for the next year.

NOW, THEREFORE,

BE IT RESOLVED BY THE CITY OF VANCOUVER:

RESOLUTION - 1

Section 1. As recommended by the City/County Telecommunications Commission in Resolution 2021-03, attached hereto as Exhibit “A”, Clark Vancouver Television is hereby designated as the governmental access provider on the Comcast cable system in Vancouver and Clark County.

Section 2. CVTV will continue to be allocated those channels previously allocated to CVTV for governmental access.

Section 3. CVTV will be eligible to apply for and receive PEG Capital Support Funds pursuant to Ordinances M-3335 and M-3372.

Section 4. Acts taken pursuant to this resolution but prior to its approval are hereby ratified and confirmed.

ADOPTED at regular session of the Council of the City of Vancouver, on this ____ day of _____, 2021.

Anne McEnery-Ogle, Mayor

Attest:

Approved as to form:

Natasha Ramras, City Clerk

Jonathan Young, City Attorney

Attachment: Exhibit “A” – Telecommunications Commission Resolution 2021-03

RESOLUTION - 2

City/County Telecommunications Commission

RESOLUTION 2021-03

Regarding Annual Review of Government Access Programming and Re-Designation of City/County Cable Television Office as Government Access Cable Provider

Section 1. Findings

- 1.1 The cable television franchise agreements between Comcast of Washington, V LLC ("Comcast") and the City of Vancouver ("City") and Clark County ("County") requires that the Grantor (City and County) designate authorized entity or entities to manage or co-manage the Public, Educational and Government ("PEG") Access use channels on the cable system.
- 1.2 The City and County jointly fund and operate two access channels on the local cable system (Clark/Vancouver Television – CVTV) which is the designated local government access channel. The Commission originally approved the designation under the cable television franchise agreement via Resolution 1998-04 on February 18, 1998.
- 1.3 All designated access providers (public, educational, and government) will be evaluated and reviewed annually by the Commission consistent with the provisions of Section 9 of the cable franchise agreement, Section 5.19.300 of the Vancouver Municipal Code and Clark County Code 36.12.160 and Section 1.6 of this Resolution.
- 1.4 The City/County Cable Television Office submitted an application to the Commission seeking designation as the authorized government access provider on April 30, 2021 (attached as EXHIBIT A).
- 1.5 The Commission reviewed the City/County Cable Television Office's request for re-designation and representatives from City/County Cable Television Office made a presentation to the Commission on June 2, 2021, in support of the re-designation and to review government programming on CVTV.
- 1.6 The performance criteria for government access designation includes but is not limited to the following:
 - a) Number of hours of locally produced original video programming/week per channel;
 - b) Number of hours of locally scheduled video programming/week per channel;
 - c) Number of days and hours per week the channel is programmed with locally produced and locally scheduled video programming;
 - d) Amount of operating budget which meets or exceeds the criteria of operating funds to capital funds established in section 9.6 of the franchise agreement with Comcast Corporation;

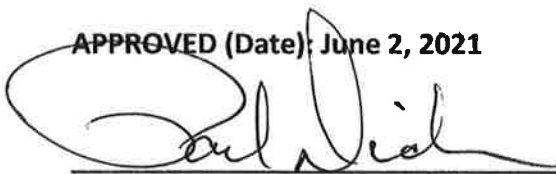
- e) Extent to which locally produced and locally scheduled video programming focuses on the designated access category;
 - f) Extent to which the locally produced and locally scheduled video programming provides value added to cable television subscribers in meeting the demonstrated needs established in the community ascertainment study.
- 1.7 The Commission finds that the City/County Cable Television Office, as the designated access provider for government since September 2, 2020, has fully complied with the criteria and expectations for designation (as documented in the CVTV Annual Production Reports 2020 – EXHIBIT B) and recommends that the designation should remain in effect in accordance with the originally established criteria.

NOW THEREFORE BE IT RESOLVED:

Section 2.

- 2.1 The City/County Telecommunications Commission, through this Resolution recommends, the continued designation of the City/County Cable Television Office as the government access provider for the Comcast cable system, subject to annual review by the Commission as outlined in Section 1.3 and Section 1.6 of this Resolution.
- 2.2 The Commission recommends that the City/County Cable Television Office continue to be allocated four channels, channels 21 and 23 and high definition channels 321 and 323, on the Comcast cable system for government access use.
- 2.3 Staff is directed to forward this Resolution to the Vancouver City Council, and the Clark County Council.

APPROVED (Date): June 2, 2021



Paul Dicker, Chair, City/County Telecommunications Commission

Exhibits:

Exhibit A –Designated Access Provider Application Form completed by the City/County Cable Television Office, dated April 30, 2021

Exhibit B –CVTV Annual Report for 2020

DESIGNATED ACCESS PROVIDER
Public, Education, and Government

APPLICATION FORM

DATE: April 30, 2021

ACCESS CATEGORY: Government Access

PROVIDER NAME: City/County Cable Television Office

CONTACT: Jim Demmon, Cable Television Manager, 360-487-8703

- 1) Channels Requested: **Comcast: 21/321HD & 23/323HD**
- 2) Hours of original locally produced video programming per channel: **377.25 hours in 2020 aired on both channels**
- 3) Hours of locally scheduled video programming per channel: **6,898.78 hours in 2020 for CVTV and 7,359.23 hours for CVTV2**
- 4) Hours of live programming per channel: **332.44 hours in 2020 combined for both channels, excluding live KIRO programming on CVTV2**
- 5) Video programming hours per week per channel: **133 hours per week in 2020 for CVTV and 142 hours per week for CVTV2**
- 6) Video programming days of the week per channel: **7**
- 7) Video programming hours/days per channel: **Air programming 24-hours/7days a week, averaged 18.95 hours of programming per day in 2020 for CVTV and 20.14 for CVTV2.**
- 8) Hours of non-video programming/bulletin board per channel: **3,309.79 in 2020 combined for both channels**

Types of Programming: **Please see attached 2020 Production Report, as well as weekly program schedule**

Serving the citizens of Vancouver and Clark County since 1982

P.O. Box 1995 | Vancouver, WA 98668-1995 | 360-487-8702 | Fax: 360-487-8625 | www.cvtv.org

Primary Audience and any measurements (polling, etc.) of viewership per channel: **Comcast cable subscribers/general community.**

2021 Operating Budget: **\$618,847**

2021 Capital Budget: **\$100,000**

2020 Underwriting Revenue Collected (if any): **No underwriting revenue was collected in 2020. However, CVTV did received \$30,129 in fee for service productions. Please see attached Underwriting Policy.**

Criteria to be considered by the City/County Telecommunications Commission in recommending designated access providers and channel allocations for PEG access:

- a) Number of hours of locally produced original video programming/week per channel;
- b) Number of hours of locally scheduled video programming/week per channel;
- c) Number of days and hours per week the channel is programmed with locally produced and locally scheduled video programming;
- d) Extent to which locally produced and locally scheduled video programming focuses on the designated access category;
- e) Extent to which the locally produced and locally scheduled video programming provides value added to cable television subscribers in meeting the demonstrated needs established in the community ascertainment study.

**2020 Annual Production Report
January 1 – December 31, 2020**

CLARK COUNTY		
Program	Number of Programs	Hours
Clark County Land Use Hearings	20	43.23
Clark County Planning Commission	4	6.58
Clark County Animal Control Hearings	3	2.96
Public Hearings: Clark County Council	26	34.22
Public Meetings: Clark County Council	4	3.80
Clark County Code Enforcement Appeal Hearings	4	10.36
Clark County Veterans Advisory Board	3	3.18
Clark County Close Up	3	1.54
Clark County Focus	2	0.98
Forum	3	5.01
Public Hearing: Board of Health	21	19.49
Public Meetings	2	2.74
Public Events	5	4.33
PSAs	4	0.17
County Employee Training	3	1.95
COUNTY TOTALS	107	140.54
COUNTY TOTAL 2020	107	140.54
County Programming 2019	134	175.11
Percent Change	-20.15%	-19.74%
County Programming 2018	121	143.05
Percent Change	-11.57%	-1.75%
County Programming 2017	150	172.96
Percent Change	-28.67%	-18.74%
County Programming 2016	160	247.19
Percent Change	-33.13%	-43.14%
County Programming 2015	155	248.99
Percent Change	-30.97%	-43.56%
CITY OF VANCOUVER		
Program	Number of Programs	Hours
City Council Workshops	31	54.32
City Council	38	70.81

Vancouver Land Use Hearings	5	7.81
Vancouver Planning Commission	5	7.52
Vancouver Transportation Benefit District	2	0.51
City Center Redevelopment Authority	7	11.48
City Five	2	0.13
Public Events	7	6.28
Mayor's COVID Updates	28	3.53
Small Business Videos	3	0.07
Informational Videos	5	0.13
City Training	1	4.53
Vancouver Fire Department Training	1	1.97
CITY TOTAL	135	169.09
CITY TOTAL 2020	135	169.09
City Programming 2019	126	154.75
Percent Change	7.14%	9.27%
City Programming 2018	195	182.85
Percent Change	-30.77%	-7.53%
City Programming 2017	200	151.11
Percent Change	-32.50%	11.90%
City Programming 2016	190	180.05
Percent Change	-28.95%	-6.09%
City Programming 2015	159	172.74
Percent Change	-15.09%	-2.11%
COMMUNITY		
Program	Number of Programs	Hours
City/County Telecommunications Commission	2	2.51
Forum	1	1.69
Town Hall Meetings	1	1.54
Public Meetings	2	4.88
Public Events	4	6.80
Port of Vancouver Board of Commissioners	7	7.50
Regional Transportation Council	11	14.54
C-TRAN Board of Directors	11	7.65
Election 2020	23	20.51
COMMUNITY TOTAL	62	67.62

COMMUNITY TOTAL 2020	62	67.62
Community Programming 2019	77	105.35
Percent Change	-19.48%	-35.81%
Community Programming 2017	83	121.09
Percent Change	-25.30%	-44.16%
Community Programming 2017	83	121.09
Percent Change	-25.30%	-44.16%
Community Programming 2016	110	219.55
Percent Change	-43.64%	-69.20%
Community Programming 2015	111	168.16
Percent Change	-44.14%	-59.79%
TOTAL CVTV PROGRAMMING PRODUCED: 2020-2015	Number of Programs	Hours
TOTAL PROGRAMMING 2020	304	377.25
Total Programming 2019	337	435.21
Percent Change	-9.79%	-13.32%
Total Programming 2018	396	429.78
Percent Change	-23.23%	-12.22%
Total Programming 2017	433	445.16
Percent Change	-29.79%	-15.26%
Total Programming 2016	460	646.79
Percent Change	-33.91%	-41.67%
Total Programming 2015	425	589.89
Percent Change	-28.47%	-36.05%
TOTAL CVTV PROGRAMMING PRODUCED 2020	Number of Programs	Hours
County	107	35.20%
City	135	44.41%
Community	62	20.39%
TOTAL	304	
TOTAL HOURS OF PROGRAMS PRODUCED 2020	Number of Programs	% of Total
County	140.54	37.25%
City	169.09	44.82%
Community	67.62	17.92%
TOTAL	377.25	

WEEKLY AVERAGES 2020	Number of Programs	Hours
County	2.1	2.70
City	2.6	3.25
Community	1.2	1.30
MONTHLY AVERAGES 2020	Number of Programs	Hours
County	8.9	11.71
City	11.3	14.09
Community	5.2	5.64
COMBINED AVERAGES 2020		
Average Length of Programs Produced (in hours)		1.24
Average Number of Programs Produced per Week		5.85
Average Number of Programming Hours Produced per Week		7.25
Average Number of Programs Produced per Month		25.33
Average Number of Program Hours Produced per Month		31.44
LIVE PROGRAMMING -- CHANNELS 23/21		
CLARK COUNTY (Live Programming) 2020		
Program	Number of Programs	Hours
Clark County Land Use Hearings	20	42.23
Clark County Planning Commission	4	6.58
Clark County Animal Control Hearings	3	2.96
Public Hearing: Clark County Council	26	34.22
Public Meeting: Clark County Council	4	3.80
Public Meetings	1	1.27
Public Event	3	1.22
Forum	2	2.98
Clark County Code Enforcement Appeal Hearings	4	10.36
Clark County Veterans Advisory Board	3	3.18
Public Hearing: Board of Health	21	19.49
CLARK COUNTY TOTAL	91	128.29

CITY OF VANCOUVER (Live Programming) 2020		
Program	Number of Programs	Hours
City Council Workshops	31	54.32
City Council	38	70.81
Vancouver Land Use Hearings	5	7.81
Vancouver Planning Commission	5	7.52
Vancouver Transportation Benefit District	2	0.51
City Center Redevelopment Authority	7	11.48
Vancouver Fire Department Training	1	1.97
CITY TOTAL	89	154.42
COMMUNITY (Live Programming) 2020		
Program	Number of Programs	Hours
City/County Telecommunications Commission	2	2.51
Port of Vancouver Board of Commissioners	7	7.50
Regional Transportation Council	11	14.54
C-TRAN Board of Directors	6	5.13
Public Meetings	2	4.88
Public Events	1	2.31
Election 2019	9	12.86
COMMUNITY TOTAL	38	49.73
TOTAL LIVE CVTV PROGRAMMING PRODUCED 2020		
	218	332.44
COMBINED LIVE COVERAGE AVERAGES 2020		
Average Length of Live Programs Produced (in hours)		1.52
Average number of Live Programs Produced per Week		4.19
Average number of Live Program Hours Produced per Week		6.39
Average number of Live Programs Produced per Month		18.17
Average Number of Live Program Hours Produced per Month		27.70
LIVE PROGRAMMING (HOURS) AS A PERCENTAGE OF TOTAL PROGRAMMING HOURS IN 2020		71.71%

TOTAL CVTV LIVE PROGRAMMING COMPARISON:	Number of Programs	Hours
2020	218	332.44
Total Live Programming 2019	252	365.78
<i>Percent Change</i>	-13.49%	-9.11%
Total Live Programming 2018	251	330.28
<i>Percent Change</i>	-13.15%	0.65%
Total Live Programming 2017	265	336.54
<i>Percent Change</i>	-17.74%	-1.22%
Total Live Programming 2016	287	437.46
<i>Percent Change</i>	-24.04%	-24.01%
Total Live Programming 2015	273	452.78
<i>Percent Change</i>	-20.15%	-26.58%

Ch. 23

Week of May 2 – May 8

Sunday, May 2, 2021

7:00 AM Clark County Land Use Hearings (04-22-21)
9:05 AM 2021 State of the County Address (04-06-21)
9:30 AM Interstate Bridge Replacement Program Meeting (04-29-21)
12:00 PM Port of Vancouver Board of Commissioners (04-06-21)
1:00 PM C-TRAN Board of Directors Meeting (04-13-21)
2:00 PM City Council Workshops (04-26-21)
4:05 PM Vancouver City Council (04-26-21)
4:45 PM Clark County Veterans Advisory Board (04-08-21)
6:00 PM Regional Transportation Council (04-06-21)
7:00 PM Clark County Focus (03-30-21)
7:35 PM Clark County Close Up (04-07-21)
8:15 PM Clark County Joint Executive Board on Homelessness (04-28-21)
10:00 PM Clark County Commission on Aging (04-21-21)
11:30 PM Clark County Council (04-20-21)

Monday, May 3, 2021

7:00 AM City Center Redevelopment Authority (04-15-21)
8:30 AM Vancouver Planning Commission (04-13-21)
10:30 AM Clark County Commission on Aging (04-21-21)
12:00 PM Clark County Board of Health (04-28-21)
1:30 PM Clark County Veterans Advisory Board (04-08-21)
2:45 PM Clark County Focus (03-30-21)
3:30 PM Clark County Close Up (04-07-21)
4:00 PM City Council Workshops (04-26-21)
6:30 PM Vancouver City Council (05-03-21)
9:00 PM Our Community Salutes (04-24-21)
10:30 PM C-TRAN Board of Directors Meeting (04-13-21)
11:30 PM Clark County Council (04-20-21)

Tuesday, May 4, 2021

7:00 AM Clark County Charter Review Commission (04-28-21)
9:15 AM Clark County Close Up (04-07-21)
10:00 AM Clark County Council (05-04-21)
12:00 PM Clark County Commission on Aging (04-21-21)
1:30 PM Emergency Medical Services District 2 Board Meeting (05-04-21)
3:00 PM C-TRAN Board of Directors Meeting (04-13-21)
4:00 PM Regional Transportation Council (05-04-21)
6:00 PM Clark County Joint Executive Board on Homelessness (04-28-21)
7:30 PM Clark County Commission on Aging (04-21-21)
9:00 PM City Center Redevelopment Authority (04-15-21)
10:30 PM Clark County Land Use Hearings (04-22-21)

Wednesday, May 5, 2021

7:00 AM City Council Workshops (04-26-21)
9:05 AM Vancouver City Council (05-03-21)
11:30 AM Clark County Board of Health (04-28-21)
1:00 PM Our Community Salutes (04-24-21)
1:40 PM C-TRAN Board of Directors Meeting (04-13-21)
2:30 PM Regional Transportation Council (05-04-21)
5:00 PM Clark County Charter Review Commission (05-05-21)
7:30 PM Clark County Veterans Advisory Board (04-08-21)
8:45 PM City Center Redevelopment Authority (04-15-21)
10:15 PM Vancouver Planning Commission (04-13-21)

Thursday, May 6, 2021

7:00 AM Clark County Council (05-04-21)
9:30 AM Regional Transportation Council (05-04-21)
11:30 AM C-TRAN Board of Directors Meeting (04-13-21)
12:30 PM Clark County Charter Review Commission (05-05-21)
3:00 PM Emergency Medical Services District 2 Board Meeting (05-04-21)
4:30 PM Clark County Close Up (04-07-21)
5:00 PM Clark County Focus (05-05-21)
5:45 PM Interstate Bridge Replacement Program Meeting (04-29-21)
8:00 PM Clark County Joint Executive Board on Homelessness (04-28-21)
9:45 PM Vancouver Planning Commission (04-13-21)

Friday, May 7, 2021

7:30 AM Clark County Council (05-04-21)
10:00 AM Clark County Board of Health (04-28-21)
11:30 AM Emergency Medical Services District 2 Board Meeting (05-04-21)
1:00 PM Clark County Charter Review Commission (05-05-21)
3:30 PM Regional Transportation Council (05-04-21)
5:30 PM C-TRAN Board of Directors Meeting (04-13-21)
6:30 PM Clark County Commission on Aging (04-21-21)
8:00 PM Clark County Veterans Advisory Board (04-08-21)
9:15 PM Port of Vancouver Board of Commissioners (04-06-21)
10:30 PM Our Community Salutes (04-24-21)
11:15 PM Clark County Land Use Hearings (04-22-21)

Saturday, May 8, 2021

7:00 AM Clark County Charter Review Commission (05-05-21)
9:30 AM Our Community Salutes (04-24-21)
10:15 AM Clark County Joint Executive Board on Homelessness (04-28-21)
12:00 PM Interstate Bridge Replacement Program Meeting (04-29-21)
2:15 PM City Center Redevelopment Authority (04-15-21)
3:45 PM Clark County Focus (05-05-21)
4:30 PM Clark County Close Up (04-07-21)
5:00 PM City Council Workshops (04-26-21)
7:05 PM Vancouver City Council (05-03-21)
9:15 PM Vancouver Planning Commission (04-13-21)
11:15 PM Clark County Commission on Aging (04-21-21)

Ch. 21

Week of May 2 – May 8

Sunday, May 2, 2021

5:59 AM KIRO 7 News
7:00 AM Clark County Charter Review Commission (04-28-21)
9:30 AM City Council Workshops (04-26-21)
11:35 AM Vancouver City Council (04-26-21)
12:15 PM Clark County Joint Executive Board on Homelessness (04-28-21)
2:00 PM Clark County Council (04-20-21)
4:00 PM Regional Transportation Council (04-06-21)
4:58 PM KIRO 7 News
5:59 PM Clark County Close Up (04-07-21)
6:29 PM KIRO 7 News
7:00 PM Clark County Land Use Hearings (04-22-21)
9:05 PM Vancouver Planning Commission (04-13-21)
10:59 PM KIRO 7 News

Monday, May 3, 2021

4:29 AM KIRO 7 News
7:00 AM Our Community Salutes (04-24-21)
7:45 AM Clark County Commission on Aging (04-21-21)
9:05 AM C-TRAN Board of Directors Meeting (04-13-21)
10:00 AM Clark County Joint Executive Board on Homelessness (04-28-21)
11:59 AM KIRO 7 News
1:00 PM City Center Redevelopment Authority (04-15-21)
2:30 PM Clark County Board of Health (04-28-21)
3:45 PM Clark County Veterans Advisory Board (04-08-21)
4:57 PM KIRO 7 News
6:30 PM 2021 State of the County Address (04-06-21)
6:59 PM KIRO 7 News
7:30 PM Clark County Close Up (04-07-21)
8:00 PM Clark County Focus (03-30-21)
8:35 PM Interstate Bridge Replacement Program Meeting (04-29-21)
10:59 PM KIRO 7 Late Night News

Tuesday, May 4, 2021

4:29 AM KIRO 7 News
7:00 AM City Center Redevelopment Authority (04-15-21)
8:30 AM Clark County Land Use Hearings (04-22-21)
10:35 AM C-TRAN Board of Directors Meeting (04-13-21)
11:25 AM Clark County Close Up (04-07-21)
11:59 AM KIRO 7 News
1:00 PM Our Community Salutes (04-24-21)
2:30 PM Clark County Joint Executive Board on Homelessness (04-28-21)
4:00 PM C-TRAN Board of Directors Meeting (04-13-21)
4:57 PM KIRO 7 News
6:59 PM KIRO 7 News

7:30 PM Interstate Bridge Replacement Program Meeting (04-29-21)
9:45 PM Clark County Veterans Advisory Board (04-08-21)
10:59 PM KIRO 7 Late Night News

Wednesday, May 5, 2021

4:29 AM KIRO 7 News
7:00 AM Clark County Commission on Aging (04-21-21)
8:30 AM City Center Redevelopment Authority (04-15-21)
10:00 AM Regional Transportation Council (05-04-21)
11:59 AM KIRO 7 News
1:00 PM Emergency Medical Services District 2 Board Meeting (05-04-21)
3:00 PM City Council Workshops (04-26-21)
4:57 PM KIRO 7 News
6:59 PM KIRO 7 News
7:30 PM Vancouver City Council (05-03-21)
9:30 PM Clark County Veterans Advisory Board (04-08-21)
10:59 PM KIRO 7 Late Night News

Thursday, May 6, 2021

4:29 AM KIRO 7 News
7:00 AM Clark County Joint Executive Board on Homelessness (04-28-21)
8:30 AM Clark County Board of Health (04-28-21)
10:15 AM Emergency Medical Services District 2 Board Meeting (05-04-21)
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10:59 PM KIRO 7 Late Night News

Friday, May 7, 2021

4:29 AM KIRO 7 News
7:00 AM Clark County Charter Review Commission (05-05-21)
9:30 AM Clark County Joint Executive Board on Homelessness (04-28-21)
11:00 AM Clark County Focus (05-05-21)
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11:59 AM KIRO 7 News
1:00 PM Clark County Council (05-04-21)
3:00 PM Vancouver Planning Commission (04-13-21)
4:57 PM KIRO 7 News
6:59 PM KIRO 7 News
7:30 PM Vancouver City Council (05-03-21)
9:45 PM Port of Vancouver Board of Commissioners (04-06-21)
10:59 PM KIRO 7 Late Night News

Saturday, May 8, 2021

5:00 AM	City Council Workshops (04-26-21)
6:59 AM	KIRO 7 News
8:30 AM	Vancouver City Council (05-03-21)
10:30 AM	Clark County Focus (05-05-21)
11:05 AM	Clark County Charter Review Commission (05-05-21)
1:30 PM	Our Community Salutes (04-24-21)
3:00 PM	Clark County Board of Health (04-28-21)
4:30 PM	2021 State of the County Address (04-06-21)
4:58 PM	KIRO 7 News
5:59 PM	Clark County Close Up (04-07-21)
6:29 PM	KIRO 7 News
7:00 PM	Clark County Land Use Hearings (04-22-21)
9:05 PM	Clark County Commission on Aging (04-21-21)
10:59 PM	KIRO 7 Late Night News

**CLARK/VANCOUVER TELEVISION
UNDERWRITING GUIDELINES
April 16, 2004**

Goals:

- To increase and enhance programming on Clark/Vancouver Television, CVTV Cable Channel 23;
- To build business relationships in Vancouver and Clark County;
- To recover costs for video production.

Overview:

The City/County Cable Television Office ("Cable TV Office") serves as the designated government access provider for the Comcast cable television system in Vancouver and Clark County, operating Clark/Vancouver Television, CVTV Cable Channel 23. The Cable TV Office receives operational funding from the general funds of the City of Vancouver and Clark County. Due to operational budget constraints, the Cable TV Office may seek underwriting funds from area businesses to provide coverage of community events. In addition, funding may be sought to offer enhanced programming for Comcast cable subscribers.

Underwriting Guidelines:

The Cable TV Office shall seek financial support from commercial entities (i.e. underwriting) for the production of programming on Clark/Vancouver Television subject to the following conditions:

- a) Such support within any program shall not make use of the word "sponsor";
- b) All underwriting money must be paid directly to the City of Vancouver or Clark County;
- c) Support for Clark/Vancouver Television programs may be acknowledged with a visual and/or spoken credit that may include a company's name, logo, telephone number and web address;
- d) The audio shall be a single voice-over announcement identifying the underwriter and the service they provide, if applicable;
- e) No "jingles" or theme music associated with a specific product or business are allowed;
- f) Total credit within a program for individual underwriters may not exceed a length of 30 seconds;
- g) Credits shall not induce a direct consumer response of any kind or have any call to action;
- h) Superlative descriptions or qualitative claims about a company and its products or services are not allowed;
- i) Underwriters providing financial assistance for a production shall not have editorial control over programming;
- j) The total amount of underwriting dollars collected each year will be reported to the City/County Telecommunications Commission on an annual basis.



Vancouver City Council (04-26-21)

Complete coverage of the April 26, 2021, Vancouver City Council meeting.

[WATCH NOW](#)



Vancouver City Council (04-26-21)



City Council Workshops (04-26-21)



Our Community Salutes (04-24-21)

NOW PLAYING

CVTV - 21



C-TRAN Board of Directors Meeting (04-13-21)

Complete coverage of the April 13, 2021, C-TRAN Board of Directors meeting.

CVTV - 23



Vancouver City Council (04-26-21)

Complete coverage of the April 26, 2021, Vancouver City Council meeting.

CHANNEL SCHEDULES

CVTV 21/321 HD

Wednesday, April 28

9:30 am C-TRAN Board of Directors Meeting (04-13-21)

10:30 am Regional Transportation Council (04-06-21)

11:25 am Clark County Close Up (04-07-21)

11:59 am KIRO 7 News

[View Full Schedule](#)

CVTV 23/323 HD

2020 Annual Report

Mission

Clark/Vancouver Television (CVTV) has been the local government access channel for the past 37 years. CVTV is funded by the City of Vancouver and Clark County and serves as a communications tool to educate the community about what's happening in local government.

CVTV operates on Comcast Cable channels 21/HD321, 23/HD 323, as well as video streaming on cvtv.org.

2020 was a year unlike any other, and presented many challenges to the way that we operate. We have had to get creative in how we cover public meetings and events in an online environment and with limited staff.

Our primary mission has been, and continues to be, to provide quality programming by and about City and County government for the Vancouver/Clark County community.



2020 Accomplishments

- Completed two PEG Grant projects:
 - Camera replacement in City Hall and the Clark County Public Service Center
 - Replacement of the CVTV editing server
- Won national programming award:
 - *Public Education: Rapid Response Rescue Units*—Award of Distinction, National Association of Telecommunications Officers and Advisors (NATOA) award
- Produced 304 programs equating to 377 hours of original, local programming.
- Produced 28 COVID-19 Mayor Updates
- Produced various PSAs for the City and County regarding COVID-related messages
- Produced 23 elections programs including LIVE primary and general election night coverage and commentary all done remotely.

Programming Highlights



Mayor COVID-19 Updates

The Mayor began providing regular COVID-19 updates to the community in March of 2020. These updates included what was happening in the community and state.

Rapid Response Rescue Units

This video was produced for the City of Vancouver to educate the public on the importance of funding Vancouver Fire Department rapid response rescue units.



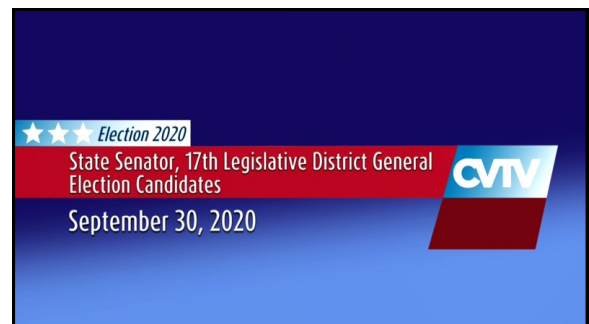
Vancouver Loves Local Videos

Videos highlighting how local restaurants have adapted during the pandemic to be able to continue serving their customers. This video highlights La Provence in East Vancouver.



Election Programming

CVTV provides candidates' debates, forums, one-on-one candidate interviews and live primary and general election results every election season.





Staff Report 092-21

TO: Mayor and City Council

FROM: Eric Holmes, City Manager

DATE: 6/28/2021

SUBJECT Regarding Adoption of the Biennial Progress Report on the Comcast Corporation
Vancouver/Clark County Franchise Agreement

Key Points

- The City/County Telecommunications Commission ("Commission") has prepared a progress report regarding franchise compliance by Comcast.
- The Commission finds Comcast in full compliance with the terms and conditions of the franchise.
- The Vancouver City Council should take affirmative action in adopting the report for the review to be binding on the cable operator at the time of renewal.

Strategic Plan Alignment

N/A

Present Situation

The City/County Telecommunications Commission ("Commission") has prepared progress reports regarding franchise compliance by the cable television operator beginning with completion of the first year of the franchise term, January 1983. This is the fourth Biennial Report since a 10-year franchise agreement with Comcast was adopted in July 2013. The reports have been forwarded to the legislative bodies of the Vancouver City Council and the Clark County Council.

As noted in the attached Resolution, the Cable Communications Policy Act of 1984 (the "Act"), which was amended in 1992 and currently in effect, requires that franchising authorities provide written notice of any franchise deficiencies and that the cable operators be given the opportunity to correct any violations, if such factors are to be considered during the franchise renewal process.

The Progress Reports prepared by the Commission clearly meet and exceed the requirements of the Act. Legal counsel advises staff, however, that the legislative bodies of the franchising authorities should take affirmative action in adopting the reports for the reviews to be binding on the cable operator at the time of renewal.

As of the date of the Biennial Progress Report, the Commission finds Comcast in full compliance with the terms and conditions of the franchise. The number of customer complaints received by the City/County Cable TV Office regarding Comcast's service, including but not limited to the company's high-speed Internet service, increased by 30% when compared to 2017-18. The 2019-20 complaints involved a number of issues, including rates, customer service and technical services.

Advantage(s)

1. Adoption of the Biennial Report preserves the rights of the City and cable television subscribers should issues arise which require correction by the cable operator.
2. The biennial report documents performance by Comcast which is part of the framework for franchise renewal negotiations.
3. The biennial report meets the requirements of federal law to provide a written evaluation of franchising performance by the cable operator.

Disadvantage(s)

Franchising authority to correct certain actions by the cable operator is limited by federal law. However, without written record of operator performance, Council has no standing to raise specific issues during the franchise renewal process.

Budget Impact

The City of Vancouver collected \$3,818,696 in franchise fees from Comcast during 2019-20 in addition to \$742,367 in PEG Capital Support Funds.

Prior Council Review

None.

Action Requested

Adopt a resolution approving, ratifying, and affirming the biennial report of the Telecommunications Commission (January 2019 – December 2020).

Jim Demmon, Video Services Manager, 360-487-8706

ATTACHMENTS:

- ▣ Council Resolution
- ▣ Telecommunications Commission Resolution 2021-01, with exhibits
- ▣ 2013 Comcast Franchise Agreement

[06-28-21]

RESOLUTION NO. M- [Resolution Number]

A RESOLUTION adopting the City/County Telecommunications Commission (“Commission”) Biennial Report regarding cable television franchise compliance by the cable operator Comcast of Washington V, LLC (“Comcast”).

WHEREAS, the Commission has regularly reviewed the performance of Comcast and compliance with the terms and conditions of the cable television franchise.

WHEREAS, the Commission has documented its review and findings regarding compliance by Comcast with the provisions of the cable television franchise by submitting a biennial report to the Vancouver City Council and the Clark County Council, and

WHEREAS, the Cable Communications Policy Act of 1984 (Public Law 98-549), 47 U.S.C Section 546(d), requires that franchise authorities, in this case the City of Vancouver and Clark County, provide cable operators with written notice and the opportunity to correct any franchise violations which may occur during the course of the franchise, if such violations are to be considered during the franchise renewal process.

NOW, THEREFORE,

BE IT RESOLVED BY THE CITY OF VANCOUVER:

Section 1. That the Vancouver City Council adopts, ratifies, and affirms the Commission Progress Report (January 2019 – December 2020) on the performance of Comcast and compliance with the terms and conditions of the cable television franchise.

RESOLUTION - 1

ADOPTED at a Regular Meeting of the Vancouver City Council this _____, of _____, 2021.

Anne McEnery-Ogle, Mayor

Attest:

Natasha Ramras, City Clerk

Approved as to form:

Jonathan Young City Attorney

RESOLUTION - 2

City/County Telecommunications Commission

RESOLUTION 2021 – 01

**Regarding Adoption of the Biennial Progress Report
on the Comcast Corporation Vancouver/Clark County Franchise Agreement**

Section 1. Findings

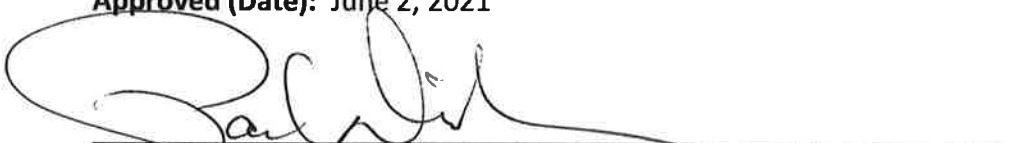
- 1.1 Pursuant to Section 4.5 “Performance Evaluation Sessions” of the current cable television franchise agreement between The City of Vancouver (“City”), Clark County (“County”) and Comcast Corporation (“Comcast”), the City/County Telecommunications Commission (“Commission”) may conduct performance reviews of the cable operator to insure franchise compliance every two years.
- 1.2 Court rulings indicate that legislative bodies of the franchising authorities must formally accept and adopt written reports regarding franchise compliance by the cable operator in order for such reviews as prepared by the Commission to be binding on the cable operator.
- 1.3 As part of the review process, the Commission requested specific information from Comcast, via a letter dated January 8, 2021 (attached as EXHIBIT A), to reach the Commission no later than February 12, 2021.
- 1.4 Comcast provided the Commission with the requested information on February 8, 2021.
- 1.5 The Commission conducted a Public Review of Comcast’s performance during the regular March 3, 2021, meeting.
- 1.6 The Commission has reviewed and documented its findings of the information provided by Comcast in relation to their performance and franchise compliance and prepared a Biennial Progress Report for the years 2019-2021 (attached as EXHIBIT B).
- 1.7 Included in the Biennial Progress Report is a review of Commission activity during 2019-2020 and major work items for 2021.
- 1.8 As of the date of the Biennial Progress Report, the Commission finds Comcast in full compliance with the terms and conditions of the franchise.
- 1.9 The number of customer complaints fielded by the City/County Cable Television Office in 2019-2020, detailed in this report, regarding Comcast’s service, including but not limited to the company’s high-speed Internet service, increased by 30% when compared to 2017-2018.

NOW, THEREFORE BE IT RESOLVED:

Section 2.

- 2.1 The Commission, through this Resolution, adopts the 2019-2020 Biennial Progress Report on the Comcast Corporation Vancouver/Clark County Franchise Agreement.
- 2.2 The Commission directs staff to forward finalized copies of the 2019-2020 Biennial Progress Report to the Vancouver City Council and the Clark County Council.
- 2.3 The Commission recommends that the Vancouver City Council and the Clark County Council adopt, ratify, and affirm the 2019-2020 Biennial Progress Report.

Approved (Date): June 2, 2021


Chair, Paul Dicker, City/County Telecommunications Commission

Exhibits:

Exhibit A – Formal notification from the City/County Cable Television Office to Comcast regarding the biennial review process, dated January 8, 2021

Exhibit B – Biennial Progress Report on the Comcast Corporation Vancouver/Clark County Franchise Agreement, submitted June 2, 2021

2021 -01.doc

CITY • COUNTY

CABLE TELEVISION OFFICE

January 8, 2021

SENT VIA E-MAIL & USPS

Kirk Nord
Director of Government & Regulatory Affairs
Comcast Corporation
11308 SW 68th Parkway
Tigard, OR 97223

RE: Comcast 2019-2020 Bi-Annual Franchise Performance Review

Dear Mr. Nord:

The City of Vancouver and Clark County Telecommunications Commission is conducting its bi-annual performance review of Comcast. In preparation for the review, we are requesting the following information itemized below. All information should be as of December 31, 2020, unless otherwise indicated or appropriate.

Please provide:

1. System plant mileage for the Vancouver and Clark County cable system and the number of homes passed. Please include the number of miles of subscriber cable plant. Please attach current maps detailing constructed areas, delineating the aerial and underground plant for each. Also, please include a map suitable for duplication and distribution to the Commission and the public.
2. Current rate schedules for cable services as of January 2021.
3. Subscriber count, by programming service tier, as of January 2021.
4. Average response time to customer complaints in 2019 and 2020. Please provide the response time from when the customer initially calls to complain until the repair is made. If these times are not currently tracked, please clarify what times are reported.
5. Average response time to requests for installation and cable service in both constructed and new construction areas in 2019 and 2020.
6. Average number and duration of outages during 2019 and 2020.
7. Actions taken by Comcast to comply with the Federal Cable Policy Act of 1984 and the Cable Act of 1992 in the areas of:

Serving the citizens of Vancouver and Clark County since 1982

P.O. Box 1995 | Vancouver, WA 98668-1995 | 360-487-8702 | Fax: 360-487-8625 | www.cvtv.org

- a. Equal Employment Opportunity
 - b. Security and privacy provisions
 - c. Leased Access
 - d. Parental Lock Box Devices
8. An updated list of key Comcast personnel in the Vancouver/Portland metropolitan area, including key personnel that deal with the City/County Cable Office on franchise related issues (including those located in regional and/or the corporate Comcast offices). Please indicate their title, area(s) of responsibility and organizational relationship to Comcast, Comcast's regional office in Portland, Oregon and Comcast's regional office in Washington State.
 9. The number of Comcast employees in the Vancouver/Portland metropolitan area.
 10. A brief description of the emergency broadcasting capabilities of the cable system and how Comcast is linked with Vancouver/Clark County emergency service providers.
 11. Please provide any other information on services or activities including community activities and sponsorships, which you may wish to communicate to the Commission.

The information provided by Comcast will serve as the basis of the Bi-Annual Performance Review, along with public testimony and Commission comments received at the March 3, 2021, Telecommunications Commission meeting. We anticipate the Commission will consider a draft of the Annual Report at the June 2, 2021, Commission meeting.

Accordingly, response to the Cable Television Office with the above requested information on or before February 12, 2021, will be greatly appreciated.

Your cooperation in this process is, as always, appreciated. Please contact Tracie Ramirez or me if you have any questions or need clarification on any issue.

Sincerely,



Jim Demmon, Video Services Manager
Vancouver/Clark County Cable Television Office

Cc: City of Vancouver/Clark County Cable Telecommunications Commission
Aaron Lande, Program and Policy Development Manager, City of Vancouver
Michael Nigrey, Assistant City Attorney, City of Vancouver
Christine Cook, Clark County Prosecutor

**Report to the
Board of County Councilors
And
Vancouver City Council
From the
City/County Telecommunications Commission**

**PROGRESS REPORT ON THE COMCAST CORPORATION
VANCOUVER/CLARK COUNTY FRANCHISE AGREEMENT**

June 2021

I. INTRODUCTION - BACKGROUND

This is the Thirty-Fifth Report by the Vancouver/Clark County Telecommunications Commission ("Commission") reviewing the status of the franchise agreement with the cable television operator, Comcast of Washington V, LLC ("Comcast"). This is the fourth Biennial Report since a 10-year franchise agreement with Comcast was adopted in July 2013.

The 2019-20 Report is biennial, as agreed to in the franchise agreement. Previously performance reviews were conducted annually. However, the bulk of the report is consistent with the format for the previous evaluations of the cable operator's performance (1981-1986 Cox Cable; June 1986-1995 Columbia Cable; December 1995-1998 TCI; 1999-February 2003 AT&T Broadband; and February 2003 – Present, Comcast Corporation). The Commission's review focuses on calendar years 2019-20 although, as appropriate, more recent developments and issues are noted.

The Commission recognizes the importance of conducting reviews – not only as a franchise obligation, but also in light of changes in the marketplace, ever evolving technologies, population growth in the Vancouver and Clark County area and the requirements of the Federal Cable Act – to give an operator the opportunity to correct any franchise violations. The Commission understands that as a citizen advisory board it is responsible for the efficient and effective management and enforcement of the franchise. In addition, one of the most effective roles of the Commission through the years has been to inform various stakeholders, including the cable operator, Public, Education, and Government (PEG) access providers, elected officials, and cable subscribers, about the needs and issues of interest to the community. This report also summarizes the activities of the Commission during 2019-2020.

As noted in this report, Comcast's performance during the past two years has met all of the conditions of the City and County franchises. The number of customer complaints received by the City/County Cable TV Office regarding Comcast's service in 2019-2020, including but not limited to the company's high-speed Internet service, increased by 30%

when compared to 2017-2018. The 2019-2020 complaints regarded a number of issues, including rates, customer service and technical services. Review of the cable operator's overall performance as well as a status report regarding Commission activities are contained in this review.

II. PURPOSE/GOALS

As set forth in the current franchise agreement with Comcast, Section 4.5, the Biennial Review is intended to assess the cable operator's performance as well as compliance with the terms and conditions of the franchise and compliance with state and federal laws and regulations during the previous two years. Evaluation of past performance by the cable operator(s) is of critical importance under federal law as the franchising authorities look to the future. In addition, the Report outlines the efforts and focus of the Commission during the previous two years and priorities for the current year.

III. METHODOLOGY

Comcast's performance was evaluated by reviewing the following information pertaining to performance and related cable service information:

- A. Correspondence, phone calls, electronic mail and inquiries received by the City/County Cable Television Office ("Cable TV Office");
- B. Minutes and video records of Commission meetings;
- C. Formal exchange of correspondence between Comcast and the Cable TV Office;
- D. Press reports and the experience of other communities, especially in the Vancouver/Portland area, regarding the delivery of cable television services; and
- E. Testimony received from the public during regularly-scheduled Commission meetings where public testimony on Comcast's performance was solicited, the most recent being March 3, 2021.

Information requested by the Commission from Comcast specifically for the purpose of preparing this report is on file and available for review at the Cable TV Office.

IV. FRAMEWORK FOR EVALUATION

The framework for evaluation has been governed by Section 4.5 "Performance Evaluation Sessions" of the franchise agreement. The agreement provides that evaluation "shall deal with the Grantee's [Comcast's] performance of the terms and conditions of the Franchise and compliance with state and federal laws and regulations."

In addition, findings and recommendations criteria presented to the Vancouver City Council and Clark County Council by the Commission in Resolution 2013 – 01, May 1, 2013, in recommending the franchise agreement are also part of the framework for evaluation of Comcast’s performance:

- A. Commitment to maintain current programmed PEG channels, with the capacity for up to two additional channels based on use by the community;
- B. Comcast’s commitment to simultaneously carry three (3) of the existing PEG access channels in high-definition (“HD”) and include up to twenty-four (24) hours of PEG access programming on Comcast’s video-on-demand (“VOD”) platform;
- C. Preserve PEG channel access to the lowest tier available to subscribers;
- D. Washington State and local programming identified as broad programming categories to be provided by the operator;
- E. Maintenance and potential increase, based on community needs and input, to capital funding support for public, education, and government access programming;
- F. Responsiveness to the special and unique qualities of Vancouver and Clark County.

V. HIGHLIGHTS OF 2019-20 PERFORMANCE REVIEW

The Report chronicles the seventeenth and eighteenth full years of service by Comcast as the cable operator. The Commission notes that the company has shown a strong commitment to the community. Examples of Comcast’s ongoing commitment include:

- A. Providing \$9.95 a month Internet service and low-cost computer to households who have at least one child receiving free or reduced price school lunches and expanding the program to serve residents receiving HUD-housing assistance;
- B. Extensive involvement in the Vancouver/Clark County community including continued sponsorship through 2020 of the Historic Trust, Boys & Girls Clubs of Southwest Washington, the annual Comcast Cares Day projects and other community functions.

During the past two years, there have been changes in local and regional leadership at Comcast. David Tashjian oversees operations in Vancouver and Clark County, as the Regional Vice President. Kirk Nord, Director of Government Affairs, serves as the primary contact for the Cable TV Office and the Telecommunications Commission. Travis Thetford serves as Vice President of Technical Operations for Oregon/SW Washington. Megan Bishop serves as Vice President of Finance. Comcast reports there are 1,311 company employees in the Vancouver/Portland area.

Commission activities during 2019-20 included:

- A. Re-designation of Educational and Governmental access providers;
- B. Review and forwarding of recommendations regarding the Public, Educational and Governmental (“PEG”) Capital Support Fund.

In 2019, the total number of actual complaint calls to the Cable TV Office **increased** to forty-five (45) (6 total “other calls/correspondence”) compared eighteen (18) (3 total “other calls/correspondence”) in 2018. In 2020, the total number of actual complaint calls to the Cable TV Office **decreased** to thirty-two (32) (3 total “other calls/correspondence”). When compared to a total of 58,166 subscribers Comcast reported in January 1, 2021, the 32 complaint calls represented 0.05% of total Comcast subscribers.

The Quarterly Comcast Subscriber Report details the decrease of 4,454 residential subscribers or a 6.5% decrease during 2019, from 68,566 as of December 31, 2018, to 64,112 as of December 31, 2019. The decrease continued in 2020 though with a lower pace with a drop of 1,188 residential subscribers or a 1.85% decline, from 64,112 as of December 31, 2019, to 62,924 as of December 31, 2020. Comcast reported 18.99 million U.S. cable subscribers in 2020, reflecting a loss of 3.31 million subscribers when compared to 2018.

Nationally, the media industry is in a transformative phase, as streaming media and live video on social media gain more viewers, threatening the traditional pay TV industry. Locally, this is the first significant decline in the number of cable customers. This is a concerning, though not unexpected, sign not only for maintaining a vibrant cable system but providing stable revenue streams from cable franchise fees and PEG capital support grants.

The Commission conducted a public review session regarding Comcast’s performance at the March 3, 2021, regular meeting. The meeting was publicized in local newspapers and on the City of Vancouver’s and Clark County’s web pages. Fourteen e-mails and eight comments over Facebook were received as part of the public testimony. Written testimony and phone calls to the Cable TV Office were also accepted through May 7, 2021. The Cable TV Office and/or Comcast followed up directly with customers regarding their specific issues.

Specific testimony and comments were received regarding the following subjects:

- Three complaints regarding Comcast internet service, including reliability, cost and data caps;
- Seven complaints regarding poor customer service, including outsourcing of calls to different countries, lengthy call times; and only introductory prices listed on website;

- Eleven complaints regarding cost, including need for competition; moving popular channels to higher priced tiers; and the high cost of Broadcast and Regional Sports fees.
- Two compliments for Comcast's reliability and value.

VI. **COMCAST 2019-2020 PERFORMANCE REVIEW – SUMMARY ANALYSIS**

A. **Construction**

System mileage as of December 2020 was 894.79 miles of subscriber, cable plant in the City of Vancouver service area, an 18.75 mile increase since December 2018; and 1,481.95 in the Clark County service area, an increase of 39.67 miles since December 2018. In Vancouver a total of 101,375 homes are now passed by the cable system and 77,521 homes are passed in Clark County. Comcast reports a 33.2% penetration rate compared to 40.7% in December 2018, including commercial accounts.

A current map detailing constructed areas is on file in the Cable TV Office. A smaller conceptual map is available upon request.

System design and reliability are in compliance with franchise requirements.

B. **Rates**

As of September 1, 1993, cable rates became subject to regulation -- the Basic Service tier was regulated by local franchising authorities. The Cable Programming Service tier ("Expanded or Enhanced Basic") was regulated by the FCC until March 31, 1999. Expanded Basic rates became deregulated at that time. In 2007 Comcast filed a "Petition of Effective Competition" for Vancouver and Clark County with the Federal Communications Commission (FCC). On March 3, 2011, the FCC approved Comcast's petition, taking away the ability of the cities and counties to regulate basic rates and equipment.

As of January 1, 2021, the Limited Basic Service, which includes local broadcast and PEG channels, has a monthly rate of \$41.89 (including 5.79% franchise fee and \$19.45 Broadcast TV fee). Since January 1, 2019, the Limited Basic Rate has increased by \$9.99 or a 31.33% increase. The Digital Economy tier, which includes Limited Basic Service and other selected channels, over 80 in total, costs \$72.44 (including franchise fee, \$19.45 Broadcast TV fee and \$9.10 Regional Sports fee). Since 2019, the Digital Economy package has increased by \$11.14 or a 18.17% increase. The Digital Starter package includes over 140 channels and costs \$105.27 (including franchise, broadcast and regional sports fees). Since January 1, 2019, the Digital Starter package has increased by \$11.13 or an 11.82% increase.

A table of Comcast rates and other charges as of **January 2021** is attached to this report. (Exhibit A)

C. Consumer Services

1. During 2019, Comcast met the telephone answering performance requirements of the franchises and of FCC customer service standards, answering 90% of calls within thirty (30) seconds. With the complications brought about by COVID-19 in 2020, Comcast was unable to meet the 90% requirement in the 1st and 3rd Quarters. Our compliance data for Comcast's reporting shows the following percentage of calls answered within thirty (30) seconds for 2019: 1st Quarter – 91.6%; 2nd Quarter – 97.4%; 3rd Quarter – 96.6%; 4th Quarter – 97.0%. 2020: 1st Quarter – 86.5%; 2nd Quarter – 91.1%; 3rd Quarter – 85.4%; 4th Quarter – 91.4%.
2. Comcast's Vancouver/Clark County office continued to handle in-home installation and repair, maintenance and field technicians and system management throughout 2019-2020.
3. As reported by Comcast, the average response time to a customer complaint was within 24-hours.
4. Standard customer installations in Comcast constructed areas were usually completed within five (5) business days after the request for cable service was received. The average response time for standard installation in new construction areas, when the home is not pre-wired for cable, was thirty (30) days. The response time is also within franchise requirements.
5. Comcast provides parental lock boxes upon request, as required by the Cable Communications Policy Act of 1984, to block out any channel. There is no additional charge for the device. Extensive parental control features are included as part of the digital cable service.
6. Comcast operates a state-of-the-art customer experience store at 7809 N.E. Vancouver Plaza Drive. The showroom and back-office supply occupy nearly 5,000 square feet and includes 55-inch TV screens where customers can test Comcast products and services.

D. PEG Access Programming

Public Access

1. In July 2014, based on a recommendation from the Commission, the City Council and County Council chose to not re-designate Fort Vancouver Community Television (FVTV) as the public access provider. This decision was the result of a number of on-going management and fiscal challenges with FVTV.

2. The CAN Network, a consortium of public access centers from the Portland Metro area, continues to air on cable channel 11.

Educational Access

1. TV ETC is an educational consortium with members representing all public and private educational institutions in Vancouver and Clark County. The Commission recommended re-designation of TV ETC as the Education Access Provider on September 2, 2020. TV ETC is responsible for programming channels 27, 28 29 and HD 328.

In May 2021, TV ETC submitted an annual report to the Commission. TV ETC continues to produce quality programming. A copy of the TV ETC Annual Report for 2020 is on file at the Vancouver City Manager's Office.

TV ETC members produced 157 hours of local educational programming in 2020. TV ETC averaged 21 hours of programming per day on channel 27, 23 hours on channel 28/HD328 and 23 hours on channel 29.

Government Access

1. The Commission recommended re-designation of the City/County Cable Television Office as the Designated Access Provider for government on September 2, 2020. Through the government access channels, Clark/Vancouver Television (CVTV) Channels 21, 23 and HD 321 & 323, the City and County continue their service of providing local government and community programming.

CVTV produced 304 programs in 2020, offering viewers over 377 hours of locally produced programming. 71% of the programming was first aired live. CVTV averaged 18.95 hours per day of locally produced programming on channel 21/HD321 and 20.14 hours per day on channels 23/HD323. A copy of the CVTV Annual Report for 2020 is on file at the Vancouver City Manager's Office.

PEG Capital Support

1. A total of \$17,166,298 in PEG Capital Support payments collected by Comcast and paid to the City and County has been placed in the PEG Capital Support Fund from May 1998 through the 4th quarter of 2020. The PEG payments do not include interest accrued or adjustments for grant dollars unspent. During 2019-20, PEG funds awarded total \$1,732,935: \$609,134 for Government Access (CVTV) and \$670,001 for Educational Access (TV ETC), and \$453,800 for public Institutional Network ("I-NET") users.

PEG Capital Support provided funding for fourteen projects in 2019: including improvements to video production and playback facilities for TV ETC; camera replacements in Vancouver City Hall and the Clark County Public Service Center and an upgrade of an editing server for CVTV. In 2020, thirteen projects were funded, including video production upgrades for TV ETC, and an upgrade of a mobile production unit for CVTV.

H. Technical Performance

1. In 2019, there was an average of 37.33 unplanned outages per month, compared to 41.16 unplanned outages per month reported in 2018. In 2020, there were 39.25 unplanned outages per month. The average duration of the outage was 0.15 hours in 2019 and 0.52 hours in 2020. Outages are tracked by repair and maintenance technicians and logged in a technical performance log for each occurrence.

I. Institutional Network/Comcast Business Services

1. In July 2013, Comcast signed contracts with the City of Vancouver, Clark County, Clark County Fire District 5 and the Fort Vancouver Regional Library District for continued use of an optical fiber based Institutional Network (“I-NET”) The 2013 cable franchise allowed I-NET users to utilize either the I-NET or switch to the services provided by Comcast Business Services. Comcast reports that in 2014 all I-NET sites were transition to Comcast Business Services.
2. Public users of Comcast Business Services have reported that the service functioned extremely well throughout 2020. The City of Vancouver currently connects fourteen (14) different sites to the Comcast Business Services for data transfer, including City Hall, Vancouver Police Department’s West and East Precincts and multiple Vancouver Fire Department stations. Clark County connects eleven (11) sites for data transfer, including the Clark County Center for Community Health, the Clark County Sheriff’s Office Central Precinct, and the Fairgrounds. The Fort Vancouver Regional Library District connects eight (8) sites. Clark County Fire District 5 connects one (1) site, the NW Regional Training Center.
3. A total of \$226,900 in PEG Grant Funds was distributed in 2020 to Comcast Business Services public users for monthly transport costs (\$92,000 – Clark County, \$64,600 – City of Vancouver, \$61,100 – Fort Vancouver Regional Library District, and \$9,240 – NW Regional Training Center.)

J. Emergency Alert System

1. As required by the Federal Communications Commission, Comcast operates and regularly tests an Emergency Alert System (“EAS”). In the event of an alert a crawl message is inserted over all channels indicating that an emergency exists.

2. Comcast monitors two Vancouver/Portland EAS sources for alert information, KXL 101.1 FM radio and KOPB 91.5 FM radio, as well as FEMA's Common Alert Protocol-based network.
3. Comcast tests their EAS system a minimum of twelve times per year. The Clark Regional Emergency Services Agency verifies their locally generated emergency alerts appear on the local cable system a minimum of two times per year.

K. Community Involvement

1. As noted by Comcast, in 2019-20 the company gave \$5.5 million annually in cash and in-kind contributions to over 100 local community organizations in SW Washington/Oregon. The Commission acknowledges with appreciation Comcast's local sponsorships, participation, and charitable contributions in the Vancouver/Clark County community. These include the Historic Trust and Vancouver Public Schools "Go Ready" Fair.

Each year, Comcast awards scholarships that recognize senior high school students in local communities. Seven SW Washington area students received \$1,000 scholarships in the 2018-19 school year and three received \$2,500 in the 2019-20 school year.

L. Overall Performance

1. The Commission is pleased to report that Comcast was in compliance with all provisions of the franchise agreements through December 2020.
2. The reliability and customer service for Comcast's cable and high-speed Internet were consistently strong throughout 2020.
3. The cable provider continues to keep the system robust with expanded services for Vancouver and Clark County subscribers, including increases in Internet speeds, voice command remotes, and connection to Netflix and Amazon through the cable box.
4. Comcast continues offering its Internet Essential program with a \$9.95 a month Internet service and low-cost computer to households who have at least one child receiving free or reduced price school lunches. The company expanded the service to residents receiving HUD-housing assistance. In response to the pandemic, the company provided new Internet Essential customers the first 60 days at no cost and made over 1.6 million Xfinity WiFi hotspots free with unlimited access to customers through June 30, 2021.

5. The company continues to support local access programming by providing channel capacity and equipment funding. Clark/Vancouver Television and TV ETC reward viewers with nationally recognized programming receiving awards during 2019-2020 from the National Association of Telecommunications Officers and Advisors, the National School Public Relations Association and the National Academy of Television Arts and Sciences.

VII. TELECOMMUNICATIONS COMMISSION ACTIVITIES

Paul Dicker served as Chair of the Commission through 2019 and Paul Hunter served as Vice Chair. Both were reelected in 2020.

The Commission held three (3) regular meetings in 2019 and two (2) regular meetings and in 2020. In addition, several subcommittee meetings were held.

The majority of the Commission's attention was focused on PEG issues, including designation of access providers and channels, and recommendations on PEG capital grants.

Major work items and accomplishments for 2019/2020 included:

- A. Review and re-designation of PEG Access Providers for government and education;
- B. Coordination of the PEG Capital Support Fund program;
- C. Assisted citizens and cable television subscribers in resolving 77 complaints regarding cable and Internet services during 2019-20;
- D. Reviewed work plan for 2021/2022.

Major work items for 2021/2022 include:

- A. Administer the cable television franchise agreement for the City of Vancouver and Clark County and ensure current grantees' (Comcast) continued compliance with franchise requirements;
- B. Provide assistance to citizens and cable television subscribers in cable television matters by facilitating complaint resolution and enforcing franchise compliance by the cable operator in all matters pertaining to consumer issues;
- C. Review proposals for cable television franchise with alternative providers and make recommendations to the legislative bodies when they are received;
- D. Provide recommendations to legislative bodies on awards of PEG Capital Support funding for designated access providers and Institutional Network subscribers;

- E. Review and recommend re-designation of PEG Access Providers for public, government and education;
- F. Prepare for the renewal of the Comcast franchise which will expire July 1, 2023.
- G. Review work plan for 2023.

VIII. SUMMARY

The Commission is pleased to present a positive report to the legislative bodies in this report on the progress of cable television in Vancouver/Clark County. Comcast is in full compliance with the terms and conditions of the franchise.

With the current cable franchise taking us into 2023, the opportunities and challenges ahead are mirrored by the evolving technical and regulatory landscape. Ever changing and expanding technological initiatives mean that the delivery of cable services will continue to evolve and the way that customers receive these services may be very different five years from now, even though we don't know what that future will hold. The number of customers subscribing to traditional cable TV continues to drop nationally. Netflix, a streaming video company, now surpasses the usage of cable TV subscribers. There are a number of regulatory and legal proceedings in Congress, the federal courts, and before the Federal Communications Commission that could dramatically impact the franchising process in the coming three to five years. These include, but are not limited to, changes in the federal Cable Policy Acts of 1984 and 1996, FCC's Section 621 Order, and court decisions regarding requirements of cable systems in a number of arenas and how services are defined.

Until there are more definite answers or specific changes, the City and the County will continue to proceed within the legal framework provided by the current Federal laws and FCC rulings and procedures.

The only certainty is change. The Commission, the City, the County, Comcast, other possible cable providers, and the community must continue to work together in partnership to insure that whatever new technologies are made available and implemented in Vancouver/Clark County, they meet the cable needs and requirements of Vancouver and Clark County residents. Despite all the unknown changes, however, localism and responsiveness to the local community are at the heart of cable television and are its strength in meeting the "special and unique needs" of Vancouver/Clark County. We think this community, the Commission, the legislative bodies, and Comcast are prepared to embrace the future and ensure that Vancouver/Clark County continue to receive state of the art telecommunications services delivered by the cable television system.

Vancouver, WA

Exhibit A

(POR-002)

BUNDLED PACKAGES^{1,2}

QUAD PLAY PACKAGES²⁵

X1 Saver Pro+ Quad Play Includes Extra and HD DVR Service for primary outlet, HD Technology Fee, Extreme Pro+ Internet, Xfinity Voice Unlimited Select and Xfinity Home Security	\$160.00
X1 Starter Pro+ Quad Play Includes Extra and HD DVR Service for primary outlet, HD Technology Fee, Gigabit Internet, Xfinity Voice Unlimited Select and Xfinity Home Security	\$170.00
X1 Preferred Pro+ Quad Play Includes Preferred+, HBO Max, Showtime and HD DVR Service for primary outlet, HD Technology Fee, Gigabit Internet, Xfinity Voice Unlimited Select and Xfinity Home Security (Can substitute Netflix Standard (HD) Plan for HBO Max)	\$200.00
X1 Premier Pro+ Quad Play Includes Preferred+, Epix, HBO Max, Hitz, Showtime, TMC, More Sports & Entertainment Package and HD DVR Service for primary outlet, HD Technology Fee, Gigabit Internet, Xfinity Voice Unlimited Select and Xfinity Home Security (Can substitute Netflix Standard (HD) Plan for HBO Max)	\$220.00

TRIPLE PLAY PACKAGES²⁵

X1 Saver Pro+ Triple Play Includes Extra and HD DVR Service for primary outlet, HD Technology Fee, Blast! Pro+ Internet and Xfinity Voice Unlimited Select	\$120.00
X1 Starter Pro+ Triple Play Includes Extra and HD DVR Service for primary outlet, HD Technology Fee, Extreme Pro+ Internet and Xfinity Voice Unlimited Select	\$130.00
X1 Preferred Pro+ Triple Play Includes Preferred+, HBO Max, Showtime and HD DVR Service for primary outlet, HD Technology Fee, Gigabit Internet and Xfinity Voice Unlimited Select (Can substitute Netflix Standard (HD) Plan for HBO Max)	\$160.00
X1 Premier Pro+ Triple Play Includes Preferred+, Epix, HBO Max, Hitz, Showtime, TMC, More Sports & Entertainment Package and HD DVR Service for primary outlet, HD Technology Fee, Gigabit Internet and Xfinity Voice Unlimited Select (Can substitute Netflix Standard (HD) Plan for HBO Max)	\$180.00
X1 Starter Home Pro+ Triple Play Includes Extra and HD DVR Service for primary outlet, HD Technology Fee, Extreme Pro+ Internet and Xfinity Home Security	\$130.00
X1 Preferred Home Pro+ Triple Play Includes Preferred+, HBO Max, Showtime and HD DVR Service for primary outlet, HD Technology Fee, Gigabit Internet and Xfinity Home Security (Can substitute Netflix Standard (HD) Plan for HBO Max)	\$160.00
X1 Premier Home Pro+ Triple Play Includes Preferred+, Epix, HBO Max, Hitz, Showtime, TMC, More Sports & Entertainment Package and HD DVR Service for primary outlet, HD Technology Fee, Gigabit Internet and Xfinity Home Security (Can substitute Netflix Standard (HD) Plan for HBO Max)	\$180.00

XFINITY LATINO TRIPLE PLAY PACKAGES²⁵

X1 Economy Plus Pro+ Latino Triple Play Includes Economy Plus Latino and 20 hours DVR Service for primary outlet, HD Technology Fee, Performance Select Internet and Xfinity Voice Unlimited Select with Carefree Minutes Latin America 300	\$110.00
X1 Saver Pro+ Latino Triple Play Includes Starter Latino, HD DVR Service for primary outlet, HD Technology Fee, Blast! Pro+ Internet and Xfinity Voice Unlimited Select with Carefree Minutes Latin America 300	\$120.00
X1 Starter Pro+ Latino Triple Play Includes Starter Latino, HD DVR Service for primary outlet, HD Technology Fee, Extreme Pro+ Internet and Xfinity Voice Unlimited Select with Carefree Minutes Latin America 300	\$130.00

X1 Starter Home Pro+ Latino Triple Play Includes Starter Latino, HD DVR Service for primary outlet, HD Technology Fee, Extreme Pro+ Internet and Xfinity Home Security	\$130.00
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DOUBLE PLAY PACKAGES²⁵

Choice TV Double Play Includes Limited Basic, Streampix and 20 hours DVR Service for primary outlet, HD Technology Fee and Performance Starter+ Internet	\$60.00
Choice TV Select Double Play Includes Limited Basic, Streampix and 20 hours DVR Service for primary outlet, HD Technology Fee and Performance Select Internet	\$65.00
X1 Saver Pro+ Double Play Includes Extra and 20 hours DVR Service for primary outlet, HD Technology Fee and Performance Pro+ Internet	\$100.00
X1 Starter Pro+ Double Play Includes Extra and HD DVR Service for primary outlet, HD Technology Fee and Blast! Pro+ Internet	\$110.00
X1 Preferred Pro+ Double Play Includes Preferred+, Showtime and HD DVR Service for primary outlet, HD Technology Fee and Extreme Pro+ Internet	\$125.00
X1 Premier Pro+ Double Play Includes Preferred+, HBO Max, Hitz, Showtime and HD DVR Service for primary outlet, HD Technology Fee and Gigabit Internet (Can substitute Netflix Standard (HD) Plan for HBO Max)	\$150.00

XFINITY LATINO DOUBLE PLAY PACKAGES²⁵

Choice TV Latino Double Play Includes Limited Basic, Xfinity TV Latino, Streampix and 20 hours DVR Service for primary outlet, HD Technology Fee and Performance Starter+ Internet	\$60.00
Choice TV Latino Select Double Play Includes Limited Basic, Xfinity TV Latino, Streampix and 20 hours DVR Service for primary outlet, HD Technology Fee and Performance Select Internet	\$65.00
X1 Economy Plus Pro+ Latino Double Play Includes Economy Plus Latino and 20 hours DVR Service for primary outlet, HD Technology Fee and Performance Select Internet	\$90.00
X1 Saver Pro+ Latino Double Play Includes Starter Latino and 20 hours DVR Service for primary outlet, HD Technology Fee and Performance Pro+ Internet	\$100.00
X1 Starter Pro+ Latino Double Play Includes Starter Latino and HD DVR Service for primary outlet, HD Technology Fee and Blast! Pro+ Internet	\$110.00

XFINITY TV¹

BASIC SERVICES

Limited Basic	\$20.15
Broadcast TV Fee¹⁸	\$19.45

XFINITY TV SERVICES

Choice TV+²⁶ Includes Limited Basic, Streampix, 20 hours DVR Service and HD Technology Fee	\$10.00
Genre Packs¹⁹	
Kids & Family Includes kid and family-friendly channels including Disney Channel, Nickelodeon and Universal Kids	\$10.00
Entertainment Includes entertainment channels including A&E, AMC, Bravo, Food Network, FX, TNT and VH1	\$15.00
Sports & News Includes sports and news channels including CNBC, CNN, ESPN, Golf, MSNBC and NBC Sports	\$27.00

Deportes Includes deportes channels including ESPN Deportes, FOX Deportes and NBC Universo	\$5.00
Latino Includes latino channels including Cine Latino, Discovery en Espanol, Galavision, Viendo Movies and VME Kids	\$5.00
Extra Includes Limited Basic and additional digital channels for primary outlet	\$70.00
Preferred+ Includes Extra and additional digital channels for primary outlet	\$88.50
Digital Economy Includes Limited Basic, additional digital channels for primary outlet, access to Pay-Per-View and On Demand programming and Music Choice	\$39.95
Digital Starter Includes Limited Basic, additional digital channels for primary outlet, access to Pay-Per-View and On Demand programming and Music Choice	\$70.99
Basic Latino TV Includes Limited Basic and Xfinity TV Latino for primary outlet	\$32.95
Economy Latino TV Includes Digital Economy and Xfinity TV Latino for primary outlet	\$42.95
Economy Plus Latino TV Includes Economy Latino TV and additional digital channels for primary outlet	\$52.95
Starter Latino TV Includes Economy Plus Latino TV and additional digital channels for primary outlet	\$69.95
HBO²⁰	\$14.99
HBO Max²⁰	\$14.99
Showtime²⁰	\$12.00
Starz²⁰	\$8.99
Cinemax²⁰	\$12.00
The Movie Channel²⁰	\$12.00
Epix²¹	\$5.99
Playboy²⁰	\$19.99
Xfinity TV Latino²⁰ Includes over 60 channels of Spanish language programming	\$18.00
Xfinity TV Latino²⁰ With X1 Preferred Pro+ and X1 Premier Pro + Double or Triple Play Package	\$10.00
More Sports & Entertainment Package²⁴ Includes over 12 channels including NFL RedZone, Outdoor Channel and TMC	\$9.99
HD Technology Fee²⁹	\$9.95
HD DVR Service³⁰	\$10.00
AnyRoom DVR Service³¹	\$10.00
Premium DVR Service²⁸	\$20.00
Service to Additional TV²⁷	\$9.95
Service to Additional TV with TV Adapter³²	\$7.50

INTERNATIONAL SELECTIONS¹⁴

ART: Arabic	\$9.99
TV Globo: Brazilian	\$19.99
Brazilian 2 Pack Includes TV Globo and SporTV	\$24.99
Brazilian 4 Pack Includes TV Globo, SporTV, Band Internacional and Record TV	\$34.99
Mandarin 2 Pack Includes Phoenix Info News and Phoenix North America	\$6.99
Mandarin 4 Pack Includes CTI Zhong Tian, CCTV4, Phoenix Info News and Phoenix North America	\$19.99
Filipino 2 Pack Includes GMA Pinoy w/ GMA Video On Demand and GMA Life	\$14.99
Filipino 3 Pack Includes GMA Pinoy w/ GMA Video On Demand, GMA Life and TFC	\$22.99
TV5MONDE: French With Cinema On Demand	\$9.99
DW Deutsche +: German	\$9.99
Antenna: Greek	\$14.99
The Israeli Network	\$19.99
Rai Italia: Italian	\$9.99
Italian 2 Pack Includes Rai Italia and Mediaset	\$14.99
TV JAPAN	\$24.99
SIC: Portuguese	\$9.99
Portuguese 2 Pack Includes RTPi and SIC	\$14.99
Impact TV: Russian Add-on With any International package	\$6.99
Russian 2 Pack Includes Channel One Russia and NTV America	\$14.99

Russian 4 Pack Includes Channel One Russia, RTN, TV1000 Russian Kino and NTV America	\$26.99
Russian 5 Pack Includes Channel One Russia, RTVi, NTV America, RTR-Planeta and Rossiya 24	\$26.99
Russian 8 Pack Includes Channel One Russia, RTN, RTVi, TV1000 Russian Kino, NTV America, RTR-Planeta, Rossiya 24 and CTC	\$34.99
Willow: Cricket Add-on With any International package	\$6.99
Willow: Cricket	\$14.99
Zee TV: Hindi	\$14.99
SET: Hindi	\$14.99
Hindi 2 Pack Includes Zee TV and SET	\$24.99
Hindi Pack Includes Zee TV, SET, TV Asia and NDTV 24x7	\$29.99
Hindi Plus Pack Includes Zee TV, SET, TV Asia, NDTV 24x7, Eros Now and Willow	\$39.99
SBTN: Vietnamese	\$14.99
TVB Jade: Cantonese	\$10.99
Record TV: Brazilian	\$14.99
ABP News: Hindi	\$7.99
TFC: Filipino	\$11.99

PAY-PER-VIEW AND ON DEMAND SUBSCRIPTION SERVICES

A&E Crime Central On Demand¹²	\$4.99
Acorn TV On Demand¹⁷	\$5.99
AMC + On Demand¹⁷	\$6.99
Anime Network On Demand¹⁷	\$6.99
Brown Sugar On Demand¹²	\$3.99
CineFest On Demand¹²	\$4.99
Cinemoi On Demand¹²	\$2.99
Conspiracy TV On Demand¹²	\$4.99
Con TV On Demand¹²	\$4.99
Craftsy On Demand¹⁷	\$7.99
CultFlix On Demand¹²	\$4.99
CuriosityStream On Demand¹⁷	\$2.99
Curious World On Demand¹²	\$3.99
Daily Burn On Demand¹²	\$14.99
Dekkoo On Demand¹²	\$9.99
Disney Story Central On Demand¹⁷	\$4.99
DJAZZ On Demand¹²	\$6.99
Docurama On Demand¹²	\$4.99
DOGTV On Demand¹⁷	\$4.99
Dove Channel On Demand¹²	\$4.99
Echoboom Sports On Demand¹²	\$5.99
Eros Now On Demand¹⁷	\$12.99
Eros Now On Demand¹⁷ w/a South Asian international selection	\$9.99
Filipino On Demand¹⁷	\$7.99
Filipino On Demand¹⁷ w/a Filipino international selection	\$5.99
FitFusion On Demand¹⁷	\$6.99
FlixFling On Demand¹²	\$7.99
Fox Nation On Demand¹⁷	\$5.99
Gaia On Demand¹⁷	\$11.99
Gaiam TV Fit & Yoga On Demand¹⁷	\$7.99
GOLFPASS On Demand¹²	\$4.99
Gravitas Movies On Demand¹²	\$4.99
Grokker Yoga Fitness On Demand¹⁷	\$6.99
Hallmark Movies Now On Demand¹²	\$5.99
here! TV On Demand¹⁷	\$7.99
History Vault On Demand¹⁷	\$4.99
Hitz^{13,17}	\$12.00
Hi-YAH! On Demand¹²	\$2.99
Hopster On Demand¹²	\$6.99

Kevin Hart's Laugh Out Loud On Demand ¹⁷	\$4.99
Kidstream On Demand ¹⁷	\$4.99
Kocowa On Demand ¹²	\$6.99
kweliTV On Demand ¹²	\$5.99
Lifetime Movie Club On Demand ¹⁷	\$3.99
Lion Mountain TV On Demand ¹²	\$3.99
MagellanTV History On Demand ¹²	\$5.99
Marquee TV On Demand ¹²	\$8.99
MHz Choice On Demand ¹²	\$7.99
Miniteve On Demand ¹²	\$1.99
Music Choice Karaoke On Demand ¹²	\$6.99
Music Choice Relax On Demand ¹²	\$5.99
Outside TV Features On Demand ¹²	\$4.99
Pantaya On Demand ¹⁷	\$5.99
Passionflix On Demand ¹²	\$5.99
Pay-Per-View and On Demand Movies and Events ^{5,17} (per title or event)	Prices Vary
PlayKids On Demand ¹²	\$6.99
Pro Guitar Lessons On Demand ¹²	\$4.99
Quark On Demand ¹²	\$4.99
Real Vision On Demand ¹²	\$14.99
Revry On Demand ¹²	\$6.99
Ride TV On Demand ¹²	\$4.99
Stephens Drum Shed On Demand ¹²	\$4.99
Stingray Classica On Demand ¹⁷	\$6.99
Stingray Karaoke On Demand ¹⁷	\$6.99
Stingray Qello On Demand ¹²	\$7.99
Streampix ^{6,17}	\$4.99
The Great Courses Signature On Demand ¹²	\$7.99
The Jewish Channel On Demand ¹⁷	\$6.99
The Reading Corner On Demand ¹²	\$3.99
Too Much for TV On Demand ¹⁷	\$14.99
Touchfit TV On Demand ¹²	\$4.99
True Royalty On Demand ¹²	\$5.99
TumbleBooksTV On Demand ¹⁷	\$4.99
UP Faith and Family On Demand ¹⁷	\$5.99
WE tv + On Demand ¹⁷	\$5.99
Walter Presents On Demand ¹²	\$6.99
Wanderlust On Demand ¹²	\$9.99
WHAM On Demand ¹²	\$2.99
WildBrain On Demand ¹²	\$5.99
Xive TV On Demand ¹²	\$4.99
ZooMoo On Demand ¹²	\$2.99
Arouse On Demand ^{10,17}	\$19.99
Bang On Demand ^{10,17}	\$19.99
Brazzers On Demand ^{10,17}	\$19.99
Evil Angel On Demand ^{10,17}	\$19.99
Falcon On Demand ^{10,17}	\$19.99
Girlfriends Films On Demand ^{10,17}	\$19.99
Homegrown Amateur On Demand ^{10,17}	\$19.99
Hustler On Demand Subscription ^{10,17}	\$19.99
Mature Lust On Demand ^{10,17}	\$19.99
Penthouse On Demand ^{10,17}	\$19.99
Reality Kings On Demand ^{10,17}	\$19.99
TEN On Demand Subscription ^{10,17}	\$19.99
Urban Fantasy On Demand ^{10,17}	\$19.99
Vivid On Demand Subscription ^{10,17}	\$19.99

Wicked On Demand ^{10,17}	\$19.99
XTSY On Demand ^{10,17}	\$19.99

SPORTS PACKAGES⁴

MLB Extra Innings	Call 1-800-XFINITY for pricing
NHL Center Ice	Call 1-800-XFINITY for pricing
NBA League Pass	Call 1-800-XFINITY for pricing

XFINITY TV EQUIPMENT

TV Box (Includes Remote)	\$5.00
TV Adaptor for Primary TV (Includes Remote)	\$5.00
TV Adapter (Limited Basic — Primary TV)	\$0.00
TV Adapter (Limited Basic — 1st and 2nd Additional TVs)	\$0.00
TV Adapter (Limited Basic — 3rd Additional TV)	\$0.50
CableCARD (first card in device)	\$0.00

INSTALLATION (PER OCCURRENCE UNLESS NOTED)	Initial Installation of Service	After Initial Installation of Service
Xfinity TV ^{15,16}	\$99.99	N/A
Change of Service (In-home service visit)	\$35.00	\$70.00
Relocate Additional Outlet	\$35.00	\$70.00
Change of Service – Upgrade (In-home visit required)		\$70.00
Downgrade of Service (In-home visit required)		\$70.00
Hourly Service Charge (For custom installation work)		\$70.00
In-Home Service Visit (Xfinity TV)		\$70.00
In-Wall Wiring		\$70.00
Xfinity Home Security Installation Fee		\$499.99
Xfinity Voice Standard Installation (per occurrence)		\$99.99
Xfinity Internet Professional Installation (per occurrence)		\$99.99
		Up to
Xfinity Internet Gigabit Pro Professional Installation (per occurrence)		\$500.00
Wireless Networking On-Site Professional Set-Up (per occurrence)		\$49.95
Wireless Networking On-Site Professional Set-Up (Separate trip, per occurrence)		\$99.95
Wireless Networking On-Site Professional Set-Up (Additional Device, per occurrence)		\$29.95

REACTIVATION

(NO IN-HOME VISIT REQUIRED—PER OCCURRENCE UNLESS NOTED)	
Reactivation - TV	\$6.00
Reactivation - Internet	\$6.00
Reactivation - Voice	\$6.00

MISCELLANEOUS (PER OCCURRENCE UNLESS NOTED)

Regional Sports Fee ²² (per month)	\$9.10
Returned Payment Item (each)	\$25.00
Late Fee	\$10.00
Agent Assisted Payment	For payment made by phone with a Customer Care Representative
	\$5.99
	Replacement Cost
Unreturned or Damaged Equipment Fees ⁷ (per piece)	
Getting Started Kit Shipping and Handling	\$15.00
Getting Started Kit Shipping and Handling (Priority Shipping)	\$29.95
Remote Shipping and Handling	\$10.00

XFINITY HOME

Xfinity Home Security ²³	\$40.00
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XFINITY VOICE^{1,8}

Xfinity Voice—Unlimited With TV and Internet Service	\$44.95
	\$39.95
Xfinity Voice—Unlimited Saver	\$20.00
Xfinity Voice – Unlimited Select With TV, Internet or Home Security	\$30.00
	\$10.00

XFINITY INTERNET^{1,9}

Performance Starter+	\$50.00
Performance Select	\$55.00
Performance Pro+	\$70.00
Blast! Pro+	\$80.00
Extreme Pro+	\$90.00
Gigabit ³	\$100.00
Gigabit Pro ^{3,11}	\$299.95
Internet/Voice Equipment Rental	\$14.00
Gigabit Pro Cable Modem/Router	\$19.95
	Replacement
Unreturned or Damaged Equipment Fees ⁷ (per piece, per occurrence)	Cost
	Up to
Gigabit Pro Activation Fee (per occurrence)	\$500.00

1 Certain services available separately or as a part of other levels of service. Xfinity services are subject to Comcast's standard terms and conditions of service. Unless otherwise specified, prices shown are the monthly charge for the corresponding service, equipment or package. Prices shown do not include applicable taxes, franchise fees, FCC fees, Regulatory Cost Recovery, Public Access fees, other state or local fees or other applicable charges (e.g., per-call toll or international charges). Prices, services and features are subject to change. If you are an Xfinity TV customer and you own a compatible TV Box or CableCARD device, please call 1-800-XFINITY for pricing information or visit www.xfinity.com/equipmentpolicy. © 2020 Comcast. All rights reserved.

2 Requires Internet/Voice Equipment.

3 Not available in all areas. May require installation and non-refundable installation charge.

4 Requires Limited Basic, HD Technology Fee, X1 TV Box or compatible customer owned device with Xfinity Internet. Sports packages will automatically renew at the start of each season at that seasons full-season early-bird rate, provided Comcast still carries the package. Subscription will automatically be billed in 4 total payments. Call 1-800-XFINITY to cancel subscription within 30 days of first charge to bill. Charges are non-refundable after 30 days of first charge to bill. Other restrictions may apply. Customers enrolled in the auto-renewal program moving to another Comcast serviceable address and continuing service with Comcast in or out of season, will remain enrolled in the auto-renewal program.

5 Price of Pay-Per-View and On Demand Movie or Event is displayed prior to the completion of the Pay-Per-View or On Demand ordering process.

6 Requires Limited Basic and TV Box and remote or compatible customer owned device. Requires HD Technology Fee to receive HD programming.

7 Contact 1-800-XFINITY for questions regarding equipment replacement charges.

8 Requires Internet/Voice Equipment. Unlimited Local and Long Distance package pricing applies only to direct dialed calls from home to locations included in the plan. Plans do not include other international calls. For more information regarding Xfinity Voice pricing go to <https://www.xfinity.com/Corporate/About/PhoneTermsOfService/ComcastDigitalVoice/cdvresidential>.

9 Internet/Voice Equipment required. For more information regarding Xfinity Internet go to <http://www.xfinity.com/internet-service.html>.

10 One month minimum purchase required. Not available in all areas.

11 Requires 2 year contract. Monthly rental of Gigabit Pro cable modem/router additional. Activation and professional installation fees additional. Gigabit Pro does not qualify for Comcast 30-day money back guarantee.

12 Requires Limited Basic with X1 TV Box and Xfinity Internet service.

13 Requires Limited Basic TV service and a compatible Xfinity TV Box or customer owned device.

14 Requires Limited Basic with X1 TV Box or compatible customer owned device and Xfinity Internet service.

15 Standard installation includes installation of service line up to 125 feet from existing Comcast plant for the primary outlet only. Comcast does not perform custom installations including installations which require in-wall wiring, wiring in extensive drop ceilings, basements, or crawl spaces.

16 Does not include installation charges for Extreme Pro+ Internet Service, Gigabit Internet Service, Gigabit Pro Internet Service, Xfinity Home Security, Wireless Networking or Xfinity Voice activation fees.

17 Requires Limited Basic, TV Box or compatible customer owned device with Xfinity Internet.

18 Applies to Limited Basic.

19 Requires Limited Basic, Choice TV or Choice TV+.

20 Requires Limited Basic, TV Box, CableCARD or compatible customer owned device.

21 Requires Limited Basic, HD Technology Fee and TV Box, CableCARD or compatible customer owned device.

22 Applies to Digital Starter or Extra and above, and Starter Latino TV.

23 Equipment required at an additional cost. For additional information go to <http://www.xfinity.com/homesecurity>.

24 Requires Digital Starter or Extra.

25 Requires TV Box, CableCARD or compatible customer owned device and Internet/Voice equipment.

26 Requires TV Box, CableCARD or compatible customer owned device.

27 Requires TV Box, CableCARD or compatible customer owned device. Digital service tier on additional TV corresponds to digital service tier on primary outlet. Not available to Limited Basic only customers.

28 Requires Choice TV Double Play, Latino Double Play, More Sports & Entertainment Package or Extra or higher, Performance Starter+ or higher, TV Box or compatible customer owned equipment.

29 Not available to customers with Limited Basic only. Must subscribe to HD Technology Fee to receive HD programming.

30 Requires HD Technology Fee. Service to Additional TV required for HD DVR Service on additional TVs.

31 Sold only with Service to Additional TV with TV Box for up to 3 TVs, maximum 3 clients per household. Requires HD Technology Fee and professional installation. Not available to customers with Limited Basic only.

32 Includes TV Adapter and remote. Digital service tier on additional TV corresponds to digital service tier on primary outlet. Does not include access to On Demand content, premium channels or programming guide. Not available to customers with Limited Basic only.

Xfinity Home Security License Numbers:
AL: 001484, 001504; **AR:** 12-030; **AZ:** ROC 280515, BTR 18287-0; **CA:** CSLB 974291, ACO 7118; **CT:** ELC 0189754-C5; **DE:** FAL-0299, FAC-0293, SSPS 11-123; **FL:** EF0000921, EF20001002, EF0001095; **GA:** LVU406303, LVU406264, LVU406190, LVU406354; **IL:** PACA 127-001503; **LA:** F1691; **MA:** SS-001968; **MD:** 107-1776; **ME:** LM50017039; **MI:** 3601206217; **MN:** TS674412; **NC:** 2335-CSA, 29443-SP-FA/LV; **NJ:** Burglar and Fire Alarm Business Lic. # 34BF00047700; **NM:** 373379; **NY:** licensed by the N.Y.S. Department of State 12000305421; **OH:** LIC# 53-89-1732; **OR:** CCB 192945; **SC:** BAC-13497, FAC-13440; **TN:** ACL 1597, ACL 1604; **TX:** ACR-1672104,-1818, B16922, B02571; **UT:** 8226921-6501; **VA:** 2705145289, DCJS 11-7361; **VT:** ES-02366; **WA:** COMCABS892DS; **WASHINGTON, DC:** ECS 902687, BBL 602512000005; **WV:** WV049211.

MS: 15018010

Valid 1/1/19. See www.xfinity.com/home-security for current list.

87781000: 1010;1020;1030;1040;1050;1060;1070;1080;1090

**CABLE TELEVISION SYSTEM
FRANCHISE AGREEMENT**

Between

CITY OF VANCOUVER, WASHINGTON

and

COMCAST OF WASHINGTON V, LLC

As approved xx/xx/2013 by Ordinance M-xxxx.

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CABLE TELEVISION SYSTEM FRANCHISE AGREEMENT

This Cable Television System Franchise Agreement ("Agreement") is entered into in Vancouver, Washington, this _____ day of _____, 2013, by and between the **CITY OF VANCOUVER** ("Grantor" or "City"), and **COMCAST OF WASHINGTON V, LLC** ("Grantee").

WHEREAS, the Grantor is authorized to grant one or more nonexclusive Franchises to construct, operate and maintain a cable television system within the municipal boundaries of the City; and

WHEREAS, the Grantor has considered the financial condition, technical ability and legal qualifications of Grantee; and

WHEREAS, the Grantor, after such consideration, analysis and deliberation as are required by applicable law, has approved and found sufficient the financial, technical and legal qualifications of Grantee to provide cable television service within the City; and

WHEREAS, the Grantee is willing to accept this Agreement subject to such terms and conditions, and to abide by those terms and conditions; and

WHEREAS, the public has had adequate notice and opportunity to comment on Grantee's application to provide cable television service within the City;

NOW, THEREFORE, in consideration of the mutual promises made herein, and other good and valuable consideration, the receipt and the adequacy of which is hereby acknowledged, the Grantor and Grantee do hereby agree as follows:

SECTION 1. DEFINITIONS

For the purposes of this Agreement and all exhibits attached hereto, the following terms, phrases, words and their derivations shall have the meaning given herein. When not inconsistent with the context, words used in the present tense include the future, words in the plural include the singular, and words in the singular include the plural. Words not defined shall be given their common and ordinary meaning. The word "shall" is always mandatory and not merely directory.

1.1 **"Access"** means the availability for noncommercial use by various agencies, institutions, organizations, groups and individuals in the community, including Grantor and its designees, of the Cable System to acquire, create, receive, and distribute video, Cable Service, and signals as permitted under applicable law, including, but not limited to:

(A) **"Public Access"** which means Access where organizations, groups or individual members of the general public, on a nondiscriminatory basis, are the primary users;

(B) **“Educational Access”** which means Access where Schools, colleges and universities are the primary users of programming and service;

(C) **“Governmental Access”** which means Access where governmental institutions or their designees are the primary users of programming and service; and

(D) **“PEG Access”** which means Public Access, Educational Access, and Governmental Access, collectively.

1.2 “Access Center” means a facility or facilities where Public, Educational, or Governmental use signals are managed and delivered to the Grantee for Downstream transmission to Subscribers or to other Access Centers via a dedicated connection.

1.3 “Access Channel” means any Channel, or portion thereof, designated for non-commercial Access purposes or otherwise made available to facilitate or transmit Access programming or service.

1.4 “Affiliate” when used in connection with Grantee means any corporation, Person or entity who owns or controls, is owned or controlled by, or is under common ownership or control with, Grantee.

1.5 “Basic Service” means any service tier which includes the retransmission of local television broadcast signals and Public, Educational and Governmental Access Channels, or as such service tier may be further defined by federal law.

1.6. “Cable Act” means the Cable Communications Policy Act of 1984 and the Cable Television Consumer Protection and Competition Act of 1992 and any amendments thereto, including those contained in the Telecommunications Act of 1996, and any future federal cable television legislation.

1.7 “Cable Operator” means any Person or groups of Persons, including Grantee, who provide Cable Service over a Cable System and directly or through one or more Affiliates own a significant interest in such Cable System or who otherwise control or are responsible for, through any arrangement, the management and operation of such a Cable System.

1.8 “Cable Service” means the one-way transmission of video programming or other programming service to Subscribers, and Subscriber interaction, if any, which is required for the selection or use of such video programming or other programming service.

1.9 “Cable System” shall have the meaning set forth in the Cable Act.

1.10 “Telecommunications Commission” means the Telecommunications Commission which advises the City/Clark County on matters pertaining to cable television.

1.11 “Channel” means a portion of the electromagnetic spectrum which is used in a Cable System and is capable of delivering a television Channel, as television Channel is defined by the FCC in other applicable regulations.

1.12 “Designated Access Provider” means the entity or entities designated by the Grantor to manage or co-manage Public, Educational or Governmental use Channels and facilities. The Grantor may be a Designated Access Provider.

1.13 “Downstream” means the transmission from the Headend to remote points on the Cable System or to Interconnection points on the Cable System.

1.14 “FCC” means the Federal Communications Commission.

1.15 “Franchise” means the non-exclusive and revocable authorization or renewal thereof for the construction or operation of a Cable System such as is granted by this Agreement, whether such authorization is designated as a Franchise, license, resolution, contract, certificate, agreement or otherwise.

1.16 “Franchise Area” means the area within the jurisdictional boundaries of the City, including any areas annexed by Grantor during the term of this Agreement.

1.17 “Gross Revenues” means all amounts earned by the Grantee and derived from the operation of Grantee's Cable System to provide Cable Services within the Franchise Area in accordance with Generally Accepted Accounting Principles. "Gross Revenues" shall include, without limitation, amounts for all Cable Services, premium services, advertising, revenues on sales of goods or services by third parties such as home shopping networks, installations, revenue received from programmers as payment for programming content cablecast on the cable system, and all other revenues derived from the operation of Grantee's Cable System to provide Cable Services within the Franchise Area, regardless of whether initially recorded to an Affiliate.

“Gross Revenues” shall also include any amounts received or earned by any Affiliate of the Grantee in whatever form and from all sources, derived from the operation of the Grantee's Cable System to provide Cable Services within the Franchise Area. However, “Gross Revenues” shall not be double counted. Revenues of both Grantee and an Affiliate that represent a transfer of funds between the Grantee and the Affiliate, and that would otherwise constitute “Gross Revenues” of both the Grantee and the Affiliate, shall be counted only once for purposes of determining “Gross Revenues.”

The definition of “Gross Revenues” includes those revenues collected as franchise fees and paid to the Grantor unless otherwise instructed by the Grantor. “Gross Revenues” shall exclude revenues from high speed cable modem service unless it is determined to be a Cable Service under federal law or regulation, any amounts received for managed I-Net from the Grantor or Institutional Subscriber, programming launch fees, reimbursements by programmers of marketing costs incurred by Grantee for introduction of new programming pursuant to written

marketing agreements, 3rd party ad sales commissions, bad debt written off by Grantee in the normal course of business, provided, however, that bad debt recoveries shall be included in Gross Revenue during the period collected, and any taxes of general applicability collected from subscribers and paid to a governmental entity.

1.18 “Headend” means a facility for signal reception and dissemination on a Cable System, including cables, antennas, wires, satellite dishes, monitors, switches, modulators, processors and all other related equipment and facilities.

1.19 “Institutional Network” or “I-NET” means the institutional network connecting Grantor’s public facilities and Institutional Subscribers within the Franchise Area all as described in greater detail in this Agreement.

1.20 “Interconnect” means the provision by Grantee of technical, engineering, physical, and all other necessary components to provide and adequately maintain a physical linking of Grantee's Cable System for PEG Access programming under Section 9.7 of this Franchise with any other designated cable system or any separate communications network so that services of technically adequate quality may be sent to and received from such other cable systems to the extent required by this Franchise.

1.21 “Leased Access Channel” means any Channel commercially available for programming for a fee or charge by Grantee to members of the general public.

1.22 “Origination Point” means a location other than an Access Center, where Public, Educational or Governmental use programming is delivered to the Grantee for Upstream transmission.

1.23 “Person” means any individual, natural Person, sole proprietorship, partnership, association, or corporation, or any other form of entity or organization.

1.24 “School” means any accredited educational institution public or private primary and secondary schools.

1.25 “Street” means each of the following which have been dedicated to the public or are hereafter dedicated to the public and maintained under public authority or by others and located within the Franchise Area: Streets, roadways, highways, avenues, lanes, alleys, sidewalks, planter areas not including moveable planter boxes, easements, rights-of-way and similar public property and areas.

1.26 “Subscriber” means any Person who elects to subscribe to, for any purpose, Cable Service provided by Grantee by means of, or in connection with, the Cable System, and whose premises are physically wired and lawfully activated to receive Cable Service from Grantee's Cable System.

(A) “**Residential Subscriber**” which means any Subscriber who receives Cable Service delivered to single or multiple dwelling units, excluding such multiple dwelling units billed on a bulk-billing basis. For the purpose of this definition, “dwelling unit” means any building, or portion thereof, that has independent living facilities, including provisions for cooking, sanitation and sleeping, and that is lawfully occupied for residential purposes. Buildings with more than one set of facilities for cooking shall be considered multiple dwelling units unless the additional facilities are clearly accessory.

1.27 “Upstream” means the carrying of a transmission to the Headend from remote points on the Cable System or from Interconnection points on the Cable System.

SECTION 2. GRANT OF FRANCHISE

2.1 Grant

(A) Grantor hereby grants to Grantee a nonexclusive and revocable authorization to make reasonable and lawful use of the Streets within the Franchise Area to construct, operate, maintain, reconstruct, and repair a Cable System for the purpose of providing only Cable Services and to provide related I-NET for data, subject to the terms and conditions set forth in this Agreement.

(B) This Agreement is intended to convey limited rights and interests only as to those Streets in which the Grantor has an actual interest. It is not a warranty of title or interest in any right-of-way; it does not provide the Grantee any interest in any particular location within the right-of-way; and it does not confer rights other than as expressly provided in the grant hereof. This Agreement does not deprive the Grantor of any powers, rights or privileges it now has, or may later acquire in the future, to use, perform work on or to regulate the use of and to control the Grantor's Streets covered by this Agreement, including without limitation the right to perform work on its roadways, right-of-way or appurtenant drainage facilities, including constructing, altering, paving, widening, grading, or excavating thereof.

(C) This Agreement is subject to the general lawful police power of Grantor affecting matters of municipal concern and not merely existing contractual rights of Grantee. Nothing in this Agreement shall be deemed to waive the requirements of the other codes and ordinances of general applicability enacted, or hereafter enacted, by Grantor.

(D) This Agreement authorizes Grantee to engage in providing Cable Service, as that term is defined in 47 U.S.C. Sec. 522(6), as amended and to provide related I-NET for data as described in Section 11.2. This Agreement shall not be interpreted to prevent the Grantor from imposing lawful additional conditions, including additional compensation conditions for use of the rights-of-way should Grantee provide service other than Cable Service and the I-NET as described herein. However, this Agreement shall not be read as a concession by Grantee that it needs authorization to provide service other than Cable Service and the I-NET described herein.

(E) Grantee promises and guarantees, as a condition of exercising the privileges granted by this Agreement, that any Affiliate or joint venture or partner of the Grantee directly involved in the offering of Cable Service in the Franchise Area, or directly involved in the management or operation of the Cable System in the Franchise Area will also comply with the terms and conditions of this Agreement.

2.2 Use of Public Streets and Ways

Subject to Grantor's supervision and control, Grantee may erect, install, construct, repair, replace, reconstruct, and retain in, on, over, under, upon, across, and along the public Streets, including rights-of-way and public easements within the Franchise Area such wires, cables, conductors, ducts, conduits, vaults, amplifiers, pedestals, attachments and other property and equipment as are necessary and appurtenant to the operation of a Cable System for the provision of Cable Service within the Franchise Area. Grantee shall comply with all applicable construction codes, laws, ordinances, regulations and procedures, now in effect or enacted hereafter, and must obtain any and all necessary permits from the Public Works Department prior to commencing any construction activities. Grantee, through this Agreement, is granted extensive and valuable rights to operate its Cable System for profit using Grantor's public rights-of-way and public utility easements within the Franchise Area in compliance with all applicable Grantor construction codes and procedures. As trustee for the public, Grantor is entitled to fair compensation to be paid for these valuable rights throughout the term of this Agreement.

2.3 Duration

(A) The term of this Agreement shall be for ten (10) years and all rights, privileges, obligations and restrictions pertaining thereto shall be from the effective date of this Agreement through July 1, 2023, unless extended or terminated sooner as hereinafter provided.

2.4 Effective Date

The effective date of this Agreement shall be July 1, 2013, unless Grantee fails to file an unconditional written acceptance of this Agreement and post the security required hereunder by the date specified by Grantor's approving ordinance, in which event this Agreement shall be null and void, and any and all rights of Grantee to own or operate a Cable System within the Franchise Area under this Agreement are hereby terminated.

2.5 Franchise Nonexclusive

This Agreement shall be nonexclusive, and is subject to all prior rights, interests, agreements, permits, easements or licenses granted by Grantor to any Person to use any Street, right-of-way, easement, or property for any purpose whatsoever, including the right of Grantor to use same for any purpose it deems fit, including the same or similar purposes allowed Grantee hereunder. Grantor may at any time grant authorization to use the public rights-of-way for any

purpose not incompatible with Grantee's authority under this Agreement and for such additional Franchises for Cable Systems as Grantor deems appropriate, upon such terms and conditions as Grantor deems appropriate.

2.6 Grant of Other Franchises – Competitive Equity

(A) The Grantee acknowledges and agrees that the Grantor may be required by federal law, and reserves the right, to grant one or more additional franchises to provide Cable Service within the Franchise Area. If any additional competitive franchise is granted by the Grantor to provide Cable Service in the Grantee's Franchise Area pursuant to the Cable Act, which franchise is for an area where services have been extended by the Grantee and which contains material terms and conditions that are more favorable or less burdensome than the terms or conditions of this Franchise Agreement, then, the Grantor agrees that it shall amend this Franchise to ensure that, the material provisions of such other franchises and this Franchise are, taken together, materially equivalent or to the extent as may be required by law. "Material terms and conditions" include, but are not limited to: franchise fees; system build-out requirements; performance bonds or similar instruments; public, education and government access channels and PEG capital support; I-Net requirements; customer service standards; required reports and related record keeping; and notice and opportunity to cure breaches. The parties agree that this provision shall not require a word for word identical franchise or authorization for a competitive entity. The parties agree that, notwithstanding any provision of this subsection, the Grantor shall not be obligated to comply with the provisions of this subsection to the extent doing so would cause the Grantor to violate applicable laws or FCC rules. Video Programming services delivered over wireless broadband networks are specifically exempted from the requirements of this Section so long as Grantor does not have lawful authority to regulate such wireless broadband networks within the Franchise Area.

(B) In the event that a competitive franchise is granted by Grantor as described in Section 2.6(A) above which contains material terms and conditions that are more favorable or less burdensome than the terms of this Franchise, and notice thereof is duly provided to Grantee, the Grantee shall submit to Grantor in writing (1) the basis for Grantee's belief that certain provisions of its Franchise place Grantee at a competitive disadvantage; (2) the provisions of this Franchise to be amended; and (3) specific language modifying any such Franchise provisions. Grantor and Grantee shall negotiate in good faith such amendments to the Franchise within ninety (90) days, unless otherwise agreed to by the parties. If the parties fail to reach agreement in informal negotiations, either party may initiate mediation and the other agrees to participate in mediation in good faith. Each party shall bear its own cost for mediation. In the event the parties are not able to reach agreement in informal negotiations or mediation, Grantee may exercise its rights under Subsection (C) below.

(C) Grantee's notice to Grantor under this Subsection (C) shall be deemed to be Grantee's renewal notification pursuant to Section 626 of the Cable Act. Grantee may elect at any time prior to the commencement of the Grantee's thirty-six (36) month renewal window provided by 47 USC §546 to file a written notice indicating an election to shorten

the term of this Franchise, and thereafter the term of Grantee's Franchise shall, ninety (90) days from the Grantee's written notice, be shortened so that the Franchise shall be deemed to expire on a date thirty six (36) months from the first day of the month following the date of Grantee's notice. Grantee shall immediately thereafter secure franchise renewal rights pursuant to Section 626 of the Cable Act with no further notice to the Grantor required. The Grantor and Grantee shall then enter into proceedings consistent with Section 626 for renewal of this Franchise. The Grantor and Grantee shall have all rights and obligations provided under said Section 626 (47 U.S.C. Section 546).

2.7 Police Powers

Grantee's rights hereunder are subject to the lawful police powers of Grantor to adopt and enforce ordinances necessary to the safety, health, and welfare of the public, and Grantee agrees to comply with all applicable laws and ordinances enacted, or hereafter enacted, by Grantor or any other legally-constituted governmental unit having lawful jurisdiction over the subject matter hereof.

2.8 Relations to Other Provisions of Law

This Franchise Agreement and all rights and privileges granted under the Franchise are subject to, and the Grantee must exercise all rights in accordance with, applicable law, including the Cable Ordinance, as amended over the Franchise term. However, this Franchise is a contract, subject only to the Grantor's exercise of its police and other powers and applicable law. This Franchise does not confer rights or immunities upon the Grantee other than as expressly provided herein. In the case of any conflict between the express terms of this Franchise Agreement and the express terms of the Cable Ordinance and other ordinances, this Franchise Agreement shall govern. Grantee does not waive its right to challenge the lawfulness of a particular enactment, including on the grounds that a particular action is an unconstitutional impairment of contractual rights. The Franchise issued and the Franchise fee paid hereunder are not in lieu of any other required permit, authorization, fee, charge or tax, unless expressly stated herein.

2.9 Effect of Acceptance

By accepting the Agreement, the Grantee: (1) acknowledges and accepts the Grantor's legal right to issue and enforce the Agreement; (2) agrees that it will not oppose the Grantor's intervening in any proceeding affecting the Cable System; (3) accepts and agrees to comply with each and every provision of this Agreement; and (4) agrees that the Agreement was granted pursuant to processes and procedures consistent with applicable law, and that it will not raise any claim to the contrary. Notwithstanding the provisions of Section 5.3, the Grantee shall not be obligated to indemnify Grantor in a proceeding affecting the Cable System in which the Grantor chooses to intervene.

SECTION 3. FRANCHISE FEE AND FINANCIAL CONTROLS

3.1 Franchise Fee

As compensation for the benefits and privileges granted under this Agreement and in consideration of permission to use Grantor's Streets, Grantee shall pay as a Franchise fee to Grantor, throughout the duration of this Agreement, an amount equal to five percent (5%) of Grantee's Gross Revenues derived from the operation of the Cable System to provide Cable Service in the Franchise Area. Accrual of such Franchise fees shall commence as of the effective date of this Agreement. The Franchise fees are in addition to all other fees, assessments, taxes or payments of general applicability that the Grantee may be required to pay under any federal, state or local law. This Agreement and the Franchise fees paid hereunder are not in lieu of any other generally applicable required permit, authorization, fee, charge or tax.

3.2 Payments

Grantee's Franchise fee payments to Grantor shall be computed quarterly. Each quarterly payment shall be due and payable no later than forty-five (45) days after the last day of the preceding quarter.

3.3 Acceptance of Payment and Recomputation

No acceptance of any payment shall be construed as an accord by Grantor that the amount paid is, in fact, the correct amount, nor shall any acceptance of payments be construed as a release of any claim Grantor may have for further or additional sums payable or for the performance of any other obligation of Grantee.

3.4 Quarterly Franchise Fee Reports

Each payment shall be accompanied by a written report to Grantor, containing an accurate statement in summarized form, as well as in detail, of Grantee's Gross Revenues and the computation of the payment amount.

3.5 Annual Franchise Fee Reports

Grantee shall, no later than one-hundred twenty (120) days after the end of each calendar year, furnish to Grantor a certified statement by an officer of the company stating the total amount of Gross Revenues and all payments, deductions and computations for the period covered by the payments.

3.6 Audits

On an annual basis, upon thirty (30) days' prior written notice, Grantor shall have the right to conduct an independent audit of Grantee's records reasonably related to the administration or enforcement of this Agreement, in accordance with generally accepted

accounting principles. The Telecommunications Commission may hire for both the Grantor and Clark County an independent certified public accountant to audit the Grantee's financial records, in which case the Grantee shall provide all necessary records to the certified public accountant. If the audit shows that Franchisee fees have been underpaid by four percent (4%) or more, Grantee shall pay the reasonable cost of the combined audit up to \$15,000.

3.7 Interest on Late Payments

In the event that a franchise fee payment or other sum is not received by the Grantor on or before the due date, or is underpaid, the Grantee shall pay in addition to the payment, or sum due, interest from the due date at a rate equal to the interest rate specified for judgments entered in the Superior Court of the State of Washington.

3.8 Alternative Remedies.

If any Section, subsection, paragraph, term or provision of this Franchise Agreement or any ordinance, law, or document incorporated herein by reference is held by a court of competent jurisdiction to be invalid, unconstitutional or unenforceable, such holding shall be confined in its operation to the Section, subsection, paragraph, term or provision directly involved in the controversy in which such holding shall have been rendered and shall not in any way affect the validity of any other Section, subsection, paragraph, term or provision hereof. Under such a circumstance, the Grantee shall, upon the Grantor's request, meet and confer with the Grantor to consider amendments to the Franchise Agreement. The purpose of the amendments shall be to place the parties, as nearly as possible, in the position that they were in prior to such determination, consistent with applicable law. In the event the parties are unable to agree to a modification of this Agreement within sixty (60) days, either party may either (1) resort to litigation to amend the Agreement; or (2) shorten the Agreement to 36 months, at which point either party may invoke the renewal procedures under 47 U.S.C. subsection 546. Each party agrees to participate in up to sixteen (16) hours of negotiation during the sixty (60) day period.

3.9 Additional Commitments Not Franchise Fees

No term or condition in this Agreement shall in any way modify or affect Grantee's obligation to pay Franchise fees to Grantor. Although the total sum of Franchise fee payments and additional commitments set forth elsewhere in this Agreement may total more than five percent (5%) of Grantee's Gross Revenues in any 12-month period, Grantee agrees that the additional commitments herein are not Franchise fees as defined under any federal law, nor are they to be offset or credited against any Franchise fee payments due to Grantor.

3.10 Costs of Publication

Grantee shall pay the reasonable cost of newspaper notices and publication pertaining to the renewal of this Agreement and any amendments thereto, as such notice or publication is reasonably required by applicable law.

3.11 Tax Liability

Payment of the Franchise fees under this Agreement shall not exempt Grantee from the payment of any generally applicable license, permit fee or other generally applicable fee, tax or charge on the business, occupation, property or income of Grantee that may be lawfully imposed by Grantor.

3.12 Payment on Termination

If this Agreement terminates for any reason, the Grantee shall file with the Grantor within ninety (90) calendar days of the date of the termination, a financial statement, showing the Gross Revenues received by the Grantee since the end of the previous fiscal year. The Grantor reserves the right to satisfy any remaining financial obligations of the Grantee to the Grantor by utilizing the funds available in a performance bond or other security provided by the Grantee.

SECTION 4. ADMINISTRATION AND REGULATION

4.1 Authority

Grantor is vested with the power and right to regulate the exercise of the privileges permitted by this Agreement in the public interest, or to delegate that power and right, or any part thereof, to the extent permitted under state and local law, to any agent, in its sole discretion.

4.2 Rates and Charges

All of Grantee's rates and charges related to or regarding Cable Service shall be subject to regulation by Grantor to the full extent authorized by applicable federal, state and local laws.

4.3 Filing of Rates and Charges

(A) Throughout the term of this Agreement, Grantee shall maintain on file with Grantor a complete schedule of applicable rates and charges for Cable Service provided under this Agreement. Nothing in this subsection shall be construed to require Grantee to file rates and charges under temporary reductions or waivers of rates and charges in conjunction with promotional campaigns provided that Grantee shall make reasonable efforts to notify Grantor in writing in advance of such promotions.

(B) Grantee shall provide upon request from Grantor a complete schedule of current rates and charges for any and all Leased Access Channels, or portions of such Channels, provided by Grantee. The schedule shall include a description of the price, terms and conditions established by Grantee for Leased Access Channels.

4.4 Time Limits Strictly Construed

Whenever this Agreement sets forth a time for any act to be performed by Grantee, such time shall be deemed to be of the essence, and any failure of Grantee to perform within the allotted time may be considered a material violation of this Agreement and sufficient grounds for Grantor to invoke any relevant provision of this Agreement. However, in the event that Grantee is prevented or delayed in the performance of any of its obligations under this Agreement by reason beyond the reasonable control of Grantee, such as acts of God (for example, floods, tornadoes, earthquakes or unusually severe weather conditions), Grantee's performance shall be excused during the force majeure occurrence and Grantee thereafter shall, under the circumstances, promptly perform the affected obligations under this Agreement or procure a substitute for such obligation which is satisfactory to Grantor. Grantee shall not be excused by mere economic hardship nor by misfeasance or malfeasance of its directors, officers or employees.

4.5 Performance Evaluation Sessions

(A) Grantor may hold performance evaluation sessions every two (2) years on the anniversary date of the effective date of this Agreement. All such evaluation sessions shall be conducted by Grantor.

(B) Special evaluation sessions related to potential franchise violations may be held at any time by Grantor during the term of this Agreement.

(C) All performance evaluation sessions shall be open to the public and announced at least one week in advance in the Franchise Area.

(D) Evaluation sessions shall deal with the Grantee's performance of the terms and conditions of the Franchise and compliance with state and federal laws and regulations.

(E) As part of the performance evaluation session, Grantee shall submit to the Grantor a plant survey report, or map, acceptable to the Grantor which includes a description of the portions of the Franchise Area that are cabled and have all Cable Services available. Such report shall also include the number of miles and location of overhead and underground cable plant, and the number of miles (overhead and underground) and location of the I-NET as described in Section 11. If the Grantor has reason to believe that a portion or all of the Cable System does not meet the applicable FCC technical standards, the Grantor, at its expense, retains the right to appoint a qualified independent engineer to evaluate and verify the technical performance of the Cable System.

(F) During evaluations under this Section, Grantee shall fully cooperate with Grantor and shall provide such information and documents as necessary and reasonable for Grantor to perform the evaluation.

SECTION 5. FINANCIAL AND INSURANCE REQUIREMENTS

5.1 Insurance Requirements

(A) General Requirement. Grantee must have adequate insurance during the entire term of this Agreement to protect against claims for injuries to Persons or damages to property which in any way relate to, arise from, or are connected with this Agreement or involve Grantee, its agents, representatives, contractors, subcontractors and their employees.

(B) Initial Insurance Limits. Grantee must keep insurance in effect in accordance with the minimum insurance limits herein set forth by the Grantor from time to time. The Grantee shall obtain policies for the following initial minimum insurance limits:

(1) Commercial General Liability: Two-million dollars (\$2,000,000) combined single limit per occurrence for bodily injury, personal injury, and property damage, and for those policies with aggregate limits, a two-and-one-half million dollars (\$2,500,000) aggregate limit;

(2) Automobile Liability: Two-million dollars (\$2,000,000) combined single limit per accident for bodily injury and property damage; and

(3) Employer's Liability: Two-million dollars (\$2,000,000).

5.2 Deductibles and Self-Insured Retentions

If Grantee changes its policy to include a self-insured retention, the Grantee shall give notice of such change to the Grantor. Grantor's approval will be given if the self-insured retention is consistent with standard industry practices. Any deductible or self-insured retention of the policies shall not in any way limit Grantee's liability to the Grantor.

(A) Endorsements.

(1) All policies shall contain, or shall be endorsed so that:

(a) The Grantor, its officers, officials, employees, and agents are to be covered as, and have the rights of, additional insureds with respect to liability arising out of activities performed by, or on behalf of, Grantee under this Agreement or applicable law, or in the construction, operation or repair, or ownership of its Cable System;

(b) The Grantee's insurance coverage shall be primary insurance with respect to the Grantor, its officers, officials, employees, and agents. Any insurance or self-insurance maintained by the Grantor, its officers, officials, employees, and agents shall be in excess of the Grantee's insurance and shall not contribute to it; and

(c) Grantee's insurance shall apply separately to each insured against whom a claim is made or lawsuit is brought, except with respect to the limits of the insurer's liability.

(2) All policies shall contain, or shall be endorsed so that:

(a) The policy shall not be suspended, voided, canceled, or reduced in coverage or in limits, nor shall the intention not to renew be stated by the insurance company except after forty-five (45) days prior written notice, return receipt requested, has been provided to Grantor's representative pursuant to Section 19.2.

(B) Acceptability of Insurers. The insurance obtained by Grantee shall be placed with insurers with a Best's rating of no less than "A."

(C) Verification of Coverage. The Grantee shall furnish the Grantor with certificates of insurance and endorsements or a copy of the page of the policy reflecting blanket additional insured status. The certificates and endorsements for each insurance policy are to be signed by a Person authorized by that insurer to bind coverage on its behalf. The certificates and endorsements for each insurance policy are to be on standard forms or such forms as are consistent with standard industry practices, and are to be received and approved by the Grantor prior to the commencement of activities associated with this Agreement. The Grantee hereby warrants that its insurance policies satisfy the requirements of this Agreement.

5.3 Indemnification

(A) Scope of Indemnity. Grantee shall, at its sole cost and expense, indemnify, hold harmless, and defend the Grantor and its officers, boards, commissions, agents, and employees against any and all claims, including, but not limited to, third party claims, suits, causes of action, proceedings, and judgments for damages or equitable relief arising out of the design, construction, operation, maintenance or repair of its Cable System regardless of whether the act or omission complained of is authorized, allowed, or prohibited by this Agreement provided, however, the Grantee will not be obligated to indemnify Grantor for damage or injury resulting from the negligence or willful negligence of Grantor. Without limiting in any way the Grantee's obligation to indemnify the Grantor and its officers, boards, commissions, agents, and employees, as set forth above, this indemnity provision also includes damages and liabilities such as:

(1) To Persons or property, in any way arising out of or through the acts or omissions of the Grantee, its contractors, subcontractors and their officers, employees, or agents, or to which the Grantee's negligence shall in any way contribute;

(2) Arising out of any claim for invasion of the right of privacy; for defamation of any Person, firm or corporation; for the violation or infringement of any copyright, trademark, trade name, service mark, or patent; for a failure by the Grantee to secure consents from the owners or authorized distributors of programs to be delivered by the Cable System; or

for violation of any other right of any Person, provided, however, that Grantee will not be required to indemnify Grantor for any claims arising out of use of PEG Access Channels by Grantor and/or Designated Access Providers;

(3) Arising out of Grantee's failure to comply with the provisions of any federal, state or local statute, ordinance, rule or regulation applicable to the Grantee with respect to any aspect of its business to which this Agreement applies; and

(4) Arising from any third party suit, action or litigation, whether brought by a competitor to Grantee or by any other Person or entity, whether such Person or entity does or does not have standing to bring such suit, action or litigation if such action (1) challenges the authority of the Grantor to issue this Agreement to Grantee; or (2) alleges that, in issuing this Agreement to Grantee, the Grantor has acted in a disparate or discriminatory manner.

(B) Duty to Give Notice and Tender Defense. The Grantor shall give the Grantee timely written notice of any claim or of the commencement of any action, suit or other proceeding covered by the indemnity in this Section. In the event any such claim arises, the Grantor or any other indemnified party shall tender the defense thereof to the Grantee and the Grantee shall have the obligation and duty to defend, settle or compromise any claims arising thereunder, and the Grantor shall cooperate fully therein. Grantee shall accept or decline the tender within thirty (30) days. Grantee shall reimburse reasonable attorneys' fees and costs incurred by the Grantor during the thirty (30) day period in which the Grantee accepts or declines tender. In the event that the Grantee declines defense of the claim in violation of Section 5.3, the Grantor may defend such claim and seek recovery from Grantee its expenses for reasonable attorneys' fees and disbursements, including expert witness fees, incurred by Grantor for defense and in seeking such recovery.

5.4 Faithful Performance Bond

(A) The Grantee shall furnish proof of the posting of a faithful performance bond running to the Grantor, in a form approved by the Grantor, with good and sufficient surety approved by the Grantor in the total sum of one hundred fifty thousand dollars (\$150,000.00), conditioned that the Grantee shall well and truly observe, fulfill, and perform each term and condition of this Franchise. Such bond shall be posted as provided in Section 2.4 and by the Grantee throughout the term of this Franchise.

(B) Grantee shall pay all premiums charged for any bond required under Section 5.4 (A), and unless the Grantor specifically directs otherwise, shall keep the same in full force and effect at all times through the later of either:

- 1) The remaining term of this Franchise; or
- 2) If required by the Grantor, the removal of all of Grantee's system installed in Grantor's Streets and Public Ways.

(C) The bond shall contain a provision that it shall not be terminated or otherwise allowed to expire without thirty (30) days written notice first given to the Grantor. During the term of the bond, Grantee shall file with the Grantor a duplicate copy of the bond along with written evidence of payment of the required premiums unless the bond otherwise provides that the bond shall not expire or be terminated without thirty (30) days prior written notice to the Grantor. Notice shall be given in conformity with section 19.2 of this Franchise Agreement.

(D) In a form approved by the Grantor, the Grantee may provide an irrevocable letter of credit, guaranty in lieu of bond, or other form of financial assurance in lieu of a faithful performance bond. The alternative form of financial assurance shall give the Grantor in all material respects the same rights and guarantees provided by a faithful performance bond.

SECTION 6. CUSTOMER SERVICE

6.1 Customer Service Standards

The Grantee shall meet or exceed any customer service standards adopted by the FCC and, to the extent the same are stricter or address different matters, those lawfully adopted by ordinance in the future by the Grantor.

6.2 Subscriber Privacy

Grantee will comply with privacy rights of Subscribers in accordance with federal, state and local law.

6.3 Local Office

Throughout the Agreement term, the Grantee must maintain, at a minimum, one (1) customer service center conveniently located in the City of Vancouver/Clark County Franchise Area which will be open during normal business hours, as defined by the FCC, to provide Subscribers the opportunity for the receipt and pickup of Subscriber equipment and for bill payments and complaints. Grantee shall install telephones and other equipment so that customer complaints and service requests can be received by Grantee on a 24-hour basis at a toll-free telephone number. Grantee shall have the option to substitute the service center requirement by providing for pick up or drop off of equipment free of charge in any one of the following manners: (a) by having Grantee representative going to the customer's residence, or (b) by using a prepaid mailer. Grantee also has the option to provide payment drop off locations within the Franchise Area. Grantee shall provide Grantor and Subscribers with at least sixty (60) days notice of election to discontinue the service center.

6.4 Emergency Broadcast

Grantee will activate the Emergency Alert System (EAS) in compliance with the provisions and amendments of FCC Regulations Part 11, the Washington State EAS plan, and the local area EAS plan that applies to Clark County.

SECTION 7. REPORTS AND RECORDS

7.1 Open Records

(A) Grantee shall manage all of its operations in accordance with a policy of keeping its documents and records open and accessible to Grantor. Grantor shall have access to, and the right to inspect, any books and records of Grantee, its parent corporations and Affiliated entities which are reasonably related and necessary to the administration or enforcement of the terms of this Agreement. Grantee shall not deny Grantor access to any of Grantee's records on the basis that Grantee's records are under the control of any parent corporation, affiliated entity or a third party. Grantor may, in writing, request copies of any such records or books and Grantee shall provide such copies within thirty (30) days of the transmittal of such request. One copy of all reports and records required under this or any other Section shall be furnished to Grantor at the sole expense of Grantee. If the requested books and records are too voluminous, or for security reasons cannot be copied or removed, then Grantee may request, in writing within ten (10) days, that Grantor inspect them at one of Grantee's local area offices. If any books or records of Grantee are not kept in a local area office and not made available in copies to Grantor upon written request as set forth above, and if Grantor determines that an examination of such records is necessary or appropriate to the performance of any of Grantor's duties, administration or enforcement of this Agreement, then all reasonable travel expenses incurred in making such examination shall be paid by Grantee. If any books or records of Grantee are not kept in a local office, Grantee will provide or otherwise make such documents available for inspection and review at the local office within ten (10) working days.

(B) Grantee shall at all times maintain and allow Grantor access and the right to review a full and complete set of plans, records and "as built" maps showing the exact location of all Cable System equipment installed or in use in the Franchise Area, exclusive of electronics, Subscriber drops and equipment provided in Subscribers' homes. These maps shall be maintained in a standard format and medium agreed upon by the Grantor and the Grantee.

7.2 Confidentiality

Grantor agrees to treat as confidential any books and records that constitute proprietary or confidential information under federal or state law, to the extent Grantee makes Grantor aware of such confidentiality. Grantee shall be responsible for clearly and conspicuously marking or identifying as "Confidential" on each page that contains confidential or proprietary information. If Grantor believes it must release any such books and records marked or identified as "Confidential" in the course of enforcing this Agreement, in response to a public record request, subpoena or other court order, or for any other reason, it shall advise Grantee in advance so that Grantee may take appropriate steps to protect its interests. If Grantor receives a demand from any Person for disclosure of any information designated by Grantee as confidential, Grantor shall, so far as consistent with applicable law, advise Grantee and provide Grantee with a copy of any written request by the party demanding access to such information within a reasonable time so Grantee may take appropriate steps to protect the information from disclosure.

7.3 Copies of Federal and State Documents

Upon request, Grantee shall submit to Grantor a list, or copies of actual documents, of all pleadings, applications, notifications, communications and documents of any kind, submitted by Grantee or its parent corporations or Affiliates to any federal, state or local courts; regulatory agencies or other government bodies if such documents specifically relate to the operations of Grantee's Cable System within the Franchise Area. Grantee may claim such information and documents are confidential, privileged or proprietary consistent with applicable public records law.

7.4 Complaint File and Reports

(A) Grantee shall keep an accurate and comprehensive file of any and all complaints regarding the Cable System, in a manner consistent with the privacy rights of Subscribers, and Grantee's actions in response to those complaints. Those files shall remain open to Grantor during normal business hours. Upon written request, Grantee shall provide an executive summary report quarterly (within 45 days of the end of the preceding quarter) to Grantor, which shall include the following information:

- (1) Nature and type of customer complaints;
- (2) Number, duration, general location and customer impact of unplanned service interruptions;
- (3) Any significant construction activities which affect the quality or otherwise enhance the service of the Cable System;
- (4) Average response time for service calls;
- (5) Phone activity report that includes use of automated response unit or voice response unit in answering and distributing calls from Subscribers at all call centers whether the calls are answered by a live representative, by an automated attendant or abandoned after 30 seconds of call waiting;
- (6) New areas constructed and available for Cable Service, including multiple dwelling units;
- (7) Video programming changes (additions/deletions);
- (8) Subscriber reports indicating the total number of Subscribers by service categories in such format as Grantee customarily prepares such reports; and
- (9) Such other information about special problems, activities, or achievements as Grantee may want to provide Grantor.

(B) Grantor shall also have the right to request such information as appropriate and reasonable to determine whether or not Grantee is in compliance with applicable Customer Service Standards, as referenced in Section 6.1. Grantee shall fully cooperate with Grantor and shall provide such information and documents as necessary and reasonable for Grantor to evaluate compliance. Grantee reserves the right to object to any request made under this Section as unnecessary, unreasonable or inappropriate under the circumstances.

7.5 Inspection of Facilities

Grantor may inspect upon request any of Grantee's facilities and equipment to confirm performance under this Agreement at any time upon at least twenty-four (24) hours notice, or, in case of an emergency, upon demand without prior notice.

7.6 False Statements

Any intentional false or misleading statement or representation in any report required by this Agreement may be deemed a material violation of this Agreement and may subject Grantee to all remedies, legal or equitable, which are available to Grantor under this Agreement or otherwise.

SECTION 8. PROGRAMMING

8.1 Broad Programming Categories

Grantee's cable television system shall provide the widest diversity of programming possible. Grantee shall provide at least the following broad categories of programming to the extent such categories are reasonably available:

- (1) Educational programming;
- (2) Washington State news and information;
- (3) Sports;
- (4) General entertainment (including movies);
- (5) Children/family-oriented;
- (6) Arts, culture and performing arts;
- (7) Foreign language;
- (8) Science/documentary;

- (9) Weather information;
- (10) Programming addressed to diverse ethnic and minority interests in the Franchise Area;
- (11) National, state, and local government affairs; and
- (12) Local programming regarding the City/Clark County, as well as regional issues, events and affairs.

8.2 Parental Control Device

Upon request by any Subscriber, Grantee shall make available a parental control or lockout device, traps or filters to enable a Subscriber to control access to both the audio and video portions of any or all Channels. Grantee shall inform its Subscribers of the availability of the lockout device at the time of their initial subscription and periodically thereafter.

8.3 Leased Access Channels

Grantee shall meet the requirements for Leased Access Channels imposed by federal law.

8.4 Continuity of Service

(A) It shall be the right of all Subscribers to continue to receive Cable Service from Grantee insofar as their financial and other obligations to Grantee are satisfied. Subject to the *force majeure* provisions of this Agreement, Grantee shall use its best efforts to ensure that all Subscribers receive continuous, uninterrupted Cable Service regardless of the circumstances.

(B) In the event of a change in ownership, or in the event a new Cable Operator acquires the Cable System in accordance with this Agreement, Grantee shall cooperate with Grantor and such new Cable Operator in maintaining continuity of service to all Subscribers.

8.5 Service for the Disabled

Grantee shall comply with the Americans with Disabilities Act, any amendments thereto and any other applicable federal, state or local laws or regulations.

SECTION 9: PUBLIC, EDUCATIONAL AND GOVERNMENTAL ACCESS

9.1 General Definitions

With respect to purposes of this section, the following definitions will apply with respect to Public, Educational and Governmental use of the Cable Channels as provided herein.

(A) The term “channel”, as used in this Section, referencing access channels, refers to the channels designated for Public, Educational and Governmental (PEG) access use. The channels can be used to transmit signals in any format, and can be used to transmit audio only, video, or other information (including, by way of example and not limitation, secondary audio, text, digital information, high definition signals and compressed signals). A non-standard NTSC use shall be subject to the Grantee’s prompt prior review and approval to ensure that the use will not cause unreasonable technical interference with other channels. Such uses must be in furtherance of PEG uses. Additionally, there shall not be any lease of such PEG capacity without the express written permission of the Grantee.

(B) The term “Access Center” refers to a facility or facilities listed in Exhibit A where Public, Educational or Governmental use signals are managed and delivered to the Grantee for Downstream transmission to Subscribers, or to other Access Centers via a dedicated connection.

(C) “Designated Access Providers” refers to the entity or entities designated by the Grantor to manage or co-manage Public, Educational and Governmental use channels. The Grantor can be a Designated Access Provider.

(D) The term “Origination Point” refers to a location listed in Exhibit A, other than an Access Center, where Public, Educational and Governmental use programming is delivered to the Grantee for Upstream transmission.

(E) The term “PEG” refers to “Public, Educational and Governmental.”

9.2 Management and Control of Access Channels

(A) Grantor may authorize Designated Access Providers to control and manage the use of any and all Access facilities provided by Grantee under this Agreement, including, without limitation, the operation of Access channels. To the extent of such designation by Grantor, as between the Designated Access Provider and Grantee, the Designated Access Provider shall have sole and exclusive responsibility for operating and managing such Access facilities. The Grantor or its designee may formulate rules for the operation of the Public Access channel, consistent with this Franchise; such rules shall not be designed to control the content of Public Access programming. Nothing herein shall prohibit the Grantor from authorizing itself to be a Designated Access Provider.

(B) Grantee shall cooperate with Grantor and Designated Access Providers in the use of the Cable System and Access facilities for the provision of PEG Access.

(C) Except as provided in this Franchise, the Grantor shall allocate Access resources to Designated Access Providers only. Grantee shall cooperate with the Grantor in such allocations, in such manner as the Grantor shall direct.

(D) If the Grantor designates new Access providers, or if a current Designated Access Provider moves its site or location at its own instigation after the effective date of this Franchise,

the direct costs to construct the Cable System from the new site or location to the nearest distribution point of the Cable System shall not be the responsibility of Grantee and may be funded from the Capital Contribution under Section 9.9 of this Franchise.

9.3 Channel Capacity and Use

(A) Upon effective date of this Agreement, all Access channels provided for herein are administered by the Grantor or designee.

(B) Downstream channels. Grantee shall provide six (6) Downstream channels for distribution of Public, Educational, and Governmental Access programming. Grantee shall also provide one (1) closed discrete channel for use by Grantor; provided, however, use of the discrete channel shall terminate upon the activation of two (2) additional PEG access channels under Section 9.8 of this Franchise, or implementation of a mutually agreed upon alternative means to transport or transmit such discrete channel.

(C) Initially and throughout the term of this Franchise, Grantee shall provide operating Upstream channels sufficient to enable character generated, pre-recorded and live cablecasts from Origination Points and Access Centers listed in Exhibit A to enable the distribution of PEG Access programming to Residential Subscribers on Access channels and to all Interconnection points on the Cable System.

9.4 Digital Channels After Digital Transition

At such time Grantee no longer offers Basic Service in an analog format, Grantee shall continue to provide not less than six (6) activated downstream Channels for PEG Access use in a standard digital format in Grantee's Basic Service. Grantee shall carry all components of the standard definition Access Channel signals provided by the Designated Access Provider including, but not limited to, closed captioning, stereo audio and other elements associated with the programming. The Designated Access Provider shall be responsible for providing the Access Channel signal in a standard definition format to the demarcation point at the designated point of origination for the Access Channel. PEG channels shall be made available on Grantee's channel lineup in the same manner as regular commercial channels. With respect to signal quality, Grantee shall not be required to carry a PEG Access Channel in a higher quality format than that of the Channel signal delivered to Grantee, but Grantee shall distribute the Access Channel signal without degradation. Upon reasonable written request by a Designated Access Provider, Grantee shall verify signal delivery to Subscribers with the Designated Access Provider, consistent with the requirements of this Section.

9.5 HD Channels.

By October 1, 2013 or a later date mutually agreed upon by Grantee and Grantor, when Grantee no longer offers Basic Service in an analog format, Grantee shall simultaneously carry three (3) of the existing Access Channels in high definition (HD) format Channels for PEG Access use, in addition to simultaneously carrying the standard digital Access Channels provided

under Section 9.4. Grantee shall carry all components of the HD format Access Channel Signals provided by the Designated Access Provider including, but not limited to, closed captioning, stereo audio and other elements associated with the programming. The Designated Access Provider shall be responsible for providing the Access Channel signal in an HD format to the demarcation point at the designated point of origination for the Access Channel. Grantee shall transport and distribute the Access programming without degradation. At the cost of the Designated Access Provider or Grantor, Grantee shall provide all necessary equipment including HD encoders or its equivalent outside or inside the demarcation point at the Designated Access Provider Channel origination point, at its Headend and hubs or similar distribution facilities necessary to deliver the Access Channel(s) in the HD format to Subscribers. PEG channels shall be made available on Grantee's channel lineup in the same manner as regular commercial channels. With respect to signal quality, Grantee shall not be required to carry a PEG Access Channel in a higher quality format than that of the Channel signal delivered to Grantee, but Grantee shall distribute the Access Channel Signal without degradation. Grantee shall verify signal delivery to Subscribers with the Designated Access Provider, consistent with the requirements of this Section, in a manner and on a timetable as to ensure that the HD format Access Channels are included in Grantee's program services offered to Subscribers.

(A) Additional HD Access Channels.

(1) Grantee shall provide and Activate up to one (1) more of the existing Access Channels in HD format Access Channels, for a total of four (4) HD format Access Channels subject to the conditions in Section 9.5 (A) (4), 12 months after the date set forth in Section 9.5.

(2) Grantee shall provide and Activate up to one (1) more of the existing Access Channels in HD format Access Channels, for a total of five (5) HD format Access Channels, subject to the conditions in Section 9.5 (A) (4), 24 months after the date set forth in Section 9.5.

(3) Grantee shall provide and Activate up to one (1) more of the existing Access Channels in HD format Access Channels, for a total of six (6) HD format Access Channels, subject to the conditions in Section 9.5 (A) (4), 36 months after the date set forth in Section 9.5.

(4) Activation of HD format Access Channels under this Section 9.5 (A) shall occur under the following conditions:

(a) The Grantor shall notify Grantee in writing of its need to activate the HD format Access Channels under this Section and shall provide notice to Grantee that the following criteria have been met:

(i) At least 80% (eighty percent) of the basic service tier channels excluding PEG Access Channels are provided in HD format;

(ii) At least 80% (eighty percent) of the Access Programming carried on the SD format Channel, which the Grantor has identified as the Channel to be carried

in a HD format Channel, has been produced in an HD format for any three-month time period prior to the notice provided under this Section;

(iii) Not more than 50% (fifty percent) of the Access Programming carried on the SD format Channel, which the Grantor has identified as the Channel to be carried in a HD format Channel, is character-generated only Programming for any three-month time period prior to the notice provided under this Section; and

(iv) At least twenty –five percent (25%) of Grantee’s cable subscribers within the Franchise Area regularly views programming carried on the SD format Channel, which the Grantor has identified as the Channel to be carried in a HD format. For the purpose of this subsection, “regularly views” means viewing programs on the channel at least twice per month. A survey of Grantee’s cable subscribers within the Franchise Area mutually agreed upon by Grantee and Grantor may be conducted, and the cost of the survey shall be shared equally between Grantor and Grantee. In lieu of the survey, the parties may mutually agree to utilize viewership data as may become available to Grantee on its Cable System.

(B) The HD format Access Channels provided under this Section are in addition to the SD format of those Access Channels provided for in Section 9.3. The provision of HD signals for PEG access programming shall not increase the total number of Channels for Access Programming. The total number of PEG Access Channels provided in this Franchise represents the total number of PEG Access channels available for combined use by City and Clark County and their respective Designated Access Providers and not separately or individually.

(C) Grantee shall have no more than 120 days from the date of the written notice under Section 9.5 (A) to fully Activate the Access Channels from the Designated Access Provider to Subscribers in the HD format. Grantee shall verify HD Channel Signal delivery to Subscribers with the Designated Access Provider.

(D) The Grantor acknowledges that receipt of HD format Access Channels may require Subscribers to buy or lease special equipment, or pay additional HD charges applicable to HD services. Grantee shall not be obligated to provide complimentary HD receiving equipment to institutional or courtesy accounts as a result of the obligations set forth in this Section 9.5.

9.6 Relocation of Access Channels

Grantee shall provide Grantor with a minimum of sixty (60) days’ notice, and use its best efforts to provide one-hundred-twenty (120) days notice, prior to the time Public, Educational, and Governmental Access channel designations are changed. Grantee shall consult with Grantor prior to making a final determination regarding any changes in PEG Access channel designations/assignments. Any new channel designations for the Public, Educational and Governmental Access channels provided pursuant to this Agreement shall be in full compliance with FCC signal quality and proof of performance standards.

9.7 Access Interconnections

(A) Upon request by the Grantor, and based on a demonstrated need, Grantee shall work in good faith with the Grantor to interconnect with other cable operators at a designated meet point and not at Grantee's headend or hubs in order to hand off PEG Access Channel signals for the purposes of sharing PEG Programming throughout the Franchise Area. Such interconnection shall preserve the technical quality of the PEG Access Channels without degradation to Grantee's demarcation at the designated meet point of the interconnect. The Grantor shall not require such interconnection without the prior consent of Grantee, which shall not be unreasonably withheld. Grantee shall not be obligated to interconnect with any cable system providing competitive Cable Services within the Franchise Area, except that Grantee shall use reasonable efforts to agree with a competitive Cable Services provider on reasonable terms, conditions and costs of a viable interconnection of the PEG Access Channel signals. Any incremental, direct capital costs incurred by Grantee to interconnect may be paid by the Grantor from the PEG capital fee or other arrangement.

(B) Grantee shall take all necessary technical steps to ensure that technically adequate signal quality and routing/switching systems are initially and continuously provided for all Access Interconnections. The cost for any equipment dedicated to Access Interconnection shall be shared on a pro rata basis or as mutually agreed upon among all participating jurisdictions and paid to Grantee.

9.8 Triggers for Expansion of Access Channels

(A) The Grantor may require Grantee to provide no more than two (2) additional activated Downstream channel for a particular type of PEG Access under this Section. When a channel for a particular type of PEG Access programming meets the criteria set forth below, Grantor may require Grantee to provide additional activated Downstream channel for that type of PEG Access under this Section. Upon Grantee's request a public hearing will be conducted regarding the need for an additional channel, to a total of eight (8) Access channels, as established by the criteria set forth below:

(1) Public Access channels: During any eight (8) consecutive weeks, the Public Access channel is in use for Locally Produced, Locally Scheduled Original Programming 80% of the time, seven (7) days per week, for any consecutive five (5) hour block during the hours from noon to midnight; or,

(2) Educational Access channels: During any eight (8) consecutive weeks, the Educational Access channel is in use for Locally Scheduled Original Programming 80% of the time, five (5) days per week, Monday through Friday, for any consecutive five (5) hour block during the hours from 6:00 a.m. to 11:00 p.m.; or,

(3) Governmental Access channels: During any eight (8) consecutive weeks, the Governmental Access channel is in use for Locally Scheduled Original Programming 80% of

the time, five (5) days per week, Monday through Friday, for any consecutive five (5) hour block during the hours from 6:00 a.m. to 11:00 p.m.; and,

(4) The applicable PEG Access channel criteria as set forth in Subsections (1), (2) or (3) has been met, or exceeded, by the Grantor or its Designated Access Provider with responsibility for programming the PEG Access channel.

(C) For the purpose of Section 9.8:

(1) **“Locally Produced”** means programming produced in the Portland Vancouver/Clark County metropolitan area; and,

(2) **“Original Programming”** means Programming in its initial cablecast on the System or in its first or second repeat; and,

(3) **“Locally Scheduled”** means that the scheduling, selection and or playback of Original Programming on a per-program basis is determined in consultation with, or pursuant to the operating procedures of, the Designated Access Provider or, with respect to programming received from an Interconnection, the provider transmitting the programming over the Interconnection. However, carriage on any Access channel of all or a substantial portion of any non-local programming which duplicates programming otherwise carried by Grantee as a part of its basic or expanded basic Cable Services shall not be considered “Locally Scheduled.”

9.9 Support for Access Capital Costs

(A) Except as otherwise provided herein, during the term of this Agreement, Grantee shall provide a maximum of one dollar (\$1.00) per month, per Residential Subscriber (the "Capital Contribution") for Public, Educational and Governmental Access capital specifically for PEG Access facilities and equipment (and repair of such equipment), or such lesser amount if authorized by Grantor. The Capital Contribution shall be payable by Grantee to Grantor after (1) the approval of Grantor, if required, to the inclusion of the Capital Contribution on the bills of Residential Subscribers, including any requirements for approval pursuant to 47 C.F.R. Section 76.922, (2) notice to Grantee's Residential Subscribers of such inclusion, and (3) the collection of the Capital Contribution from such Residential Subscribers. Grantee shall make payments quarterly, following the effective date of this Agreement for the preceding quarter ending March 31, June 30, September 30, and December 31. Each payment shall be due and payable no later than forty-five (45) days following the end of the quarter. Grantor shall have discretion to allocate such payments for Access costs in accordance with applicable law.

At any time prior to the expiration of this Franchise but not sooner than January 1, 2015, the Grantor may submit to Grantee a business plan for the expansion or improvement of PEG access facilities and equipment with information such as costs and timetable for implementation. Grantee shall review the business plan in good faith and shall consult with Grantor within 60 days of receipt of the plan. Grantor agrees to provide Grantee additional information and

documentation reasonably requested by Grantee. At the request of Grantee, Grantor shall conduct a public hearing for the purpose of receiving public comment on the expansion or improvement of PEG access facilities and associated costs. Should Grantee and Grantor agree to terms and conditions through good faith negotiations regarding the expansion or improvement of PEG access facilities, the Capital Contribution for PEG access capital shall be adjusted to an amount up to a maximum of one and one-half percent (1.50%) of Gross Revenues from Cable Services provided to Residential Subscribers. Grantee shall implement the new Capital Contribution for PEG access capital no later than ninety (90) days after the effective date of the written agreement between Grantor and Grantee.

(B) The Grantor shall provide a report annually to the Grantee on the use of the funds provided to the Grantor under Section 9.9 (A). The first such report under this Franchise shall be submitted to the Grantee no later than January 1, 2014. Subsequent reports shall be submitted to the Grantee within one-hundred-twenty (120) days of the close of the Grantor's fiscal year. Grantee may review records of the Grantor and Designated Access Providers regarding the use of funds described in such report. Grantor agrees that the report shall document that, for each dollar (\$1.00) spent on PEG Capital support for Access, an equivalent amount will be spent, in aggregate, by Grantor and Designated Access Providers on operating support for PEG Access.

(C) Grantee may conduct a financial review or audit for the purpose of verifying whether use of the PEG fee is in accordance with this Franchise. The Grantee shall notify the Grantor in writing at least thirty (30) days prior to the date of an audit or review and identify the relevant financial records of Grantor and the Designated Access Provider that Grantee wants to review. The time period of the review or audit shall be for PEG fee payments received no more than thirty-six (36) months prior to the date the Grantee notifies the Grantor of its intent to perform an audit or review. The Grantor and recipients of the PEG fee shall make such documents available for inspection and copying. Documents shall be reviewed during normal business hours at a time and place made available by the Grantor or the Designated Access Provider.

Grantee shall promptly provide the Grantor with written notice of the audit or review's conclusions and reasons therefor. The Grantor shall have sixty (60) days to provide a written response. If the Grantor disputes Grantee's conclusions, the parties shall attempt in good faith to reach a mutually acceptable resolution. If the parties are unable to agree, either party may submit the issue to non-binding mediation or pursue any legal remedies. If it is determined that any PEG fee has not been used in accordance with this Franchise, then within 30 days, one of the following actions shall occur:

(1) If the Grantor determines that the recipient has access to sufficient unrestricted funds, the Grantor may require either:

(a) That the recipient expend its unrestricted funds to achieve the stated purposes of the original PEG funding not spent in accordance with this Franchise; or,

(b) Upon demand, the recipient shall return the full amount of the PEG funding amount not spent in accordance with this Franchise to the PEG funding account.

(2) If the Grantor determines that the recipient does not have access to sufficient unrestricted funds, the Grantor may decide to either:

(a) Directly reimburse the PEG funding account for the amount not spent in accordance with this Franchise; or,

(b) Allow the Grantee to reduce future PEG payments by the amount not spent in accordance with this Franchise.

(3) The decision as to which of these options to exercise, under this Section shall be at the Grantor's sole discretion.

9.10 Access Support Not Franchise Fees

(A) Grantee agrees that financial support for Access Capital Costs arising from or relating to the obligations set forth in this Section shall in no way modify or otherwise affect Grantee's obligations to pay franchise fees to Grantor. Grantee agrees that although the sum of Franchise Fees and the payments set forth in this Section may total more than five percent (5%) of Grantee's Gross Revenues in any 12-month period, the additional commitments shall not be offset or otherwise credited in any way against any franchise fee payments under this Agreement.

(B) Grantor recognizes franchise fees and certain additional commitments are external costs as defined under the Federal Communications Commission rate regulations in force at the time of adoption of this Franchise and Grantee has the right and ability to include franchise fees and certain other commitments on the bills of cable customers.

9.11 Access Channels On Lowest Tier

All Access channels provided to Subscribers under this Agreement shall be included by Grantee on its lowest tier available to Subscribers.

9.12 Change In Technology

Except as otherwise provided in Section 9.5 of this Agreement, in the event Grantee makes any change in the Cable System and related equipment and facilities or in Grantee's signal delivery technology, which directly or indirectly substantially affects the signal quality or transmission of Access services or programming, Grantee shall, at its own expense, take necessary technical steps or provide necessary technical assistance, including the acquisition of all necessary equipment, and full training of Grantor's Access Personnel to ensure that the capabilities of Access services are not diminished or adversely affected by such change.

9.13 Technical Quality

Grantee shall maintain all Upstream and Downstream Access services, channels and Interconnections at the same level of technical quality and reliability required by this Agreement and all other applicable laws, rules and regulations for Residential Subscriber channels. Grantee shall provide routine maintenance and shall repair and replace all transmission equipment, including modulators, associated cable and equipment in use upon the effective date of this Franchise, necessary to carry a quality signal to and from Grantor's facilities.

SECTION 10. GENERAL STREET USE AND CONSTRUCTION

10.1 Construction

(A) Subject to applicable laws, regulations and ordinances of Grantor and the provisions of this Franchise, Grantee may perform all construction necessary for the operation of its Cable System. All construction and maintenance of any and all Grantee's facilities within Streets incidental to Grantee's Cable System shall, regardless of who performs the construction, be and remain Grantee's responsibility. Grantee shall apply for, and obtain, all permits necessary for construction or installation of any facilities, and for excavating and laying any facilities within the Streets. Grantee shall pay, prior to issuance, all applicable fees of the requisite construction permits.

(B) Prior to beginning any construction, Grantee shall provide Grantor with a construction schedule for work in the Streets. All construction shall be performed in compliance with this Franchise and all applicable Grantor Ordinances and Codes. When obtaining a permit, Grantee shall inquire in writing about other construction currently in progress, planned or proposed, in order to investigate thoroughly all opportunities for joint trenching or boring. Whenever it is possible and reasonably practicable to joint trench or share bores or cuts, Grantee shall work with other providers, licensees, permittees and franchisees so as to reduce as far as possible the number of Street cuts.

(C) If the Grantee proposes street excavations or borings in order to install maintain, or alter its facilities, then Grantee shall apply for utility-street/right-of-way permit. If Grantee damages Grantor's underground facilities, then Grantee, at Grantee's cost, shall immediately repair the damaged facilities to as good as prior condition.

10.2 Location of Facilities

In doing work in the Street, Grantee shall comply with all applicable statutes, including but not limited to contacting the Utility Notification Center established pursuant to Chapter 19.122 RCW. Grantee shall further comply with applicable ordinances, standards, rules, regulations and ordinances of Grantor when excavating in the Street.

10.3 Relocation

(A) **Relocation Within Streets.** Grantor shall have the right to require Grantee to change the location of any part of Grantee's Cable System within the Streets when the public convenience requires such change, and the expense thereof shall be paid by Grantee. Should Grantee fail to remove or relocate any such facilities by the date established by Grantor, Grantor may effect such removal or relocation, and the expense thereof shall be paid by Grantee, including all costs and expenses incurred by Grantor due to Grantee's delay. If Grantor requires Grantee to relocate its facilities located within the Streets, Grantor shall make a reasonable effort to provide Grantee with an alternate location within the Streets.

If public funds, which Grantor received, are available to any other user of the Streets (except for Grantor) for the purpose of defraying the cost of relocating or removing facilities and Grantee relocates or removes its facilities as required by Grantor under this Franchise, the Grantor shall notify Grantee of such funding and will reimburse Grantee for such costs to the extent permitted or allowed by the funding source or applicable state law.

(B) **Movement of Cable System For and By Grantor.** The Grantor may remove, replace, modify or disconnect Grantee's facilities and equipment located in the public right-of-way or on any other property of the Grantor in the case of fire, disaster, or other emergency, or when a project of the Grantor's makes the removal, replacement, modification or disconnection necessary. Except during an emergency, the Grantor shall attempt to provide reasonable notice to Grantee prior to taking such action and shall, when feasible, provide Grantee with the opportunity to perform such action. Following notice by the Grantor, Grantee shall remove, replace, modify or disconnect any of its facilities or equipment within any Street, or on any other property of the Grantor, except that the Grantor shall provide at least sixty (60) days' written notice of any major capital improvement project which would require the removal, replacement, modification or disconnection of Grantee's facilities or equipment. If the Grantee fails to complete this work within the time prescribed and to the Grantor's satisfaction, the Grantor may cause such work to be done and bill the reasonable cost of the work to the Grantee. Within thirty (30) days of receipt of an itemized list of those costs, the Grantee shall pay the Grantor. If in response to a request by the Grantor the Grantee removes or replaces any portion of its Cable System at its own expense in order to accommodate the installation or repair of a communications system used by the Grantor to provide commercial services in competition with Grantee, then Grantor shall reimburse Grantee for the reasonable expense of the removal or replacement.

(C) **Movement for Other Franchise Holders.** If any removal, replacement, modification or disconnection is requested by another franchise holder to accommodate the construction, operation or repair of the facilities or equipment of such other franchise holder, Grantee shall, after at least thirty (30) days' advance written notice, take action to effect the necessary changes requested by the responsible entity. Grantee and such other franchise holder shall determine how costs associated with the removal or relocation shall be allocated.

(D) **Movement for Other Permittees.** At the request of any Person holding a valid overlegal load or structure move permit issued by Grantor, and upon reasonable advance notice, Grantee shall temporarily raise, lower or remove its wires as necessary to permit the moving of a building, vehicle, equipment or other item. The expense of such temporary changes must be paid by the permit holder, and Grantee may require a reasonable deposit of the estimated payment or payment of the full amount in advance.

10.4 Restoration of Streets and Property

(A) **Disturbance of Street Surface.** Whenever Grantee disturbs the surface of any Street for any purpose, Grantee shall promptly restore the Street in accordance with applicable ordinances, standards, rules, and regulations of Grantor. When any opening is made by Grantee in a hard surface pavement in any Street, Grantee shall refill within twenty-four (24) hours the opening and restore the surface to a condition satisfactory to Grantor.

(B) **Street Excavations.** If Grantee excavates the surface of any Street, Grantee shall be responsible for restoration in accordance with applicable ordinances, standards, rules, and regulations of Grantor within the area affected by the excavation. Grantor may, after providing notice to Grantee, refill or repave any opening made by Grantee in the Street, and the expense thereof shall be paid by Grantee. Grantor may, after providing notice to Grantee, perform any required work, or remove or repair any work done by Grantee which, in the determination of Grantor, is inadequate. The cost thereof, including the costs of inspection and supervision, shall be paid by Grantee. All excavations made by Grantee in the Streets shall be properly safeguarded for the prevention of accidents. All of Grantee's work under this Agreement, and this Section in particular, shall be done in compliance with applicable rules, regulations and ordinances of Grantor. Prior to making any Street or right-of-way cuts or openings, Grantee shall obtain the required construction permit from Grantor.

(C) **Protection, Repair and Restoration of Property.**

(1) The Grantee shall protect public and private property from damage in connection with construction, maintenance and repair of its Cable System. If damage occurs the Grantee shall promptly notify the property owner within twenty-four (24) hours in writing.

(2) If public or private property is disturbed or damaged, the Grantee shall restore the property to as good as the former condition, normal wear and tear excepted. Streets or other Grantor property shall be restored, in a manner consistent with applicable ordinances, standards, rules and regulations of Grantor. If restoration of Street or other property of the Grantor is not satisfactorily performed within a reasonable time, the Director of Public Works may, after prior notice to the Grantee, or without notice where the disturbance or damage may create an immediate risk to public health or safety, or cause delay or added expense to a public project, cause the repairs to be made at the Grantee's expense and recover the cost of those repairs from the Grantee. Within thirty (30) days of receipt of an itemized list of those costs, including the costs of labor, materials and equipment, the Grantee shall pay the Grantor. If suit is

brought upon Grantee's failure to pay for repair or restoration, and if judgment in such a suit is entered in favor of the Grantor, then the Grantee shall pay all of the Grantor's actual costs and expenses resulting from the non-payment, including damages, interest from the date the bill was presented, disbursements, attorneys' fees and litigation-related costs. Private property must be restored promptly, considering the nature of the work that must be performed and in no event later than seventy-two (72) hours except for circumstances beyond Grantee's control.

(D) **Notice – Private Property.** Prior to entering onto private property to construct, operate or repair its Cable System, Grantee shall give the Person residing on or using the property adequate written notice (such as a door hanger which clearly identifies the anticipated construction) that it intends to work on the property, a description of the work it intends to perform and a name and phone number the Person can call to protest or seek modification of the work. Work shall be done in a manner that causes the least interference with the rights and reasonable convenience of property owners, residents and users.

10.5 Maintenance and Workmanship

(A) Grantee's Cable System shall be constructed and maintained in such manner as not to interfere with sewers, water pipes, or any other property of Grantor, or with any other pipes, wires, conduits, pedestals, structures, equipment or other facilities that may have been laid in the Streets by, or under, Grantor's authority.

(B) Grantee shall provide and use any equipment necessary to control and carry Grantee's cable television signals so as to prevent injury to Grantor's property or property belonging to any Person. Grantee, at its own expense, shall repair, change and improve its facilities to keep them in good repair, and safe and presentable condition.

10.6 Reservation of Grantor Street Rights

(A) Nothing in this Agreement shall prevent Grantor or utilities owned, maintained or operated by public entities other than Grantor, from constructing or repairing sewers; grading, paving, repairing or altering any Street; constructing, repairing or removing water mains, sewers, surface water or storm sewers; or constructing, repairing, or establishing any other public work or improvement. All such work shall be done, insofar as practicable, so as not to obstruct, injure or prevent the use and operation of Grantee's Cable System.

(B) However, if any of Grantee's Cable System interferes with the construction or repair of any Street or public improvement, including, but not limited to construction, repair or removal of a water mains, sewers, surface water or storm sewers, Grantee shall remove or replace Grantee's Cable System in the manner Grantor shall direct. Should Grantee fail to remove, adjust or relocate its facilities within a reasonable period of time established by Grantor in its written notice to Grantee, Grantor may effect such removal, adjustment or relocation, and the expense thereof shall be paid by Grantee, including all reasonable costs and expenses incurred by Grantor due to Grantee's delay. Grantor shall in no event be liable for any damage to any portion of

Grantee's Cable System on account of the removal, adjustment or relocation of Grantee's facilities pursuant to this subsection.

10.7 Use of Conduits by Grantor

Grantor may install or affix and maintain wires and equipment owned by Grantor for municipal purposes in or upon any and all of Grantee's ducts, or conduits in the Streets and other public places without charge to Grantor, only to the extent space therein or thereon is reasonably available and feasible without compromising the integrity of the Cable System or facility, and pursuant to all applicable ordinances, standards, rules and regulations of Grantor. For the purposes of this Section 10.7, "municipal purposes" include, but is not limited to, the use of the structures and installations by Grantor for fire, police, traffic, water, telephone, or signal systems, but not for Cable System purposes in competition with Grantee. Grantee shall not deduct the value of such use of its facilities from its Franchise fees payable to Grantor. Nothing herein shall preclude the Grantor from contracting with Grantee for a fee prior to when Grantee is constructing, relocating, or replacing ducts or conduits in the Streets, in order to provide Grantor with additional and separate duct or conduit and related structures necessary to access the duct or conduit; provided that use of such additional duct or conduit shall not be used by Grantor to provide commercial services in competition with Grantee or its affiliates in conformity with Section 35.99.070 RCW.

10.8 Street Vacation

If any Street or portion thereof used by Grantee is vacated by Grantor during the term of this Agreement, unless Grantor specifically reserves to Grantee the right to continue its installation in the vacated Street, Grantee shall, without delay or expense to Grantor, remove its facilities from such Street, and restore, repair or reconstruct the Street where such removal has occurred, and place the Street in such condition as may be required by Grantor. In the event of failure, neglect or refusal of Grantee, after thirty (30) days' notice by Grantor, to restore, repair or reconstruct such Street, Grantor may do such work or cause it to be done, and the reasonable cost thereof shall be paid by Grantee within thirty (30) days of receipt of an invoice and documentation, and failure to make such payment shall be considered a material violation of this Agreement.

10.9 Discontinuing Use of Facilities

Whenever Grantee intends to discontinue using any facility within the Streets, Grantee shall submit for Grantor's approval a complete description of the facility and the date on which Grantee intends to discontinue using the facility. Grantee may remove the facility or request that Grantor allow it to remain in place. Notwithstanding Grantee's request that any such facility remain in place, Grantor may require Grantee to remove the facility from the Street or modify the facility to protect the public health, welfare, safety, and convenience, or otherwise serve the public interest. Grantor may require Grantee to perform a combination of modification and removal of the facility. Grantee shall complete such removal or modification in accordance with a schedule set by Grantor. Until such time as Grantee removes or modifies the facility as

directed by Grantor, or until the rights to and responsibility for the facility are accepted by another Person having authority to construct and maintain such facility, Grantee shall be responsible for all necessary repairs and relocations of the facility, as well as maintenance of the Street, in the same manner and degree as if the facility were in active use, and Grantee shall retain all liability for such facility. If Grantee abandons its facilities, Grantor may choose to use such facilities for any purpose whatsoever including, but not limited to, public, governmental, or educational purposes.

10.10 Hazardous Substances

(A) Grantee shall comply with all applicable local, state and federal laws, statutes, regulations and orders concerning hazardous substances relating to Grantee's Cable System in the Streets.

(B) Grantee shall maintain and inspect its Cable System located in the Streets. Upon reasonable notice to Grantee, Grantor may inspect Grantee's facilities in the Streets to determine if any release of hazardous substances has occurred, or may occur, from or related to Grantee's Cable System. In removing or modifying Grantee's facilities as provided in this Agreement, Grantee shall also remove all residue of hazardous substances related thereto.

10.11 Undergrounding of Cable

(A) Wiring.

Where all electric and telephone utility wiring is installed underground at the time of Cable System construction, or when all such wiring is subsequently placed underground, Grantee's Cable System lines or wiring and equipment shall also be placed underground on a nondiscriminatory basis with other wire line service at no additional expense to the Grantor. Related Cable System equipment such as pedestals must be placed in accordance with applicable ordinances, standards, rules, and regulations of Grantor. However, nothing in this Franchise shall be construed to require Grantee to place underground its pedestals, appurtenances and equipment. In areas where electric or telephone utility wiring is aerial, the Grantee may install aerial cable, except when a property owner or resident requests underground installation and agrees to bear the additional cost in excess of aerial installation.

(B) Poles, Conduit and Equipment.

(1) The Grantee shall utilize existing poles and conduit wherever possible.

(2) This Agreement does not grant, give or convey to the Grantee the right or privilege to install its facilities in any manner on specific utility poles or equipment of the City or any other Person without their permission. Grantor may request copies of agreements for use of poles, conduits or other utility facilities upon demonstrated need and subject to protecting Grantee's proprietary information from disclosure to third parties.

10.12 Codes

Grantee shall adhere to all applicable building and zoning codes currently or hereafter in effect. Grantee shall arrange its lines, cables and other appurtenances, on both public and private property, in such a manner as to not cause unreasonable interference with the use of said public or private property by any Person. In the event of such interference, Grantor may require the removal or relocation of Grantee's lines, cables and other appurtenances from the property in question.

10.13 Standards

(A) All work authorized and required hereunder shall be done in a safe, thorough and workmanlike manner. The Grantee must comply with all safety requirements, rules and practices and employ all necessary devices as required by applicable law during construction, operation and repair of its Cable System. By way of illustration and not limitation, the Grantee must comply with applicable National Electric Code, National Electrical Safety Code and Occupational Safety and Health Administration (OSHA) Standards.

(B) Grantee shall ensure that the drops are properly bonded to the electrical power ground at the home, consistent with the applicable requirements of the National Electric Code and the National Electrical Safety Code. All non-conforming or non-performing drops shall be replaced by Grantee as necessary.

10.14 Tree Trimming

Subject to acquiring prior written permission of the Grantor, the Grantee shall have the authority to trim trees that overhang a Street of Grantor so as to prevent the branches of such trees from coming in contact with its Cable System, in accordance with applicable codes and regulations and current, accepted professional tree trimming practices.

SECTION 11. SYSTEM DESIGN

11.1 Subscriber Network

As of the effective date of this Franchise, the Cable System utilizes a fiber to the node architecture. All active electronics will be 750 MHz capable equipment, or equipment of higher bandwidth.

The Cable System is two-way capable and able to support two-way high speed cable modem service via the Cable System. Passive devices will pass a minimum bandwidth of 750MHz.

As of the effective date of this Franchise, the Cable System is capable of delivering as many as 200 channels or more including but not limited to digital music and video on demand to Subscribers.

11.2 Institutional Network

(A) As part of the completion of an upgrade of the Cable System by Grantee's predecessor under the franchise granted in 1997, an Institutional Network (I-NET) was constructed by Grantee's predecessor according to the terms and conditions of the 1997 franchise. Grantee shall continue to offer a managed I-NET service according to the terms and conditions set forth herein.

(1) Grantee shall operate an Institutional Network (I-NET), independent of, or in conjunction with, the residential Subscriber network for the purpose of providing institutional services to local publicly funded institutional subscribers (Institutional Subscribers) within the Franchise Area. The network will be an optical fiber based I-NET that is managed by the Grantee. Grantee shall not be prohibited from serving commercial subscribers on the I-NET. Grantee shall have no obligation to construct or operate an I-NET to provide institutional services, beyond installation of fiber capacity to the service node, unless and until Institutional Subscribers contract with Grantee to provide services, providing the Grantee with a reasonable return on investment. Grantee shall charge Institutional Subscribers the lowest competitive prices for hardware and substantially same services delivered as compared to other telecommunications providers. Notwithstanding anything to the contrary, Institutional Subscribers may contract with Grantee or its affiliate for the provision of I-NET or similar services on a separate fiber network than that provided under this Franchise at any time during the term of this Franchise.

(2) The parties agree that:

(a) Grantee shall initially continue to provide an Institutional Network capable of providing a minimum of one (1) Gigabit per second (Gbps) connections per Site, with an aggregate backbone transport rate of a minimum of two (2) Gbps. The parties agree that:

(b) The Grantor, on behalf of Institutional Subscribers, or Institutional Subscribers themselves, may provide Grantee with additional sites interested in being Institutional Subscribers, relocation of existing sites, or deletion of existing sites. The information provided will include the Institutional Subscriber's name, address, a Site coordinator and phone number for each Site coordinator. Each Site shall have a designated interior point of demarcation for the I-NET within the building (interior hub site).

(c) Grantee will consult with each site's coordinator and the sponsoring Institutional Subscriber. Grantee will assess the I-NET requirements for hardware and signal transport capacity for each additional Site, based on the Institutional Subscriber's determination of the minimum and maximum bandwidth requirements for each Site.

(d) Grantee will provide a cost estimate for each additional or relocated Site to the Grantor or Institutional Subscriber, as applicable, within ninety (90) days of receipt of notification from the Grantor or Institutional Subscriber. The estimates will provide the following:

(i) A construction portion of the estimate which will detail the cost for construction from the Site to the nearest I-NET hub or its equivalent. Costs associated with the construction shall be the responsibility of the Institutional Subscriber.

(ii) An installation portion of the estimate which will detail the costs for Site hardware installation (not including the transport edge, switch or distribution network hardware which is included in the signal transport described below) and interior Site wiring, taking into consideration existing interior Site wiring and equipment already owned by the Site that the Site wants to incorporate into its use of the I-NET. Grantee will make a good faith effort to incorporate such wiring and equipment provided that Grantee will not warranty performance and use of such existing equipment or wiring. Costs associated with the installation will be the responsibility of the Institutional Subscriber.

(iii) The Signal Transport estimate will provide monthly costs for the Site, providing for bandwidth use on the distribution network, distribution network hardware, ongoing network maintenance and construction. The estimates provided under this Section shall be in the form of contract options for each Institutional Subscriber based on three (3) year term agreements for signal transport services. The monthly fee within the contract proposal will cover costs associated with the distribution network, distribution network hardware, network management and maintenance of the I-NET for the term of the contract. Costs associated with this Subsection will be the responsibility of the Institutional Subscriber.

(e) The Grantor or Institutional Subscriber will notify Grantee in writing of its acceptance of the estimates within 30 days of receipt. Within one hundred twenty (120) days of receipt of the acceptance and execution of the contract for service by Grantor or Institutional Subscriber, Grantee will make the Site available for use by Grantor or Institutional Subscriber subject to circumstances beyond Grantee's control as provided in Section 19.8.

(f) As part of the discussions regarding contract options as provided in Section 11.2(2)(e) above, Grantee and Institutional Subscriber will discuss the rate and rate structure for the level of service and associated installation and equipment.

(g) Grantee agrees that PEG capital support provided for under this Franchise can be used for the construction and installation, purchase of hardware, and use of the I-NET or for similar services on separate fiber network as provided in Section 11.2(A) (1).

(h) Ownership of the I-NET distribution system facilities will remain with Grantee. Pursuant to the terms and conditions of this Franchise, so long as it is economically feasible, Grantee agrees to provide a managed I-NET for as long as Grantee is a provider of franchised cable television services or similar services in the Franchise Service area. Except for

trouble calls and malfunctions determined to have been caused by the Grantor or Institutional Subscribers, including but not limited to trouble calls related to equipment incompatibility, Grantee will be responsible for maintenance, repair and management of the I-NET in accordance with the terms and conditions of the agreement between Grantee and Institutional Subscriber. If the Grantor so directs, the I-NET facilities may be augmented, rearranged or upgraded by Grantee after installation, in which case the Grantor or Institutional Subscribers shall compensate Grantee at its then prevailing rate.

(i) The I-NET is a private communications network governed by this Franchise and the Cable Act. The Grantor and Institutional Subscribers shall use the I-NET solely for non-commercial applications and purposes. Institutional Subscribers shall not attach any equipment or otherwise use the I-NET in any way that will interfere with the signal quality and the normal operation of Grantee's Cable System in conformity with this Franchise or FCC regulations. The Grantor and Institutional Subscribers shall not resell access to the I-NET or sell services utilizing the I-NET to third parties in competition with Grantee.

(B) In the event that the Grantor provides commercial Cable Services or I-Net Services to Residential Subscribers or business customers in competition with Grantee, on a wholesale or retail basis, during the term of this Franchise, then Grantee shall have the rights provided to Grantee in this Section. Should Grantee determine that Grantor is providing or offering to provide such services during the term of this Franchise, Grantee will provide Grantor with written notice of such determination. Such notice period shall be for the purposes of determining whether such services are, in fact, being provided, and, if so, to negotiate within a reasonable period of time a reasonable good faith transition schedule and alternative service arrangements, including commercial contracts for existing I-Net Subscribers prior to the date of such activation. In the case of Grantor activating or providing such services during the term of this Franchise prior to Grantee discovering the same, the reasonable period of time to discuss whether such services are being offered or provided by Grantor and for transition of existing I-Net Subscribers to alternative service arrangements shall be no longer than nine (9) months.

Following the expiration of the transition period addressed above, Grantee shall have the right to discontinue I-Net Services under this Section and Grantor shall discontinue use of PEG Capital funds in support of I-Net Capital Costs under Section 11.2 (A) (2) (g) of this Franchise. Grantee will provide Grantor written notice of discontinuance of I-Net services and Grantor's use of PEG Capital funds in support of I-Net Capital Costs.

An "offering" of services under this Section shall not include a survey or inquiry as to potential customer interest, but shall reference a binding commitment to provide services upon acceptance. As used in this section "competition with Grantee" shall not be deemed to include (1) the provision of Internet or telephone services by Grantor to its tenants in conjunction with the occupancy of any facility owned or leased by Grantor where such services are exclusively provided by Grantor pursuant to a lease agreement; (2) the Grantor's provision of data or communication services for public emergency services, law enforcement and transportation management to state or federal offices within the Franchise area; (3) data or communication services to local governmental entities that are geographically adjacent to Grantor and where

such services are unique and available from Grantor such as GIS mapping, 911 communications, Assessor and Treasurer information, and traffic management offered to support the other local governmental entity's functions and communications; (4) data or communication services for certain local non-profit agencies listed in Exhibit B that provide services specifically supporting Grantor's programs and are designated as such by Grantor; or (5) the provision of non-commercial data or communication services provided by the Grantor to itself. At anytime during the term of this Franchise, the Grantor may request that certain data or communication services provided to additional entities including local non-profits not specified herein be deemed not in competition with Grantee, and Grantee will discuss in good faith with Grantor to determine whether such service to that entity is or is not in competition with Grantee.

Grantee agrees and acknowledges that the Grantor's existing communication networks and the provision of communication services in effect as of the effective date of this Franchise are not in competition with Grantee within the meaning of this Section.

(C) I-Net Not Common Carrier. Nothing in this Franchise or Section 11.2 hereof shall be deemed by the Grantor or Grantee to subject Grantee's operations, or I-Net Services provided by Grantee under authority of this Franchise, to regulation as a common carrier within the meaning of applicable state or federal law.

Notwithstanding any provision to the contrary, if at any time it is determined by a court or agency or legislature of competent and controlling jurisdiction that the use or provision of the I-Net constitutes a Telecommunications Service, or that the provision of the I-Net by Grantee in accordance with this Franchise is unlawful, such use or provision of the I-Net shall be terminated, amended, or otherwise transitioned to another provider as may be agreed upon by the parties. For the purpose of this Section, "Telecommunications Service" means the offering of telecommunications for a fee directly to the public or to such classes of users as to be effectively available directly to the public, regardless of the facilities used.

SECTION 12. Test and Compliance Procedures

Upon request, Grantee shall advise Grantor of schedules and methods for testing the Cable System on a regular basis to determine compliance with the provisions of applicable FCC technical standards. Tests may be witnessed by representatives of Grantor, and written test reports may be made available to Grantor upon request.

As required by FCC Rules, Grantee shall conduct proof of performance tests and cumulative leakage index tests designed to demonstrate compliance with FCC requirements. Grantee shall provide Grantor summary written reports of the results of such tests.

SECTION 13. SERVICE EXTENSION, CONSTRUCTION, AND INTERCONNECTION

13.1 Equivalent Service

It is Grantee's general policy that all residential dwelling units in the Franchise Area have equivalent availability to Cable Service from Grantee's Cable System under nondiscriminatory rates and reasonable terms and conditions. Grantee shall not arbitrarily refuse to provide Cable Service to any Person within its Franchise Area, provided that Grantee is authorized to activate the upgraded system node by node.

13.2 Service Availability

(A) New Construction. Except for circumstances beyond Grantee's control and subject to Section 13.2 (B) and (C), Grantee shall provide Cable Service within sixty (60) days in newly constructed areas. For purposes of this Section, a request shall be deemed made on the date of signing a service agreement, receipt of funds by Grantee, receipt of a written request by Grantee or receipt by Grantee of a verified verbal request.

(B) Required Extensions of Service. The Cable System, as constructed as of the date of the passage and final adoption of this Franchise, substantially complies with the material provisions hereof. Whenever the Grantee shall receive a request for service from a potential customer where there are at least ten (10) residences within 1320 cable-bearing strand feet (one-quarter cable mile) of its trunk or distribution cable, it shall extend its Cable System to such customers at no cost to said customers for Cable System extension, other than the usual connection fees for all customers within ninety (90) days except for circumstances beyond Grantee's control, provided that such extension is technically feasible, and if it will not adversely affect the operation, financial condition, or market development of the Cable System, or as provided under Section 2.6 of this Franchise.

(C) Customer Charges for Extensions of Service. No customer shall be refused service arbitrarily. However, for a cable drop that extends for more than 125 feet from Grantee's distribution cable for connection of service to a customer or customer requests to locate his cable drop underground, the customer shall be responsible for the cost of such extension of cable drop or undergrounding of cable drop. In circumstances where there exists a density of less than ten (10) residences per 1320 cable-bearing strand feet of trunk or distribution cable, cable service may be made available on the basis of a capital contribution in aid of construction, including cost of material, labor, and easements. For the purpose of determining the amount of capital contribution in aid of construction to be borne by the Grantee and customers in the area in which service may be expanded, the Grantee will contribute an amount equal to the construction and other costs per mile, multiplied by a fraction whose numerator equals the actual number of residences per 1320 cable-bearing strand feet of its trunks or distribution cable and whose denominator equals ten (10) residences. Customers who request service hereunder will bear the remainder of the construction and other costs on a *pro rata* basis. The Grantee may require that the payment of the capital contribution in aid of construction borne by such potential customers be paid in advance.

13.3 Connection of Public Facilities

As voluntary initiative, Grantee shall, at no cost to Grantor, provide at least one (1) outlet of Basic and expanded basic programming or its equivalent to all Grantor's buildings, as designated by the Grantor, and all libraries and Schools passed by the Cable System within the Franchise Area, except for home schools and buildings or facilities housing jail populations. In addition, Grantee shall provide, at no cost to the Grantor or other agency, one (1) outlet of Basic and expanded basic programming or its equivalent to all future public buildings passed by the Cable System within the Franchise Area if the drop line to such building does not exceed one-hundred twenty-five (125) cable feet or if Grantor or other agency agrees to pay the incremental cost of such drop line in excess of one-hundred twenty-five (125) cable feet, including the cost of such excess labor and materials. Outlets of Basic and expanded basic programming provided in accordance with this subsection may be used to distribute Cable Service throughout such buildings at the cost of Grantor or agency, provided such distribution can be accomplished without causing Cable System disruption and general technical standards are maintained. The Cable Service provided in this Section shall not be used for commercial purposes, and such outlets shall not be located in areas open to the public. The Grantor shall take reasonable precautions to prevent any use of the Grantee's Cable System in any manner that results in the inappropriate use thereof or any loss or damage to the Cable System. The Grantor shall hold the Grantee harmless from any and all liability or claims arising out of the provision and use of Cable Service required by this Section. If additional outlets of Basic Cable and expanded basic service and other services are provided to such buildings, the building owner/occupant shall pay Grantee's usual installation and service fees.

SECTION 14. STANDBY POWER

Grantee shall provide standby power generating capacity at the Cable System Headend capable of providing at least twelve (12) hours of emergency operation. Grantee shall maintain standby power system supplies, rated for at least two (2) hours duration, throughout the trunk and distribution networks. In addition, throughout the term of this Agreement, Grantee shall have a plan in place, along with all resources necessary for implementing such plan, for dealing with outages of more than two (2) hours.

SECTION 15. FRANCHISE VIOLATIONS; REVOCATION OF FRANCHISE

15.1 Procedure for Remedying Franchise Violations

(A) If Grantor believes that Grantee has failed to perform any obligation under this Agreement or has failed to perform in a timely manner, Grantor shall notify Grantee in writing, stating with reasonable specificity the nature of the alleged violation. Grantee shall have thirty (30) days from the date of receipt of such notice to:

(1) Respond to Grantor, contesting Grantor's assertion that a violation has occurred, and request a hearing in accordance with subsection C below; or

(2) Cure the violation; or

(3) Notify Grantor that Grantee cannot cure the violation within the thirty (30) days, because of the nature of the violation and notify the Grantor in writing of what steps the Grantee shall take to cure the violation including the Grantee's projected completion date for such cure. In such case, Grantor shall set a hearing date within thirty (30) days of receipt of such response in accordance with subsection (B) below.

(B) In the event that the Grantee notifies the Grantor that it cannot cure the violation within the thirty (30) day cure period, Grantor or its designee may set a public hearing within thirty (30) days of Grantor's receipt of such notice to review and determine whether the Grantee has taken reasonable steps to cure the violation and whether the Grantee's proposed plan and completion date for cure are reasonable. In the event such plan and completion date are found to be reasonable, the same shall be approved by the Grantor, who may waive all or part of the liquidated damages for such extended cure period in accordance with the criteria set forth in subsection (E) of this section.

(C) In the event that the Grantee fails to cure the violation within the thirty (30) day basic cure period, or within an extended cure period approved by the Grantor or designee pursuant to subsection (B), the Grantor or designee shall set a public hearing to determine what sanctions shall be applied. In the event that the Grantee contests the Grantor's assertion that a violation has occurred, and requests a hearing in accordance with subsection (A)(1) above, the Grantor or designee shall set a public hearing within sixty (60) days of the Grantor's receipt of the hearing request to determine whether the violation has occurred, and if a violation is found, what sanctions shall be applied.

(D) In the case of any hearing pursuant to this Section, Grantor shall notify Grantee of the hearing in writing and at the hearing, Grantee shall be provided an opportunity to be heard and to present evidence in its defense. The Grantor shall also hear any other Person interested therein.

(E) The liquidated damages set forth in Section 15.3 of this Agreement may be reduced at the discretion of the Grantor or designee, taking into consideration the nature, circumstances, extent and gravity of the violation as reflected by one or more of the following factors:

(1) Whether the violation was unintentional;

(2) Whether substantial harm resulted;

(3) Whether there is a history of prior violations of the same or other requirements;

(4) Whether there is a history of overall compliance; and/or

(5) Whether the violation was voluntarily disclosed, admitted or cured.

(F) If, after the public hearing, Grantor or designee determines that a violation exists, Grantor or designee may utilize one or more of the following remedies:

(1) Order Grantee to correct or remedy the violation within a reasonable timeframe as Grantor or designee shall determine;

(2) Establish the amount of liquidated damages set forth in Section 15.3, taking into consideration the criteria provided for in subsection (E) of this Section; provided that amounts in excess of fifty thousand dollars (\$50,000) shall be subject to Subsection (G) of this Section;

(3) Revoke this Agreement, subject to subsection (G) of this Section; and/or

(4) Pursue any other legal or equitable remedy available under this Franchise or any applicable law.

(G) This Agreement shall not be revoked nor shall liquidated damages in an amount in excess of fifty thousand dollars (\$50,000) be imposed except by City Council after notice and hearing as set forth in this Section.

(H) The determination as to whether a violation of this Agreement has occurred shall be within the sole discretion of the Grantor or its designee, provided that any such final determination shall be subject to review by a court of competent jurisdiction under applicable law.

15.2 Revocation

(A) In addition to all other rights and powers retained by the Grantor under this Franchise or otherwise, the Grantor reserves the right to revoke this Franchise and all rights and privileges of the Grantee hereunder, in whole or in part, in the event of a material violation of its terms and conditions. A material violation by the Grantee shall include, but shall not be limited to, the following:

(1) Violation of any material provision of this Franchise, or any material rule, order, regulation or determination of the Grantor or authorized agent made pursuant to this Franchise;

(2) Attempt to evade any material provision of this Franchise or to practice any fraud or deceit upon the Grantor or its Subscribers;

(3) Failure to restore service after forty-eight (48) consecutive hours of

interrupted service system-wide, except when approval of such interruption is obtained from the Grantor or designee or;

(4) Material misrepresentation of fact in the application for or negotiation of this Franchise.

15.3 Liquidated Damages

(A) Amounts. Because the Grantee's failure to comply with provisions of the Agreement will result in injury to the Grantor, and because it will be difficult to estimate the extent of such injury in certain instances, the Grantor and the Grantee agree to the following liquidated damages for the following violations. These damages represent both parties' best estimate of the damages resulting from the specified injury.

(1) For failure to extend Cable Service within the Franchise Area as required in this Franchise: two-hundred fifty dollars (\$250) per incident per day.

(2) For failure to provide for Public, Educational, and Governmental Access Channels required in this Franchise: five-hundred dollars (\$500) per incident per day.

(3) For violation of applicable customer service standards: two hundred fifty dollars (\$250) per incident per day.

(4) For all other material violations of this Franchise, other than those specified in this section, for which actual damages may not be ascertainable: one-hundred fifty dollars (\$150) per incident per day for such material provision of this Franchise that is violated.

For the purposes of this Section, the term "per incident" means a single occurrence of a material violation without regard to number of customers.

(B) Date of Violation, Notice and Opportunity to Cure. The date of violation will be the date of the event and not the date the Grantee receives notice of the violation, provided, if Grantor has actual knowledge of the violation and fails to give the Grantee the notice called for herein, then the date of the violation shall be no earlier than ten (10) business days before the Grantor gives Grantee the notice of the violation. The Grantor must provide written notice of a violation. Upon receipt of notice, the Grantee will have a period of thirty (30) days to cure the violation or thirty (30) days to present to the Grantor a reasonable remedial plan. The Grantor shall decide whether to accept or reject the remedial plan presented by the Grantee. Liquidated damages occur only in the event that either a cure has not occurred within thirty (30) days or the Grantor rejects the remedial plan. The procedures provided in Section 15, shall be utilized to impose any liquidated damages.

(C) Collection of Liquidated Damages. The collection of liquidated damages by the Grantor shall in no respect affect:

- (1) Compensation owed to Subscribers; or
- (2) The Grantee's obligation to comply with all of the provisions of this Agreement or applicable law; or
- (3) Equitable remedies available to the Grantor, provided that collection of liquidated damages shall be the exclusive monetary remedy for the particular incident for which it is imposed other than reasonable attorney fees and costs if applicable.

15.4 Removal

(A) In the event of revocation of this Franchise, pursuant to Section 15.2 of this Franchise, or expiration, following the renewal process pursuant to Section 17.1 of this Franchise, Grantor may order the removal of the above-ground Cable System facilities and such underground facilities as required by Grantor in order to achieve reasonable engineering or Street-use purposes, from the Franchise Area at Grantee's sole expense within a reasonable period of time as determined by Grantor. In removing its plant, structures and equipment, Grantee shall refill, at its own expense, any excavation that is made by it and shall leave all Streets, public places and private property in as good a condition as that prevailing prior to Grantee's removal of its equipment.

(B) If Grantee fails to complete any required removal to the satisfaction of Grantor, Grantor may cause the work to be done and Grantee shall reimburse Grantor for the reasonable costs incurred within thirty (30) days after receipt of an itemized list of the costs or Grantor may recover the costs through the Performance Bond provided by Grantee.

15.5 Receivership and Foreclosure

(A) At the option of Grantor, subject to applicable law, this Agreement may be revoked one-hundred twenty (120) days after the appointment of a receiver or trustee to take over and conduct the business of Grantee whether in a receivership, reorganization, bankruptcy or other action or proceeding unless:

(1) The receivership or trusteeship is vacated within one-hundred twenty (120) days of appointment; or

(2) The receiver(s) or trustee(s) have, within one-hundred twenty (120) days after their election or appointment, fully complied with all the terms and provisions of this Agreement, and have remedied all violations under the Agreement. Additionally, the receiver(s) or trustee(s) shall have executed an agreement duly approved by the court having jurisdiction, by which the receiver(s) or trustee(s) assume and agree to be bound by each and every term and provision of this Agreement.

(B) If there is a foreclosure or other involuntary sale of the whole or any part of the plant, property and equipment of Grantee, Grantor may serve notice of revocation on Grantee and

to the purchaser at the sale, and the rights and privileges of Grantee under this Agreement shall be revoked sixty (60) days after service of such notice, unless:

(1) Grantor has approved the transfer of the Agreement, in accordance with the procedures set forth in this Agreement and as provided by law; and

(2) The purchaser has agreed with Grantor to assume and be bound by all of the terms and conditions of this Agreement.

15.6 No Recourse Against Grantor

Grantee shall not have any monetary recourse against Grantor or its officials, boards, commissions, agents or employees for any loss, costs, expenses or damages arising out of any provision or requirement of this Agreement or the enforcement thereof, as provided by applicable federal, state and local law. The rights of the Grantor under this Agreement are in addition to, and shall not be read to limit, any immunities the Grantor may enjoy under federal, state or local law.

15.7 Nonenforcement by Grantor

Grantee is not relieved of its obligation to comply with any of the provisions of this Agreement by reason of any failure of Grantor to enforce prompt compliance. Grantor's forbearance or failure to enforce any provision of this Agreement shall not serve as a basis to stop any subsequent enforcement. The failure of the Grantor on one or more occasions to exercise a right or to require compliance or performance under this Agreement or any applicable law shall not be deemed to constitute a waiver of such right or a waiver of compliance or performance, unless such right has been specifically waived in writing. Any waiver of a violation is not a waiver of any other violation, whether similar or different from that waived.

15.8 Relationship of Remedies

The remedies provided for in this Agreement are cumulative and not exclusive except as provided in Section 15.3 hereof; the exercise of one remedy shall not prevent the exercise of another, or any rights of the Grantor at law or equity.

SECTION 16. ABANDONMENT

16.1 Effect of Abandonment

If the Grantee abandons its System during the Agreement term, or fails to operate its Cable System in accordance with its duty to provide continuous service, the Grantor, at its option, may operate the Cable System; designate another entity to operate the Cable System temporarily until the Grantee restores service under conditions acceptable to the Grantor or until the Agreement is revoked and a new Franchisee is selected by the Grantor; or obtain an injunction requiring the Grantee to continue operations. If the Grantor is required to operate or

designate another entity to operate the Cable System, the Grantee shall reimburse the Grantor or its designee for all reasonable costs, expenses and damages incurred.

16.2 What Constitutes Abandonment

The Grantor shall be entitled to exercise its options and obtain any required injunctive relief if:

(A) The Grantee fails to provide Cable Service in accordance with this Agreement over a substantial portion of the Franchise Area for forty-eight (48) consecutive hours, unless the Grantor authorizes a longer interruption of service; or

(B) The Grantee, for any period, willfully and without cause refuses to provide Cable Service in accordance with this Agreement.

SECTION 17. FRANCHISE RENEWAL AND TRANSFER

17.1 Renewal

(A) The Grantor and Grantee agree that any proceedings undertaken by the Grantor that relate to the renewal of Grantee's Agreement shall be governed by and comply with the provisions of Section 626 of the Cable Acts, unless the procedures and substantive protections set forth therein shall be deemed to be preempted and superseded by the provisions of any subsequent provision of federal or state law.

(B) In addition to the procedures set forth in said Section 626(a), the Grantor agrees to notify Grantee of the completion of its assessments regarding the identification of future cable-related community needs and interests, as well as the past performance of Grantee under the then current Franchise term. Notwithstanding anything to the contrary set forth herein, Grantee and Grantor agree that at any time during the term of the then current Franchise, while affording the public adequate notice and opportunity for comment, the Grantor and Grantee may agree to undertake and finalize negotiations regarding renewal of the then current Agreement and the Grantor may grant a renewal thereof. Grantee and Grantor consider the terms set forth in this Section to be consistent with the express provisions of Section 626 of the Cable Acts.

17.2 Transfer of Ownership or Control

(A) The Cable System and this Agreement shall not be sold, assigned, transferred, leased, or disposed of, either in whole or in part, either by involuntary sale or by voluntary sale, merger, consolidation, nor shall title thereto, either legal or equitable, or any right, interest, or property therein pass to or vest in any Person or entity, without the prior written consent of the Grantor, which consent shall not be unreasonably withheld.

(B) The Grantee shall promptly notify the Grantor of any actual or proposed change in, or transfer of, or acquisition by any other party of control of the Grantee. The word "control"

as used herein is not limited to majority stockholders but includes actual working control in whatever manner exercised. A rebuttable presumption that a transfer of control has occurred shall arise on the acquisition or accumulation by any Person or group of Persons of ten percent (10%) of the shares or the general partnership interest in the Grantee, except that this sentence shall not apply in the case of a transfer to any Person or group already owning at least a ten percent (10%) interest of the shares or the general partnership interest in the Grantee. Every change, transfer or acquisition of control of the Grantee shall make this Franchise subject to cancellation unless and until the Grantor shall have consented thereto.

(C) The parties to the sale or transfer shall make a written request to the Grantor for its approval of a sale or transfer and furnish all information required by law and the Grantor.

(D) The Grantor shall render a final written decision on the request within one-hundred twenty (120) days of the request, provided it has received all requested information. Subject to the foregoing, if the Grantor fails to render a final decision on the request within one-hundred twenty (120) days, such request shall be deemed granted unless the requesting party and the Grantor agree to an extension of time.

(E) Within thirty (30) days of any transfer or sale, if approved or deemed granted by the Grantor, Grantee shall file with the Grantor a copy of the deed, Agreement, lease or other written instrument evidencing such sale or transfer of ownership or control, certified and sworn to as correct by Grantee and the transferee.

(F) In reviewing a request for sale or transfer, the Grantor may inquire into the legal, technical and financial qualifications of the prospective controlling party or transferee, and Grantee shall assist the Grantor in so inquiring. The Grantor may condition said sale or transfer upon such terms and conditions as it deems reasonably appropriate, provided, however, any such terms and conditions so attached shall be related to the legal, technical, and financial qualifications of the prospective controlling party or transferee and to the resolution of outstanding and unresolved issues of noncompliance with the terms and conditions of this Agreement by Grantee.

(G) The consent or approval of the Grantor to any transfer by the Grantee shall not constitute a waiver or release of any rights of the Grantor, and any transfer shall, by its terms, be expressly subordinate to the terms and conditions of this Franchise.

(H) Notwithstanding anything to the contrary in this Section, the prior approval of the Grantor shall not be required for any sale, assignment or transfer of the Agreement or Cable System for cable television system usage to an entity controlling, controlled by or under the same common control as Grantee provided that the proposed assignee or transferee must show financial responsibility as may be determined necessary by the Grantor and must agree in writing to comply with all provisions of the Agreement. No consent shall be required for a transfer in trust, by mortgage, by other hypothecation, by assignment of any rights, title, interest of Grantee in the Franchise or Cable System in order to secure indebtedness.

SECTION 18. SEVERABILITY

If any Section, subsection, paragraph, term or provision of this Agreement is determined to be illegal, invalid or unconstitutional by any court of competent jurisdiction or by any state or federal regulatory authority having jurisdiction thereof, such determination shall have no effect on the validity of any other Section, subsection, paragraph, term or provision of this Agreement, all of which will remain in full force and effect for the term of the Agreement.

SECTION 19. MISCELLANEOUS PROVISIONS

19.1 Preferential or Discriminatory Practices Prohibited

Grantee shall not discriminate in hiring, employment or promotion on the basis of race, color, creed, ethnic or national origin, religion, age, sex, sexual orientation, marital status, or physical or mental disability. Throughout the term of this Agreement, Grantee shall fully comply with all equal employment or nondiscrimination provisions and requirements of federal, state and local law and, in particular, FCC rules and regulations relating thereto.

19.2 Notices

Throughout the term of the Agreement, Grantee shall maintain and file with Grantor a designated legal or local address for the service of notices by mail. A copy of all notices from Grantor to Grantee shall be sent, postage prepaid, to such address and such notices shall be effective upon the date of mailing. At the effective date of this Agreement, such addresses shall be:

- (1) Comcast Cable
Attn :Government Affairs
9605 SW Nimbus Ave
Beaverton, OR 97008

With copy to: Comcast Cable
Attn: West Division/Government Affairs
15815 25th Ave West
Lynnwood, WA 98087

All notices to be sent by Grantee to Grantor under this Agreement shall be sent, postage prepaid, and such notices shall be effective upon the date of mailing. At the effective date of this Agreement, such address shall be:

City of Vancouver
Cable TV Office
P.O. Box 1995
Vancouver, WA 98668-1995

With copy to:
Vancouver City Attorney
P.O. Box 1995
Vancouver, WA 98668-1995

19.3 Binding Effect

This Agreement shall be binding upon the parties hereto, their permitted successors and assigns.

19.4 Authority to Amend

This Agreement may be amended at any time by written agreement between the parties.

19.5 Governing Law

This Agreement shall be governed in all respects by the laws of the State of Washington.

19.6 Captions

The captions and headings of this Agreement are for convenience and reference purposes only and shall not affect in any way the meaning or interpretation of any provisions of this Agreement.

19.7 Construction of Agreement

The provisions of this Agreement shall be liberally construed to promote the public interest.

19.8 Force Majeure

(A) For purposes of this Franchise, the term “Force Majeure” shall mean acts of God, landslides, earthquakes, lightning, fires, hurricanes, volcanic activity, storms, floods, washouts, droughts, civil disturbances, acts of terrorism or of the public enemy, strikes, explosions, lockouts or other industrial disturbances, insurrections, public riots, partial or entire failure of utilities, documented work delays caused by waiting for utility providers to service or monitor utility poles to which Grantee’s facilities are attached and documented unavailability of materials and/or qualified labor to perform the work necessary; and other similar events which are not reasonably within the control of the distressed party.

(B) If either party is wholly or partially unable to carry out or perform its obligations under this Franchise as a result of Force Majeure, the distressed party shall not be deemed in violation or default during the duration of the Force Majeure. The distressed party shall take immediate and diligent steps to comply as soon as possible under the circumstances, and shall take all necessary corrective steps to remedy as expeditiously as possible the non-compliant

responsibilities and duties affected by the Force Majeure. The distressed party shall give prompt notice of such Force Majeure, describing the same in reasonable detail. The distressed party's obligations under this Franchise shall not be deemed in violation or default for the duration of the Force Majeure.

19.9 Attorneys' Fees

In the event of litigation between the parties, the prevailing party in such action shall be entitled to recover, in addition to damages, injunctive relief, reasonable costs and expenses, including, but not limited to, reasonable attorney fees, court costs and expert witness fees subject to court approval. Such costs shall include reasonable attorney fees, costs and expenses incurred at trial and appeal.

19.10 Survival

The provisions of Sections 3.12 - Payment on Termination, 5.3 – Indemnification, 7.2 – Confidentiality, 10.3 – Relocation, 10.9 - Discontinuing Use of Facilities, 15.3 Liquidated Damages, Section 15.4 Removal, and 16 - Abandonment and of any other indemnity provisions elsewhere contained in this Agreement shall survive the expiration or earlier revocation of this Agreement.

AGREED TO THIS _____ DAY OF _____ 2013.

CITY OF VANCOUVER

COMCAST OF WASHINGTON V, LLC

By: _____

By: _____

Title: _____

Title: _____

Approved as to form:

City Attorney

Columbia Bank Garage Disposition

VANCOUVER
CITY HALL

CITY OF
Vancouver
WASHINGTON

June 28, 2021
City Council Meeting

Chad Eiken, Director
Community and Economic Development

Columbia Bank Garage - Disposition

Overview:

- The City owns and operates a 233-space Park-n-Go garage attached to the Columbia Bank Building at 600 Broadway
- The garage was purchased by the City in 2001 to catalyze redevelopment in lower downtown
- A 1999 Development Agreement between developer of the Columbia Bank (formerly West Coast) Bank building contains an exclusive right to purchase the garage subject to price and timing
- On May 19, 2021, Broadway Investors LLC submitted a formal request to purchase the garage for \$3,441,095

Location: 600 Broadway



Brief History of Garage

- 1997 – City Council adopted Esther Short Redevelopment Plan (30 blocks) with Esther Short Park as the definitive centerpiece
- West Coast Bank Building built in 2001 one of the first redevelopment projects 6-story 70,353 s.f. mixed use building; adjacent parcel later developed for a 3-story, 45,000 s.f. office building known as The Hudson Building
- Purchase of garage was one of several major investments by City to stimulate development downtown (Vancouvercenter Garage, ESP, nearby sidewalks and lighting)
- Garage was not purchased to serve as a district parking asset for surrounding area; was always envisioned to be sold back to developer

Garage Use and Net Impact

- Garage constructed to serve primarily as parking for the new buildings, operationally has functioned in that capacity; sale results in a net loss of 27 short term public spaces
- Sale of the garage will result in net annual savings to the Parking Fund (approx. \$33K) as well as one-time revenue (\$2.2M after payment of the remaining debt) that can be used toward parking enhancements elsewhere in the downtown
- Purchase of the garage achieved economic development goals as originally intended – catalyzed projects on two blocks early in downtown redevelopment efforts, added office workers, residents, retail sales, property taxes; garage will be added to the tax rolls once sold

Next Steps

- Per the terms of the 1999 Agreement, the proposal meets the minimum price and timing requirements and therefore the City is obligated to sell the garage to the developer
- The City's Parking Advisory Committee and City Center Redevelopment Authority each received a briefing by staff last week
- Final approval of the PSA is scheduled for City Council action next Monday, June 28

Questions



EXIT

DO NOT ENTER

Chad Eiken, CED Director
(360) 487-7882
chad.eiken@cityofvancouver.us



Staff Report 093-21

TO: Mayor and City Council

FROM: Eric Holmes, City Manager

DATE: 6/28/2021

SUBJECT Columbia Bank Parking Garage Disposition

Key Points

- In 2001, the City of Vancouver purchased a 233-stall parking garage from the developer of the Columbia (formerly West Coast) Bank Building located at 500 Broadway Street in order to stimulate economic development projects in the Esther Short Revitalization Subarea within the downtown.
- A 1999 Development Agreement between the City and Broadway Investors LLC specified the terms of the garage purchase and included an exclusive Option to Purchase the garage between December 31, 2016, and December 31, 2021, for the greater of Fair Market Value (FMV) or an established minimum price of \$3,441,095, which is the price the City initially paid.
- Broadway Investors LLC (Purchaser) has submitted a formal request to exercise their option to purchase the garage for \$3,441,095.
- Two separate appraisals by reputable firms were conducted for the garage and both indicated that the FMV would be substantially less than the agreed-to minimum price in the development agreement.
- The City's purchase of the garage directly resulted in the development of both the Columbia Bank Building and the adjacent Hudson Building, with a total of 115,353 square feet of office and retail space and 23 residential condominium units, with an estimated direct capital investment of \$30 million. Both buildings have played a key role in the revitalization of the lower downtown area and have generated revenue from property taxes.
- For a number of years, most of the parking spaces have been licensed to tenants of both buildings for monthly permit parking. 47 of the spaces have been retained by the City for hourly parking but are seldom used.
- While revenue has increased in recent years from license fees, the garage still operates at a loss of about \$33,000 per year.
- City staff have requested that the Purchaser maintain 25 parking stalls for short-term customer parking until such time as the City determines they are no longer needed, which they have agreed to.
- The parking garage has fulfilled the original intent of stimulating redevelopment in the downtown and the request meets the requirements of the previously agreed-to Option to

Purchase, including timing and purchase price.

Strategic Plan Alignment

Goal 8: Strengthen commercial, retail and community districts throughout the city

Goal 9: Build the strongest, most resilient economy in the region

Objective 9.1: Create infrastructure and policies that support job creation

Present Situation

In 1997, City Council adopted the Esther Short Redevelopment Subarea Plan, predecessor to the Vancouver City Center Vision Plan, which marked the beginning point in the successful revitalization of the downtown core, with Esther Short Park as the central focus. One of the first redevelopment projects in the redevelopment area was the West Coast (now Columbia) Bank Building, built in 2001, which was a six-story, 70,353-square-foot mixed-use building at the southern entrance to the downtown from I-5. The initial development reserved space to the west of the garage for future development, which in 2016 was developed for The Hudson, a three-story, 45,000 square foot office and retail building.

The City purchased the garage as a condominium unit (no land) from Broadway Investors for \$3,441,095 in 2001. This was one of several major investments the City made to stimulate development in the Esther Short Redevelopment Area, including the purchase of the Vancouvercenter Parking Garage and construction of improvements to Esther Short Park and nearby streets, utilities and sidewalks. It is estimated that the City's purchase of the garage directly resulted in \$30 million in private capital investment in construction of the two buildings.

The West Coast Bank Building and adjacent 233-stall parking garage were the subject of a 1999 development agreement between Broadway Investors and the City, approved as Ord. M-3466 on December 29, 1999. The D.A. outlined the City's commitment to purchase the garage for \$3,441,095 and included an exclusive Option to Purchase, whereby the Developer has the express ability to purchase the garage back from the City between December 31, 2016, and December 31, 2021, for the greater of Fair Market Value (FMV) or an established minimum price of \$3,441,095.

In 2000 the City issued \$3,476,000 in bonds for this garage. In 2012 the City issued taxable bonds for the portion related to the parking garages. The City makes annual payments of \$246,000 on the debt from the Parking Fund, and approximately \$1,135,200 remains outstanding. The remaining debt would be paid off in late 2025 if no sale occurs. The City expends about \$45,110 annually on maintenance, security and enforcement in the garage, therefore total expenditures are approximately \$291,110. The City collects revenue on monthly licenses and hourly parking. In 2020, the City received approximately \$258,000. While revenues from parking license fees have increased in recent years, the garage operates at a loss of about \$33,110 per year. The two buildings that were built because of the garage have generated approximately \$6,155,530 in total property taxes since 2006 (earliest available data) of which \$1,384,995 was City property tax.

On May 19, 2021, Broadway Investors LLC (Purchaser) submitted a formal request to exercise their option to purchase the garage for \$3,441,095 and have requested that the sale transaction be completed no later than July 7, 2021, in order to facilitate a related property transaction. An appraisal by BBG commissioned by the Purchaser estimated the Fair Market Value of the garage at \$2.6 million. A second appraisal by Colliers commissioned by the City estimated the Fair Market Value of the garage at \$3.25 million. Both appraisals are substantially less than the agreed-to minimum price in the development agreement.

For a number of years, 80 percent of the parking spaces have been licensed to tenants of both buildings for monthly permit parking. 47 of the spaces have been retained by the City for hourly parking but are seldom used, according to parking staff and the owner of the two buildings. City staff have requested that the Purchaser maintain 25 parking stalls for short-term customer parking until such time as the City determines they are no longer needed, which the Purchaser has agreed to. The City will not have any ongoing maintenance or enforcement responsibilities for these spaces. Additionally, the City will remove and retain ownership of the Park-n-Go signs and parking meters. The City's Parking Advisory Committee and City Center Redevelopment Authority have been informed of the request to exercise the Option to Purchase.

In summary, the parking garage has fulfilled the original intent of stimulating redevelopment in the downtown, most of the parking has been historically used by tenants of the two buildings, and the request meets the requirements of the previously agreed-to Option to Purchase, including timing and purchase price.

Advantage(s)

1. Fulfills the City's prior commitment under Ord. M-3466 to sell the parking garage back to the Developer under the terms of the Option to Purchase;
2. Eliminates annual debt payments, and ongoing costs for maintenance, security and enforcement by City;
3. Privatizes a garage that has historically provided tenant parking for buildings associated with the project;
4. Balance of funds remaining following payment of the debt will be placed into the Parking Fund and applied toward expanding parking options in high activity areas.

Disadvantage(s)

22 hourly spaces will be immediately converted to monthly permit spaces for employees; however, there has been little demand for short-term parking but an increasing demand for employee parking.

Budget Impact

Overall positive budget impact:

- One time payment to City of \$3,441,095 which, following payment of remaining debt, interest and fees, results in approximately \$2,240,000 to the Parking Fund.
- Elimination of an annual net operating loss to the City of approximately \$33,000.
- The parking structure will be added to the Assessor's tax rolls which will generate taxes for all taxing districts including the City.

Prior Council Review

6/7/21 Briefing Memo

Action Requested

Authorize the City Manager to sign the Purchase and Sale Agreement and all related documents necessary to facilitate the sale of the Columbia Bank Parking Garage to Broadway Investors LLC for the amount of \$3,441,095, subject to terms and conditions of the purchase and sale agreement.

Chad Eiken, Community and Economic Development Director, 360-487-7882

ATTACHMENTS:

- ▣ Purchase and Sale Agreement
- ▣ Letter Requesting Exercising Option to Purchase
- ▣ 1999 D.A. and Option to Purchase
- ▣ City Commissioned Appraisal 4.26.21
- ▣ Developer Commissioned Appraisal

PURCHASE AND SALE AGREEMENT

BETWEEN: 500 Broadway LLC, a Washington limited liability company
c/o Killian Pacific
1615 SE 3rd Avenue, Suite 100
Portland, OR 97214

("BUYER")

AND: City of Vancouver, a Washington municipal corporation
415 W 6th Street
Vancouver, WA 98660

("SELLER")

EFFECTIVE DATE: June __, 2021

RECITALS:

WHEREAS, Broadway Investors, LLC ("Broadway Investors") and Seller are parties to that certain Option to Purchaser Agreement for Parking Garage Unit dated December 29, 1999 (the "Option to Purchase"). Pursuant to the Option to Purchase, Seller granted to Broadway Investors an exclusive option to purchase a condominium interest in a three-level parking garage containing 233 parking spaces (the "Parking Garage Unit").

WHEREAS, the Option to Purchase was granted in consideration for the parties entering into that certain Disposition and Development Agreement dated December 29, 1999 (the "DDA"), which governs the operation of the Parking Garage Unit.

WHEREAS, Buyer and NACO Land Company, L.L.C., an Oregon limited liability company ("NACO") are the sole members of Broadway Investors. Broadway Investors, with NACO's consent has assigned its interest in the Option to Purchase to Buyer and Buyer has elected to exercise such option.

WHEREAS, the Option to Purchase provides that any assignment of rights is subject to the written consent of the other party, which consent shall not be unreasonably withheld or delayed, Seller will, by Seller's execution of this Agreement, provide Seller's written consent to Broadway Investors' assignment to Buyer, contingent upon written confirmation of such assignment and consent by Buyer and NACO.

WHEREAS, the Buyer provided Seller with the Option Notice required by Section 4 of the Option to Purchase on _____, 2021 and the Purchase Price (defined below) was established in accordance with the requirements of the Option to Purchase, which includes two separate professional appraisals of the Parking Garage Unit.

WHEREAS, the DDA requires that any sale under the Option to Purchase close only after no tax-exempt bonds issued to provide financing for Seller's acquisition of the Parking Garage Unit remain outstanding.

WHEREAS, the Parking Garage Unit is subject to that certain Parking Garage Operation and Maintenance Agreement dated December 29, 1999, as amended by that First Amendment dated January 4, 2016 and by that Second Amendment dated January 1, 2019 by and between

Broadway Investors and Seller, which must be terminated or assigned as a condition of this Agreement.

WHEREAS, sale of the Parking Garage Unit was approved by Seller by adoption of Ordinance No. M-3466 on November 15, 1999 (second reading) or December 29, 1999 (ordinance signed) by the Vancouver City Council, approving the DDA and the Option to Purchase.

AGREEMENT:

NOW, THEREFORE, for valuable consideration, the receipt and sufficiency of which are hereby acknowledged, it is agreed:

1. Sale and Purchase. Buyer agrees to purchase the Parking Garage Unity, the legal description of which is attached hereto as Exhibit "A" and is hereinafter referred to as the "Property," from Seller and Seller agrees to sell the Property to Buyer for the sum of THREE MILLION FOUR HUNDRED FORTY-ONE THOUSAND ONE HUNDRED NINETY-FIVE AND NO/100 DOLLARS (\$3,441,195.00) ("Purchase Price").
2. Earnest Money; Payment of Purchase Price. Upon execution of this Agreement by both parties, Buyer agrees to deposit with Chicago Title Company of Washington, 655 West Columbia Way, Suite 200, Vancouver, WA 98660 ("Escrow Agent"), earnest money in the amount of TWENTY-FIVE THOUSAND AND NO/100 DOLLARS (\$25,000.00) in the form of cash or promissory note ("Earnest Money"). The Earnest Money will be deposited in an interest-bearing account that provides no penalties for early or immediate withdrawal. The interest accruing on the Earnest Money shall be credited to the Purchase Price at Closing (defined in Close of Escrow section). In the event Closing does not occur, the Earnest Money and all of the accumulated interest shall be disbursed in accordance with the provisions of Section 16. At Closing, Buyer shall pay, by immediately available funds, the remaining Purchase Price due after credit for Earnest Money and interest thereon is given.
3. Conditions.
 - a) Closing of the sale of the Property may not occur until Vancouver City Council approves an ordinance directing the defeasance of any outstanding bonds on the Property at Closing.
 - b) Buyer has had, or by Closing will have had, sufficient opportunity to conduct due diligence investigations and analysis of the Property and all information pertaining to the Property ("Due Diligence Period"). Seller shall provide Buyer with copies of all materials in Buyer's possession pertaining to the Property promptly following the mutual execution of this Agreement. Buyer shall have the right to conduct such inspections of the Property as Buyer determines appropriate.
 - c) Mutual execution at the Closing, of a short-term parking agreement in the form attached hereto as Exhibit "B" pursuant to which Buyer will agree to maintain 25 short-term parking stalls from 8 am through 5 pm, Monday through Friday for visitor parking. Such parking stalls may be made available through a parking management system and need not be marked for short term parking, however Buyer shall provide readily visible exterior signage indicating that short term visitor parking is available at the Property. Buyer shall have the right on an annual basis to make a request to Seller to reduce

the number of short-term parking stalls if parking management data supports such reduction.

- d) A parking covenant in the form attached hereto as Exhibit "C" executed by Buyer running with the land, which shall provide that Buyer will make available for public parking 233 parking spaces at commercially reasonable rates on weekday evenings after 6pm and on weekends in connection with community activities and events (the "Parking Covenant").
- e) Seller's removal of all parking meters, the "Park N' Go" sign, and any other signage referencing Seller's maintenance, control, or enforcement of parking at least 24 hours before Closing (provided that this condition is solely for the benefit of Buyer and may be waived by Buyer in its sole discretion).
- f) Termination or assignment of the Parking Garage Operation and Maintenance Agreement and the Parking License Agreement by and between Seller and Broadway Investors.
- g) Assignment and assumption of any monthly parking licenses to which the Property is subject.
- h) Termination or assignment of any service contracts to which the Property is subject.
- i) Proof of assignment of the Option to Purchase by Broadway Investors to Buyer.

4. Close of Escrow. Closing shall be on or before July 7, 2021.

As used in this Agreement, "Close," "Closing," or "Closed," shall mean the date on which all of the necessary documents have been deposited with the Escrow Agent and the Escrow Agent has (a) disbursed the Purchase Price to Seller; (b) recorded on behalf of Buyer the Statutory Warranty Deed ("Deed") for the Property; (c) issued or authorized the issuance of the Title Insurance Policy referred to in Section 9 of this Agreement; and (d) complied with all other escrow instructions of Buyer or Seller imposed as a condition of Closing.

5. Warranty Deed. This Agreement is for conveyance of fee title. Title shall be conveyed by Statutory Warranty Deed free and clear of all right, title or interest of Buyer and subject only to the matters set forth on Exhibit "D" (the "Permitted Encumbrances").

6. Seller's Representations. Seller warrants and makes the following representations to Buyer:

- a) With regard to any alteration and/or improvement (if any) made to the Property during Seller's ownership of the Property, Seller has no knowledge of any structural defects, latent defects or building system defects within the Parking Garage Unit or serving the Property under the Condominium Documents;
- b) With regard to any alteration and/or improvement (if any) made to the Property during Seller's ownership of the Property, the Property has been constructed in accordance with all building, zoning, environmental, health and insurance laws and regulations in effect at the time of any such improvement made by Seller;
- c) During Seller's ownership of the Property, there are no liens, encumbrances or other defects affecting title to the Property which have been or will be

filed against the Property (unless such lien is the subject of a dispute and Seller has caused such lien to be removed of record as required under the DDA);

- d) Seller is not a foreign person as that term is defined in IRC 1445 and, at Closing, Seller will deliver a certificate of non-foreign status in form required by IRS regulations;
- e) During Seller's ownership of the Property, there is no litigation pending, or to the best knowledge of Seller, threatened, with respect to the Property;
- f) During Seller's ownership of the Property, Seller has paid any and all state and local taxes assessed in connection with the construction of the Parking Garage Unit and has completed and filed all necessary tax returns with the appropriate taxing authority applicable thereto (if applicable);
- g) Seller has not receive written notice of any violation of law pertaining to the Property that remains uncured;
- h) There are no leases, occupancy agreement or service contracts that are not terminable at Closing; and;
- i) During Seller's ownership of the Property, no Hazardous Substances in violation of any applicable federal, state or local laws have been incorporated in the structure of the Parking Garage Unit.

7. Buyer's Representations. Buyer warrants and makes the following representations to Seller:

- a) Buyer is a Washington limited liability corporation, duly organized, validly existing and in good standing under the laws of the State of Washington and Buyer has all requisite power and authority to carry on its business as it is now being conducted in the place where such businesses are now conducted.
- b) Buyer acknowledges that the person signing this Agreement (and any associated agreements or documents) has authority to execute real estate purchase and sale contracts on behalf of Buyer and Buyer will submit to Seller its certificate of formation, operating agreement, and other appropriate documentation demonstrating such authority.
- c) The execution, delivery and performance of this Agreement by Buyer is (i) within the powers of Buyer as a limited liability corporation; (ii) has been duly authorized by all necessary corporate action of the Buyer; (iii) does not and will not violate any provisions of any law, rule, regulation, order, writ, judgement, decree, award or contract to which the buyer is a party or which is presently in effect and applicable to Buyer; and (iv) this Agreement constitutes the legal, valid, and binding obligation of Buyer enforceable against Buyer in accordance with the terms hereof.
- d) Buyer hereby expressly waives receipt of a Seller Disclosure Statement or any other real property disclosure required by Seller under Washington law.

- e) BUYER ACKNOWLEDGES AND ACCEPTS THAT, EXCEPT AS SPECIFICALLY SET FORTH IN SECTION 6 OF THIS AGREEMENT, SELLER MAKES NO REPRESENTATIONS OR WARRANTIES WHATSOEVER. BUYER ACKNOWLEDGES THAT BUYER WAS GIVEN THE OPPORTUNITY UNDER THIS AGREEMENT TO FULLY INSPECT THE PROPERTY AND ANY ASSOCIATED DOCUMENTS OR AGREEMENTS GOVERNING THE PROPERTY. BUYER AGREES THAT BY PURCHASING THE PROPERTY, BUYER IS AGREEING TO PURCHASE THE PROPERTY AND TAKE TITLE AND POSSESSION OF THE PROPERTY AT CLOSING (SUBJECT TO THE FOREGOING CONTAINED IN THIS PARAGRAPH) IN ITS "**AS IS**" CONDITION AND STATE OF REPAIR.
8. Continuation and Survival of Representations and Warranties. All representations and warranties by the respective parties contained in this Agreement or made in writing pursuant to this Agreement are intended to and will remain true and correct as of the time of closing, will be deemed to be material and will survive the execution and delivery of this Agreement and the delivery of the Deed and transfer of title for a period of one (1) year, commencing on the date of Closing. Such representations and warranties, however, are not assignable and do not run with the land, except as may be expressly provided herein or contained in a written instrument signed by the party to be charged.
7. Title Insurance. At Closing, the Escrow Agent shall issue Buyer an ALTA Standard Coverage Policy owner's policy of title insurance, insuring the vesting of fee title to the Property in Buyer in the amount of the Purchase Price, subject only to the Permitted Encumbrances and charges for such title insurance policy shall be paid equally between the parties. Buyer shall pay the premium for Buyer's extended owner's policy of title insurance.
10. Waiver. Neither Seller's nor Buyer's waiver of the breach of any covenant under this Agreement will be construed as a waiver of the breach of any other covenants or as a waiver of a subsequent breach of the same covenant.
11. Non-merger. The terms and provisions of this Agreement, including, without limitations, all indemnification obligations, will not merge in, but will survive, the closing of the transaction contemplated under this Agreement.
12. Prorations at Closing. All revenues and all expenses of the Property including, but not limited to real and personal property taxes, special assessments, Condominium Assessments (as defined in the Condominium Documents), rents, water, sewer, and utility charges, amounts payable under contracts assumed by buyer, if any, annual permits and/or inspection fees (calculated on the basis of the respective periods covered thereby) and other expenses normal to the ownership, use, operation and maintenance of the Property shall be prorated as of the Closing Date. If any revenue ore expense amount cannot be ascertained with certainty as of Closing, it shall be prorated on the basis of the parties' reasonable estimate of such amounts and shall be subject to a final proration through Escrow sixty (60) days after the Closing Date or as soon thereafter as the precise amount can be ascertained.
13. Closing Costs. Seller shall pay all escrow and closing costs. Seller shall be solely responsible for the costs of recording.

14. Possession. Buyer shall be entitled to possession on date of closing.
15. Successor Interests. This Agreement is binding upon and shall inure to the benefit of the parties and their respective heirs, successors, legal representatives, and assigns.
16. Remedies. In the event that Buyer is obligated to pay the Purchase Price and fails to do so, then Seller, as Seller's sole remedy, shall be entitled to retain the Earnest Money deposited by Buyer (and all interest earned thereon) as liquidated damages. BUYER AND SELLER HEREBY AGREE THAT A REASONABLE ESTIMATE OF THE TOTAL DAMAGES THAT SELLER WOULD SUFFER IN THE EVENT THAT BUYER DEFAULTS AND FAILS TO COMPLETE THE PURCHASE OF THE PROPERTY IS AN AMOUNT EQUAL TO ALL OF THE EARNEST MONEY. SUCH AMOUNT WILL BE THE FULL, AGREED AND LIQUIDATED DAMAGES FOR THE BREACH OF THIS AGREEMENT BY BUYER, AND AFTER PAYMENT THEREOF TO SELLER, NEITHER PARTY SHALL HAVE ANY FURTHER OBLIGATION TO OR RIGHTS AGAINST THE OTHER. In the event that Seller is obligated to convey the Property to Buyer but fails to do so, then Buyer, shall have all remedies at law or in equity, including, without limitation, the remedy of specific performance of this Agreement.
17. Prior Agreements. This Agreement is the entire, final, and complete Agreement of the parties pertaining to the sale and purchase of the Property and supersedes and replaces all written and oral agreements heretofore made or existing by and between the parties or their representatives insofar as the Property is concerned. This offer supersedes any and all prior offers by Buyer or Seller.
18. Headings. The paragraphs throughout this Agreement are for convenience and reference only, and words contained therein shall in no way be held to explain, modify, or aid in the construction or meaning of the provisions of this Agreement.
19. Access to the Property. Upon at least 48 hours' notice to Seller, Buyer shall, from and after the execution hereof by Seller, have the right to ingress and agree to go in, on, or over the Property for the purpose of making such examinations as Buyer may desire, at reasonable hours and in a reasonable manner. Buyer shall repair any and all damage, if any, caused by the Buyer and Buyer shall indemnify, defend and hold Seller, its officers, agents, and employees harmless from and against any and all claims and agency orders or requirements relating to or arising out of Buyer's conduct on the Property; provided, however, Buyer shall not be required to indemnify Seller for pre-existing conditions or to the extent of the negligence or willful misconduct of Seller or Seller's agents, employees or contractors. Buyer shall not conduct any invasive tests or in any way disrupt the operation or affect the condition of the Property without Seller's advance written consent, which consent may be withheld at Seller's sole discretion.
20. No Assignment. Buyer may not assign this Agreement or any of Buyer's rights hereunder without the prior approval of Seller (not to be unreasonably withheld); provided that Buyer may assign its interest in this Agreement to an entity in which Lance Killian has a controlling interest.
21. Notices. Any notice required under this Agreement shall be deemed given when actually delivered or when deposited in the United States mail, as certified mail

with postage prepaid, and addressed as set forth in this Agreement.

22. Real Estate Commission. There is no real estate commission or brokerage fee associated with this transaction.
23. Governing Law. This Agreement will be governed by and construed in accordance with the laws of the state of Washington.
24. 1031 Exchange. Seller and Buyer shall have the right to convey all or a portion of the Property in exchange for real property or properties of like kind pursuant to Section 1031 of the Internal Revenue Code, either in a simultaneous exchange or in a deferred exchange. Seller agrees to cooperate with Buyer in effecting such an exchange, and if requested by Buyer, Seller shall execute any exchange agreement reasonably requested by Buyer and consistent with this Section. Neither party shall be required to take title to any property, incur any costs or be subject to any liability whatsoever in connection with such cooperation.

[REMAINDER OF PAGE TO BE LEFT BLANK]

IN WITNESS WHEREOF, the parties have executed this instrument, which shall become effective as of the date of the last signature hereto below.

Buyer agrees to buy the property on the terms and conditions herein.

BUYER: 500 Broadway LLC, a Washington limited liability company

By: _____
Lance Killian, Manager DATE _____

Seller agrees to sell the property on the terms and conditions herein.

SELLER: CITY OF VANCOUVER
A Washington municipal corporation

By: _____
Eric Holmes, City Manager DATE _____

APPROVED AS TO FORM:

Jonathan Young
City Attorney
City of Vancouver

Address for notices:

Linda Carlson
City of Vancouver
PO Box 1995
Vancouver, WA 98668-1995
Telephone: (360) 487-8423
FAX: (360) 487-8496

Exhibit "A"

LEGAL DESCRIPTION

PARKING GARAGE UNIT, THE WEST COAST BANK BUILDING, a condominium according to the declaration thereof recorded March 23, 2001, under Auditor's File No. 3301586, and Survey map and plans recorded in V lark County, Washington, and any amendments thereto.

Exhibit "B"
SHORT-TERM PARKING AGREEMENT

Exhibit "C"

PARKING COVENANT

Exhibit "D"

PERMITTED EXCEPTIONS

KILLIAN PACIFIC

May 19, 2021

City Manager
City of Vancouver
415 W 6th Street
Vancouver, WA 98668

And

City Attorney
City of Vancouver
415 W 6th Street
Vancouver, WA 98668

Pursuant to that certain Option to Purchase Agreement for Parking Garage Unit dated December 29, 1999 and recorded in the Auditor's Office of Clark County, Washington as Document Number 3200215 (the "Option Agreement"), 500 Broadway, LLC (an affiliate of Broadway Investors LLC who is the "Developer" under the Option Agreement) hereby exercises its option to purchase the Parking Garage Units (as defined in the Option Agreement). Attached is a form of a proposed purchase and sale agreement to document the purchase of the Parking Garage Units by 500 Broadway, LLC from the City of Vancouver that is consistent with the provisions of the Option Agreement and is on a form that is consistent with one used by the City of Vancouver in a recent transaction. Please let me know if you have any questions or comments regarding the enclosed proposed purchase and sale agreement. We look forward to working with you on the closing of the sale of the purchase of the Parking Garage Units.

Sincerely,

Lance Killian
Chief Visionary Officer

Encl.

7
944734

STAFF REPORT NO 274-99

TO: Mayor and City Council
FROM: Vernon E. Stone, City Manager

DATE: 11/8/99
11/15/99

Subject: Broadway Investors, LLC (Killian Pacific) - Disposition and Development Agreement.

Objective: To stimulate the redevelopment of downtown Vancouver and to provide adequate parking in support of that redevelopment.

Present Situation: The Community Vision statement in the City's Strategic Plan states in part, "Vancouver has a vibrant downtown where people throughout the community gather to live, work, shop and enjoy many entertainment options." Within the Plan's Strategic Commitments, are the statements:

- "We are revitalizing the downtown by encouraging mixed-use, residential and retail development activities;" and
- "Provide effective public financial investment that will enable capable developers to develop successful real estate projects in the downtown."

In early 1997, the draft of the Esther Short Subarea and Redevelopment Plan was presented to City Council. On January 5, 1998, City Council initially adopted the Esther Short Subarea and Redevelopment Plan. On August 10, 1998 Council amended this plan and, on October 19, 1998, Council approved the Esther Short Urban Renewal Area and readopted the Esther Short Subarea and Redevelopment Plan. This plan calls for the creation of a vibrant and active downtown with people living and working in the same area.

All major office/retail commercial projects that were developed in the downtown area since the early 1980s developed as a result of City of Vancouver financial participation in their parking structures. These projects include the SeaFirst Financial Center, the MJ Murdock Plaza, the First Interstate Tower, 1111 Main Place Building and Vancouver Center.

When the City of Vancouver has not participated in office/retail development projects, the market has developed the following characteristic asset on a typical city block:

- 20,000 square feet of commercial space
- 60 surface parking spaces
- 100 jobs
- \$150,000 - \$200,000 of Annual Buying Power
- \$1.2 Million of Assessed Value
- \$18,000 Annual Property Taxes
- Under utilization of Existing Infrastructure

When the City has participated in providing public structured parking, buildings such as the SeaFirst Financial Center were developed with the following attributes:

- 220,000 Square Feet of commercial space
- 1,000 Jobs
- \$1.5 - \$2.0 Million Annual Buying Power
- \$22 Million Assessed Value
- \$330,000 Annual Property Taxes

The review of the Downtown Vancouver Parking Program was completed by Fehr & Peers Associates, Inc. on April 6, 1998. This document concluded, "Over the long-term and to accommodate anticipated major new development projects in and near downtown, new municipal or city/private-shared parking facilities will be needed because not all newly-generated parking demand will likely be satisfied by the new development projects themselves." The following recommendations were contained in the proposed actions:

- "Continue to explore and seek joint parking development opportunities;" and
- "Require development projects that cannot or do not want to satisfy the minimum parking requirements on-site to pay in-lieu fees to the Parking Fund (at revised rates discussed under Item 1)". Suggested in lieu fees in Item 1 were \$6,600 to \$8,250.

In early 1999, the Killian Pacific Company presented to the City a development opportunity for property located at the intersection of 6th and Broadway. Over a period of about nine months, City staff negotiated the disposition and development agreement under the guidance of the Downtown Redevelopment Authority (DRA).

The proposed project was presented in public meetings to the Downtown Redevelopment Authority (DRA), the Vancouver Parking Commission, the Vancouver Project Review Committee and the Esther Short Neighborhood Association.

On October 26, 1999, the Vancouver Parking Commission recommended to the Downtown Redevelopment Authority and Vancouver City Council acquisition and operation of the proposed 233-space parking structure based on the following findings:

- Without the proposed parking, new and existing demand will exceed supply.
- City participation is necessary and appropriate.
- Capital costs are equal to or lower than comparable facilities.
- Anticipated revenues and expenses are realistic.

On November 4, 1999, the Downtown Redevelopment Authority recommended to Vancouver City Council the approval of the attached Disposition and Development Agreement between the City of Vancouver and Broadway Investors, based on the following findings:

- The public investment in the public parking structure will most likely yield a positive net present value.
- The public investment is no greater than necessary to allow the private development to be viable.
- Without the proposed parking, new and existing demand will exceed supply.
- City participation is necessary and appropriate.
- Capital costs are equal to or lower than comparable facilities.
- Anticipated revenues and expenses are realistic.

The development will:

- Partially implement the Esther Short Subarea and Redevelopment Plan.
- Stimulate downtown redevelopment.
- Produce an attractive building at the "front door" of the downtown.
- Contain quality downtown residences,
- Increase the downtown tax base.
- Support downtown retail through increased buying power.
- Utilize existing infrastructure.
- Relieve pressure on other areas of the City.
- Increase City revenues through tax revenues, parking fees and repurchase proceeds.

Proposal: To enter into the proposed agreements through which the City would own and operate, as a condominium, a public parking structure on land vacated at the present location of 5th Street and Broadway and induce a project with the following minimum characteristics:

- 65,000 net square feet of commercial space.
- 23 residential units.
- 34 private parking spaces.
- 233 public structured parking spaces on two levels.
- Significant public art.
- Conversion of Main Street from one-way to two-way between 5th and 6th Streets.

The City's participation in this development agreement is summarized on the attached Term Sheet and includes:

- Transfer and conveyance of roughly equal parcels of land between the City and the Developer.
- Waiver of sanitary sewer and water systems development charges.
- Purchasing and operating the public parking structure.

The City's participation does not include:

- Tax exemption on the residential units, land or commercial improvements.
- On-site or adjacent public improvements (sidewalks, plaza, street lights, street trees, etc.).

The Developer will be responsible for construction of all improvements, construction financing and construction risk on all project improvements, including the public parking structure. The Developer will sell the public parking structure to the City for less than the Developer's total development cost. The City will purchase and operate the completed parking facilities. The Developer will have the option to repurchase the parking facility between January 1, 2016 and December 31, 2021 at the higher of the fair market value of the garage less \$209,000 or the City's original purchase price of \$3,441,195.00.

The Downtown Vancouver Parking Program was completed by Fehr & Peers Associates, Inc. on April 6, 1998. The demand on the blocks east of Main Street and South of 6th Street was determined in the analysis of the Downtown Vancouver Parking Program to be 62 to 72 parking spaces.

The development of this project will eliminate 133 public and private surface parking spaces and create 267 public and private structured parking spaces.

Based on Institute of Transportation Engineers (ITE) and National Indices, the proposed project will generate new parking demands of 264 to 364 spaces based on the following components:

- Residential 1.04 to 1.75 per unit = 24 to 40 spaces.
- Banking Services 4.23 to 4.68 per 1,000 gross square feet = 80 to 89 spaces.
- Other Office 2.79 to 4.09 per 1,000 gross square feet = 151 to 222 spaces.
- Retail 2.40 to 3.57 per 1,000 gross square feet = 9 to 13 spaces.

Existing plus new demand equals 326 to 436 spaces.

However, there will be some demand leakage due to the parking customers' monthly cost of structured parking and proximity to the Seventh Street Transit Center. The leakage in Portland is approximately 10% in the Central Eastside, 22% in the Lloyd District and 30 - 40% in the Central City. As demand begins to totally absorb supply, and as transit service is improved, the percent of leakage will increase.

In addition, due to the ability to oversell the absolute number of parking spaces by approximately 15%, the effective supply will equal approximately 300 parking spaces.

The supply and demand cited only includes normal weekday demand and does not include evening and weekend demand, which typically equates to approximately 22% of the weekday demand in the Portland metropolitan area.

The parking structure will be constructed in a single phase.

The City's parking consultant, Rick Williams with the Melvin Mark Company, projected the operating revenues and expenses for the proposed parking structure - See exhibits "A" and "B". The E. D. Hovee Company, projected tax revenues that will flow to the City from this project- See exhibit "D". Based on the operating proforma and tax revenue analysis, financial projections for the parking structure development alternatives are attached to this staff report. In all alternative scenarios, a positive net present value is projected for the City and an Internal Rate of Return (IRR) of 9.8% to 13.9% is forecast. See exhibits 1.01, 1.02, 2.01, 3.01, 4.01 and 5.01.

Mr. Williams also analyzed the development costs of similar parking structures in this market area See exhibit "C". This analysis demonstrates that the proposed purchase price is at or below the development costs for similar facilities in this market area.

Advantages: The successful completion of this project will help to:

1. Implement the Esther Short Subarea and Redevelopment Plan.
2. Stimulate downtown redevelopment.
3. Develop an attractive building at the "front door" of the downtown.
4. Provide quality downtown residences.
5. Increase the downtown tax base.
6. Support downtown retail through increased buying power.
7. Utilize existing infrastructure.
8. Relieve pressure on other areas of the City.
9. Increase City revenues through tax revenues, parking fees and repurchase proceeds.
10. Develop a public investment with a positive net present value.
11. Limit the City's participation to a level that is no greater than necessary to make the private investment viable.

Disadvantages:

1. Long term debt
2. Utilization of non-voted debt capacity
3. Long term parking operating responsibilities
4. An economic downturn could mean that the City would not achieve its revenue projections.

Action Requested:

1. On November 8, 1999, approve ordinance on first reading, setting date of second reading and public hearing for November 15, 1999. Such action will accept the Vancouver Parking Commission's findings and recommendations, will accept the Downtown Vancouver Authority's findings and recommendations and approve the attached Disposition and Development Agreement between the City of Vancouver and Broadway Investors, LLC, based on the following findings:

- The public investment in the public parking structure will most likely yield a positive net present value.
- The public investment is no greater than necessary to allow the private development to be viable.
- Without the proposed parking, new and existing demand will exceed supply.
- City participation is necessary and appropriate.
- Capital costs are equal to or lower than comparable facilities.
- Anticipated revenues and expenses are realistic.

The development will:

- Partially implement the Esther Short Subarea and Redevelopment Plan.
 - Stimulate downtown redevelopment.
 - Produce an attractive building at the "front door" of the downtown.
 - Contain quality downtown residences.
 - Increase the downtown tax base.
 - Support downtown retail through increased buying power.
 - Utilize existing infrastructure.
 - Relieve pressure on other areas of the City.
 - Increase City revenues through tax revenues, parking fees and repurchase proceeds.
2. On November 15, 1999, subject to second reading and public hearing, approve the ordinance.

Attachments:

- Ordinance
- Term Sheet – Killian Pacific Project, 10/14/99

- Exhibit A - Operating Proforma
- Exhibit B – Operating Proforma
- Exhibit C – Rich Williams Memorandum, 10/20/99
- Exhibit D – E.D. Hovee Fax Memorandum, 10/14/99
- Exhibit 1.01 – Summary of Options
- Exhibit 1.02 – Broadway Parking Structure Analysis
- Exhibit 2.01 – Project Cash Flows with Option to Purchase in Year 15
- Exhibit 3.01 – Project Cash Flows with Option to Purchase in Year 20
- Exhibit 4.01 – Project Cash Flows with Option to Purchase not exercised
- Exhibit 5.01 – Project Cash Flows with Option to Purchase in Year 15 and Higher Assumed Occupancy Rates
- Vancouver Parking Commission Minutes of Public Hearing Held on October 26, 1999
- Downtown Redevelopment Authority Minutes of Public Hearing held on November 4, 1999 (to be provided following the meeting)
- Outline of Disposition and Development Agreement between Broadway Investors, LCC and City of Vancouver

C9110101/VES:SB:MW

Because of the volume of attachments with this document, only City Council and pertinent City staff has received a complete copy of the staff report. The staff report and list of attachments only are being provided to the public. A complete copy, including attachments, is available for review from the staff member identified on the blue agenda

RECORD AND RETURN TO:
City of Vancouver – City Clerk’s Office
P O Box 1995
Vancouver, WA 98668-1995

SR 274-A-99

Please Print Neatly or Type Information
DOCUMENT TITLE(S)

Ordinance M-3466

REFERENCE NUMBER(S) OF RELATED DOCUMENT(S)
Killian Pacific Project

GRANTOR(S)
City of Vancouver

GRANTEE(S)
City of Vancouver

LEGAL DESCRIPTION (abbreviated form: i.e. lot, block, plat or section, township, range,
quarter/quarter)
SE ¼ Section 27 T2N R1E Wm - 5th and 6th Streets

ASSESSOR’S PROPERTY TAX PARCEL/ACCOUNT NUMBER

038430-000	038420-000	038440-000	038465-000
038460-000	038410-000	038470-000	038510-000
038515-000	038520-000	038525-000	

Additional Parcel #'s on page _____

The Auditor/Recorder will rely on the information provided on this form. The staff will not read the document to verify the accuracy or completeness of the indexing information provided herein.

11-08-99

11-15-99

ORDINANCE NO. M-3466

AN ORDINANCE relating to the redevelopment of certain property located in the downtown area of Vancouver between East 5th and East 6th Streets and Broadway and I-5 right-of-way; approving a Disposition and Development Agreement providing for the exchange of certain City owned property for property owned by the Developer; providing for redevelopment of the property as a mixed use development consistent with the Esther Short Redevelopment Plan; providing for the City to purchase a public parking facility upon completion of said facility in accordance with the terms and conditions of the Agreement and pursuant to RCW Chapter 35.86 and/or 35.86A, to be located on property in the area of E. 5th Street and Broadway, and to operate such structure for public parking; providing for an effective date.

WHEREAS, the City is the owner of Block 25 located in Vancouver, Washington, generally bounded by 5th Street to the South, Broadway Street to the West, Developer's lots, and I-5 right-of-way to the East, as described in the attached legal description and property map (Exhibits "A-1" and "A-2"); and

WHEREAS, said property has been used for municipal parking purposes and is known as Municipal Lot #5; and

WHEREAS, said property was initially acquired for municipal purposes; and

WHEREAS, it is now been determined that the City is in need of additional property owned by Developer adjacent to the E. 6th Street right-of-way for the purpose of expanding said right-of-way as described in the attached legal description and two property maps (Exhibits "B-1", "B-2")

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11-08-99

11-15-99

ORDINANCE NO. M-3466

AN ORDINANCE relating to the redevelopment of certain property located in the downtown area of Vancouver between East 5th and East 6th Streets and Broadway and I-5 right-of-way; approving a Disposition and Development Agreement providing for the exchange of certain City owned property for property owned by the Developer; providing for redevelopment of the property as a mixed use development consistent with the Esther Short Redevelopment Plan; providing for the City to purchase a public parking facility upon completion of said facility in accordance with the terms and conditions of the Agreement and pursuant to RCW Chapter 35.86 and/or 35.86A, to be located on property in the area of E. 5th Street and Broadway, and to operate such structure for public parking; providing for an effective date

WHEREAS, the City is the owner of Block 25 located in Vancouver, Washington, generally bounded by 5th Street to the South, Broadway Street to the West, Developer's lots, and I-5 right-of-way to the East, as described in the attached legal description and property map (Exhibits "A-1" and "A-2"); and

WHEREAS, said property has been used for municipal parking purposes and is known as Municipal Lot #5; and

WHEREAS, said property was initially acquired for municipal purposes; and

WHEREAS, it is now been determined that the City is in need of additional property owned by Developer adjacent to the E. 6th Street right-of-way for the purpose of expanding said right-of-way as described in the attached legal description and two property maps (Exhibits "B-1", "B-2"

ORDINANCE - 1
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and “B-3”); and

WHEREAS, Developer is in need of property owned by City and adjacent to Developer’s property in order to construct a mixed-use development including a building and two level parking structure; and

WHEREAS, the City and Developer have agreed to exchange 5,138 sq. ft. of Parking Lot #5 for 4,883 sq. ft. of property owned by Developer adjacent to E. 6th Street plus payment to the City for the difference in square footage in the amount of \$3,906.60 which constitutes fair market value for such property; and

WHEREAS, the City has agreed to commence vacation proceedings for the vacation of a portion of E. 5th Street and Broadway that will lie under the proposed building and parking structure; and

WHEREAS, on the 5th day of January, 1998, by Ordinance M-3342, the City Council approved the Esther Short Subarea and Redevelopment Plan (“Esther Short Plan”) which anticipates intensive redevelopment of a part of the downtown area together with significant involvement by the City of Vancouver to encourage redevelopment in the area; and

WHEREAS, the Esther Short Plan requires a mixture of live-work accommodations as a major component of redevelopment including the mixed-use areas with housing, retail and public spaces with an emphasis on pedestrian movement; and

WHEREAS, the following Esther Short Plan policies relate to housing within the subarea to wit:

(a) Produce a multi-use neighborhood containing a mix of housing, jobs, retail and public spaces within a pedestrian environment; and

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and "B-3"); and

WHEREAS, Developer is in need of property owned by City and adjacent to Developer's property in order to construct a mixed-use development including a building and two level parking structure, and

WHEREAS, the City and Developer have agreed to exchange 5,138 sq. ft. of Parking Lot #5 for 4,883 sq. ft. of property owned by Developer adjacent to E. 6th Street plus payment to the City for the difference in square footage in the amount of \$3,906.60 which constitutes fair market value for such property; and

WHEREAS, the City has agreed to commence vacation proceedings for the vacation of a portion of E. 5th Street and Broadway that will lie under the proposed building and parking structure; and

WHEREAS, on the 5th day of January, 1998, by Ordinance M-3342, the City Council approved the *Esther Short Subarea and Redevelopment Plan* ("Esther Short Plan") which anticipates intensive redevelopment of a part of the downtown area together with significant involvement by the City of Vancouver to encourage redevelopment in the area; and

WHEREAS, the *Esther Short Plan* requires a mixture of live-work accommodations as a major component of redevelopment including the mixed-use areas with housing, retail and public spaces with an emphasis on pedestrian movement; and

WHEREAS, the following *Esther Short Plan* policies relate to housing within the subarea to wit,

(a) Produce a multi-use neighborhood containing a mix of housing, jobs, retail and public spaces within a pedestrian environment; and

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(b) Housing and live-work accommodations should be a major component throughout the area; and

WHEREAS, Broadway Investors LLC (Killian Pacific) hereafter Developer, is a Washington limited liability company located in Vancouver, Washington whose parent and affiliated principals have constructed numerous residential and commercial developments in Clark County and the Portland Metropolitan area; and

WHEREAS, the City has negotiated a Disposition and Development Agreement attached hereto as Exhibit "C" with Developer, whereby Developer has agreed to develop a condominium project incorporating the following elements: 65,000 net square feet of commercial space, 23 residential units, 34 private parking spaces, 233 public structured parking spaces on two levels, significant public art and conversion of Main Street from one way to two way between E. 5th and E. 6th Streets; and

WHEREAS, the proposed development as described in the Disposition and Development Agreement attached hereto complies with and helps implement the Esther Short Plan policies described above; and

WHEREAS, a guiding principle of the Esther Short Plan is a provision that the area defined in the Plan should act as a catalyst for further downtown and city-wide development; and

WHEREAS, the approval of the Disposition and Development Agreement will provide such an impetus for further and additional downtown and city-wide redevelopment; and

WHEREAS, the proposed redevelopment as described in Exhibit "C" is consistent with and further implements the following goals and objectives as set forth in the Esther Short Plan:

(a) Developer incentive should be established;

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Clark County, WA

(b) Housing and live-work accommodations should be a major component throughout the area; and

WHEREAS, Broadway Investors LLC (Killian Pacific) hereafter Developer, is a Washington limited liability company located in Vancouver, Washington whose parent and affiliated principals have constructed numerous residential and commercial developments in Clark County and the Portland Metropolitan area; and

WHEREAS, the City has negotiated a Disposition and Development Agreement attached hereto as Exhibit "C" with Developer, whereby Developer has agreed to develop a condominium project incorporating the following elements: 65,000 net square feet of commercial space, 23 residential units, 34 private parking spaces, 233 public structured parking spaces on two levels, significant public art and conversion of Main Street from one way to two way between E. 5th and E. 6th Streets; and

WHEREAS, the proposed development as described in the Disposition and Development Agreement attached hereto complies with and helps implement the Esther Short Plan policies described above; and

WHEREAS, a guiding principle of the Esther Short Plan is a provision that the area defined in the Plan should act as a catalyst for further downtown and city-wide development; and

WHEREAS, the approval of the Disposition and Development Agreement will provide such an impetus for further and additional downtown and city-wide redevelopment; and

WHEREAS, the proposed redevelopment as described in Exhibit "C" is consistent with and further implements the following goals and objectives as set forth in the Esther Short Plan:

(a) Developer incentive should be established;

- (b) Developer uncertainty should be identified and resolved;
- (c) City of Vancouver's responsibility should be clearly defined;
- (d) Public safety and security concerns in the downtown area should be reduced;
- (e) Strategies that optimize and leverage the City's investment in downtown Vancouver should be developed and implemented; and
- (f) Development partnership should be established which maximizes the development potential of the Esther Short Area; and

WHEREAS, in 1998, the City Parking Commission recommended to City Council and City Council considered and accepted a comprehensive Downtown Vancouver Parking Program based upon a detailed parking analysis and study which found that projected future demand together with existing shortages of parking within the boundaries of the Esther Short Subarea and the areas surrounding it required acquisition of new public parking facilities; and

WHEREAS, Developer proposes to construct as part of its overall development project an integrated parking facility which it proposes to sell to the City for operation by the City of public off-street parking; and

WHEREAS, the proposed Redevelopment Project and Parking Structure acquisition has been the subject of numerous public meetings and sessions with groups, business associations, and citizens, including representatives of the following:

- (a) Esther Short Neighborhood Association;
- (b) Esther Short Subarea and Redevelopment Plan Community Resources Team;
- (c) Downtown Vancouver Association;
- (d) Identity Clark County;

- (b) Developer uncertainty should be identified and resolved;
- (c) City of Vancouver's responsibility should be clearly defined;
- (d) Public safety and security concerns in the downtown area should be reduced;
- (e) Strategies that optimize and leverage the City's investment in downtown Vancouver should be developed and implemented; and
- (f) Development partnership should be established which maximizes the development potential of the Esther Short Area; and

WHEREAS, in 1998, the City Parking Commission recommended to City Council and City Council considered and accepted a comprehensive Downtown Vancouver Parking Program based upon a detailed parking analysis and study which found that projected future demand together with existing shortages of parking within the boundaries of the Esther Short Subarea and the areas surrounding it required acquisition of new public parking facilities; and

WHEREAS, Developer proposes to construct as part of its overall development project an integrated parking facility which it proposes to sell to the City for operation by the City of public off-street parking; and

WHEREAS, the proposed Redevelopment Project and Parking Structure acquisition has been the subject of numerous public meetings and sessions with groups, business associations, and citizens, including representatives of the following:

- (a) Esther Short Neighborhood Association;
- (b) Esther Short Subarea and Redevelopment Plan Community Resources Team;
- (c) Downtown Vancouver Association;
- (d) Identity Clark County;

(e) Vancouver Project Review Committee; and

WHEREAS, on October 26, 1999, the Vancouver Parking Commission held a public hearing following public notice and subsequent thereto adopted certain findings as set forth in the Parking Commission Staff Report for that meeting and thereafter recommended that the City of Vancouver should acquire and operate the proposed parking structure; and

WHEREAS, the Downtown Redevelopment Authority (DRA), a public corporation established under RCW 35.21.730 et seq., has participated in the negotiations leading up to the proposed Disposition and Development Agreement including the proposed acquisition of the parking structure by the City; and

WHEREAS, on November 4, 1999, pursuant to public notice, the Downtown Redevelopment Authority held a public hearing, and after the public hearing made certain findings and recommendations to the City Council for approval of the attached Disposition and Development Agreement including the acquisition and operation of the proposed parking structure; and

WHEREAS, after considering all such reports and recommendations and all materials making up the legislative record and after considering all public testimony received at the public hearing on this matter and after providing for public notice of such hearing through regular and special advertising means, the City Council approved the Disposition and Development Agreement including the acquisition and operation of the proposed parking structure;

NOW, THEREFORE,

BE IT ORDAINED BY THE CITY OF VANCOUVER:

Section 1. Legislative Findings. Based upon the testimony received at the public

(e) Vancouver Project Review Committee; and

WHEREAS, on October 26, 1999, the Vancouver Parking Commission held a public hearing following public notice and subsequent thereto adopted certain findings as set forth in the Parking Commission Staff Report for that meeting and thereafter recommended that the City of Vancouver should acquire and operate the proposed parking structure; and

WHEREAS, the Downtown Redevelopment Authority (DRA), a public corporation established under RCW 35.21.730 et seq., has participated in the negotiations leading up to the proposed Disposition and Development Agreement including the proposed acquisition of the parking structure by the City; and

WHEREAS, on November 4, 1999, pursuant to public notice, the Downtown Redevelopment Authority held a public hearing, and after the public hearing made certain findings and recommendations to the City Council for approval of the attached Disposition and Development Agreement including the acquisition and operation of the proposed parking structure; and

WHEREAS, after considering all such reports and recommendations and all materials making up the legislative record and after considering all public testimony received at the public hearing on this matter and after providing for public notice of such hearing through regular and special advertising means, the City Council approved the Disposition and Development Agreement including the acquisition and operation of the proposed parking structure;

NOW, THEREFORE,

BE IT ORDAINED BY THE CITY OF VANCOUVER:

Section 1. Legislative Findings. Based upon the testimony received at the public

hearing, the staff report, findings and recommendations of both the Parking Commission and the Downtown Redevelopment Authority and the exhibits, records and documents before it, City Council makes the following legislative findings:

(a) That all recitals (whereas clauses) as set forth herein are adopted as legislative findings.

(b) In accordance with the 1998 Downtown Vancouver Parking Program Study, there is insufficient parking in the general area of the proposed development to accommodate existing and proposed development, and such parking shortage inhibits land use planning and the redevelopment of the downtown area.

(c) The area bounded by East 5th and East 6th Streets, Broadway and the I-5 right-of-way, is a suitable and appropriate location for an off-street parking facility and such location is consistent with the Downtown Vancouver Parking Program and existing parking facilities.

(d) That it is in the public interest to facilitate redevelopment of Blocks 24 and 25 as described herein to include residential, retail and commercial office space, and to provide adequate parking for this development and for other adjacent properties.

(e) That upon acquisition of the parking facility, the City can provide additional parking space at market rates for off-street parking in downtown Vancouver area for residents, business and office tenants and which parking facility is suitable and appropriate for public use.

(f) That such additional off-street parking facility will assist in providing an adequate supply of downtown parking to meet the increased demand from redevelopment activities throughout the downtown area.

(g) That provision of such additional convenient, accessible and attractive off-street

hearing, the staff report, findings and recommendations of both the Parking Commission and the Downtown Redevelopment Authority and the exhibits, records and documents before it, City Council makes the following legislative findings:

(a) That all recitals (whereas clauses) as set forth herein are adopted as legislative findings.

(b) In accordance with the 1998 Downtown Vancouver Parking Program Study, there is insufficient parking in the general area of the proposed development to accommodate existing and proposed development, and such parking shortage inhibits land use planning and the redevelopment of the downtown area.

(c) The area bounded by East 5th and East 6th Streets, Broadway and the I-5 right-of-way, is a suitable and appropriate location for an off-street parking facility and such location is consistent with the Downtown Vancouver Parking Program and existing parking facilities

(d) That it is in the public interest to facilitate redevelopment of Blocks 24 and 25 as described herein to include residential, retail and commercial office space, and to provide adequate parking for this development and for other adjacent properties.

(e) That upon acquisition of the parking facility, the City can provide additional parking space at market rates for off-street parking in downtown Vancouver area for residents, business and office tenants and which parking facility is suitable and appropriate for public use

(f) That such additional off-street parking facility will assist in providing an adequate supply of downtown parking to meet the increased demand from redevelopment activities throughout the downtown area.

(g) That provision of such additional convenient, accessible and attractive off-street

public parking will prevent traffic congestion and improve vehicular access and circulation and is a traditional and well-recognized public purpose.

(h) Provision of safe and reliable off-street public parking downtown will increase activity and directly and indirectly improve public safety.

(i) That City Council finds and determines that under Chapter 35.86 and/or Chapter 35.86A RCW, it is necessary and appropriate to implement the Downtown Vancouver Parking Program by proceeding to acquire said parking structure under the terms and conditions as set forth in the Disposition and Development Agreement attached hereto as Exhibit "C".

(j) Based on the information provided by staff and the review and consideration of acquisition of the proposed parking structure by the Vancouver Parking Commission and endorsed by the Downtown Redevelopment Authority, Council hereby adopts the specific findings and recommendation of the Parking Commission as follows: 1) that without the proposed parking structure, new plus existing demand will exceed supply; 2) City participation is necessary and appropriate; 3) capital costs are equal to or lower than comparable facilities; and 4) anticipated revenues and expenses are realistic.

(k) Council specifically finds that in order to provide reasonable incentives to encourage the development of a live/work project within the Esther Short Area and in compliance with the subarea plan and policies as described herein and to offset the significantly higher costs of downtown development against a reduced rate of return on such investment, it is reasonable and necessary that the City agree to: 1) waive sanitary sewer and water systems redevelopment charges; and 2) acquire and operate the proposed public parking facility.

(l) Council further finds that in exchange for meeting parking requirements,

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public parking will prevent traffic congestion and improve vehicular access and circulation and is a traditional and well-recognized public purpose.

(h) Provision of safe and reliable off-street public parking downtown will increase activity and directly and indirectly improve public safety.

(i) That City Council finds and determines that under Chapter 35.86 and/or Chapter 35.86A RCW, it is necessary and appropriate to implement the Downtown Vancouver Parking Program by proceeding to acquire said parking structure under the terms and conditions as set forth in the Disposition and Development Agreement attached hereto as Exhibit "C".

(j) Based on the information provided by staff and the review and consideration of acquisition of the proposed parking structure by the Vancouver Parking Commission and endorsed by the Downtown Redevelopment Authority, Council hereby adopts the specific findings and recommendation of the Parking Commission as follows: 1) that without the proposed parking structure, new plus existing demand will exceed supply; 2) City participation is necessary and appropriate; 3) capital costs are equal to or lower than comparable facilities; and 4) anticipated revenues and expenses are realistic.

(k) Council specifically finds that in order to provide reasonable incentives to encourage the development of a live/work project within the Esther Short Area and in compliance with the subarea plan and policies as described herein and to offset the significantly *higher costs of downtown development against a reduced rate of return on such investment*, it is reasonable and necessary that the City agree to: 1) waive sanitary sewer and water systems redevelopment charges; and 2) acquire and operate the proposed public parking facility.

(l) Council further finds that in exchange for meeting parking requirements,

Developer has agreed to: 1) construct the parking structure and sell to the City at a price below the total cost of development ; 2) construct all required public improvements including but not limited to sidewalks, curbs, gutters, lighting and street trees; and 3) provide significant public art as part of the project.

(m) Council further finds that in order to insure that the public investment is realized and that redevelopment of portions of Blocks 24 and 25 occur in accordance with the terms and provisions of the Disposition and Development Agreement, certain protections are provided for the City as follows: 1) the City will not be at risk for construction of any portion of the proposed parking structure and; 2) City has the right to purchase and/or acquire the finished project.

(n) Council finds that in addition to the specific Esther Short Plan policies and implementation measures described herein, the proposed redevelopment is also in compliance with other applicable Comprehensive Plan policies for downtown Vancouver including but not limited to those that encourage downtown housing as well as housing that is accessible to public services and transit as further described in Table 1, Appendix 4 of the Esther Short Subarea and Redevelopment Plan.

(o) Based on information provided by staff and in consideration of the review and oversight of this proposed development by the Downtown Redevelopment Authority (DRA), Council hereby adopts the specific findings and recommendations of the DRA as follows: 1) that the level of participation in the proposed Agreement is necessary and appropriate for the development of the Project; 2) that it is reasonable to conclude based on the revenue and cost projections provided that there will be positive net present value to the City from the revenues and costs associated with the proposed development including but not limited to increased

Developer has agreed to: 1) construct the parking structure and sell to the City at a price below the total cost of development ; 2) construct all required public improvements including but not limited to sidewalks, curbs, gutters, lighting and street trees; and 3) provide significant public art as part of the project.

(m) Council further finds that in order to insure that the public investment is realized and that redevelopment of portions of Blocks 24 and 25 occur in accordance with the terms and provisions of the Disposition and Development Agreement, certain protections are provided for the City as follows: 1) the City will not be at risk for construction of any portion of the proposed parking structure and; 2) City has the right to purchase and/or acquire the finished project.

(n) Council finds that in addition to the specific Esther Short Plan policies and implementation measures described herein, the proposed redevelopment is also in compliance with other applicable Comprehensive Plan policies for downtown Vancouver including but not limited to those that encourage downtown housing as well as housing that is accessible to public services and transit as further described in Table 1, Appendix 4 of the Esther Short Subarea and Redevelopment Plan.

(o) Based on information provided by staff and in consideration of the review and oversight of this proposed development by the Downtown Redevelopment Authority (DRA), Council hereby adopts the specific findings and recommendations of the DRA as follows: 1) that the level of participation in the proposed Agreement is necessary and appropriate for the development of the Project, 2) that it is reasonable to conclude based on the revenue and cost projections provided that there will be positive net present value to the City from the revenues and costs associated with the proposed development including but not limited to increased

revenues from property, sale and use taxes, parking fees and repurchase proceeds as well as deferred costs resulting from the utilization of existing available infrastructure; 3) the proposed development meets the vision, goals and policies as set forth in the Esther Short Plan and described herein; 4) such development will further stimulate downtown redevelopment and will provide an attractive building at the “front” door of the downtown.

(p) Council further finds that completion of the Killian Pacific development will provide other direct and indirect benefits to the City of Vancouver and its citizens including 1) elimination of downtown “blight” by developing a currently undeveloped and vacant area in the downtown core; 2) stimulating the local economy through the multiplier effect as a result of new residents and new businesses living and working in the downtown core; 3) creation of new jobs; 4) providing a variety of new downtown residential living units; 5) encouraging additional downtown redevelopment; and 6) relieving development pressure on other areas of the city.

Section 2. Based on the testimony and evidence received at the public hearing, the staff report and all studies, reports and attachments referred to therein all of which are adopted as part of the legislative record and the reports and recommendations from the Parking Commission and the Downtown Redevelopment Authority and the legislative findings as set forth in Section 1, the Disposition and Development Agreement and all related attachments and agreements between the City and the Developer are hereby approved and the City Manager is authorized to execute all necessary documents.

Section 3. This ordinance shall go into effect thirty (30) days after final passage. Acts taken pursuant to this Ordinance but prior to its effective date are hereby ratified and confirmed.

Read first time:

November 8, 1999

ORDINANCE - 9
H:\COUNCIL\ORD\5TH AND 6TH STREETS.JAM

revenues from property, sale and use taxes, parking fees and repurchase proceeds as well as deferred costs resulting from the utilization of existing available infrastructure; 3) the proposed development meets the vision, goals and policies as set forth in the Esther Short Plan and described herein; 4) such development will further stimulate downtown redevelopment and will provide an attractive building at the "front" door of the downtown.

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Read first time:

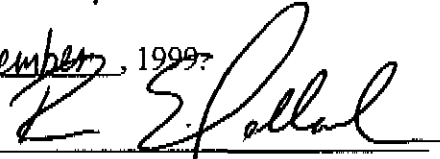
November 8, 1999

Ayes: Councilmembers Besserman, Harris, Burkman and
Mayor Pollard
Nays: Councilmembers None
Absent: Councilmembers Jollota, and Moeller
Abstain: Tonkovich
Read second time: November 15, 1999

PASSED by the following vote:

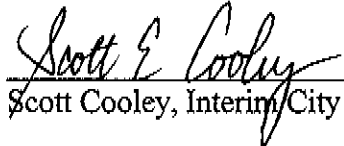
Ayes: Councilmembers Besserman, Moeller, Harris,
Burkman, and Mayor Pollard
Nays: Councilmembers None
Absent: Councilmembers Tonkovich, and Jollota

SIGNED this 29th day of December, 1999:



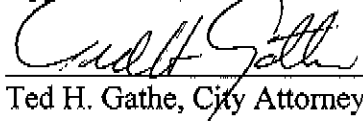
Royce E. Pollard, Mayor

Attest:



Scott Cooley, Interim City Clerk

Approved as to form:



Ted H. Gathe, City Attorney

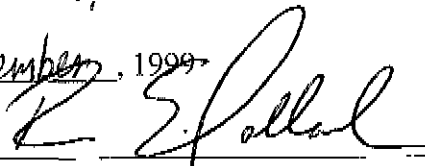


Ayes: Councilmembers *Besserman, Harris, Burkman and Mayor Pollard*
Nays: Councilmembers *None*
Absent: Councilmembers *Jollota, and Moeller*
Abstain: *Tonkovich*
Read second time: *November 15, 1999*

PASSED by the following vote:

Ayes. Councilmembers *Besserman, Moeller, Harris, Burkman, and Mayor Pollard*
Nays Councilmembers *None*
Absent Councilmembers *Tonkovich, and Jollota*

SIGNED this *29th* day of *December*, 1999



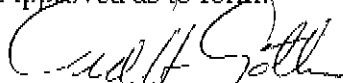
Royce E. Pollard, Mayor

Attest:

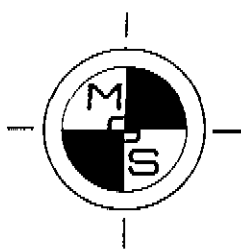


Scott Cooley, Interim City Clerk

Approved as to form:

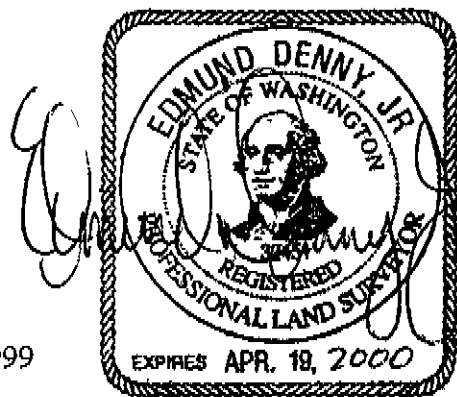


Ted H. Gathe, City Attorney



**MINISTER-GLAESER
SURVEYING INC.**

(360) 694-3313
FAX (360) 694-8410
2200 E. EVERGREEN
VANCOUVER, WA 98661



September 23, 1999

EXHIBIT "A"

A strip of land in the Northwest quarter of the Southeast quarter of Section 27, Township 2 North, Range 1 East, Willamette Meridian, Clark County, Washington, described as follows:

Beginning at the Northwest corner of Block 25 of "East Vancouver" according to City of Vancouver Ordinance No. 118 and No. 122, according to the plat thereof recorded in Volume "D" of plats at page 30, records of Clark County, Washington;

Thence South $00^{\circ}16'21''$ East, along the West line of said Block 25, for a distance of 101.25 feet to the TRUE POINT OF BEGINNING;

Thence North $89^{\circ}59'20''$ East, for a distance of 51.54 feet;

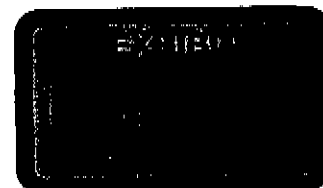
Thence South $00^{\circ}00'40''$ East, for a distance of 86.94 feet to the Westerly line of Washington State Department of Transportation right-of-way, according to SR5 and SR14 Vancouver Freeway SR14 interchange, dated July 31, 1981,

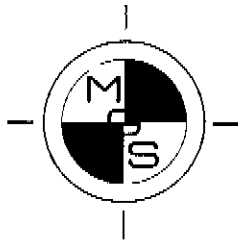
Thence South $28^{\circ}46'33''$ West, along said Westerly line, for a distance of 16.33 feet to the North line of East 5th Street,

Thence South $89^{\circ}59'18''$ West, along said North line of East 5th Street, for a distance of 43.21 feet to said West line of Block 25,

Thence North $00^{\circ}16'21''$ West, along said West line, for a distance of 101.25 feet to the TRUE POINT OF BEGINNING

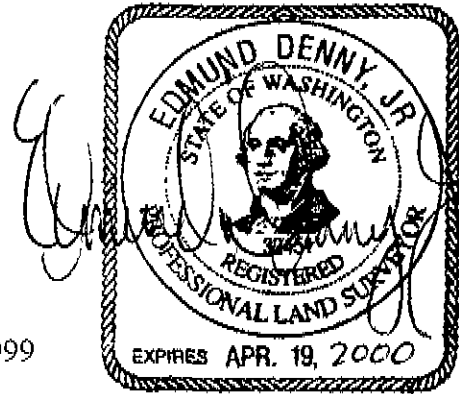
Containing 5138.50 square feet.





MINISTER-GLAESER
SURVEYING INC.

(360) 694-3313
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2200 E. EVERGREEN
VANCOUVER, WA 98661



September 23, 1999

EXHIBIT "A"

9/23/99

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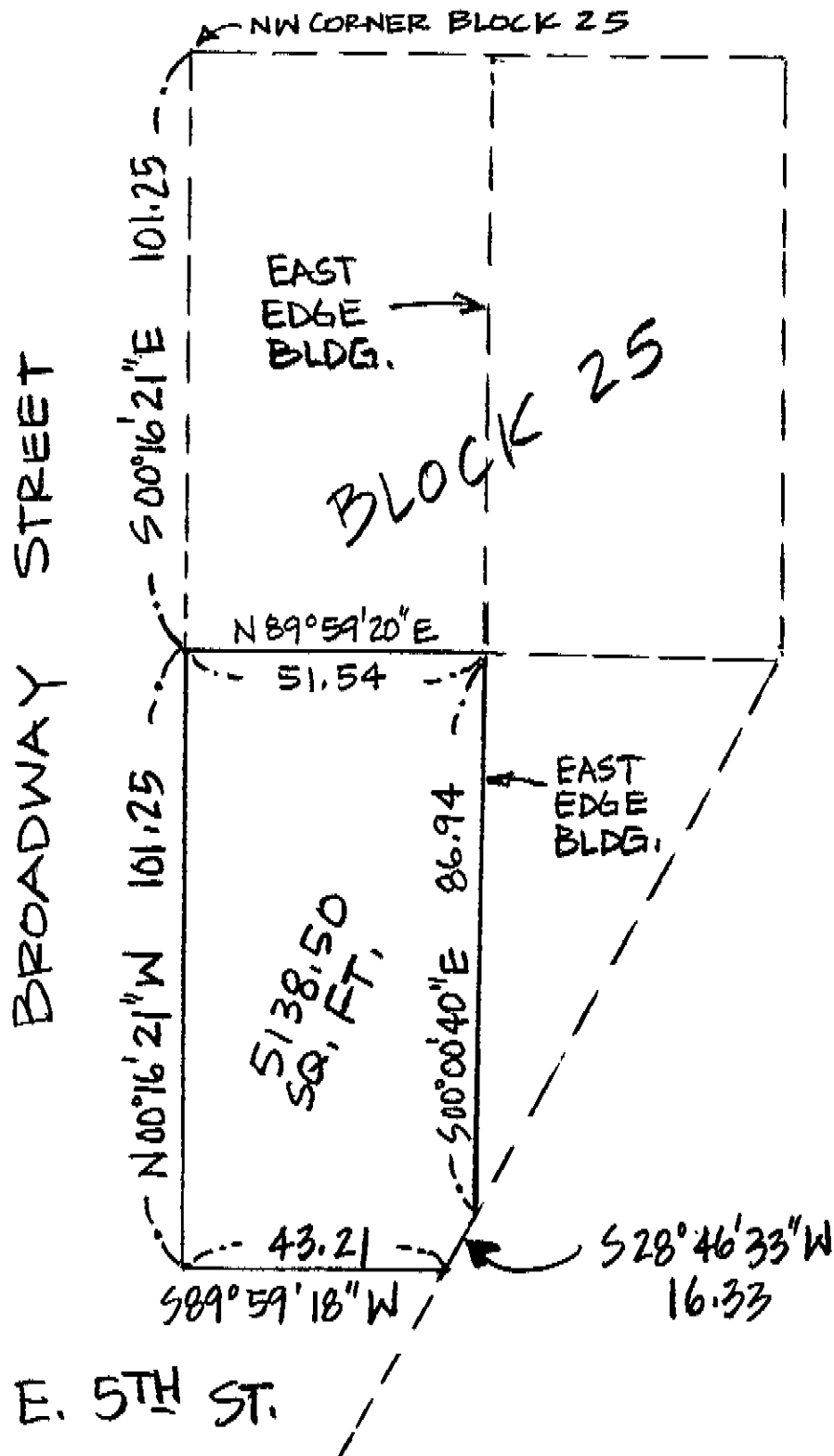
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Containing 5138.50 square feet.

EAST 6TH





3330469

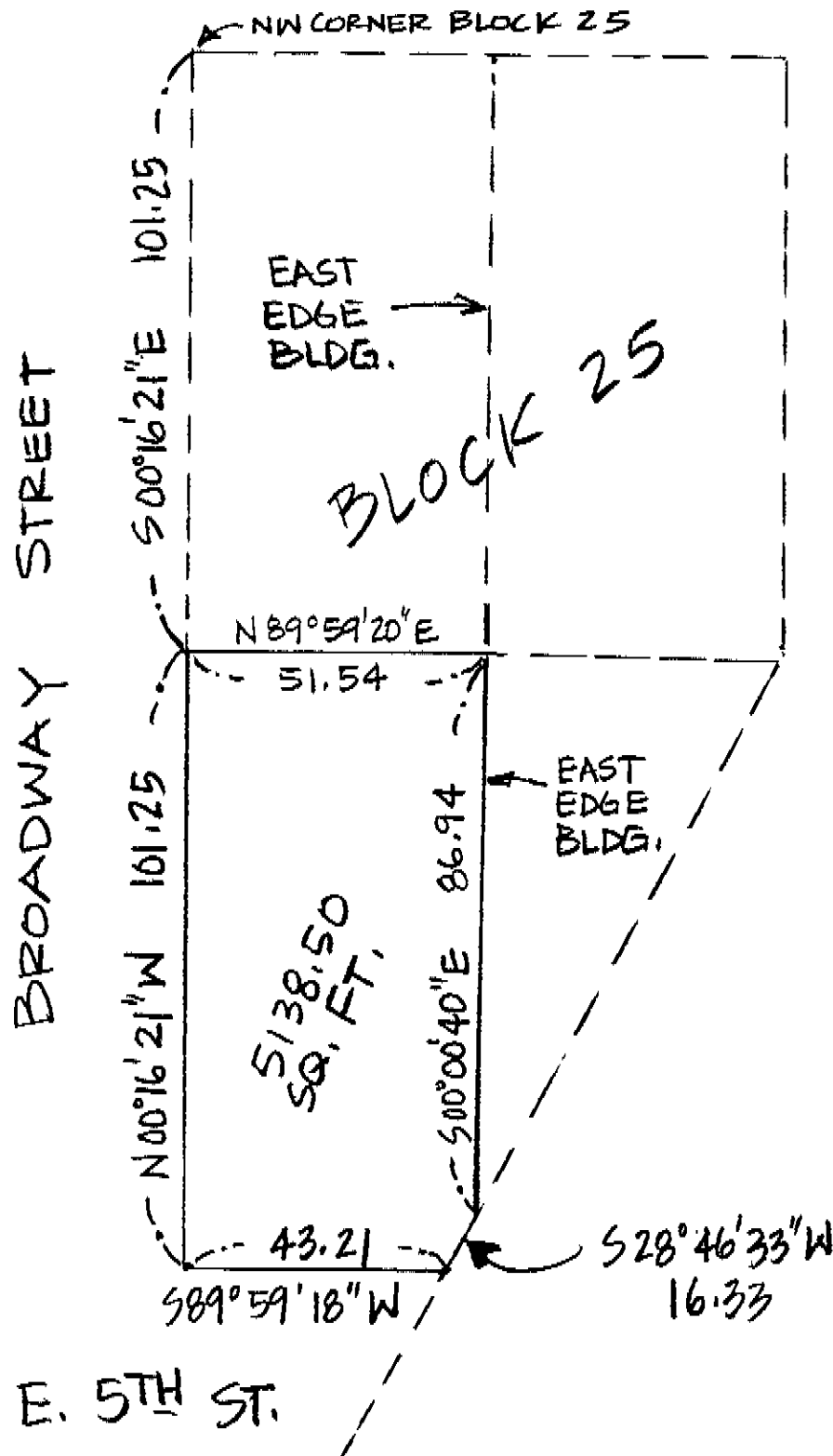
Page: 13 of 19
08/11/2001 09:46A
Clark County, WA

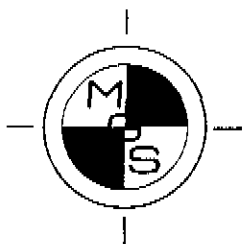
CITY OF VANCOUVER

ORD

26.00

EAST 6TH



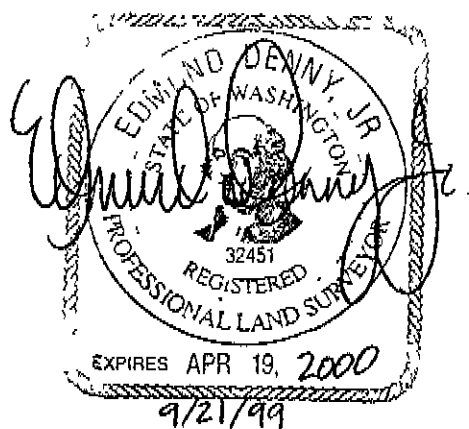


**MINISTER-GLAESER
SURVEYING INC.**

(360) 694-3313
FAX (360) 694-8410
2200 E. EVERGREEN
VANCOUVER, WA 98661

September 21, 1999

EXHIBIT "A"



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Thence North $89^{\circ}59'20''$ East, along the North line of said block 25, for a distance of 52.00 feet to the TRUE POINT OF BEGINNING,

Thence continuing North $89^{\circ}59'20''$ East, along said block 25, for a distance of 48.00 feet to the Westerly line of Washington State Department of Transportation right-of-way, according to SR5 and SR14 Vancouver freeway SR14 interchange, dated July 31, 1981;

Thence South $00^{\circ}16'21''$ East, along said Westerly line, for a distance of 100 00 feet,

Thence South $28^{\circ}46'33''$ West, along said Westerly line, for a distance of 1 43 feet to the South line of lot 3 of said block 25;

Thence South $89^{\circ}59'20''$ West, along the South line of said lot 3, for a distance of 47 77 feet,

Thence North $00^{\circ}00'40''$ West, for a distance of 101.25 feet to the TRUE POINT OF BEGINNING;

Containing 4882 94 square feet.



**3330469**

Page: 14 of 19

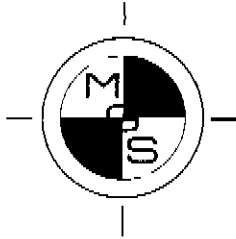
06/11/2001 09:46A

CITY OF VANCOUVER

ORD

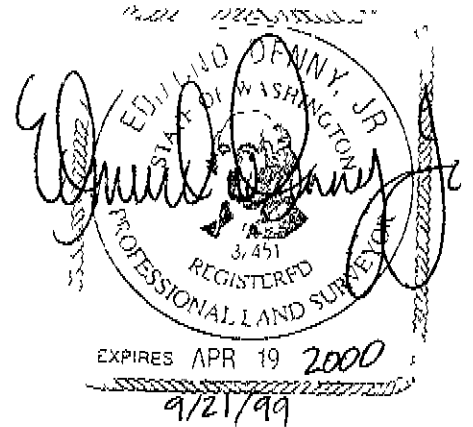
26 00

Clark County, WA



MINISTER-GLAESER SURVEYING INC.

(360) 694-3313
FAX (360) 694-8410
2200 E. EVERGREEN
VANCOUVER, WA 98661



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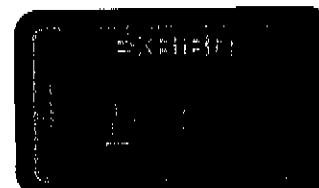
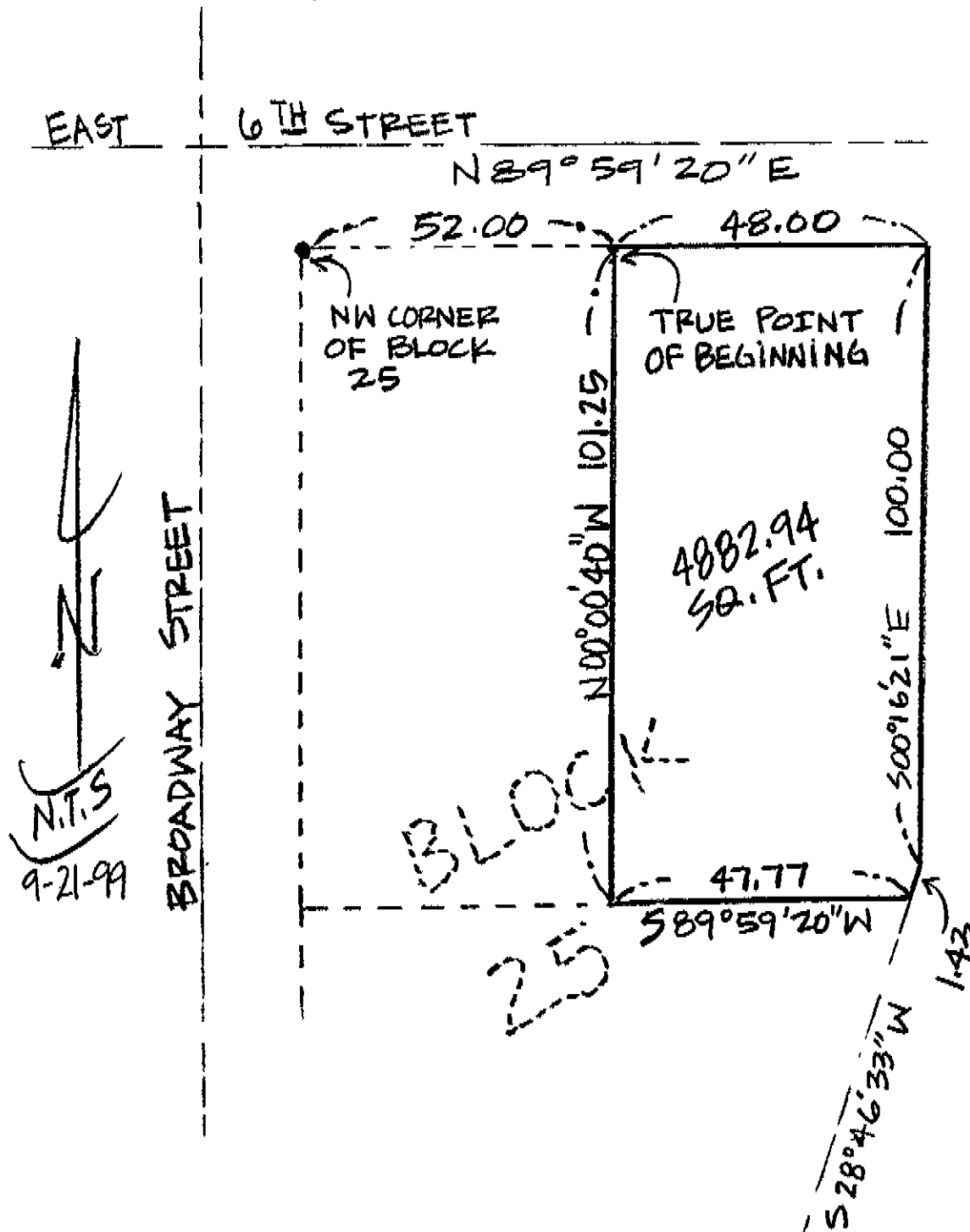
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EXHIBIT SKETCH





3330469

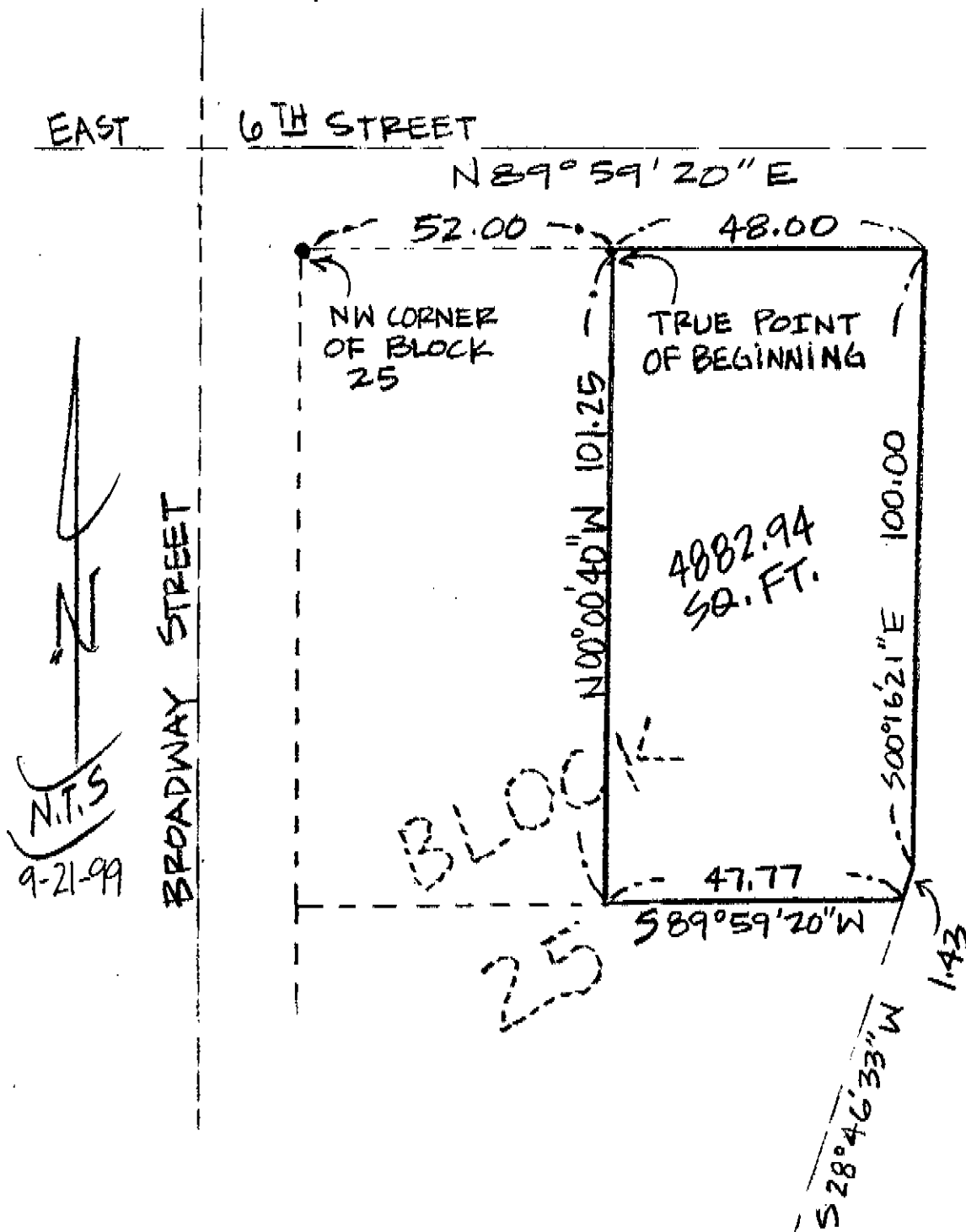
Page: 15 of 19
06/11/2001 09:48A

CITY OF VANCOUVER

ORD

26.00 Clark County, WA

EXHIBIT SKETCH



P.O. Box 1995
Vancouver, Washington 98668-1995



www.ci.vancouver.wa.us

February 29, 2000

Broadway Investors, LLC
Attention: George Killian
820 SE 73rd Avenue
Vancouver, WA 98664

Dear George,

The ordinance to vacate Broadway and 5th Streets is scheduled for final public hearing on March 20, and this ordinance will become effective five days later. Therefore, I hereby agree to extend the Contingency Removal Date and the Closing Date for Exhibit 3.1.1, Agreement for City's Transfer and Conveyance to Developer, and Exhibit 3.1.2, Agreement for Developer's Transfer and Conveyance to City, to Monday, March 27, 2000. If this is acceptable, please sign this document below and return the original to me for completion by our City Clerk.

In addition, per Section 3.4 of the Disposition and Development Agreement between the City of Vancouver and Broadway Investors, LLC, I hereby grant permission for Killian Pacific, its employees, agents, architects, engineers and contractors to enter upon the City property (Transferred Property) to perform any necessary work under the Agreement in connection with the development and construction of the Project.

DATED this 29 day of February, ²⁰⁰⁰~~1999~~.

CITY OF VANCOUVER, a municipal corporation

By

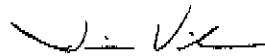

Vernon E. Stoner, City Manager

BROADWAY INVESTORS L.L.C., a Washington
limited liability company

By


Its Member

Attest:



Tim Viles, City Clerk

Approved as to Form:


Ted H. Gathe, City Attorney

Royce E. Pollard • Mayor
Dan Tonkovich • Councilmember
Pat Jallota • Councilmember
Jim Moeller • Councilmember



Jeanne Harris • Councilmember
Jack Burkman • Councilmember
Jeanne Lipton • Councilmember
Vernon E. Stoner • City Manager

DRAFT
Parking Commission Meeting
October 26, 1999
Minutes

Commission Chair David Goggin at 7:35 am opened the meeting

Roll was taken commissioners present were Johnson, Coy, Irvin, and Chair Goggin
Commissioner Runyan joined the meeting at 7:45 am

Minutes of the August 26, 1999 meeting were approved.

Chair Goggin then opened the public hearing of the Killian Pacific project.

Economic Development Staff then presented a power point presentation describing the project. In addition John Thompson of Zimmer Gunsul Frasca, Jerry Johnson of Hobson-Johnson, and Eric Hovee of Hovee and Associates made presentations.

The floor was then opened for comment from the general public; Tracy Reich of the Downtown Vancouver Association made the only public comment and spoke in favor of the project.

The hearing was then closed and returned to the Commission for discussion and action.

The Commission made and approved the following findings and recommended these findings be sent to the Downtown Redevelopment Authority and City Council:

- Recommended the acquisition and operation of a 233 space parking garage
- Without the proposed parking, demand will exceed supply
- City Participation is necessary and appropriate
- Capital costs are in line with comparable parking facilities
- Revenues and expenses are realistic for the parking facility

The Commission then heard a staff presentation regarding the increase of parking rates for municipal garages in the downtown area.

Staff then presented the proposed ordinance with the various suggested rate ranges to be presented to City Council.

There was no public comment on the rate range ordinance proposal.

The Commission then approved the ordinance with the recommendation to present the ordinance to City Council with the noted rate ranges.

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The Commission then approved the ordinance with the recommendation to present the ordinance to City Council with the noted rate ranges.



The Commission then heard staff recommendations to abolish the \$2.00 discount for early payment of parking tickets.
The Commission then approved elimination of the \$2.00 discount for early payment of parking tickets.

The meeting was adjourned with no future meeting date set.

David Goggin, Chair

Date

Parkcom10

The Commission then heard staff recommendations to abolish the \$2.00 discount for early payment of parking tickets.
The Commission then approved elimination of the \$2.00 discount for early payment of parking tickets.

The meeting was adjourned with no future meeting date set.

David Goggin, Chair

Date

Parkcom10

NOTICE OF PUBLIC HEARING



City of Vancouver Parking Commission
City Hall, Council Chambers
210 E. 13th Street
Vancouver, Washington
Tuesday, October 26, 1999, 7:30 a.m.

Notice is hereby given that the Parking Commission of the City of Vancouver, Washington, will hold a PUBLIC HEARING to hear testimony and to make recommendations to the City Council on the possible acquisition of a 233 space public parking structure at the Killian Pacific Project. The structure will be located between the State Highway 14 off ramp, 5th, 6th and Main Streets in downtown Vancouver. For more information, contact Public Affairs Officer Susan Lee at (360) 696-8059.

Vote 'yes' on Initiative 695
E. Green — 10:11 p.m. Oct. 13, 1999
ST:
The state and local governments really dislike Initiative 695. If it passes, some of them might have to get real jobs and be productive.
Vote "yes" on I-695

Currents
Voice your opinion on these and other issues at www.columbian.com/currents



10/29/99

10/24/99 Columbian

the last few months," said Melville Cody, an analyst with Sanders Morris Mundy.

In early 1998, Illinois-based Waste Management took a \$3.54 billion pretax charge to correct years of shoddy accounting. The company was acquired later that year by Houston-based USA Waste Services Inc., which re-

gust, along with the acknowledgment of a federal insider-trading investigation.

The board ordered the recent review — involving 1,160 auditors at a cost of \$3 million per day — at its 1,200 facilities.

Waste Management shares rose 43½ cents to close at \$17.25 a share Friday, one of the most active issues on the New York Stock Exchange.

NOTICE OF PUBLIC HEARING



City of Vancouver Parking Commission
City Hall, Council Chambers
210 E. 13th Street
Vancouver, Washington
Tuesday, October 26, 1999, 7:30 a.m.

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Currents
Voice your opinion on these and other issues at www.columbian.com/currents
10/24/99

10/24/99 Columbian

w Orleans, Oklahoma
Tulsa, Okla., up 1.3 per-
cent; the West North Central
region includes Kansas
City, Mo., up 0.4 percent;
St. Louis, up 0.4 percent;
Chicago, up 0.4 percent;
the East North Central region,
which includes Detroit, Mich.,
up 0.4 percent; Atlanta, Ga.,
up 0.4 percent; Memphis and Nashville,
Tenn., up 0.4 percent; and Louisville, Ky.,
up 0.4 percent.

online sometime late this year.
Paper and aluminum prices
With improvement in Asian
economies and strengthened de-
mand in the United States, white

for companies such as SEH Amer-
ica Inc., WaferTech and their sup-
pliers. Worldwide sales gains are
in the double digits for the first
time in several years, according to

parent or sick child — when asked
why they sometimes miss work.
Telecommuters don't have to
miss as much work to take care of
such needs because they can ad-
just their work hours and cut out
the commute, Pratt said. Working
from home cuts absenteeism 63
percent, a savings of \$2,086 per
year, she said.

Study: At-home workers save firms money

By DIANA KUNDE
The Dallas Morning News

Employers can save more than
\$10,000 annually for each worker
they allow to telecommute or work
from home, according to a nation-
al study by the International Tele-
work Association & Council.

The savings occur because of
lower turnover costs and reduced
absenteeism, said Joanne Pratt, a
Dallas telecommuting expert who
conducted the research.

An estimated 19.6 million people,
or 10 percent of all U.S. adults, work
from home at least one day a month
during regular business hours, the
telework association says.

"We've known for years that
telework reduces employee ab-
senteeism and improves job reten-
tion, but now we can quantify the

effect," executive director Gail
Martin said.

The savings figure is based on an
average \$44,000 annual salary re-
ported by the surveyed telecom-
muters. Pratt's firm, Joanne H. Pratt
Associates, interviewed a statisti-
cally random sample of 247
telecommuters and 1,242
"wannabes" workers who said they
would like to work from home oc-
casionaly.

The survey has a margin for er-
ror of plus or minus 6.2 percentage
points and a 90 percent confidence
rate, Pratt said.

The surveyed workers gave a
laundry list of nagging personal
chores — from taking cars in for
repairs, to doctor and dentist ap-
pointments, to more serious du-
ties such as caring for an elderly

parent or sick child — when asked
why they sometimes miss work.

The biggest savings come from
lower employee turnover, the re-
search found. Employers save
\$7,920 by retaining telecom-
muters, the survey said. And more
than half of those surveyed said
the ability to work from home was
important to them when consider-
ing a job.

Another \$685 in savings comes
from a 22 percent productivity in-
crease, the research found.

10/31/99 Columbian

NOTICE OF PUBLIC HEARING



City of Vancouver
Downtown Redevelopment Authority
City Hall, Council Chambers
210 E. 13th Street
Vancouver, Washington
Thursday, November 4, 1999, 11:30 a.m.

Notice is hereby given that the Downtown Redevelopment Authority of
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to make recommendations to the City Council on the possible acquisition of a
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10/31/99 Columbian

NOTICE OF PUBLIC HEARING



City of Vancouver
Downtown Redevelopment Authority
City Hall, Council Chambers
210 E. 13th Street
Vancouver, Washington
Thursday, November 4, 1999, 11:30 a.m.

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A 12

SUPPLEMENTAL STAFF REPORT NO 274-99

TO: Mayor and City Council
FROM: Vernon E. Stoner, City Manager
DATE: 11/8/99
11/15/99

Subject: Broadway Investors, LLC (Killian Pacific) - Disposition and Development Agreement.

Objective: To stimulate the redevelopment of downtown Vancouver and to provide adequate parking in support of that redevelopment.

Present Situation: The Community Vision statement in the City's Strategic Plan states in part, "Vancouver has a vibrant downtown where people throughout the community gather to live, work, shop and enjoy many entertainment options." Within the Plan's Strategic Commitments, are the statements:

- "We are revitalizing the downtown by encouraging mixed-use, residential and retail development activities;" and
- "Provide effective public financial investment that will enable capable developers to develop successful real estate projects in the downtown."

In early 1997, the draft of the Esther Short Subarea and Redevelopment Plan was presented to City Council. On January 5, 1998, City Council initially adopted the Esther Short Subarea and Redevelopment Plan. On August 10, 1998 Council amended this plan and, on October 19, 1998, Council approved the Esther Short Urban Renewal Area and readopted the Esther Short Subarea and Redevelopment Plan. This plan calls for the creation of a vibrant and active downtown with people living and working in the same area.

All major office/retail commercial projects that were developed in the downtown area since the early 1980s developed as a result of City of Vancouver financial participation in their parking structures. These projects include the SeaFirst Financial Center, the MJ Murdock Plaza, the First Interstate Tower, 1111 Main Place Building and Vancouver Center.

When the City of Vancouver has not participated in office/retail development projects, the market has developed the following characteristic asset on a typical city block:

- 20,000 square feet of commercial space
- 60 surface parking spaces
- 100 jobs
- \$150,000 - \$200,000 of Annual Buying Power
- \$1.2 Million of Assessed Value
- \$18,000 Annual Property Taxes
- Under utilization of Existing Infrastructure

When the City has participated in providing public structured parking, buildings such as the SeaFirst Financial Center were developed with the following attributes:

- 220,000 Square Feet of commercial space
- 1,000 Jobs
- \$1.5 - \$2.0 Million Annual Buying Power
- \$22 Million Assessed Value
- \$330,000 Annual Property Taxes

The review of the Downtown Vancouver Parking Program was completed by Fehr & Peers Associates, Inc. on April 6, 1998. This document concluded, "Over the long-term and to accommodate anticipated major new development projects in and near downtown, new municipal or city/private-shared parking facilities will be needed because not all newly-generated parking demand will likely be satisfied by the new development projects themselves." The following recommendations were contained in the proposed actions:

- "Continue to explore and seek joint parking development opportunities;" and
- "Require development projects that cannot or do not want to satisfy the minimum parking requirements on-site to pay in-lieu fees to the Parking Fund (at revised rates discussed under Item 1)". Suggested in lieu fees in Item 1 were \$6,600 to \$8,250.

In early 1999, the Killian Pacific Company presented to the City a development opportunity for property located at the intersection of 6th and Broadway. Over a period of about nine months, City staff negotiated the disposition and development agreement under the guidance of the Downtown Redevelopment Authority (DRA).

The proposed project was presented in public meetings to the Downtown Redevelopment Authority (DRA), the Vancouver Parking Commission, the Vancouver Project Review Committee and the Esther Short Neighborhood Association.

On October 26, 1999, the Vancouver Parking Commission recommended to the Downtown Redevelopment Authority and Vancouver City Council acquisition and operation of the proposed 233-space parking structure based on the following findings:

- Without the proposed parking, new and existing demand will exceed supply.
- City participation is necessary and appropriate.
- Capital costs are equal to or lower than comparable facilities.
- Anticipated revenues and expenses are realistic.

On November 4, 1999, the Downtown Redevelopment Authority recommended to Vancouver City Council the approval of the attached Disposition and Development Agreement between the City of Vancouver and Broadway Investors, based on the following findings:

- The public investment in the public parking structure will most likely yield a positive net present value.
- The public investment is no greater than necessary to allow the private development to be viable.
- Without the proposed parking, new and existing demand will exceed supply.
- City participation is necessary and appropriate.
- Capital costs are equal to or lower than comparable facilities.
- Anticipated revenues and expenses are realistic.

The development will:

- Partially implement the Esther Short Subarea and Redevelopment Plan.
- Stimulate downtown redevelopment.
- Produce an attractive building at the "front door" of the downtown.
- Contain quality downtown residences,
- Increase the downtown tax base.
- Support downtown retail through increased buying power.
- Utilize existing infrastructure.
- Relieve pressure on other areas of the City.
- Increase City revenues through tax revenues, parking fees and repurchase proceeds.

Proposal: To enter into the proposed agreements through which the City would own and operate, as a condominium, a public parking structure on land vacated at the present location of 5th Street and Broadway and induce a project with the following minimum characteristics:

- 65,000 net square feet of commercial space.
- 23 residential units.
- 34 private parking spaces.
- 233 public structured parking spaces on two levels.
- Significant public art.
- Conversion of Main Street from one-way to two-way between 5th and 6th Streets.

The City's participation in this development agreement is summarized on the attached Term Sheet and includes:

- Transfer and conveyance of roughly equal parcels of land between the City and the Developer.
- Waiver of sanitary sewer and water systems development charges.
- Purchasing and operating the public parking structure.

The City's participation does not include:

- Tax exemption on the residential units, land or commercial improvements.
- On-site or adjacent public improvements (sidewalks, plaza, street lights, street trees, etc.).

The Developer will be responsible for construction of all improvements, construction financing and construction risk on all project improvements, including the public parking structure. The Developer will sell the public parking structure to the City for less than the Developer's total development cost. The City will purchase and operate the completed parking facilities. The Developer will have the option to repurchase the parking facility between January 1, 2016 and December 31, 2021 at the higher of the fair market value of the garage less \$209,000 or the City's original purchase price of \$3,441,195.00.

The Downtown Vancouver Parking Program was completed by Fehr & Peers Associates, Inc. on April 6, 1998. The demand on the blocks east of Main Street and South of 6th Street was determined in the analysis of the Downtown Vancouver Parking Program to be 62 to 72 parking spaces.

The development of this project will eliminate 133 public and private surface parking spaces and create 267 public and private structured parking spaces.

Based on Institute of Transportation Engineers (ITE) and National Indices, the proposed project will generate new parking demands of 264 to 364 spaces based on the following components:

- Residential 1.04 to 1.75 per unit = 24 to 40 spaces.
- Banking Services 4.23 to 4.68 per 1,000 gross square feet = 80 to 89 spaces.
- Other Office 2.79 to 4.09 per 1,000 gross square feet = 151 to 222 spaces.
- Retail 2.40 to 3.57 per 1,000 gross square feet = 9 to 13 spaces.

Existing plus new demand equals 326 to 436 spaces.

However, there will be some demand leakage due to the parking customers' monthly cost of structured parking and proximity to the Seventh Street Transit Center. The leakage in Portland is approximately 10% in the Central Eastside, 22% in the Lloyd District and 30 - 40% in the Central City. As demand begins to totally absorb supply, and as transit service is improved, the percent of leakage will increase.

In addition, due to the ability to oversell the absolute number of parking spaces by approximately 15%, the effective supply will equal approximately 300 parking spaces.

The supply and demand cited only includes normal weekday demand and does not include evening and weekend demand, which typically equates to approximately 22% of the weekday demand in the Portland metropolitan area.

The parking structure will be constructed in a single phase.

The City's parking consultant, Rick Williams with the Melvin Mark Company, projected the operating revenues and expenses for the proposed parking structure - See exhibits "A" and "B". The E. D. Hovee Company, projected tax revenues that will flow to the City from this project- See exhibit "D". Based on the operating proforma and tax revenue analysis, financial projections for the parking structure development alternatives are attached to this staff report. In all alternative scenarios, a positive net present value is projected for the City and an Internal Rate of Return (IRR) of 9.8% to 13.9% is forecast. See exhibits 1.01, 1.02, 2.01, 3.01, 4.01 and 5.01.

Mr. Williams also analyzed the development costs of similar parking structures in this market area. See exhibit "C". This analysis demonstrates that the proposed purchase price is at or below the development costs for similar facilities in this market area.

Advantages: The successful completion of this project will help to:

1. Implement the Esther Short Subarea and Redevelopment Plan.
2. Stimulate downtown redevelopment.
3. Develop an attractive building at the "front door" of the downtown.
4. Provide quality downtown residences.
5. Increase the downtown tax base.
6. Support downtown retail through increased buying power.
7. Utilize existing infrastructure.
8. Relieve pressure on other areas of the City.
9. Increase City revenues through tax revenues, parking fees and repurchase proceeds.
10. Develop a public investment with a positive net present value.
11. Limit the City's participation to a level that is no greater than necessary to make the private investment viable.

Disadvantages:

1. Long term debt
2. Utilization of non-voted debt capacity
3. Long term parking operating responsibilities
4. An economic downturn could mean that the City would not achieve its revenue projections.

Action Requested:

1. On November 8, 1999, approve ordinance on first reading, setting date of second reading and public hearing for November 15, 1999. Such action will accept the Vancouver Parking Commission's findings and recommendations, will accept the Downtown Vancouver Authority's findings and recommendations and approve the attached Disposition and Development Agreement between the City of Vancouver and Broadway Investors, LLC, based on the following findings:

- The public investment in the public parking structure will most likely yield a positive net present value.
- The public investment is no greater than necessary to allow the private development to be viable.
- Without the proposed parking, new and existing demand will exceed supply.
- City participation is necessary and appropriate.
- Capital costs are equal to or lower than comparable facilities.
- Anticipated revenues and expenses are realistic.

The development will:

- Partially implement the Esther Short Subarea and Redevelopment Plan.
 - Stimulate downtown redevelopment.
 - Produce an attractive building at the "front door" of the downtown.
 - Contain quality downtown residences.
 - Increase the downtown tax base.
 - Support downtown retail through increased buying power.
 - Utilize existing infrastructure.
 - Relieve pressure on other areas of the City.
 - Increase City revenues through tax revenues, parking fees and repurchase proceeds.
2. On November 15, 1999, subject to second reading and public hearing, approve the ordinance.

Attachments:

- Ordinance (corrected)
- Term Sheet – Killian Pacific Project, 10/14/99

- Exhibit A - Operating Proforma
- Exhibit B – Operating Proforma
- Exhibit C – Rich Williams Memorandum, 10/20/99
- Exhibit D – E.D. Hovee Fax Memorandum, 10/14/99
- Exhibit 1.01 – Summary of Options
- Exhibit 1.02 – Broadway Parking Structure Analysis
- Exhibit 2.01 – Project Cash Flows with Option to Purchase in Year 15
- Exhibit 3.01 – Project Cash Flows with Option to Purchase in Year 20
- Exhibit 4.01 – Project Cash Flows with Option to Purchase not exercised
- Exhibit 5.01 – Project Cash Flows with Option to Purchase in Year 15 and Higher Assumed Occupancy Rates
- Vancouver Parking Commission Minutes of Public Hearing Held on October 26, 1999
- Downtown Redevelopment Authority Minutes of Public Hearing held on November 4, 1999 (to be provided following the meeting)
- Outline of Disposition and Development Agreement between Broadway Investors, LCC and City of Vancouver
- Notice of Public Hearing published October 24, 1999, *The Columbian* (added)
- Notice of Public Hearing published October 31, 1999, *The Columbian* (added)

C9110101/VES.SB.MW

DISPOSITION AND DEVELOPMENT AGREEMENT

between

City of Vancouver

and

Broadway Investors L.L.C., a Washington limited liability company

for the Redevelopment of

the real property in the vicinity of

5th, 6th, Broadway and Main Streets

Execution Date:

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DISPOSITION AND DEVELOPMENT AGREEMENT

This Disposition and Development Agreement (the "Agreement" or the "DDA") is entered into on December 29, 1999, between Broadway Investors L.L.C., a Washington limited liability company ("Developer"), and the City of Vancouver, a State of Washington municipality ("City").

SECTION 1. PURPOSE AND PARTIES

1.1 Purpose

This Agreement sets forth the terms and conditions under which City shall convey the City Lots (as defined in SECTION 1.3) to Developer, and by which Developer shall construct the Project (as defined in SECTION 1.7). The goal of City and Developer is to develop an important community resource in a commercially viable manner that is consistent with and furthers the goals of City as contained within the Esther Short Subarea and Redevelopment Plan. This Agreement includes a number of Exhibits – not all of which are available at the time of execution. The parties acknowledge and agree that any such Exhibits not available at the time of execution will be attached hereto at such time as both parties approve such Exhibits as to form and content and in accordance with the terms of this Agreement.

1.2 Redevelopment Plan

This Agreement is subject to the provisions of the Esther Short Subarea and Redevelopment Plan as adopted on January 5, 1998, amended August 10, 1998, and in effect as of the date of this Agreement and is incorporated by reference into this Agreement (the "Redevelopment Plan"). Once land use approvals have been provided by City to Developer, any inconsistency between such approvals and the Redevelopment Plan shall be resolved in favor of such approvals.

1.3 Description of Project

Developer currently owns a portion of Blocks 24 and 25 located between 5th Street and 6th Street and east of Broadway Street (located at or near the 6th Street offramp from SR14) and Main Street in Vancouver, Washington, a legal description of which is attached hereto as Exhibit 1.3.1 and incorporated herein by reference ("Developer Lots"). City also owns a portion of Block 25 in Vancouver, Washington, a legal description of which is attached hereto as Exhibit 1.3.2 and incorporated herein by reference ("City Lots"). The City Lots are located adjacent to the Developer Lots. Pursuant to the terms of this Agreement, Developer is going to: (i) build a mixed-use office building on the Developer Lots ("Office Tower Unit"); (ii) acquire a portion of the City Lots and build a public three-level parking garage on a portion of the Developer Lots and the City Lots which shall contain a minimum of two hundred thirty-three (233) parking spaces as depicted on Exhibit 1.3.3 ("Parking Garage Unit"); (iii) retain ownership interest in a subterranean parking ramp which shall contain thirty-four (34) parking spaces as depicted on Exhibit 1.3.4 ("Subterranean Ramp Unit") located within the Parking Garage Unit; and (iv) sell the completed Parking Garage Unit (minus the Subterranean Ramp Unit) to City on a turn-key basis on the terms set forth herein and in Exhibit 5.3.1. The Office Tower Unit, Parking Garage Unit and Subterranean Ramp Unit are more particularly set forth in Developer's plans, deemed technically complete on or about September 22, 1999. Developer will also be financially responsible for necessary improvements on Main Street in order to convert the street from a 1-Way street to a 2-Way street. Subject to and contingent upon a public hearing before Vancouver City Council, City will be required to vacate applicable portions of Broadway Street and 5th Street in order to accommodate the construction of the public Parking Garage Unit and the Office Tower Unit. Developer and City will also exchange ownership of a portion of their

respective lots located on Block 25 in order to accommodate City's future realignment of the SR14 off-ramp connecting to 6th Street and Developer's construction of the Parking Garage Unit, all more particularly set forth in the Transfer and Conveyance Agreements attached hereto as Exhibit 3.1.1 and 3.1.2 respectively.

1.4 The Property

The Property is more fully described in the attached Property Map (Exhibit 1.4) which is incorporated in this Agreement by this reference. The Property is vacant. A portion of the City Lots will be transferred to Developer as more particularly described under SECTION 1.3 of this Agreement. A portion of the Developer Lots will be transferred to City as more particularly described under SECTION 1.3 of this Agreement. The Developer Lots and the City Lots may hereinafter be referred to collectively as "the Property".

1.5 City

City of Vancouver is a State of Washington municipality, exercising governmental functions and powers of the Vancouver Municipal Code of the State of Washington and is hereinafter referred to as "City". The principal office of City is located at Vancouver City Hall, 210 East 13th Street, Vancouver, Washington.

1.6 Developer

Broadway Investors L.L.C., a Washington limited liability company shall hereinafter be referred to as "Developer". The principal office of Developer is 820 SE 73rd Avenue, Vancouver, Washington 98664. Any reference hereafter to "Developer" shall be deemed to include any successors and/or assigns of Developer as permitted in SECTION 6.4.

1.7 The Improvements

The Office Tower Unit, Parking Garage Unit and Subterranean Ramp Unit to be constructed by Developer on the Property may hereinafter be referred to collectively as “Improvements” or “Project”. The Office Tower Unit will be constructed as a mixed-use condominium with the top two floors containing residential condominiums and the lower floors containing approximately 65,000 square feet net rentable Class A office space. The Parking Garage Unit will be three-levels (one level on ground/grade and two levels above ground). The Subterranean Ramp Unit will be located within the Parking Garage Unit below grade and contain 34 parking spaces. City will purchase the Parking Garage Unit and the land under the Parking Garage Unit and Developer will retain ownership in the Subterranean Ramp Unit and the land under the Subterranean Ramp Unit. City will retain the right for vehicular access/parking up to ten feet (10’) in height above the Parking Garage Unit on level 2, and will be prohibited from constructing within any portion or otherwise utilizing any area above such ten feet (10’) on level 2, all more particularly set forth in the Declaration (defined below). Developer will retain the right for vehicular access/parking up to ten feet (10’) in height in the Subterranean Ramp Unit, and will be prohibited from constructing within any portion or otherwise utilizing any area above such ten feet (10’), all more particularly set forth in the Declaration (defined below).

A. Minimum Design Criteria. Developer shall design the Improvements to be constructed as part of the Project in compliance with the Redevelopment Plan, Vancouver Downtown Design Guidelines (as amended or modified in the future), City zoning code and development regulations (collectively “Minimum City Design Requirements”). In addition to complying with the Minimum City Design Requirements, all Improvements shall meet the design criteria attached to this Agreement as Exhibit 1.7. Developer may deviate from the

design criteria with the prior approval of City's Project Review Committee, which approval shall not be unreasonably withheld. Inconsistencies will be resolved by the permitting authority and its decision shall be controlling as set forth in SECTION 1.9 below.

B. Disclaimer

(1) City Not Liable for Construction of Project. Notwithstanding any other provisions of this Agreement to the contrary, City is under no obligation to, nor shall it construct or supervise the construction of the Project. It is understood and agreed that City's right to inspect the Project prior to its acquisition of the Parking Garage Unit pursuant to SECTION 5.3 of this Agreement is for the sole purpose of protecting its rights as a purchaser of the Parking Garage Unit to be constructed as part of the Improvements, pursuant to the Parking Garage Purchase Agreement as defined in SECTION 5.3 of this Agreement. No part of the cost of construction of the Project shall ever become an obligation of City nor is City responsible to any contractors or to any subcontractors under any subcontracts for design, development, repair, renovation or construction of the Project, the Parking Garage Unit or any other third parties for any purpose whatsoever. Developer shall be solely financially responsible for all costs in connection with the Improvements, including the cost of design, construction and permitting. Developer hereby assumes all risks of increase to price irrespective of the source of the risk and/or increase, including but not limited to delay, increases in costs of labor and/or material, and inclement weather.

(2) No Construction Liens. Nothing contained in this Agreement shall be construed as the consent or request of City, express or implied, for the performance of any labor or services or for the furnishing of any materials or equipment for any construction, alteration, addition, repair or demolition of or to the Property (or any part thereof). NOTICE IS

HEREBY GIVEN THAT CITY WILL NOT BE LIABLE FOR ANY LABOR, SERVICES, MATERIALS OR EQUIPMENT FURNISHED OR TO BE FURNISHED TO DEVELOPER, OR ANYONE HOLDING AN INTEREST IN THE PROPERTY (OR ANY PART THEREOF) THROUGH OR UNDER DEVELOPER, AND THAT NO CONSTRUCTION OR OTHER LIENS FOR ANY SUCH LABOR, SERVICES, MATERIALS OR EQUIPMENT SHALL ATTACH TO OR AFFECT THE INTEREST OF CITY IN THE PROPERTY (OR ANY PART THEREOF). The parties agree that the provisions in this SECTION shall relate to the initial construction of the Project.

(3) Removal of Liens. Developer shall pay or cause to be paid within thirty (30) days after the filing thereof any and all construction or other liens that may be filed against the real property and Improvements to be acquired by City in the Property (or any portion thereof) in connection with labor, services, materials, supplies or equipment furnished or alleged to have been furnished to or upon the request of Developer relating to the initial construction of the Project subject to the provisions of this SECTION (3). Developer reserves the right to contest the validity of any such lien claims in good faith provided that Developer shall within thirty (30) days after the filing of such lien discharge said lien of record or record a bond which complies with the requirements of RCW 60.04.161 eliminating said construction lien as an encumbrance against City's interest in the Property. Upon Final Completion (defined below) of the Project, the Parking Garage Unit, whether then owned by Developer or City, shall be free and clear of all construction liens arising by or through the actions of Developer, its employees, engineers, architects, contractor(s), subcontractors, or their respective agents and employees.

1.8 Condominium Ownership; Declarations

A. Condominium Declaration and Designation of Units. Developer shall cause a portion of the Project to be developed as separate mixed-use commercial condominiums (individually, "Condominium" and collectively, the "Condominiums"). Each Condominium shall contain such number of separate condominium units as Developer shall determine in the reasonable exercise of its business judgment pursuant to a condominium declaration ("Declaration") prepared by Developer and approved by City prior to issuance of the building permit, and survey map and plans prepared by Developer and approved by City prior to issuance of the occupancy permit. Each Declaration shall address the issues set forth in the checklist attached hereto as Exhibit 1.8 and shall be in form and substance satisfactory to City and Developer. Each Declaration shall provide, at a minimum for the following units: (a) the Parking Garage Unit including land under the Parking Garage Unit with the ability for City to have a ten feet (10') of vehicular access/parking above grade in the Parking Garage Unit, (b) the Subterranean Ramp Unit (which unit may be combined with the Office Tower Unit at Developer's election), the land under such ramp with the ability for Developer to have ten feet (10') vehicular access/parking above grade, (c) a mixed-use tower for commercial, office and residential uses ("Office Tower Unit") including the paved driveway and remote tellers located to the west of the mixed-use tower, (d) provisions for the construction, ownership, use, operation, maintenance and repair of all additional public spaces and pedestrian improvements required under this Agreement, or as may be required by City of Vancouver Downtown Redevelopment Authority ("DRA") or other governmental authority with jurisdiction over the Project, and (e) such Common Elements and Limited Common Elements for access as are set forth in the Declarations and Survey Maps and Plans for each of the Condominiums. The parties

understand and agree that the Declarations shall be developed in draft form and mutually approved by the parties prior to issuance of an occupancy permit and filed with the State of Washington upon completion of the survey.

B. Determination of Boundaries of Various Units. Precise boundaries of each condominium unit will be determined by as-built survey prepared and filed by Developer upon Substantial Completion (defined below) of the Project; however, common elements will be minimized. Parking elevators which access the Office Tower Unit will be allocated to the Office Tower Unit and will be available to the general public using the Parking Garage Unit; however, elevators located within the Parking Garage Unit which access is confined to the Parking Garage Unit shall be allocated to the Parking Garage Unit. Utilities, stairwells and other improvements will be allocated to the unit that they primarily serve. The utilities serving the Parking Garage Unit, for example, will be allocated to the Parking Garage Unit. Common elements will be limited to the greatest extent practicable. The Declaration shall grant the owner of each unit and its invitees a non-exclusive access easement for the benefit of such owner and its invitees over, across and through such portions of the other units as is necessary for owners and their invitees to enter and exit the Parking Garage Unit from the Office Tower Unit and to and from the public streets adjoining the Project. The Declaration shall contain such other easements including easements for elevators and stairwells located in the other units and such other easements as Developer and City may mutually agree.

1.9 Changes in the Configuration of the Project

Developer may request a change in the configuration of the Project as described in SECTION 1.7 above so long as the Project satisfies each of the following requirements as

determined by City in the exercise of its discretion (which shall not be unreasonably withheld or delayed):

A. The tax revenues projected to be generated by the reconfigured Project are equal to or higher than the original Project, all more particularly set forth in Eric Hovee's Projection Report attached as Exhibit 1.9; and

B. The valuation of the reconfigured Project for property tax valuation purposes is equal to or greater than the original Project; and

C. The square footage for the reconfigured Project is equal to or greater than the original Project; and

D. The reconfigured Project has parking requirements which equal or exceed the original Project; and

E. The reconfigured Project has been approved by City of Vancouver Downtown Redevelopment Authority and City, which approvals shall not be unreasonably withheld so long as the reconfigured Project satisfies the foregoing requirements and is consistent with existing zoning and the Redevelopment Plan and does not require permit approval by City's Development Review Services.

Notwithstanding the foregoing, the parties acknowledge and agree that in the event there are deviations in the Project such as a change in the square footage which equal less than five percent (5%), the only non-permit approval necessary shall be City's Manager of Economic Development, which shall not be unreasonably withheld or delayed.

1.10 The Land Use Development Agreement

Upon receipt of site plan approval for the Project, the parties mutually agree to enter into a Land Use Development Agreement pursuant to the process required in the Revised Code of

Washington and the Vancouver Municipal Code. Such Land Use Development Agreement shall be attached hereto as Exhibit 1.10.

SECTION 2. DEVELOPER PRE-DISPOSITION REQUIREMENTS

As conditions precedent to City's obligation to convey the City Lots to Developer, the following conditions must be met within the time limit indicated for each condition, unless that time limit is extended in writing by City's Manager of Economic Development.

2.1 Satisfaction of Conditions Precedent Set Forth in the Transfer and Conveyance Agreement

Developer has provided City written notice that each of the conditions precedent set forth in the Transfer and Conveyance Agreement (as defined and described in SECTION 3 below) for the transfer of the City Lots has been met to the satisfaction of Developer or waived, and Developer is prepared to close.

2.2 Construction Plans for the Improvements

Developer shall, not later than the date Developer submits an application for a building permit to City's Development Review Services, submit to City's Manager of Economic Development its Construction Plans for the Improvements for approval. For purposes of this SECTION, the term "Construction Plans" means all construction documentation upon which Developer intends to rely in building the Improvements and shall include, but not be limited to, landscaping plans and specifications, elevations, building plans and specifications, preliminary costs of construction, and a schedule for construction sufficient for City's Manager of Economic Development to determine whether the Construction Plans comply with this Agreement. The Construction Plans shall be based upon the requirements of the Vancouver Municipal Code. Prior to the submission of the Construction Plans for permits for the Improvements, Developer

shall meet with City's Manager of Economic Development at least every thirty (30) days to review progress on the Construction Plans. If the Construction Plans in their entirety conform to the provisions of this Agreement, City's Manager of Economic Development shall approve in writing the Construction Plans for the Improvements and no further submittals by Developer to City's Manager of Economic Development of Construction Plans for the Improvements for non-permit approvals by Developer or approval by City's Manager of Economic Development of the Construction Plans for the Improvements shall be required except with respect to any material change. City's Manager of Economic Development may approve those portions of the submitted Construction Plans for the Improvements that conform to the provisions of this Agreement and reject those portions that do not conform. City's Manager of Economic Development may also approve all or a portion of the Construction Plans for the Improvements subject to conditions requiring further submissions for City's Manager of Economic Development review and approval. Unless rejected or approved subject to conditions by City's Manager of Economic Development within fourteen (14) days of submission by Developer, the Construction Plans for the Improvements shall be deemed approved for non-permit approvals.

If rejected by City's Manager of Economic Development in whole or part or approved subject to conditions requiring further submissions, Developer shall submit new Construction Plans for the Improvements within thirty (30) days of notification of City's Manager of Economic Development's rejection or conditional approval and the reasons therefor. City's Manager of Economic Development shall then have fourteen (14) days to review and approve Developer's new and revised Construction Plans. The provisions of this SECTION 2.2 relating to time periods for approval, rejection, and resubmission of new or revised Construction Plans shall continue to apply until the Construction Plans for the Improvements have been approved by

City's Manager of Economic Development at which time they shall be attached to and become a part of this Agreement as Exhibit 2.2 (Final Construction Plans for Improvements). If, after ninety (90) days following Developer's initial submission of the Construction Plans to City's Manager of Economic Development, the process for approvals of plans is stalled because Developer and City's Manager of Economic Development disagree on the design of the Construction Plans for the Improvements, then the parties agree that the disagreements(s) will be submitted to a mutually agreed upon mediator, who shall be an independent construction project manager or specialist, and that the parties will continue good faith mediation efforts until the disagreements(s) are resolved. Construction Plans which would violate the City of Vancouver's zoning code shall not be approved, and Development Review Services' (or the current agency within City that is responsible for land use and development) disapproval of the Construction Plans for the Improvements on the grounds that such Construction Plans would violate the City of Vancouver's zoning code is not subject to resolution by mediation. However, if City's Manager of Economic Development has not approved the Construction Plans for the Improvements within one hundred eighty (180) days after initial submission of the Construction Plans, after and despite diligent good faith efforts by City's Manager of Economic Development and Developer in accordance with the procedures set forth in this SECTION 2.2, then City's Manager of Economic Development may terminate this Agreement pursuant to SECTION 7.1 or SECTION 7.3.

2.3 As Built; Warranties (not a predisposition requirement)

Developer shall obtain warranties (as available) covering the work performed on or materials furnished to the Parking Garage Unit (collectively "Warranties"). All Warranties procured by Developer shall be properly executed on a form reasonably approved by City

whenever possible, shall be assignable, shall have a term of not less than one (1) year, and shall be submitted to City concurrently with conveyance of title to the Parking Garage Unit. Whenever possible, Developer shall cause the Warranties to be made directly to City or, if the same shall be made to Developer, Developer, if possible, shall assign same to City.

SECTION 3. DISPOSITION OF THE PROPERTY

3.1 Disposition of Property; Timing of Disposition

In accordance with the provisions of the Transfer and Conveyance Agreement attached hereto as Exhibits 3.1.1 and 3.1.2 (the "Transfer and Conveyance Agreement"), City will transfer and convey the City Lots (as legally described in Exhibit 3.1.1) to Developer, and Developer will transfer and convey a portion of Developer Lots (as legally described in Exhibit 3.1.2) to City (collectively the "Transferred Property"). Additionally, Developer will pay the sum of Three Thousand Nine Hundred Six and 60/100 Dollars (\$3,906.60) to City, which amounts to Fifteen and 32/100 Dollars (\$15.32) per square foot for Two Hundred Fifty (255) feet, as consideration for the difference in the square footage of the City Lots and the applicable portion of the Developer Lots subject to the transfer and conveyance in this SECTION. Such transfer and conveyance will occur within thirty (30) days following the date Developer receives City's Manager of Economic Development's approval of all of the predisposition requirements set forth in SECTION 2 above which requirements shall be satisfied prior to closing of the Transfer and Conveyance Agreement and satisfaction or waiver of the conditions to closing under the Transfer and Conveyance Agreement.

3.2 Systems Development Charges

City shall waive all sanitary sewer and water systems development charges for the Project.

3.3 Charges and Fees

Except as set forth in SECTION 3, no latecomers fees, no offsite improvements or charges therefor (such as but not limited to traffic signals or offsite transportation improvements) will apply or be charged in connection with development, construction and use of the building and parking garage.

3.4 Rights of Access

During the period from the date of this Agreement to the close of escrow for the conveyance of the Transferred Property and with prior written permission from City's Manager of Economic Development, Developer and its employees, agents, architects, engineers and contractors shall have the right to enter upon the Transferred Property to perform any necessary work under this Agreement in connection with the development and construction of the Project. Furthermore, upon the close of escrow for the conveyance of the Transferred Property, Developer and its employees, agents, architects, engineers and contractors, with prior written permission from City's Manager of Economic Development, shall have the right to enter upon the Transferred Property to perform any necessary work under this Agreement in connection with the development and construction of the Transferred Property. Developer shall be liable and shall indemnify and hold City harmless from any damage to persons and/or property caused from the wrongful acts or omissions of Developer, its employees or its agents, engineers, subcontractors or contractors, or their respective agents or employees. City and its employees, agents, architects, engineers and contractors shall have the right to enter upon the Transferred Property following close of escrow for the sale of the Transferred Property to perform any work and/or inspection provided for under this Agreement. City shall be liable for and shall hold Developer harmless from any damage to persons and/or property caused by any such entry and

activities on the Transferred Property resulting from the wrongful acts or omissions of City and City's agents and contractors.

3.5 Vacation of 5th Street and Broadway

Subject to and contingent upon a public hearing before Vancouver City Council, City shall vacate portions of 5th Street and Broadway Street as shown on Exhibit 3.5, all more particularly described in the Application for Petition for Street Vacation attached as Exhibit 3.5. The consideration for such street vacation shall be included in the purchase price of the Parking Garage Unit to be purchased by City pursuant to the Parking Garage Purchase Agreement which has been reduced in part by the value of such street vacation by the City.

3.6 City's First Right of Refusal and Option on Developer's Frontier Property

Developer hereby grants to City a First Right of Refusal on Developer's Frontier Property (legally described in Exhibit 3.6) for a period of five (5) years ("First Right of Refusal Period") commencing on the date of execution of this Agreement by City. Developer shall have the right to develop and construct any improvement or structure on the Frontier Property authorized by law, and within a minimum floor area ratio of two (2) to one (1), during such five (5) year period which shall terminate City's rights under this SECTION 3.6. Such First Right of Refusal shall apply in the event Developer desires to transfer or convey the Frontier Property to a third (3rd) party during such five (5) year period following the mutual execution of this Agreement. Additionally, at the end of this five (5) year period, City shall have an option to purchase the Frontier Property ("Option Period"); provided, however, Developer shall have the right to develop and construct any improvement or structure on the Frontier Property authorized by law, and within a minimum floor area ratio of two (2) to one (1), during such Option Period which shall terminate City's right under this SECTION 3.6. In the event City exercises such

option during the Option Period, the purchase price shall be a mutually agreed upon price between the parties or, if the parties are unable to agree within ninety (90) days, either party may submit the determination of the purchase price to arbitration in order to determine the Fair Market Value (as defined below).

If either party elects to submit the determination of Fair Market Value to arbitration, then it shall also, in the same notice in which it elects arbitration, designate an appraiser. Within ten (10) days after receipt of such notice, the other party shall give notice designating a second appraiser. The two appraisers so selected shall, within ten (10) days following the selection of the second appraiser, select a third appraiser. The appraisers so selected shall, within ten (10) days following the selection of the final appraiser, meet, review such information as may be submitted by Developer or City, and such other information as they deem pertinent to the determination of the then Fair Market Value of the Frontier Property, and within thirty (30) days of the selection of the final appraiser, determine (either unanimously or by a vote of two of the three appraisers) the applicable Fair Market Value of the Frontier Property. The appraisers shall give written notice to the parties of the Fair Market Value so determined.

If either Developer or City shall fail to designate an appraiser within the time period specified in this SECTION, the defaulting party shall be deemed to have accepted the appraiser designated by the other, in which event the one appraiser described in this SECTION shall make the determination of the then Fair Market Value of the Frontier Property in accordance with this SECTION. If the two appraisers designated by the parties are unable to agree on a third appraiser within the time period specified in this SECTION, then either Developer or City may apply to the Superior Court of the State of Washington for Clark County to designate a third appraiser. All appraisers designated pursuant to this SECTION shall be disinterested MAI

appraisers with not less than ten (10) years experience in appraising commercial properties in Portland metropolitan area. A disinterested appraiser shall be one who has no direct or indirect financial interest in the outcome of the arbitration (other than payment of a reasonable appraisal fee) and who is not and has not been a member, manager, officer, director, employee or agent of City or Developer.

“Fair Market Value” means the most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is a consummation of sale as of a specified date, and the passing of title from the seller to the buyer under conditions whereby: (i) the buyer and seller are typically motivated; (ii) both parties are well informed or well advised, and each acting in what each considers its own best interest; (iii) a reasonable time is allowed for exposure in the open market; (iv) payment is made in terms of U.S. dollars, or in terms of financial arrangements comparable thereto; and (v) the price represents a normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale. The purchase price for the Frontier Property shall be the Fair Market Value as defined in this SECTION. Notwithstanding the foregoing, any dispute as to the Fair Market Value shall be resolved by arbitration.

3.7 Developer’s Easement for Storm Water Retention

City will grant Developer an easement on the southern portion of 5th Street (between the Parking Garage Unit and Main Street) for a storm water facility, as required by applicable code, which will be required for the construction, operation and maintenance of the Parking Garage

Unit. The size and configuration of such easement will correspond to applicable requirements during site plan approval of the Project, all more particularly set forth in Exhibit 3.7.

3.8 Conversion of Main Street from 1-Way to 2-Way

Developer shall be responsible for the costs incurred for the conversion of Main Street (between 5th and 6th Streets) from a 1-way street to a 2-way street and other necessary improvements on Main Street. Developer shall receive transportation impact fee credits (“TIF”) for up to one hundred percent (100%) of all TIF eligible costs for said conversion, including, but not limited to, engineering and surveying costs provided that prior to completion of said conversion improvements, said project is included on City’s Capital Facilities Plan as a TIF eligible project. Such costs for the conversion of Main Street are estimated by the parties to be Two Hundred Seventy-Five Thousand Dollars (\$275,000.00). The foregoing provision shall be set forth in a Land Use Development Agreement as generally described in Exhibit 1.10 and shall be subject to and contingent upon a public hearing before the Vancouver City Council.

3.9 Improvements to 5th Street

Developer is responsible for performing and paying for the necessary improvements, as determined by City, to 5th Street between the parking garage and Main Street as may be required through site plan approval.

3.10 Developer’s In Lieu of Parking Fees

Developer is responsible for providing on-site parking spaces equal to one parking space per 1,000 square feet of net rentable office space and one parking space per condominium unit pursuant to VMC 20.81.310 – 20.81.312. Developer will meet this requirement by: (i) providing 34 on-site parking spaces located on the Subterranean Ramp Unit; and (ii) deducting Two Hundred Ninety-Seven Thousand Dollars (\$297,000.00) (i.e. \$5,500.00 x 54 parking spaces)

from the actual development cost of the parking garage, which is estimated to be Three Million Nine Hundred Forty-Seven Thousand Dollars (\$3,947,000.00).

SECTION 4. CONSTRUCTION OF PROJECT

4.1 Overall Schedule for Construction of Project

A. Commencement of Construction. Developer shall submit application(s) for building permit(s) for the Project within sixty (60) days of final non-appealable site plan approval, and Commence Construction (as defined below) of the Project within ninety (90) days of issuance of the building permit. "Commence Construction" means commencement of grading or commencement of excavation in accordance with approved Construction Plans.

B. Definition of Final Permits: Substantial Completion. For purposes of this Agreement, "Final Permits" means issuance of all permits necessary to Commence Construction of the Improvements, as applicable, and the expiration of all appeal periods from the issuance of such permits, without appeal, or if appealed, entry of a final judgment upholding the issuance of such permits which is no longer subject to further appeal. For purposes of this Agreement, "Substantial Completion" of the Project means that (1) the architect for the Improvements in question has issued its "Certificate of Substantial Completion" AIA Document G704, stating that the portion of the work under the construction contract is substantially complete in substantial accordance with the Construction Documents for the Improvements in question; (2) City of Vancouver has issued a temporary certificate of occupancy for the Improvements such that the owner thereof is permitted to and could, physically occupy the Improvements for the purposes for which they were designed, including, with respect to the Parking Garage Unit, use as a commercial parking garage; (3) with respect to the Parking Garage Unit, all elevators, stairs, lobbies, entrances and exit ramps, driveways, lighting, signage, access and security systems

associated with such parking garage have been completed; (4) the general contractor working on the Improvements has issued its "Certificate of Substantial Completion" together with its Affidavit of Payment of Debts and Claims, AIA Forms 706 and 706A together with partial waivers and releases of lien for work performed prior to the date of its "Certificate of Substantial Completion" in form reasonably satisfactory to City and Developer, from such materialmen, laborers, contractors and subcontractors as City and Developer may require; and (5) Developer has accepted the Improvements in question as complete, subject only to completion of normal punchlist items; provided, however, "Substantial Completion" and "Certificate of Substantial Completion", shall specifically exclude any outstanding or incomplete tenant improvement work in the Office Tower Unit.

4.2 Prevailing Wage

Developer will insure that all on-site straight time labor rates are at a minimum equal to or greater than prevailing wage rates by craft category with the exception of sitework or structural excavation. Developer shall indemnify, defend and hold harmless City from any liability resulting from claims, damages, injuries, actions, expenses and costs relating to prevailing wages in connection with Developer's development and construction of the Parking Garage Unit.

4.3 Building Permits and Other Governmental Approvals

Developer shall apply for and diligently pursue obtaining site plan approval, the issuance of building permits and other required governmental approvals allowing construction of the Project and within the deadlines set forth in SECTION 4.1 above with respect to the Project. City's Manager of Economic Development shall provide all necessary information and documentation within his possession to Developer to assist Developer in obtaining the necessary

permits and approvals from City's Development Review Services to Commence Construction of the Project, but this Agreement shall create no obligation by City's Development Review Services to grant such approvals. Nothing in this Agreement is intended or shall be construed to require that City exercise its discretionary authority under City of Vancouver zoning code and development regulations to further the Project, nor binds City to do so. City's Development Review Services will process applications for permits and approvals as if such applications were made without any City participation in such Project. The inability of Developer to obtain any necessary permits for the Project from City's Development Review Services shall not constitute a default by City under this Agreement.

Copies of all required permits and approvals for the Project shall be submitted to City's Manager of Economic Development immediately upon receipt by Developer, but in no event more than thirty (30) days following approval by City's Development Review Services of the Final Construction Plans for the Project.

4.4 Construction Contracts

Developer shall enter into a contract or contracts for the construction of the Project with contractors licensed, insured and bonded in the State of Washington. Developer shall deliver a copy of such contracts to City upon execution of such contracts.

4.5 Construction Pursuant to Plans

Construction of the Project shall be in accordance with the Final Construction Plans for the Project approved by City's Manager of Economic Development pursuant to SECTION 2.2 of this Agreement, City's Development Review Services pursuant to SECTION 2.2 of this Agreement and the Vancouver Municipal Code. Developer shall furnish "as built" drawings of

the Parking Garage Unit and all equipment manuals and instructions to City upon completion of the Project.

4.6 Changes in Final Construction Plans

If Developer wishes to make any material change in the Final Construction Plans for the Project, Developer shall first submit in writing the proposed change to City's Manager of Economic Development for non-permit approval. If the Final Construction Plans, as modified by any proposed material change, conform to the requirements of this Agreement, City's Manager of Economic Development shall approve the change by notifying Developer in writing for non-permit approval. "Material" change shall be defined in this SECTION as a change greater than a five percent (5%) gross deviation in the square footage. Unless the proposed change is rejected in writing by City's Manager of Economic Development within fourteen (14) days of being received, it shall be deemed approved. If rejected within that time, the previously approved Final Construction Plans for the Project shall remain in full force and effect.

4.7 Progress Reports

During the course of construction for the Project, Developer shall provide written quarterly reports to City's Manager of Economic Development as to the actual progress of construction. Once construction for the Project has commenced, Developer shall cause such construction to be prosecuted with diligence and continuity to Final Completion (as defined in SECTION 5.3(B) below).

4.8 Certificate of Completion

Within ten (10) calendar days following Final Completion and receipt of a notice of completion in writing from Developer for the Project, City's Manager of Economic Development shall inspect the Improvements and, if City's Manager of Economic Development

concur (which shall not be unreasonably withheld or delayed) that all Improvements intended to be constructed as part of the Project are complete and that Final Completion as defined in SECTION 5.3(B) has occurred, City's Manager of Economic Development shall furnish Developer with a Certificate of Completion on the Project so certifying. The Certificate of Completion shall be a conclusive determination that Developer has fully performed all of Developer's construction obligations with respect to the Project and all of City's rights set forth in SECTION 6 and SECTION 7 as to the Project shall terminate as to the Project and City shall complete the purchase the Parking Garage Unit subject to the provisions contained in SECTION 5.3; provided, however, such Certificate of Completion of the Project shall be subject to the one (1) year warranty period set forth in the Purchase Agreement. The Certificate of Completion shall be in a form that shall enable it to be recorded in the official records of Clark County, Washington. Notwithstanding the foregoing, the term "Final Completion" and "Certificate of Completion" shall specifically exclude any outstanding or incomplete tenant improvement work in the Office Tower Unit. Furthermore, nothing contained in this SECTION herein shall in anyway abrogate any of the terms, covenants or conditions set forth in the Parking Garage Purchase Agreement attached to this Agreement as Exhibit 5.3.1.

SECTION 5. CITY OBLIGATIONS

5.1 Physical Condition of the Property

The City Lots shall be conveyed in "AS IS" condition subject to any and all environmental provisions contained in the Transfer and Conveyance Agreement.

5.2 Utilities Connections

Developer shall hook up all utilities for the Project to the existing services in the street adjacent to the Project; and the cost for such utility extensions shall be the responsibility of Developer.

5.3 Purchase of Parking Garage

A. Purchase Price for Parking Garage Unit. City shall purchase the Parking Garage Unit upon Final Completion of the Parking Garage Unit for the sum of Three Million Four Hundred Forty-One Thousand One Hundred Ninety-Five Dollars (\$3,441,195.00) and upon such other terms and conditions mutually agreed upon by City and Developer in accordance with the terms and conditions set forth in the Parking Garage Purchase Agreement, which shall be attached hereto and by this reference incorporated herein as Exhibit 5.3.1 (the "Parking Garage Purchase Agreement")

Notwithstanding anything in the preceding paragraph to the contrary, the parties acknowledge and agree that the number of parking spaces in the Parking Garage Unit may deviate from the numbers set forth hereinabove due to considerations regarding design, constructability, efficiency, security and/or safety (which security and/or safety enhancements shall be the financial responsibility of City) provided such deviations in the number of parking spaces do not affect the overall cost and/or tax ramifications (as set forth in SECTION 5.3(C) for City. In the event the number of parking spaces deviates from the numbers set forth hereinabove by more than ten (10) spaces, the price that City will pay for the Parking Garage Unit will be recalculated by using a formula which divides the number of spaces originally agreed upon into the purchase price for such phase of the Parking Garage Unit in order to calculate a price per parking space which can be used to recalculate a revised purchase price for the Parking Garage

Furthermore and notwithstanding the foregoing, Developer shall be responsible for installation of lighting and cameras in the Parking Garage Unit, and City shall pay for such improvements as part of the purchase price for the Parking Garage Unit.

B. Definition of Final Completion. For purposes of this Agreement “Final Completion” means that each of the following events shall have occurred with respect to the Improvements in question: (1) final completion of the construction of the Improvements in accordance with the construction contracts and the Construction Documents and as otherwise required by this Agreement have occurred; (2) City of Vancouver has issued a temporary certificate of occupancy for the Improvements permitting the owner to occupy and use the Improvements for the purposes for which they were designed, including, as to the parking garage, as a commercial parking garage; (3) the general contractor shall have issued its “Certificate of Substantial Completion” together with its Affidavit of Payment of Debts and Claims, AIA Forms 706 and 706A together with final waivers and releases of lien in form satisfactory to City and Developer, from such materialmen, laborers, contractors and subcontractors as City and Developer may require (provided, however, the parties agree that Developer may provide an ALTA policy and evidence of clear title with respect to any lien which shall serve as satisfaction of this item); (4) all punchlist items shall have been completed to the reasonable satisfaction of City with respect to the Parking Garage Unit; (5) Developer shall have provided evidence reasonably satisfactory to City that all construction costs for the Parking Garage Unit have been paid in full, including evidence of full payment for any personal property installed as part of the Parking Garage; and (6) a Notice of Completion has been filed in the Clark County real property records and the period for filing construction liens shall have expired, or Developer obtains title insurance bonding around any such liens, or releases or

discharge of construction liens in form and substance satisfactory to City shall have been obtained by Developer from all contractors in accordance with all construction contracts. Notwithstanding anything to the contrary in this SECTION, "Final Completion" shall specifically exclude any outstanding or incomplete tenant improvement work in the Office Tower Unit.

C. City's Financing Contingency.

(i) The parties acknowledge that City intends to finance its acquisition of the Parking Garage Unit by the issuance of tax-exempt obligations in an amount sufficient to cause the payment of the purchase price set forth in SECTION 5.3(A) of this Agreement for the Parking Garage Unit to Developer. City represents and warrants to Developer that as of the date hereof it has sufficient debt capacity under existing Washington law ("Debt Capacity") to issue tax-exempt bonds in an amount equal to the purchase price for the Parking Garage Unit as set forth in SECTION 5.3(A) of this Agreement. In lieu of use of tax exempt bonds to finance City's obligations to purchase, City may use grants, existing and future reserves, pre-sale bonds, and any other mechanism legally authorized to purchase the Parking Garage Unit.

(ii) Developer understands that City intends to provide for the payment of the purchase price for the Parking Garage Unit with the proceeds from the sale of tax-exempt obligations. Accordingly, Developer agrees that the provisions of this Agreement dealing with the operation and use of the Parking Garage Unit on and after the Closing Dates shall be amended as City's bond counsel may reasonably require to ensure that interest on such tax-exempt obligations shall be excluded from gross income for federal income tax purposes to the extent provided under the Code.

(iii) In the event City is unable to cause the issuance of tax-exempt obligations to finance the payment of the purchase price for the Parking Garage Unit because of a change in federal income tax laws, rules or regulations, City shall have the right to terminate its obligations under this Agreement pursuant to SECTION 7.1 hereof upon fourteen (14) days prior written notice to Developer without liability to Developer.

(iv) In the event City terminates its obligations under this Agreement pursuant to SECTION 5.3(C) above, City and Developer shall negotiate in good faith the terms and provisions of a long term lease of the Parking Garage Unit; provided, however, that neither party shall be obligated to agree on a long term lease of such Parking Garage Unit nor shall any party have any further liability or obligation to the other party in the event Developer and City have been unable to agree on the terms and conditions of such long term lease within ninety (90) days following commencement of negotiations.

D. Developer Option to Purchase Parking Garage. The parties agree that between January 1, 2016 and December 31, 2021, Developer shall have an option to purchase the Parking Garage Unit from City for the price and pursuant to the terms and provisions of that Option Agreement attached hereto as Exhibit 5.3.2 ("Option to Purchase Agreement for Parking Garage"); provided, however, such purchase may be closed only after no tax-exempt bonds issued to provide financing for the Parking Garage Unit remain outstanding. Developer shall purchase the Parking Garage Unit at a price based on the Fair Market Value (as Fair Market Value is defined in SECTION 3.6) less the sum of Two Hundred Nine Thousand Dollars (\$209,000.00) (said \$209,000.00 sum representing a portion of the original cost of construction incurred by Developer for the Parking Garage Unit which was not paid by the City under the terms of the Parking Garage Purchase and Sale Agreement); provided, however, in no event shall

the sum paid by Developer for the Parking Garage Unit under the Option to Purchase Agreement be less than the sum of Three Million Four Hundred Forty-One Thousand One Hundred Ninety--Five Dollars (\$3,441,195.00).

5.4 Use and Operation of Parking Garage

City will operate the Parking Garage Unit as public parking and in a manner consistent with the requirements for tax-exempt financing of public parking garage. City will offer monthly parking on a first come first serve basis as set forth in this SECTION.

City may designate three (3) different types of general parking privileges in the Parking Garage Unit. The categories for such parking privileges shall be as follows: (i) Timed Parking (short term) privileges available to the general public on a non-reserved, first come, first served basis; (ii) Twelve (12) hour per day, Monday through Friday, privileges available to the general public on a non-reserved basis conditioned upon the purchase of a month to month permit on a first come, first served basis; and (iii) Developer shall have the right to lease nine percent (9%) of the parking spaces in the Parking Garage Unit on a lease term of twenty (20) years at month-to-month rates as adjusted for the Parking Garage Unit by City from time to time, and Developer shall have the right to "reserve" and mark such spaces for Developer use only pursuant to rates payable in the Parking Garage Unit similar to rates for other parking spaces in the Parking Garage Unit. Furthermore, Developer and City acknowledge and agree that so long as holders of monthly parking permits abide by applicable rules and regulations for the Parking Garage Unit and timely pay for such month-to-month parking spaces at month-to-month rates as adjusted by City from time to time, in advance and on an uninterrupted basis, such permit holders shall have a right to continue to use such parking spaces.

Notwithstanding the foregoing, City shall have the right to modify this Agreement and change the number or terms under which the parking spaces are available for use if, in the reasonable opinion of City's bond counsel, such modification or amendment is necessary to permit or preserve the tax-exempt status of interest payable on or with respect to any outstanding tax-exempt obligations to be issued by City in connection with the acquisition of the Parking Garage Unit by City, or with respect to any such debt instruments that are outstanding, but only if and to the extent required to permit or preserve such tax-exempt status.

SECTION 6. CHANGE IN DEVELOPER

6.1 Definition of Transfer

As used in this Agreement, prior to the final completion of the Project, the term "Transfer" means any one or more of the following:

(a) Any total or partial sale, assignment or conveyance, or creation of any trust or power, or any transfer in any other mode or form of or with respect to the Project, or in any buildings constructed as part of the Project or any interest therein (other than the sale of the Parking Garage Unit to City or a lease (without option to purchase) to a retail, commercial, office, or residential tenant or a sale to a condominium purchaser of one of the residential condominiums constructed as part of the Improvements in the normal course of Developer's operations) or any contract or agreement to do any of the same; or

(b) Any change in the shareholders of Developer or any transfer of the voting stock or other form of ownership interest in Developer, other than a transfer subsequent to which the existing shareholder of Developer still own at least fifty-one percent (51%) of the voting interests in Developer; or

(c) Any assignment by Developer of all or any part of this Agreement; or

(d) Any assignment by operation or law, including, but not limited to a merger or consolidation of Developer into another entity, or any sale or lease of all or substantially all of the assets of Developer.

6.2 Purpose of Restrictions

Developer represents and agrees that its purchase of the City Lots, and its other undertakings pursuant to this Agreement, are and shall be used for the purposes of timely development of the Property and not for speculation in land holding. Developer further recognizes that in view of the following factors, the qualifications of Developer are of particular concern to the community and City:

(a) The importance of the development of the Property to City's interest in the adjacent blocks and properties to be developed as part of the Redevelopment Plan, and to the general welfare of the community, with particular reference to the community's objectives in the Redevelopment Plan; and

(b) The reliance by City upon the unique qualifications and ability of Developer to serve as the catalyst for development of the Project and upon the continuing interest which Developer shall have in the Project to assure the quality of the use, operation and maintenance deemed critical by City in the development of the Project; and

(c) The fact that a change in ownership or control of Developer, or of a substantial part thereof, or any other act or transaction involving or resulting in a significant change in ownership or with respect to the identity of the parties presently in control of Developer or the degree thereof is for practical purposes a transfer or disposition of the Property; and

(d) The fact that the Property is not to be acquired or used for speculation, but only for development and operation by Developer in accordance with this Agreement; and

(e) The importance to City and the community of the standards of use, operation and maintenance of the Project.

Developer further recognizes that it is because of such qualifications and identity that City is entering into this Agreement with Developer. No voluntary or involuntary successor in interest of Developer shall acquire any rights or powers under this Agreement except as expressly set forth herein. Provided, however, the parties agree that upon Final Completion of the Parking Garage Unit, all prohibitions and restrictions on transfer by Developer shall terminate and be of no further force and effect.

6.3 Prohibited Transfers

Except as expressly permitted in SECTION 6.4, Developer represents and agrees that it has not made or created, and shall not make or create or suffer to be made or created, any Transfer, either voluntarily or by operation of law. Any Transfer made in contravention of this SECTION 6.3 shall be void and shall be deemed to be a default under this Agreement whether or not Developer knew of or participated in such Transfer.

6.4 Permitted Transfers

The following Transfers shall be permitted and approved in writing by City's Manager of Economic Development under this Agreement, provided that Developer and the transferee comply with the requirements of SECTION 6.5:

(a) Prior to Recordation of Certificates of Completion for the entire Project:

(1) the granting of easements or permits to facilitate the development of the Project as approved by City, in writing;

(2) the granting of any security interest for financing the acquisition and development of the Improvements as approved by City, in writing; and

(3) formation of joint ventures, limited liability companies or partnerships entered into by Developer with third parties for the purpose of Project financing and development so long as Developer remains the sole general partner or managing general partner or managing venture partner of any joint venture or partnership and holds at least a fifty-one percent (51%) ownership interest in such joint venture or partnership or Developer is the sole manager or managing member of any member managed limited liability company and holds at least a fifty-one percent (51%) membership interest in any limited liability company and that are approved in writing by City's Manager of Economic Development. City's Manager of Economic Development's approval of such joint ventures, limited liability companies or partnerships shall not be unreasonably withheld provided Developer remains fully responsible to City under this Agreement, the proposed joint venturers, limited liability company members or managers or partners have the financial and other necessary capabilities to carry out their obligations under the proposed joint venture agreement, limited liability operating agreement or partnership agreement, and the proposed joint venture agreement, limited liability operating agreement or partnership agreement does not require or result in any diminution of City's rights under this Agreement. Unless rejected or approved subject to conditions by City's Manager of Economic Development within fourteen (14) calendar days of submission by Developer, the formation of such joint venture, limited liability company or partnership and admission of the proposed joint venturers, members or partners as a result thereof shall be deemed approved. In connection with obtaining City approval pursuant to SECTION 6.5, Developer shall submit the proposed joint venture agreement, limited liability company agreement or partnership agreement

to City's Manager of Economic Development and such other information about the proposed joint venturers, limited liability company members or managers or partners as is reasonably necessary for City's Manager of Economic Development to determine compliance with the conditions for approval set forth in SECTION 6.5, including, without limitation, information about the identity, business background and experience, and financial capability of the proposed joint venturers, limited liability company members or managers or partners.

(b) Prior to recordation of a Certificate of Completion for the entire Project, the transfer upon Substantial Completion of all or a portion of a condominium unit comprising a portion of the Improvements, as applicable (other than the sale of the Parking Garage Unit to City pursuant to the Parking Garage Purchase Agreement or a sale to a condominium purchaser of one of the residential condominiums constructed as part of the Improvements).

6.5 Effectuation of Certain Permitted Transfers

No Transfer permitted by SECTION 6.4 (other than a permitted Transfer described in SECTIONS 6.4(a)(1), 6.4(a)(2) and 6.4(b) shall be effective unless, at the time thereof, the entity to which such Transfer is made, by an instrument in writing satisfactory to City's Manager of Economic Development and in form recordable in the Clark County real property records, shall, for itself and its successors and assigns, and especially for the benefit of City, expressly assume all of the obligations of Developer under this Agreement and agree to be subject to all conditions and restrictions to which Developer is subject. In the absence of express written agreement by City's Manager of Economic Development, no permitted Transfer shall be deemed to relieve Developer or any party from any obligation under this Agreement.

6.6 Notice of Transfers

Developer shall give or cause to be given to City's Manager of Economic Development written notice of any Transfer permitted by SECTIONS 6.4(a)(1) and 6.4(a)(2) of which Developer or its officers, directors or shareholders have knowledge, within ten (10) calendar days after any such Transfer occurs.

SECTION 7. REMEDIES

7.1 No Fault of Parties

If during the term of this Agreement:

(a) Public financing is not available for the purchase of any of the Parking Garage Unit described in SECTION 5.3; or

(b) Developer submits evidence to City that Developer, despite diligent efforts, has not obtained required government permits or approvals as set forth in SECTION 2.2 or satisfied or waived the conditions of SECTION 2.1; or

(c) City's Manager of Economic Development has not approved the Construction Plans under provisions of SECTION 2.2 then, either party may terminate this Agreement by written notice to the other party. Thereafter neither party shall have any rights or obligations under this Agreement.

7.2 Fault of City

If City:

(a) Fails to transfer or convey the City Lots to Developer in the time period and manner set forth in the Transfer and Conveyance Agreement, provided that conditions precedent which are the responsibility of Developer to meet have been met; or

(b) Breaches any other material provision of this Agreement;

then, Developer shall first notify City's Manager of Economic Development in writing of its purported breach, giving City thirty (30) calendar days from receipt of such notice to cure or begin in strictest good faith to cure such breach. If City does not then cure or begin to cure within the time period specified, Developer shall be immediately entitled to exercise any rights afforded Developer by law or in equity. Such rights shall include, but not be limited to, specific performance, the right to recover any out-of-pocket expenses, including but not limited to, construction interest, but excluding profit and overhead.

7.3 Fault of Developer

If Developer:

- (a) Fails to complete any Pre-Disposition Requirements for the purchase of the City Lots in the manner and within the time limits set forth in this Agreement and/or the Transfer and Conveyance Agreement; or
- (b) Refuses to complete the transfer and conveyance of the City Lots within the time period and in the manner set forth in the Transfer and Conveyance Agreement; or
- (c) Fails to commence construction within sixty (60) days of receipt of a building permit or complete construction of the Project within eighteen (18) months of commencement of construction and in the manner required under this Agreement (excluding any incomplete tenant improvements in the Office Tower Unit); or
- (d) Voluntarily or involuntarily undertakes or attempts to undertake a Transfer in violation of this Agreement; or
- (e) Developer becomes insolvent or admits in writing its inability to pay its debts as they mature or shall file any petition or action for relief relating to any bankruptcy,

reorganization, insolvency, moratorium or similar statute, unless such petition is set aside or withdrawn or ceases to be in effect within thirty (30) days from the date of filing; or

(f) Fails to complete transfer of the Parking Garage to City after Substantial Completion; or

(g) Breaches any other material provision of this Agreement;

then City shall first notify Developer in writing of its purported breach or failure, giving Developer thirty (30) calendar days from receipt of such notice to cure or begin in strictest good faith to cure within this time period (except for a default under SECTION 7.3(e) above for which no further cure period is allowed). If Developer does not cure or begin to cure in strictest good faith within this time period, City shall be afforded any or all of the following remedies: (i) termination of this Agreement; (ii) prosecuting an action for damages; (iii) seeking equitable relief from a Court of competent jurisdiction, including but not limited to specific performance; (iv) the remedies provided for in SECTION 7; and (v) any other remedy allowed City at law or in equity.

7.4 City's Right to Record Memorandum of Parking Garage Purchase Agreement, Option to Purchase Frontier Property, and Right of First Refusal to Purchase Frontier Property

The parties shall mutually execute and acknowledge and City shall record in the public records of Clark County, a memorandum of the Parking Garage Purchase Agreement substantially in the form attached hereto as Exhibit 7.4 ("Memorandum"), a memorandum of the Option to Purchase Frontier Property substantially in the form attached hereto as Exhibit 7.4.1 ("Option Memorandum"), and a memorandum of the Right of First Refusal to Purchase Frontier

Property substantially in the form attached hereto as Exhibit 7.4.2 (“First Refusal Memorandum”).

SECTION 8. RIGHTS OF MORTGAGEES

8.1 No Encumbrances Except for Development Purposes

Notwithstanding any other provision of this Agreement, mortgages and deeds of trust, or any other reasonable method of security are permitted to be placed upon the Project then under development before a Certificate of Completion has been issued by City’s Manager of Economic Development pursuant to SECTION 4.8, but only for the purpose of securing loans of funds to be used for financing the construction of the Project and any other expenditures necessary and appropriate to develop the Project then under construction and only if previously approved by City’s Manager of Economic Development pursuant to any applicable provisions of this Agreement. Prior to commencement of the construction of the Project, Developer shall promptly notify City’s Manager of Economic Development of any mortgage, deeds of trust, or other financing, encumbrance or lien that has been or shall be created or attached to the Project, or any portion thereof, as applicable. This notice shall include the name(s) and mailing address(es) of the holder(s) of such mortgage, deeds of trust, or other financing, encumbrance or lien. The words “mortgage” and “deed of trust” as used herein include all other appropriate real estate security documents commonly used to finance real estate acquisition, construction, and land development in the State of Washington. Furthermore, City agrees to execute any commercially reasonable and necessary agreement with Developer’s lender with respect to such lender’s rights in connection with Developer’s obligations relating to the Project. Any and all encumbrances placed on the Property by Developer shall be paid in full by Developer prior to transfer to City.

8.2 Holder Not Obligated to Construct

The holder of any mortgage, deed of trust or other security interest authorized by this Agreement is not obligated to construct or complete any improvement or to guarantee such construction or completion; nor shall any covenant or any other provision in the conveyances of the Property from City to Developer be construed so to obligate such holder. Nothing in this Agreement shall be deemed to construe, permit or authorize any such holder to devote the Project, or any portion thereof, to any uses, or to construct any improvement thereon, other than those uses or improvements provided for or authorized by this Agreement.

8.3 Notice of Default and Right to Cure

Whenever City pursuant to its rights set forth in SECTION 6 or SECTION 7 of this Agreement delivers any notice or demand to Developer with respect to the commencement, completion, or cessation of the construction of the Parking Garage Unit or any other default by Developer under this Agreement, City shall at the same time deliver to each holder of record of any mortgage, deed of trust, or other security interest authorized by this Agreement and creating a lien upon the Parking Garage Unit, or any portion thereof, a copy of such notice or demand. Each such holder shall (insofar as the rights of City are concerned) have the right as its option, within ninety (90) calendar days after the receipt of the notice, to cure or remedy or commence to cure or remedy any such default or breach affecting the portion of the Parking Garage Unit which is subject to the lien of the deed of trust or mortgage held by such holder and to add the cost thereof to its debt and the lien on its security interest. Nothing contained in this Agreement shall be deemed to permit or authorize such holder to undertake or continue the construction or completion of the Parking Garage Unit (beyond the extent necessary to conserve or protect the improvements or construction already made) without first having expressly assumed Developer's

obligations to City relating to such Parking Garage Unit by written agreement reasonably satisfactory to City's Manager of Economic Development. The holder in that event must, within one hundred twenty (120) days of receipt of City's notice of default, notify City's Manager of Economic Development of its intent to complete the Parking Garage Unit and agree to complete, in the manner provided in this Agreement, the Parking Garage Unit and submit evidence satisfactory to City's Manager of Economic Development that it has the qualifications and financial responsibility necessary to perform such improvements. Such holder shall be entitled, upon written request made to City's Manager of Economic Development, and satisfaction of the conditions set forth in SECTION 4.8 of this Agreement to a Certificate of Completion as provided for in SECTION 4.8.

8.4 Failure of Holder to Complete Project

In any case where Developer fails to complete construction of the Parking Garage Unit under this Agreement and the assumption by the holder of record of any mortgage, deed of trust or other security interest creating a lien or encumbrance upon the Parking Garage Unit, or any portion thereof (the "Mortgage Holder"), of the rights, duties and obligations of Developer under this Agreement, the Mortgage Holder has not proceeded diligently with construction of the Parking Garage Unit, City has the right to: (i) terminate this entire Agreement and all of Mortgage Holder's rights hereunder; (ii) prosecute an action for specific performance and equitable relief compelling the Mortgage Holder to commence and diligently complete the construction, and (iii) any other remedy allowed City at law or in equity for failure to specifically perform.

8.5 Right of City to Cure

By appropriate agreement with the holder of any mortgage, deed of trust or other security instrument, Developer shall cause the Mortgage Holder to provide City's Manager of Economic Development with written notice by certified mail of the occurrence of any event of default under the mortgage, deed of trust or other security instrument promptly of any default by Developer.

In the event of a default or breach by Developer under a mortgage, deed of trust or other security instrument prior to the Final Completion of development of the Parking Garage Unit, and if the Mortgage Holder has not exercised its option to complete the development of the Parking Garage Unit, City may (but shall not be obligated to) cure Developer's default, prior to the completion of any foreclosure. In the event City elects to cure, City shall be entitled to reimbursement from Developer of all costs and expenses incurred by City in curing the default and the amount of such costs and expenses, together with interest thereon at the rate of nine percent (9%) per annum from the date such costs or expenses were incurred and such entitlement shall be added to the obligations secured by City.

8.6 Right of City to Satisfy Other Liens

After the conveyance of title to the City Lots, or any portion thereof, and prior to the recordation of a Certificate of Completion for the Project pursuant to SECTION 4.8, and after Developer has had a reasonable time to challenge, cure or satisfy any liens or encumbrances on the Property, or any portion thereof, City shall have the right to satisfy any such lien or encumbrances not satisfied by Developer relating to the Parking Garage Unit; provided, however, that nothing in this Agreement shall require Developer to pay or make provision for the payment of any tax, assessment, lien or charge so long as Developer in good faith shall contest

the validity or amount thereof and so long as Developer shall provide such reasonable security as may be required by City to insure the payment of such tax, assessment, lien or charge to prevent any sale, foreclosure or forfeiture of the Parking Garage Unit by reason of such nonpayment. Such security shall be not less than a sum equal to the amount of the contested tax, assessment, lien or charge, including all penalties, fines and interest which can be assessed thereon.

SECTION 9. GENERAL PROVISIONS

9.1 Notices, Demands and Communications

Formal notices, demands and communications between City and Developer shall be sufficiently given if and shall not be deemed given unless dispatched by certified mail, postage prepaid, return receipt requested, overnight delivery, or delivered personally, to the principal offices of City and Developer as follows:

City:

City Manager
City of Vancouver
210 East 13th Street
Vancouver, Washington 98660

With a Copy to:

City Attorney
City of Vancouver
210 East 13th Street
Vancouver, Washington 98660

Developer:

Broadway Investors L.L.C.
ATTN: George Killian
820 SE 73rd Avenue
Vancouver, Washington 98664

With a Copy to:

Stephen W. Horenstein
Miller Nash LLP
900 Washington Street, Suite 900
Vancouver, Washington 98660

Written notices, demands and communications may be sent in the same manner to such other addresses as the affected party may from time to time designate by mail as provided in this SECTION 9.1.

9.2 Service of Process

All services of process shall be effected if served in person or through substitution on those individuals designated for acceptance of other communication pursuant to SECTION 9.1.

9.3 Conflict of Interests

No member, official or employee of City shall make any decision relating to the Agreement which affects his or her personal interests or the interests of any corporation, partnership or association in which he or she is directly or indirectly interested.

Developer warrants that it has not paid or given, and shall not pay or give, any third person any money or other consideration for obtaining this Agreement.

9.4 Non-Liability of City, Officials, Employees, and Agents

No member, official, employee or agent of City of Vancouver shall be personally liable to Developer, or any successor in interest, in the event of any default or breach by City or for any amount which may become due to Developer or successor or on any obligation under the terms of this Agreement.

9.5 Enforced Delay

Performance by either party under this Agreement shall not be deemed to be in default where delays or defaults are due to war; insurrection; strikes; lock-outs; riots; floods; earthquakes; fires; casualties; acts of God; acts of the public enemy; epidemics; quarantine restrictions; freight embargoes; lack of transportation; unusually severe weather; inability to secure necessary labor, materials or tools; acts or failure to act of any public or governmental

authority or entity (other than the acts or failure to act of City which shall not excuse performance by City), or any other causes (other than lack of funds of Developer) beyond the control or without the fault of the party claiming an extension of time to perform. An extension of time for any such cause shall be for a period of the enforced delay and shall commence to run from the commencement of the cause, if notice by the party claiming such extension is sent to the other party within fifteen (15) calendar days of the commencement of the cause. Times of performance under this Agreement may also be extended in writing by agreement of City's Manager of Economic Development and Developer.

9.6 Plans and Data

If Developer defaults as defined in SECTION 7.3 and the default is not properly cured, Developer shall deliver to City's Manager of Economic Development any and all plans and data concerning any proposed development pursuant to this Agreement, including, but not limited to all Construction Plans and permits previously issued by City, which shall thereafter be the property of City at no additional cost to City.

9.7 Provisions Not Merged with Deeds

None of the provisions of this Agreement are intended to or shall be merged by the Statutory Warranty Deeds of the Project, as applicable, and the Statutory Warranty Deeds shall not be deemed to affect or impair the provisions and covenants of this Agreement.

9.8 Title of Parts and Sections

Any titles of the Parts, Sections or Subsections of this Agreement are inserted for convenience of reference only and shall be disregarded in construing or interpreting any part of its provisions.

9.9 Governmental Approvals

Should Developer at any time require the approval of any governmental body or board, whether of local, regional, state or federal jurisdiction, Developer shall bear the sole cost and responsibility for obtaining the approval.

9.10 Hold Harmless

If, through acts of negligence on the part of Developer or its construction contractor, any other contractor or any subcontractor shall suffer loss or damage on the work, Developer or its construction contractor shall settle with such other contractor or subcontractor by agreement and if the other contractor or subcontractor shall assess any claim against City on account of any damage alleged to have been sustained, City shall immediately notify Developer and its construction contractor who shall defend at their own expense and indemnify and hold City harmless from any suit based upon that claim; and if any judgment is had or claim is allowed, pay such judgment or award and all others costs and expenses (including attorney fees and costs) in connection therewith.

In addition, Developer shall defend, indemnify and hold harmless City against any claims or litigation of any nature whatsoever brought by third parties and to the extent arising from (a) any breach of this Agreement by Developer, its agents, employees, engineers, architects, contractors or subcontractors or their agents or employees, or (b) Developer's negligent performance of its obligations under this Agreement, or (c) Developer's act or omission or willful misconduct or that of its agents, employees, engineers, architects, contractors or subcontractors or their agents or employees under this Agreement, and in the event of settlement, compromise or judgment hold City free and harmless therefrom, and pay any judgment or settlement award and all other costs and expenses in connection therewith.

City shall defend Developer against any claims or litigation of any nature whatsoever brought by third parties and directly arising from City's negligent performance or nonperformance or willful misconduct regarding its obligations under this Agreement, and in the event of settlement, compromise or judgment hold Developer free and harmless therefrom.

9.11 Insurance

In addition to such insurance policies as are required by any financing agreement of Developer until Final Completion of the Project, Developer shall at all times maintain in full force and effect builder's risk insurance insuring against loss or damage from such causes of loss as are covered under insurance policies of the type now known as "builder's risk" property insurance (written on an "all risk" or "open perils" basis), including, without limitation, fire and extended coverage, collapse of the improvements and earthquake coverage to agreed limits and in an amount not less than the completed value on a non-reporting form, of the improvements then under construction. The builder's risk insurance shall name both Developer and City as loss payees. Developer shall also at all times maintain in full force and effect comprehensive general liability insurance (full form personal injury and broad form property damage) with a coverage limit acceptable to City and shall name City as an additional insured thereunder. Developer shall provide City with copies of such policies and proof of the payment of all premiums required thereunder

9.12 Damage and Casualty

After the construction of the Project, in the event of damage or casualty relating to the Project, City and Developer (respectively) shall be responsible for repair and/or replacement of the affected portions of the Project (based upon their respective ownership interests in the Project), which respective ownership interests shall be insured pursuant to commercially

reasonable damage and casualty insurance; provided, however, such obligations by City and Developer shall be subject to any applicable lender requirements and/or provisions contained in leases or other agreements affecting the Project.

9.13 Time of the Essence

Time is of the essence in the performance of this Agreement.

9.14 Rights and Remedies Cumulative

Except as otherwise stated in this Agreement, the rights and remedies of the parties are cumulative, and the exercise or failure to exercise one or more of these rights or remedies by either party shall not preclude the exercise by it, at the same time or different times, of any right or remedy for the same default or any other default by the other party.

9.15 Right of Entry

During the term of this Agreement and until a Certificate of Completion has been recorded with respect to the Project, Developer shall grant to City, its agents, employees and representatives the right of entry on to the Property during normal business hours.

9.16 Real Estate Commissions

Neither party shall be responsible to the other for any real estate commissions or brokerage fees which may arise from this Agreement or otherwise be incurred by the other party. Each party shall indemnify the other for any real estate commissions or brokerage fees or any costs or attorneys fees incurred in connection therewith which such party may have incurred in connection with this Agreement.

9.17 Applicable Law

This Agreement shall be governed by, construed and enforced under and pursuant to the laws of the State of Washington, and venue of any action shall lie exclusively in Clark County, Washington.

9.18 Severability

If any term, provision, covenant or condition of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the provisions of this Agreement shall continue in full force and effect unless the rights and obligations of the parties have been materially altered or abridged by such invalidation, voiding or unenforceability.

9.19 Legal Actions

In the event any legal action (including arbitration) is commenced to interpret or to enforce the terms of this Agreement, or to collect damages as a result of any breach of the Agreement, the party prevailing in any such action shall be entitled to recover against the party not prevailing all reasonable attorney fees and costs incurred in the action.

9.20 Binding Upon Successors

This Agreement shall be binding upon and inure to the benefit of the heirs, administrators, executors, successors in interest and permitted assigns of each of the parties hereto except that there shall be no Transfer of any interest of Developer hereto except pursuant to the specific provisions of this Agreement.

9.21 Parties Not Co-Venturers

Nothing in this Agreement is intended to or does establish the parties as partners, co-venturers, employer/employee or principal and agent with one another.

9.22 Disclaimer of Warranties

City expresses no warranty or other representation of any kind or character to Developer with respect to the City Lots including but not limited to any warranties or representations as to habitability, merchantability, fitness for a particular purpose, latent or patent physical or environmental condition, or value. The City Lots is sold "AS IS, WHERE IS, WITH ALL FAULTS" except to the extent expressly provided otherwise in the Transfer and Conveyance Agreement or this Agreement.

9.23 Reasonable Approvals

The approval of a party of any documentation or submissions herein called for shall not be unreasonably withheld except as specifically set forth in SECTION 4. All such approvals shall be given or denied in a timely and expeditious fashion.

9.24 Tolling of Time Periods

The parties acknowledge and agree in the event it is necessary to renegotiate any of the provisions contained in this Agreement (as expressly authorized in a particular provision in this Agreement), and/or either party initiates mediation pursuant to SECTION 9.25 below, the time periods for performance and/or calendar deadline(s) shall be tolled and/or suspended temporarily until completion of such renegotiation and/or mediation, after which time such party's performance shall recommence and/or such calendar deadline(s) shall be recalculated.

9.25 Mediation

In the event a dispute between the parties arises out of or relating to this Agreement, the interpretation of this Agreement and/or the renegotiation of a particular provision is required, the parties agree to submit such dispute to a mutually agreed upon mediator, and to continue good faith mediation efforts until such dispute is resolved or either party notifies the other in writing

that it elects to withdraw from mediation; provided, however, the parties shall not be required to mediate the denial of any permit by City under SECTION 4.3 of this Agreement, any defaults specifically set forth in SECTION 6 or SECTION 7 or the exercise of any remedy by City under SECTION 7 of this Agreement.

9.26 Execution of Other Documentation

City and Developer agree to execute any further documentation that may be necessary to carry out the intent and the obligations of either party under this Agreement.

9.27 Amendments

No amendment or waiver of any provision of this Agreement shall be effective unless the amendment or waiver of any provision to this Agreement be in writing and signed by City and by Developer. Any waiver or consent shall be effective only in the specific instance and for the specific instance for which given and shall not be construed as a continuing waiver.

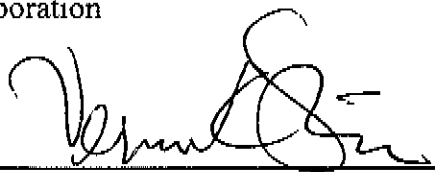
9.28 Complete Understanding of the Parties

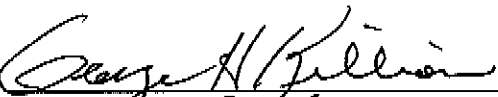
This Agreement is executed in two (2) duplicate originals each of which is deemed to be an original. This Agreement consists of fifty-four (54) pages and twenty-one (21) attached Exhibits and constitutes the entire understanding and agreement of the parties.

DATED this 29th day of December, 1999.

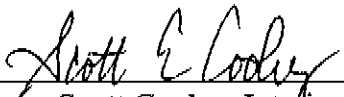
CITY OF VANCOUVER, a municipal
corporation

BROADWAY INVESTORS L.L.C., a
Washington limited liability company

By 
Vernon E. Stoner, City Manager

By 
Its 

Attest:


Scott Cooley, Interim City Clerk

Approved as to Form:

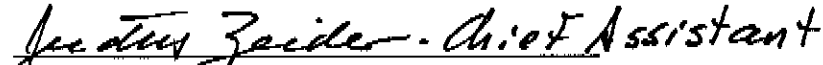
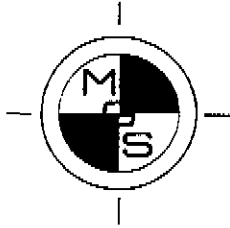
 - Chief Assistant
For: Ted H. Gathe, City Attorney

EXHIBIT 1.3.1

LEGAL DESCRIPTION OF DEVELOPER LOTS



**MINISTER-GLAESER
SURVEYING INC.**

(360) 694-3313
FAX (360) 694-8410
2200 E. EVERGREEN
VANCOUVER, WA 98661

October 7, 1999

EXHIBIT "A"

Lots 1, 2, 7 and 8 of Block 24 of "East Vancouver" according to City of Vancouver Ordinance No. 118 and No. 122, according to the plats at page 30, recorded in Volume "D" of plats at page 30, records of Clark County, Washington located in the Southeast quarter of Section 27, Township 2 North, Range 1 East, Willamette Meridian, Clark County, Washington.

Together with the North 2 feet of that portion of East Fifth Street adjoining the South portion of said lots 7 and 8 as vacated under Ordinance No. 1590 of the City of Vancouver.

Also together with lots 3 and 4 of Block 25 of "East Vancouver" according to the City of Vancouver Ordinance No. 118 and No. 122, according to the plat thereof, recorded in Volume "D" of plats at page 30, records of Clark County, Washington, located in the Southeast quarter of Section 27, Township 2 North, Range 1 East, Willamette Meridian, Clark County, Washington.

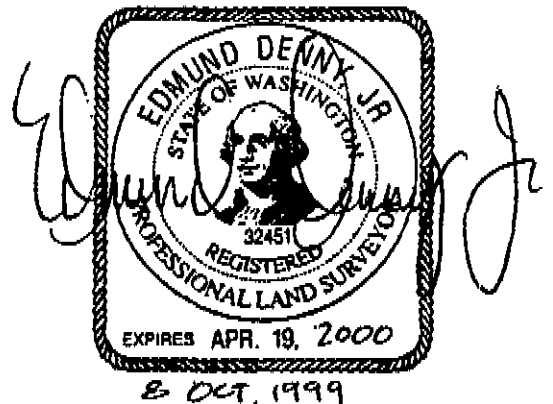
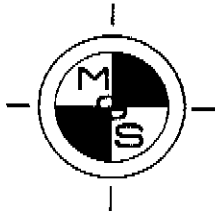


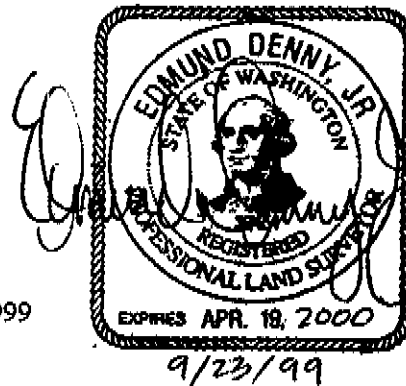
EXHIBIT 1.3.2

LEGAL DESCRIPTION OF CITY LOTS



**MINISTER-GLAESER
SURVEYING INC.**

(360) 694-3313
FAX (360) 694-8410
2200 E. EVERGREEN
VANCOUVER, WA 98661



September 23, 1999

EXHIBIT "A"

A strip of land in the Northwest quarter of the Southeast quarter of Section 27, Township 2 North, Range 1 East, Willamette Meridian, Clark County, Washington, described as follows:

Beginning at the Northwest corner of Block 25 of "East Vancouver" according to City of Vancouver Ordinance No. 118 and No. 122, according to the plat thereof recorded in Volume "D" of plats at page 30, records of Clark County, Washington;

Thence South 00°16'21" East, along the West line of said Block 25, for a distance of 101.25 feet to the TRUE POINT OF BEGINNING;

Thence North 89°59'20" East, for a distance of 51.54 feet;

Thence South 00°00'40" East, for a distance of 86.94 feet to the Westerly line of Washington State Department of Transportation right-of-way, according to SR5 and SR14 Vancouver Freeway SR14 interchange, dated July 31, 1981;

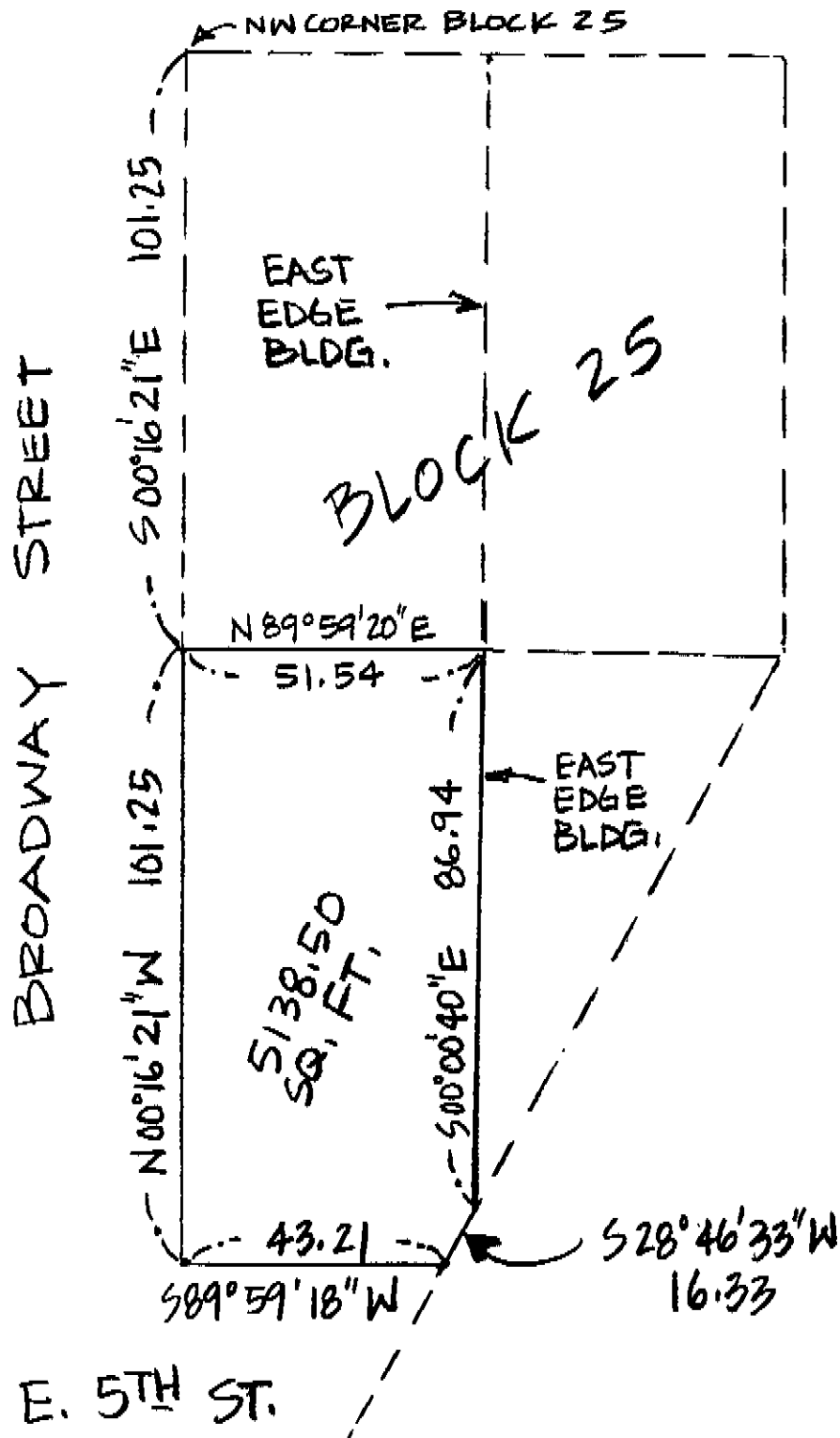
Thence South 28°46'33" West, along said Westerly line, for a distance of 16.33 feet to the North line of East 5th Street;

Thence South 89°59'18" West, along said North line of East 5th Street, for a distance of 43.21 feet to said West line of Block 25;

Thence North 00°16'21" West, along said West line, for a distance of 101.25 feet to the TRUE POINT OF BEGINNING.

Containing 5138.50 square feet.

EAST 6TH

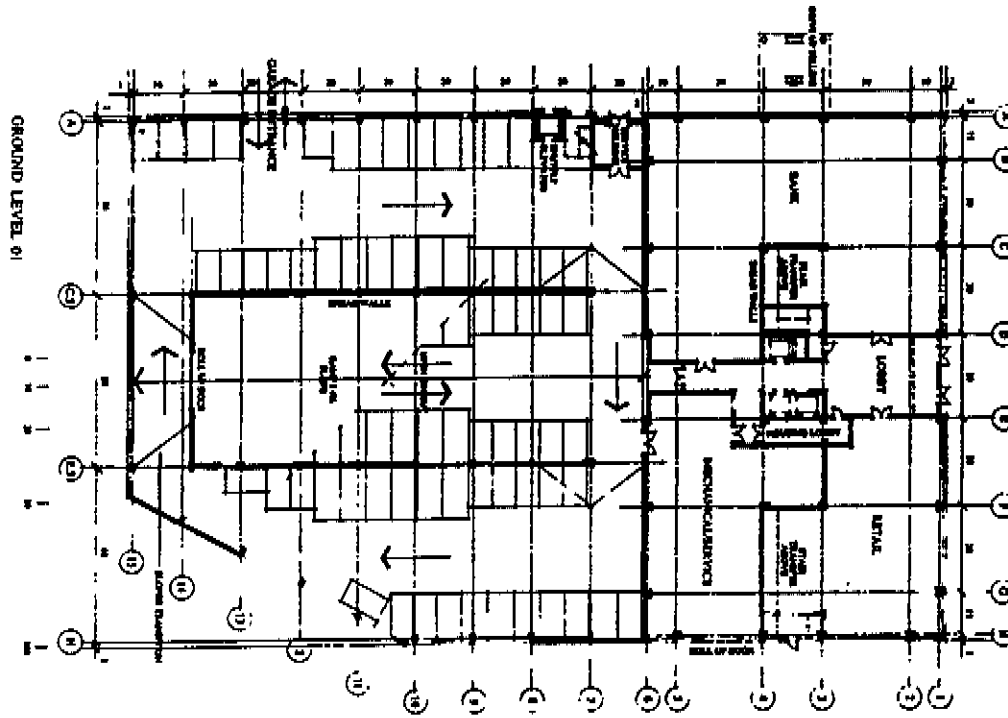


N.T.S

9/21/99

EXHIBIT 1.3.3

DEPICTION OF PARKING GARAGE UNIT



VANCOUVER MIXED USE PROJECT

ZGF
ARCHITECTS

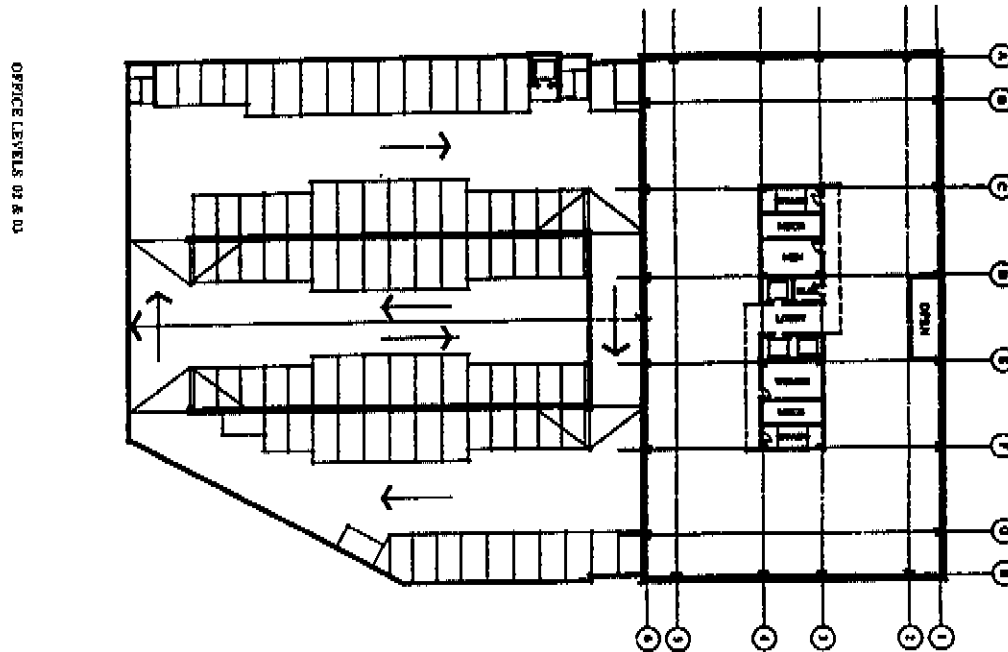
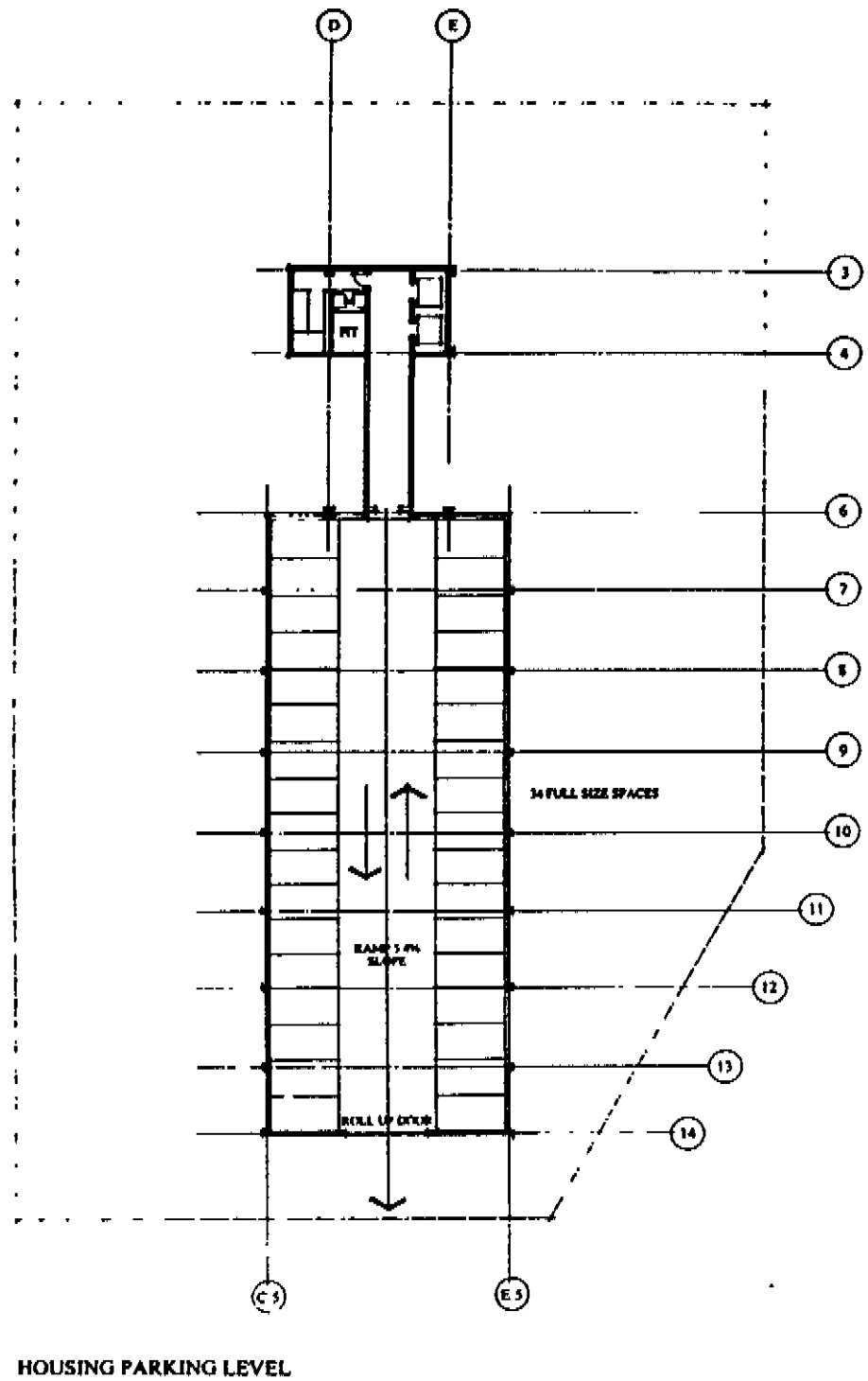


EXHIBIT 1.3.4

DEPICTION OF SUBTERRANEAN RAMP UNIT



PROPERTY MAP

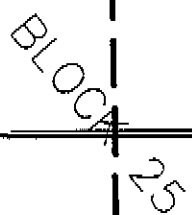


EXHIBIT 1.7

DESIGN CRITERIA

DESIGN STANDARDS FOR THE KILLIAN PACIFIC DEVELOPMENT

SITE DESIGN

- Ground floor spaces adjacent to public areas, including sidewalks, will be devoted to “active uses” such as retail or service-oriented space. Inactive uses such as storage or offices requiring privacy will not be located at the ground floor on Sixth Street.
- The building will abut the sidewalk with the parking structure behind the building.

DRIVE THROUGH FACILITIES

Remote Bank Tellers

- Landscaping and/or architectural elements will be used to minimize the visual impact of vehicles in the queuing lanes and of the remote teller machines from the public right of way.
- Drive through facilities will be located to minimize their visibility from public rights of way.
- Drive through lanes that are parallel to property lines and at block perimeters will not be used in the building design.
- Drive through facilities will be integrated with building or parking structure facades. Remote tellers and queuing lanes will be located away from fresh air intakes.
- Access to and egress from drive through facilities will be located on the west side of the building to minimize both pedestrian and traffic conflicts. Remote teller facilities will be architecturally compatible with their surrounding districts and will complement existing or planned streetscape elements such as light poles and fixtures, sidewalk pavers, street trees and benches.
- Audio speakers for remote teller facilities will not be audible from adjacent residential uses between the hours of 6:00 p.m. and 7:00 a.m. “Audible” will mean that the volume of a voice coming from the speaker will not exceed 57 dba at a distance of 50 feet from the speaker.
- Signage for such facilities will be minimal, will be least noticeable from the public right of way and will only be directional or functional. No advertising signage will be allowed.
- A traffic analysis will be provided to demonstrate that all vehicle queuing will be contained on-site.
- The Project Review Committee will review the design of the drive through facilities in accordance with the above criteria and determine whether or not the design conforms with such criteria.

Other Drive Through Facilities

Other types of drive through facilities will not be included in the project.

BUILDING FORM AND APPEARANCE

- Vertical continuity of facades will be maintained for at least the first two floors along Sixth Street to reinforce a sense of enclosure of the street.
- The parking structure will be architecturally consistent with the major building.
- Rooflines will be consistent with the building's use and surroundings. Interesting details (such as the use of cornices) will be incorporated into the building design.
- Blank walls in excess of 15 lineal feet along the Sixth Street sidewalk will not be included in the design.

WEATHER PROTECTION

- Rain protection will be incorporated into the building design at the ground level on Sixth Street.
- All weather protection features on Sixth Street will have a minimum depth of 5 feet from the building wall, and will be located over the pedestrian path of travel.
- All weather protection features will have a minimum height above sidewalk of 8 feet.
- Metal, glass or canvas awnings will be used in the building design to reflect the architectural character of the building.

PEDESTRIAN AMENITIES

- Pedestrian amenities such as benches, trash receptacles, etc. will be provided in areas open to the public where sidewalk width can accommodate them. Design and location of such amenities will be coordinated with the Public Works Department.
- Site services such as trash dumpsters, utility boxes, etc. will be enclosed and located on the east and west sides of the building.
- Pavers, brick and/or stone set in geometric or free form patterns selected to be compatible with other design elements will be used in the sidewalks adjacent to the building.

- Double acorn light standards will be used adjacent to the building on Sixth Street.
- Lighting will be used to accent key architectural elements and to emphasize landscape features.
- One piece of public art will be incorporated into the design of the project.

LANDSCAPING

- Deciduous street trees will be provided along Sixth Street, at 2" caliper, spaced at 30-foot maximum intervals.
- Trees will be of a type listed as "Recommended Street Trees" in the Urban Forestry Commission's Guide to Selecting and Planting Trees (See Appendix B).
- All planting and landscaping will be appropriate for the kind of wear and use they will be subjected to.

PARKING

- Service bays will be provided on the west side of the building, incorporated into the building or parking area and screened from view from public streets and sidewalks.
- A parking structure will be located at the rear of building.
- There will be approximately 231 parking spaces devoted to public, retail and office uses and 34 parking spaces dedicated to on-site residential uses.
- The parking structure will be attached to the south side of the building. There will be no south facing blank walls of more than 15 lineal feet at the parking deck level or above.
- The ground floor parking area will be screened from sidewalk areas by an exterior wall or planting strip.
- The elevator serving the parking structure will be directly accessible and visible from the parking structure.

SIGNS

General Sign Standards:

- The number and size of signs will comply with the City's sign ordinance (VMC 20.82). The total sign area will be consolidated into the minimum number of signs consistent with the design of the project and the needs of the occupant.
- Paper, cloth, vinyl and other such materials will not be included in the building design.

Building Wall (Fascia and Projecting) Signs:

- Signs will be architecturally well-integrated with the building's facade with respect to scale, size, color, location and type of materials.
- The use of symbols representing the goods for sale or services rendered in the commercial facility may be used at the sidewalk level on Sixth Street.
- Signs will be located so that building details will not be covered or otherwise obscured.
- Auto-oriented fascia signs will be of minimum area required for readability from no more than two blocks away (400 feet).
- Projecting signs will be of minimal area required for readability from no more than one block away (200 feet) and will not obstruct public signs.
- Signs located in pedestrian areas will be flush-mounted on the building's facade low enough to be read from the sidewalk.
- Diverse graphics and signs that are pedestrian-oriented in size and location may be used in high activity areas.
- Signs will be designed and placed so they complement overall facade composition.
- The building will have no more than one primary sign on any one building face.
- Lettering sizes at the ground level will be used that will be more visible to the pedestrian than to vehicular traffic. No more of than sixty percent of the sign face will consist of lettering.
- At least one sign on the building will meet ADA standards for visibility.

Free-standing Signs:

- Free-standing pole signs for individual commercial establishments will not be used in the building design.
- Low monument-type signs may be used in the building design.
- Free-standing pole signs will not be used in the building design.

Canopy Signs:

- Awning or canopy signs will not impede pedestrian traffic.
- Business identification signs that hang down from canopies may be used in the building design.

Rooftop Signs:

- A simple, well designed, internally lighted sign on the upper portion of the building's walls, mechanical penthouses or screen walls may be used in the building design. No more than one such sign, identifying the building name or major tenant will be allowed. The sign will be compatible with the building's architectural expression and the character of the surrounding district.

Illuminated Signs:

- The type and intensity of lighting will be compatible with both the design of the sign and the design of the building.
- Interior-illuminated awnings will not be used as signs.

EXHIBIT 1.8

CONDOMINIUM DECLARATION FORM

This Exhibit 1.7 is intended to be negotiated and agreed upon on or before issuance of site plan approval for Phase I. The Condominium Declaration Form is intended to address the following issues. It is intended that Final Condominium Declarations will be negotiated and agreed upon prior to City's purchase of each parking garage phase.

CONDOMINIUM DECLARATION CHECK LIST

1. Number and identification of units.
2. Boundaries of units.
3. Formulas for allocated interests:
 - Common expense
 - Interest in land
 - Interest in other Common Elements
 - Voting
4. Description of Common Elements:
 - Utilities
 - Floor/ceiling slabs
 - Stairways
 - Elevators
5. Right of use of Common Elements.
6. Description of Limited Common Elements:
 - Utilities
 - Stairways
 - Elevators
7. Provision for reallocating Common Elements.
8. Grants of easements:
 - Pedestrian traffic
 - Utilities
 - Encroachments
 - Support
 - Access
 - Storage
 - Construction repair
 - Nature and duration (with land)
 - Bulk restriction (limit buildings bulk on top of slab)
 - Description of bulk restriction
 - Event of damage or destruction of buildings
 - Runs with land
 - Termination

9. Restriction on uses (office/retail/residential/garage).
10. Related agreements:
 - DDA
 - Purchase and Sale
 - Parking Agreement
 - Parking covenants
11. Offensive activity.
12. Prohibited uses:
 - Hazardous uses
 - Underground storage tanks
 - Obstruct or interfere with uses
 - Illegal activities
13. Provision for establishing rules and regulations.
14. Signs:
 - Restrictions
 - Placement
 - Maintenance/repair/replacement
15. Lease language to contain provision for condominium declaration by reference.
16. Alterations.
17. Phasing:
 - Responsibilities and cost sharing
 - Voting
18. Maintenance responsibility and cost sharing:
 - Condominium units
 - Common Elements
19. Security responsibility and cost sharing.
20. Board approval of contracts with condominium association.
21. Remedies for maintenance or security deficiencies.
22. Remedies for cost sharing deficiencies.
23. Emergencies.
24. Right to convey ownership of condominium unit.
25. Owners Association:
 - Form
 - Annual meetings
 - Bylaws
 - Membership qualification
 - Number of votes
 - Proxy votes
 - Powers
 - Articles
 - Bylaws
 - Budgets
 - Administration
 - Litigation
 - Contracts/liabilities
 - Use/maintenance/repairs/replacements/modifications

- Additional improvements
- Grant easements/licenses and concessions
- Impose and collect fees
- Late charges
- Amend condominium declarations
- Indemnification
- Assign right to receive income and assessments
- Petition for and participate in a parking and business improvement area
- Limitations on powers
- Management by declarant
- Financial records and statements
- Inspection of records
- Selection of board and officers
- Quorum/votes to adopt actions
- 26. Arbitration.
- 27. Managing agent.
- 28. Budget and assessments:
 - Fiscal year
 - Budget preparation
 - Reserves
 - Ratification of budget
 - Supplemental budget
 - Assessments for common expenses and special allocations
 - Commencement of assessments
 - Special assessments
 - Notice of assessments
 - Payments of assessments
 - Failure to assess
 - Certificate of unpaid assessments
 - Recalculation of unpaid assessments
 - Reconciliation of assessments to actual expenses
- 29. Assessments are a lien (priority).
- 30. Foreclosure of liens.
- 31. Assessments as personal (?) obligations.
- 32. Extinguishment of lien and personal liability.
- 33. Joint and several liability.
- 34. Late charges and interest on delinquent assessments.
- 35. Recovery of attorney's fees and costs.
- 36. Remedies cumulative.
- 37. No line on City property.
- 38. Rights of action.
- 39. Failure of Board to insist on strict performance not a waiver.
- 40. Tort and contract liability:
 - Association – not individual
 - Limitation on utility failure
 - No personal liability

- 41. Indemnification.
- 42. Insurance:
 - City self insured
 - Property
 - Commercial general liability
 - Fidelity
 - Directors and officers
 - Owners individual insurance
 - Power of attorney
 - Additional named insureds
 - Relation to mortgages
 - Cost sharing
- 43. Damage and repair:
 - Board determination
 - Notice of damage
 - Definitions (\$ and emergencies)
 - Execution
 - Decision not to repair, replace or rebuild
- 44. Condemnation.
- 45. Amendment of:
 - Declarations
 - Survey map and plans
 - Articles or Bylaws
- 46. Termination or abandonment of a condominium.
- 47. Partitions and subdivisions.
- 48. Notices:
 - Owners
 - Mortgage holders
- 49. Severability.
- 50. Effective date.
- 51. Assignment by declarants.
- 52. Governmental rights.
- 53. Conformity to law.

EXHIBIT 1.9

ERIC HOVEE'S PROJECTION REPORT

**E. D. Hovee
& Company**

Economic and Development Services



FAX MEMO

To: Lance Killian
Killian Pacific
Fax #: 503-227-0471
From: Eric Hovee & Darren Wertz
Subject: Tax Generation Model Scenario F3
Date: September 16, 1999 # of pages: 2

With this memorandum we are enclosing a worksheet providing calculations of tax benefits to the City of Vancouver, associated with proposed development of an office, residential and parking structure at 5th and Broadway in downtown Vancouver.

For this analysis we have made the following assumptions as of normalized occupancy:

- That 3,732 square feet of the 65,234 square feet cited as office space is used for retail
- A typical 5% vacancy ratio is applied for office space
- The residential units have a zero vacancy factor in line with their eventual configuration as condos.

Rents of \$1.20 per square foot monthly rent and an average unit size of 1,221 square feet have been assumed. Based on housing expense equivalent to 32% of gross household income, annual gross household income would be around \$54,950.

The following updated cost figures are included:

- For a 233 stall-parking garage: \$4,176,299 (hard & soft costs).
- Total construction costs of \$15,511,150 and total project costs at \$21,644,000.

Assumed taxable value of the completed structure (subject to property tax) is calculated based on total development cost of \$21,644,000 less hard and soft costs of the public parking portion as the parking facility is assumed to be exempt from property tax. As in the last run, tax implications of sale of the garage to the City have not been included.

Let us know as you have added questions or comments regarding this updated analysis.

EH: dsw
Enclosure

951 Officers Row • P.O. Box 225 • Vancouver, WA 98666
(360) 696-9870 • (503) 230-1414 • Fax (360) 696-8453

REAL ESTATE DEVELOPMENT TAX GENERATION MODEL
Killian Investment - 6th and Broadway Building
City of Vancouver Tax Revenues Only, 1996 Tax Rates

RECURRING TAXES

	Build-Out (1996-2000 \$)	Revenue Estimate		Comments
		Month	Year	
Property Tax				
Tax Rate / \$1,000	\$3.325			
Increased Property Valuation	\$17,470,000			Estimated development cost adj for parking.
Estimated Property Tax	\$58,068	\$4,841	\$53,068	Assumes no residential tax abatement.
Telephone Tax				Excludes public parking facility
Tax Rate / \$1 billing	\$0.060			
Commercial Office/Retail				
Commercial Office Area (NSF)	\$8,427			Assumes average 95% occupancy
Commercial Retail Area (NSF)	3,732			
Square Feet per Employee (ave.)	258			250 NSF per office employee
Number of Employees (Phones)	241			500 NSF for retail
Number of Phones / Line	4			
Number of Business Lines	60			
Base Business Line Rate	\$27.00			
Residential				
Residential Units	23			
Number of Lines / Unit	2			
Number of Residential Lines	46			
Base Residential Line Rate	\$16.95			
Estimated Telephone Tax (C + R)	\$1,702	\$142	\$1,702	Commercial and residential customers
Electrical Tax				
Tax Rate / \$1 billing (<\$2,000/Mo)	\$0.080			
Tax Rate / \$1 billing (>\$2,000/Mo)	\$0.020			
Amount Billed	\$57,770			Typical annual expense ratios:
Estimated Electrical Tax	\$2,115	\$176	\$2,115	Commercial Billing per NSF \$0.70
Water / Sewer Tax				Residential Billing per NSF \$0.50
Tax Rate / \$1 billing	\$0.145			
Amount Billed	\$27,660			Typical annual expense ratios:
Estimated Sewer / Water Tax	\$4,040	\$337	\$4,340	Commercial rate per NSF \$0.15
Sales Tax from Employee Purchases				Residential rate per NSF \$0.66
Tax Rate / \$1 Gross Sale	\$0.00706			
Gross Annual Sales / Employee	\$2,000			
Number of Employees	241			
Estimated Sales Tax	\$3,406	\$284	\$3,406	
Sales Tax from Resident Purchases				
Tax Rate / \$1 Gross Sale	\$0.00706			Assumes average annual household income of \$54,950
Annual Taxable Sales / Household	\$14,286			Based on typical sales leakage patterns.
Number of Households	23			
Estimated Sales Tax	\$2,320	\$193	\$2,320	
Sales Tax on Business Sales				
Tax Rate / \$1 Gross Sales	\$0.00706			
Retail Space (NSF)	3,732			
Sales per Square Foot	\$250			
Gross Annual Business Sales	\$933,000			
Estimated Sales Tax	\$6,589	\$549	\$6,589	

ESTIMATED ANNUAL TAXES

\$78,261	\$6,632	\$78,261
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ONE TIME TAXES

Sales Tax on Construction	
Tax Rate / \$1 Gross Contract Amount	\$0.00706
Construction Contract	\$15,911,150
Estimated Sales Tax	\$109,540

Includes parking garage (234 spaces).

Real Estate Excise Tax	
Tax Rate / \$1 Gross Contract Amount	\$0.00500
Property Purchase Price	\$1,177,949
Estimated Sales Tax	\$5,890

Excludes potential tax from sale of parking garage to the city.

ESTIMATED ONE TIME TAXES

\$109,540

Run # 3 (September 16, 1999)

Prepared By E.D.Hovse Company

For Estimation Purposes Only

EXHIBIT 1.10

LAND USE DEVELOPMENT AGREEMENT

This Exhibit 1.10 is intended to be negotiated and agreed upon on or before issuance of site plan approval for Phase I. It is intended to vest Developer with matters that include but are not necessarily limited to:

- 1) Rights to development under existing development rules and regulations.
- 2) Rights to pay fees in existence at the time of site plan approval.
- 3) Rights to pay impact fees at existing impact fee rates.
- 4) Resolution of trip capacity.
- 5) Rights to major variances granted by Board of Adjustment throughout the term of this Agreement and any extensions thereto.
- 6) Scope of Main Street improvements to be required of Developer.
- 7) Use of existing street lighting fixtures in connection with the project.
- 8) Infrastructure improvements (and related easements) including but not limited to stormwater facilities.

It is also intended to confirm that Developer has satisfied City's parking requirements under VMC 20.81.310 – 20.81.312 pursuant to Section 3.10 of the DDA.

EXHIBIT 2.2

FINAL CONSTRUCTION PLANS FOR IMPROVEMENTS

(To be attached upon Developer submitting application for a building permit to City.)

EXHIBIT 3.1.1

AGREEMENT FOR CITY'S TRANSFER AND CONVEYANCE TO DEVELOPER

This Agreement dated as of December 29, 1999, is between the CITY OF VANCOUVER, a Washington municipal corporation ("City"), and BROADWAY INVESTORS L.L.C., a Washington limited liability company ("Developer").

SECTION 1. CITY CONVEYANCE TO DEVELOPER

City agrees to transfer and convey to Developer for the consideration stated herein and on the terms, covenants and conditions contained in this Agreement all of its right, title and interest in real property commonly known as a portion of Block 25 in Vancouver, Washington, together with all improvements thereon and rights and interests related or appurtenant thereto, and legally described on Exhibit "A", attached hereto and incorporated herein by reference ("City Lots"). A map depicting the City Lots which are being transferred to Developer are single-hatched and attached hereto as Exhibit "A-1" and incorporated herein by reference.

SECTION 2. CONDITIONS PRECEDENT

Notwithstanding any other provision of this Agreement, Developer's obligation to purchase City Lots is conditioned upon satisfaction or waiver in writing by Developer of the following conditions on or before the receipt of site plan approval [within 10 days of receipt of the building permit] from City's Department of Community Development as set forth in SECTION 2 of the Disposition and Development Agreement ("DDA") (the "Contingency Removal Date") or such later date as specified herein; provided, however, the parties agree that Developer's Contingency Removal Date shall not extend beyond sixty (60) days from the mutual execution of this Agreement.

2.1 Environmental Studies

Receipt by Developer of the results of all environmental tests and any other studies, reports and/or investigations desired by Developer that, in Developer's sole opinion, indicate that the City Lots are suitable for Developer's intended purposes and free of significant obstructions to development. All such tests, studies and reports shall be prepared by persons selected by Developer and approved by Developer, unless otherwise agreed in writing. All work by such persons shall be performed under City's and Developer's joint supervision. All costs for or in connection with such tests, studies and reports shall be paid by Developer. City represents that it has no knowledge that the City Lots include any such significant obstructions to development.

2.2 Title

Developer will order a preliminary title report from Chicago Title Insurance Company showing its willingness to issue title insurance on the Property, together with full copies of all

exceptions. Developer shall have fifteen (15) business days after receipt of the report and exceptions within which to notify City in writing of Developer's approval or disapproval of each of the exceptions shown in the report. In the event of disapproval, City shall have fifteen (15) business days to eliminate or to agree in writing to eliminate (not later than closing) any expressly disapproved exceptions ("Cure Notice Period"). If City is unable to eliminate, or fails to give written notice of agreement to eliminate (not later than closing), any expressly disapproved exception within such Cure Notice Period, either party may elect to rescind this Agreement by written notice to the other party within five (5) business days of the expiration of the Cure Notice Period. In such event, all obligations of the parties under this Agreement shall thereafter cease, unless Developer notifies City within five (5) business days after such notice that Developer elects to waive its prior disapproval and proceed to close the sale. Failure of Developer to approve in writing any exception appearing in the report by the Contingency Removal Date shall be deemed to be disapproval of the exception.

2.3 Approval and Execution

Approval and execution by Developer, on or before thirty (30) days after the Contingency Removal Date, of development agreements and financial agreements for financing of the facilities on terms acceptable to Developer.

2.4 Deliveries

At least one (1) business day prior to the Closing, the full amount of the Purchase Price, as increased or decreased by prorations and adjustments as herein provided, in immediately available funds. Such evidence as the Title Company may reasonably require as to the authority of the person or persons executing documents on behalf of Developer.

2.5 Receipt of Purchase Price

City's receipt of the Purchase Price and confirmation of signature authority.

2.6 Conveyance of Developer Lots

Developer's conveyance of Developer Lots to City concurrently with the Closing under this Agreement.

2.7 Disposition and Development Agreement

Simultaneous execution of the DDA, to which this Transfer and Conveyance Agreement is attached as Exhibit 3.1.1 and made a part thereof.

2.8 Vacation of 5th Street and Broadway

Subject to and contingent upon a public hearing before Vancouver City Council, City shall vacate portions of 5th Street and Broadway Street as shown on Exhibit 3.5 of the DDA, all more particularly described in the Application for Petition for Street Vacation attached as

Exhibit 3.5. The consideration for such street vacation shall be included in the purchase price of the Parking Garage Unit (described in the DDA) to be purchased by City pursuant to the Parking Garage Purchase Agreement (attached to DDA as Exhibit 5.3.1) which has been reduced in part by the value of such street vacation by City.

Each of the foregoing conditions shall be deemed not to have been satisfied and not to have been waived unless Developer and City notify such other party in writing on or before the Contingency Removal Date, or later date as applicable, that each has been satisfied or waived in whole or in part. If Developer and City do so notify such other party, then this Agreement shall be carried out as provided herein. If Developer and City do not so notify such other party, then neither party shall have any remaining obligation hereunder.

SECTION 3. CONSIDERATION FOR TRANSFER AND CONVEYANCE

City Lots are being transferred to Developer for the sum of Three Thousand Nine Hundred Six and 60/100 Dollars (\$3,906.60), which equals Fifteen and 32/100 Dollars (\$15.32) per square foot for Two Hundred Fifty-Five (255) feet ("Purchase Price"). Said amount is for the difference in the square footage between the City Lots and the Developer Lots (pursuant to terms of Exhibit 3.1.2), in accordance with the terms and provisions SECTION 3 of the DDA. Developer shall pay the Purchase Price for the City Lots in cash by wire transfer of immediately available funds into Escrow (as defined herein) prior to 8:00 a.m. on the date of Closing.

Usable property for the City Lots shall exclude (i) property which is in the right of way, including streets and sidewalks, and (ii) land over utility or service easements.

SECTION 4. CLOSE OF ESCROW AND RELATED MATTERS

4.1 Closing and Closing Date

The transfer and conveyance of the City Lots contemplated herein shall be completed through an escrow ("Escrow") which shall be conducted and closed by Chicago Title Insurance Company or other title company mutually acceptable to the parties ("Title Company"), as early as practicable on the Closing Date. The "Closing Date" is hereby established as fifteen (15) days after the Contingency Removal Date, or such later date as Developer and City may agree hereafter in writing.

4.2 Condition of Title

Title to the City Lots shall be conveyed by the parties by statutory warranty deed ("Deed") subject only to (1) the lien of current taxes not delinquent, and (2) the title encumbrances to be attached as Exhibit "B" and such other title encumbrances as the parties may hereafter approve in writing (collectively, "Permitted Encumbrances"). Whether or not Developer shall have furnished to City any notice of title objections pursuant to the foregoing provisions of this Agreement, Developer may, at or prior to Closing, notify City in writing of any objections to title first raised by the Title Company or the Surveyor between (a) the date which is

the earlier of (i) the effective date of the title report referred to above or (ii) the expiration of the title exam period,, and (b) the date on which the transaction contemplated herein is scheduled to close. With respect to any objections to title set forth in such notice, City shall have the same option to cure and Developer shall have the same option to accept title subject to such matters or to terminate this Agreement as those which apply to any notice of objections made by Developer before the expiration of the title inspection period (set forth in Section 2.2 hereinabove). If City elects to attempt to cure any such matters, the date for Closing shall be automatically extended by a reasonable additional time to effect such a cure, but in no event shall the extension exceed sixty (60) days after the date for Closing. Evidence of title to the City Lots shall be by an owner's ALTA extended coverage title insurance policy issued by Title Company in the amount of the purchase price, insuring fee simple title to the City Lots vested in Developer, subject only to the Permitted Encumbrances.

4.3 Costs of Escrow

City shall pay the premium for the standard coverage title insurance policy, one-half of the Escrow fee and all other closing costs not expressly payable by Developer pursuant to following clause. Developer shall pay the premium for the difference between the standard coverage title insurance policy and the ALTA extended coverage title insurance policy, the recording fee for the statutory warranty deed and one-half of the Escrow fee.

4.4 Title Company's Obligations at Closing

At Closing, the Title Company shall:

(a) At such time as Title Company holds and is irrevocably obligated to deliver the Purchase Price to City, record the Deed in the Official Records of Clark County Washington.

(b) Deliver to City the Purchase Price by wire transfer of immediately available federal funds to a bank account designated by City in writing to Title Company prior to Closing.

(c) Deliver to City and Developer two (2) fully executed counterparts of the Nonforeign Affidavit.

(d) Deliver to City and Developer settlement statements prepared by Title Company and approved by City and Developer not less than two (2) business days prior to the Closing.

(e) The following shall be apportioned with respect to the City Lots as of 12:01 a.m. on the day of Closing, as if Developer were vested with title to the City Lots during

the entire day upon which Closing occurs: (i) taxes and assessments levied against the City Lots, and (ii) gas, electricity and other utility charges for which City is liable, if any, such charges to be apportioned at Closing on the basis of the most recent meter reading occurring prior to Closing. Notwithstanding anything contained in the foregoing provisions, any taxes paid at or prior to Closing shall be prorated based upon the amounts actually paid. If taxes and assessments for the current year have not been paid before Closing, City shall be charged at Closing an amount equal to that portion of such taxes and assessments which relates to the period before Closing and Developer shall pay the taxes and assessment prior to their becoming delinquent. Any such apportionment made with respect to a tax year for which the tax rate or assessed valuation, or both, have not yet been fixed shall be based upon the tax rate and/or assessed valuation last fixed. To the extent that the actual taxes and assessments for the current year differ from the amount apportioned at Closing, the parties shall make all necessary adjustments by appropriate payments between themselves following Closing. As to gas, electricity and other utility charges referred to above, City may on notice to Developer elect to pay one or more of all of said items accrued to the date herein above fixed for apportionment directly to the person or entity entitled thereto, and to the extent City so elects, such item shall not be apportioned hereunder, and City's obligation to pay such item directly in such case shall survive the Closing. The provisions of this subsection shall survive Closing.

SECTION 5. FURTHER ASSURANCE

The parties shall, upon request by such other party, whether prior to or after the Closing Date, execute and deliver to the other party such further documents which may be required to complete or evidence the transaction herein provided for.

SECTION 6. POSSESSION AND ENTRY ON PROPERTY

On the Closing Date, City shall deliver to such other party full and exclusive possession of the City Lots. Developer, its agents, employees and contractors may enter the City Lots prior to the Closing Date to conduct the tests, studies and reports referred to in SECTION 4 hereof and to perform the survey referred to in SECTION 4 hereof, and for other purposes reasonably related to this Agreement. Such physical inspection and entry shall not unreasonably interfere with the use of the City Lots by City nor shall Developer's inspection or entry damage the City Lots in any respect. Such physical inspection shall not be invasive in any respect (unless Developer obtains City's prior written consent), and in any event shall be conducted in accordance with standards customarily employed in the industry and in compliance with all governmental laws, rules and regulations. Following each entry by Developer with respect to inspections and/or tests on the City Lots, Developer shall restore the City Lots to a condition which is as near to its original condition as existed prior to any such inspections and/or tests. City shall cooperate with Developer but shall not be obligated to incur any liability or expense in connection therewith. Developer agrees to indemnify against and hold City harmless from any claim for liabilities, costs, expenses (including reasonable attorneys' fees actually incurred) damages or injuries arising out of or resulting from the inspection of the City Lots by Developer

or its agents, except to the extent such costs, expenses or liabilities arising under this Section are in connection with the current owner of such property, its agents', employees' or contractors' activities on the City Lots prior to Closing and/or such party has expressly accepted liability or has acted wrongfully causing such cost, expense or liability. Notwithstanding anything to the contrary in this Agreement, such obligation to indemnify and hold harmless City shall survive Closing or any termination of this Agreement. All costs for or in connection with such tests, studies and reports shall be paid by Developer.

SECTION 7. DEFAULT EVENTS AND REMEDIES

Nonperformance by either party of its obligations under this Agreement which continues for a period of ten (10) days following written notice of nonperformance shall be a default by the nonperforming party. Material falsity of any representation, covenant or warranty made in this Agreement by City or Developer either at the time of execution of this Agreement or as of the Closing Date shall be a default hereunder by such party. In the event of default by either party, such other party's remedies shall be (i) termination of this Agreement; (ii) prosecuting an action for damages; (iii) seeking equitable relief from a Court of competent jurisdiction, including but not limited to, specific performance, and (iv) any other remedy available at law or in equity. Furthermore, in the event of such default, City and Developer shall also deliver to such other party copies of all studies, reports and surveys prepared by City and Developer relating to the City Lots forthwith.

SECTION 8. BROKER

Developer and City represent and warrant that they have incurred no liabilities or claims for brokerage commissions or finder's fees in connection with this Agreement and that they have not dealt with, and have no knowledge of, any real estate broker, agent or salesperson in connection with this Agreement. In the event any such real estate broker, agent or salesperson claims any such brokerage commissions or finder's fee in connection with this Agreement, such fees shall be paid by City out of escrow, without any liability to such other party, upon closing of this transaction on the Closing Date. Developer and City each agree to indemnify and hold the other harmless from and against any and all liability, including attorneys' fees, for any such fee or commission alleged to be payable in connection with this transaction by reason of the conduct of such party.

SECTION 9. NOTICES

Any and all notices or other communications required or permitted by this Agreement or by law to be served on or given to a party hereto by the other party shall be in writing and shall be duly served and given only when personally delivered or sent by United States mail, registered or certified, postage prepaid, or overnight delivery, and addressed to the respective parties as follows:

City:	City Manager City of Vancouver 210 East 13 th Street Vancouver, Washington 98660
With a Copy to:	City Attorney City of Vancouver 210 East 13 th Street Vancouver, Washington 98660
Developer:	Broadway Investors L.L.C. ATTN: George Killian 820 SE 73 rd Avenue Vancouver, Washington 98664
With a Copy to:	Stephen W. Horenstein Miller Nash LLP 900 Washington Street, Suite 900 Vancouver, Washington 98660

Notices or other communications served in the above manner shall be considered sufficiently given or served for all purposes under this Agreement at the time the notice or communication is postmarked or personally delivered to the address shown above.

SECTION 10. CONDITION OF PROPERTY

SUBJECT TO THE PROVISIONS CONTAINED IN THIS AGREEMENT, CITY MAKES NO REPRESENTATION OR WARRANTY WITH RESPECT TO (I) THE CONDITION OF THE CITY LOTS (INCLUDING ANY IMPROVEMENTS THEREIN) OR THE SUITABILITY OF THE CITY LOTS FOR SUCH OTHER PARTIES' INTENDED USE OR FOR ANY USE WHATSOEVER; (II) THE PRESENCE OF ANY HAZARDOUS SUBSTANCES IN THE CITY LOTS. DEVELOPER ACKNOWLEDGES THAT IT HAS BEEN GIVEN THE OPPORTUNITY UNDER THIS AGREEMENT TO FULLY INSPECT THE CITY LOTS AND THE ENVIRONMENTAL CONDITION. DEVELOPER AGREES THAT BY ACCEPTING THE TRANSFER AND CONVEYANCE OF THE CITY LOTS, DEVELOPER (SUBJECT TO THE

FOREGOING CONTAINED IN THIS PARAGRAPH) IS ACCEPTING THE CITY LOTS IN THEIR "AS IS" CONDITION AND STATE OF REPAIR. CITY AND DEVELOPER AGREE THAT THE PROVISIONS OF THIS SECTION SHALL SURVIVE CLOSING.

SECTION 11. MISCELLANEOUS

11.1 Binding Effect

This Agreement shall be binding upon and inure to the benefit of the City and Developer and their respective successors and assigns.

11.2 Interpretation/Construction

The headings incorporated in this Agreement are for convenience and reference only and are not a part of this Agreement and do not in any way limit or add to the terms and provisions hereof. Further, the masculine, feminine or neuter gender, and the singular or plural number, shall be deemed to include the others whenever the context so indicates.

11.3 Entire Agreement

This is the entire agreement between the parties and there are no other terms, obligations, covenants, representations, statements or conditions, oral or written, of any kind whatsoever concerning the transfer and conveyance of the City Lots, other than as set forth in the DDA to which this Agreement is attached as Exhibit 3.1.1. Any inconsistency between this Agreement and the DDA shall be resolved in favor of the DDA. Any agreement hereafter made shall be ineffective to change, modify, discharge or effect an abandonment of this Agreement in whole or in part unless such agreement is in writing, makes specific reference to this Agreement and is signed by the party against whom enforcement of the change, modification, discharge or abandonment is sought.

11.4 Survival

All agreements, covenants, conditions, warranties and representations contained in this Agreement, which by their nature impliedly or expressly involve performance in any particular after closing on the Closing Date or which cannot be ascertained to have been fully performed until after such closing, shall survive the closing.

11.5 Time

Time is of the essence of this Agreement and the performance of the obligations described herein.

11.6 Governing Law

This Agreement shall be governed by and construed under the laws of the State of Washington, all rights and remedies being governed by such laws, and any provision hereof which may prove to be unenforceable shall not affect the validity of any other provision of this Agreement. Any action or litigation arising out of or in connection with this Agreement shall be conducted in Clark County, Washington.

11.7 Cooperation

Each party hereto agrees to take such action as may be necessary or appropriate to carry out the intended purpose hereof and to execute any and all documents which may be necessary or appropriate with respect thereto.

11.8 Attorneys Fees

In the event either party brings an action at law or other proceeding against the other party to enforce any of the terms, covenants and conditions hereof, the party prevailing in such action or proceeding shall be paid by the other party all attorney fees and statutory and other costs (including without limitation costs of discovery and expert witness fees, whether at trial, on appeal, on petition for review or in bankruptcy or other judicial or administrative proceeding), and the same shall be included in any judgment in such action or proceedings or appeal.

11.9 Waiver

No act or omission of either party hereto shall at any time be construed to deprive such party of a right or remedy hereunder or otherwise be construed so as to at any future time estop such party from exercising such right or remedy.

11.10 Risk of Loss

If prior to closing, land or improvements on said City Lots shall be destroyed or materially damaged by fire or other casualty, this agreement at option of either party shall become null and void.

11.11 Successors and Assigns

The terms and provisions of this Agreement shall be binding upon and shall inure to the benefit of the heirs, legal representatives and proper and permitted assigns and successors of the parties. Permitted assigns of Developer shall include an entity controlled by Developer in accordance with the terms of the DDA.

11.12 City's Affidavit

City shall provide an affidavit to the effect that City is not a foreign person as the term is used and defined in Section 1445 of the Internal Revenue Code of 1954, as amended, and in the

regulations promulgated thereunder. Such affidavit shall be provided on or before the Closing Date.

This Agreement is executed and delivered by Developer as an offer. If the offer is not accepted by execution by City of an original of this Agreement and its delivery to Developer by December 31, 1999, the offer shall be deemed withdrawn and of no further force and effect.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the date indicated.

DEVELOPER:

BROADWAY INVESTORS L.L.C., a
Washington limited liability company

Date: December 28, 1999

By: George H. Kellman
Its: MEMBER

CITY:

CITY OF VANCOUVER,
a Washington municipal corporation

Date: December 29, 1999

By: Vernon E. Stoner
Vernon E. Stoner, City Manager

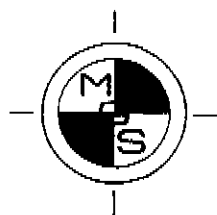
Attest:

Scott E. Cooley
Scott Cooley, Interim City Clerk

Approved as to form:

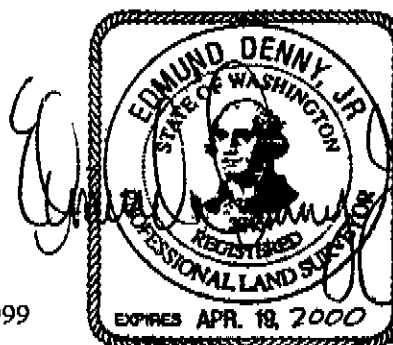
Judith Zander - Chief Assistant
for: Ted H. Gathe, City Attorney

EXHIBIT "A"



**MINISTER-GLAESER
SURVEYING INC.**

(360) 694-3313
FAX (360) 694-8410
2200 E. EVERGREEN
VANCOUVER, WA 98661



September 23, 1999

EXHIBIT "A"

9/23/99

A strip of land in the Northwest quarter of the Southeast quarter of Section 27, Township 2 North, Range 1 East, Willamette Meridian, Clark County, Washington, described as follows

Beginning at the Northwest corner of Block 25 of "East Vancouver" according to City of Vancouver Ordinance No 118 and No. 122, according to the plat thereof recorded in Volume "D" of plats at page 30, records of Clark County, Washington,

Thence South 00°16'21" East, along the West line of said Block 25, for a distance of 101.25 feet to the TRUE POINT OF BEGINNING,

Thence North 89°59'20" East, for a distance of 51.54 feet;

Thence South 00°00'40" East, for a distance of 86.94 feet to the Westerly line of Washington State Department of Transportation right-of-way, according to SR5 and SR14 Vancouver Freeway SR14 interchange, dated July 31, 1981;

Thence South 28°46'33" West, along said Westerly line, for a distance of 16.33 feet to the North line of East 5th Street,

Thence South 89°59'18" West, along said North line of East 5th Street, for a distance of 43.21 feet to said West line of Block 25,

Thence North 00°16'21" West, along said West line, for a distance of 101.25 feet to the TRUE POINT OF BEGINNING

Containing 5138.50 square feet.

EXHIBIT 3 1 1 - EXHIBIT "A"
LEGAL DESCRIPTION OF CITY LOTS

01775008 D07 (Transfer Agreement-25a) doc (12/28/1999 - 3 29 PM)

-1-

EXHIBIT "A-1"

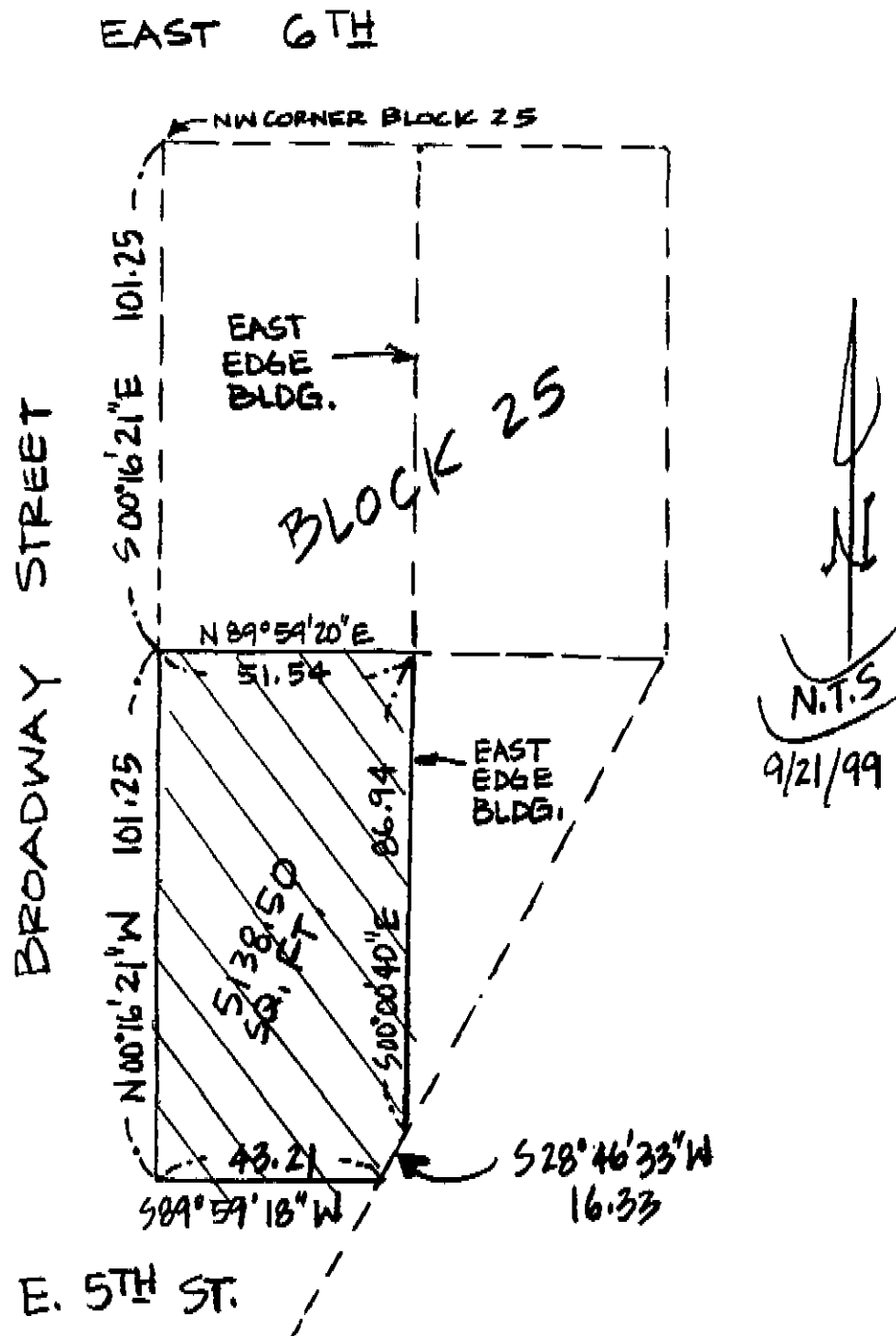


EXHIBIT 3 1 1 - EXHIBIT "A-1"
 MAP DEPICTING CITY LOTS BEING TRANSFERRED TO DEVELOPER
 01775008 D07 (Transfer Agreement-25a).doc (12/28/1999 - 3:29 PM) -1-

EXHIBIT "B"
PERMITTED ENCUMBRANCES

EXHIBIT 3.1.1 – EXHIBIT "B"
PERMITTED ENCUMBRANCES

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EXHIBIT 3.1.2

AGREEMENT FOR DEVELOPER'S TRANSFER AND CONVEYANCE TO CITY

This Agreement dated as of December 29, 1999, is between the BROADWAY INVESTORS, L.L.C., a Washington limited liability company ("Developer") and CITY OF VANCOUVER, a Washington municipal corporation ("City").

SECTION 1. DEVELOPER CONVEYANCE TO CITY

Developer agrees to transfer and convey to City for the consideration stated herein and on the terms, covenants and conditions contained in this Agreement all of its right, title and interest in the real property commonly known as a portion of Block 25 in Vancouver, Washington, together with all improvements thereon and rights and interests related or appurtenant thereto, and legally described on Exhibit "A", attached hereto and incorporated herein by reference ("Developer Lots"). A map depicting the Developer Lots which are being transferred to City are single-hatched and attached hereto as Exhibit "A-1" and incorporated herein by reference. Developer Lots are being transferred to City (i) as part of the consideration for City's transfer and conveyance of City Lots to Developer (pursuant to Exhibit 3.1.1), and (ii) in order to accommodate City's future realignment of the SR14 off-ramp connecting to 6th Street and Developer's construction of the Parking Garage Unit (as further described in SECTION 1.3 and 3.1 of the DDA).

SECTION 2. CONDITIONS PRECEDENT

Notwithstanding any other provision of this Agreement, City's obligations hereunder are conditioned upon satisfaction in writing by City of the following conditions within sixty (60) days of mutual execution of this Agreement:

2.1 Disposition and Development Agreement

Simultaneous execution of the DDA, to which this Transfer and Conveyance Agreement is attached as Exhibit 3.1.2 and made a part thereof.

2.2 Vacation of 5th Street and Broadway

Subject to and contingent upon a public hearing before Vancouver City Council, City shall vacate portions of 5th Street and Broadway Street as shown on Exhibit 3.5 of the DDA, all more particularly described in the Application for Petition for Street Vacation attached as Exhibit 3.5. The consideration for such street vacation shall be included in the purchase price of the Parking Garage Unit (described in the DDA) to be purchased by City pursuant to the Parking Garage Purchase Agreement (attached to DDA as Exhibit 5.3.1) which has been reduced in part by the value of such street vacation by City.

EXHIBIT 3.1.2

AGREEMENT FOR DEVELOPER'S TRANSFER AND CONVEYANCE TO CITY

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SECTION 3. CONSIDERATION FOR TRANSFER AND CONVEYANCE

Developer Lots are being transferred to City (i) as part of the consideration for City's transfer and conveyance of City Lots to Developer (pursuant to Exhibit 3.1.1), and (ii) in order to accommodate City's future realignment of the SR14 off-ramp connecting to 6th Street and Developer's construction of the Parking Garage Unit (as further described in SECTION 1.3 and 3.1 of the DDA).

Usable property for the Developer Lots shall exclude (i) property which is in the right of way, including streets and sidewalks, and (ii) land over utility or service easements.

SECTION 4. CLOSE OF ESCROW AND RELATED MATTERS

4.1 Closing and Closing Date

The transfer and conveyance of the Developer Lots contemplated herein shall be completed through an escrow ("Escrow") which shall be conducted and closed by Chicago Title Insurance Company or other title company mutually acceptable to the parties ("Title Company"), as early as practicable on the Closing Date. The "Closing Date" is hereby established as fifteen (15) days after the Contingency Removal Date, or such later date as Developer and City may agree hereafter in writing.

4.2 Condition of Title

Title to the Developer Lots shall be conveyed by the parties by statutory warranty deed ("Deed") subject only to (1) the lien of current taxes not delinquent, and (2) the title encumbrances to be attached as Exhibit "B" and such other title encumbrances as the parties may hereafter approve in writing (collectively, "Permitted Encumbrances"). Whether or not City shall have furnished to Developer any notice of title objections pursuant to the foregoing provisions of this Agreement, City may, at or prior to Closing, notify Developer in writing of any objections to title first raised by the Title Company or the Surveyor between (a) the date which is the earlier of (i) the effective date of the title report referred to above or (ii) the expiration of the title exam period, and (b) the date on which the transaction contemplated herein is scheduled to close. With respect to any objections to title set forth in such notice. Developer shall have the same option to cure and City shall have the same option to accept title subject to such matters or to terminate this Agreement as those which apply to any notice of objections made by City before the expiration of the title inspection period (set forth in Section 2.2 hereinabove). If Developer elects to attempt to cure any such matters, the date for Closing shall be automatically extended by a reasonable additional time to effect such a cure, but in no event shall the extension exceed sixty (60) days after the date for Closing. Evidence of title to the Developer Lots shall be by an owner's ALTA extended coverage title insurance policy issued by Title Company in the amount of the purchase price, insuring fee simple title to the Developer Lots vested in City, subject only to the Permitted Encumbrances.

EXHIBIT 3.1.2

AGREEMENT FOR DEVELOPER'S TRANSFER AND CONVEYANCE TO CITY

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4.3 Costs of Escrow

Developer shall pay the premium for the standard coverage title insurance policy, one-half of the Escrow fee and all other closing costs not expressly payable by City pursuant to following clause. City shall pay the premium for the difference between the standard coverage title insurance policy and the ALTA extended coverage title insurance policy, the recording fee for the statutory warranty deed and one-half of the Escrow fee.

4.4 Title Company's Obligations at Closing

At Closing, the Title Company shall:

(a) Concurrent with the Closing of the transfer and conveyance of the City Lots between the parties, record the Deed in the Official Records of Clark County Washington.

(b) Deliver to City and Developer two (2) fully executed counterparts of the Nonforeign Affidavit.

(c) Deliver to City and Developer settlement statements prepared by Title Company and approved by City and Developer not less than two (2) business days prior to the Closing.

(d) The following shall be apportioned with respect to the Developer Lots as of 12:01 a.m. on the day of Closing, as if City were vested with title to the Developer Lots during the entire day upon which Closing occurs: (i) taxes and assessments levied against the Developer Lots, and (ii) gas, electricity and other utility charges for which Developer is liable, if any, such charges to be apportioned at Closing on the basis of the most recent meter reading occurring prior to Closing. Notwithstanding anything contained in the foregoing provisions, any taxes paid at or prior to Closing shall be prorated based upon the amounts actually paid. If taxes and assessments for the current year have not been paid before Closing, Developer shall be charged at Closing an amount equal to that portion of such taxes and assessments which relates to the period before Closing and City shall pay the taxes and assessment prior to their becoming delinquent. Any such apportionment made with respect to a tax year for which the tax rate or assessed valuation, or both, have not yet been fixed shall be based upon the tax rate and/or assessed valuation last fixed. To the extent that the actual taxes and assessments for the current year differ from the amount apportioned at Closing, the parties shall make all necessary adjustments by appropriate payments between themselves following Closing. As to gas, electricity and other utility charges referred to above, Developer may on notice to City elect to pay one or more of all of said items accrued to the date herein above fixed for apportionment directly to the person or entity entitled thereto, and to the extent Developer so elects, such item shall not be apportioned hereunder, and Developer's obligation to pay such item directly in such case shall survive the Closing. The provisions of this subsection shall survive Closing.

EXHIBIT 3.1.2

AGREEMENT FOR DEVELOPER'S TRANSFER AND CONVEYANCE TO CITY

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SECTION 5. FURTHER ASSURANCE

The parties shall, upon request by such other party, whether prior to or after the Closing Date, execute and deliver to the other party such further documents which may be required to complete or evidence the transaction herein provided for.

SECTION 6. POSSESSION AND ENTRY ON PROPERTY

On the Closing Date, Developer shall deliver to such other party full and exclusive possession of the Developer Lots. City, its agents, employees and contractors may enter the Developer Lots prior to the Closing Date to conduct the tests, studies and reports referred to in SECTION 4 hereof and to perform the survey referred to in SECTION 4 hereof, and for other purposes reasonably related to this Agreement. Such physical inspection and entry shall not unreasonably interfere with the use of the Developer Lots by Developer nor shall City's inspection or entry damage the Developer Lots in any respect. Such physical inspection shall not be invasive in any respect (unless City obtains Developer's prior written consent), and in any event shall be conducted in accordance with standards customarily employed in the industry and in compliance with all governmental laws, rules and regulations. Following each entry by City with respect to inspections and/or tests on the Developer Lots, City shall restore the Developer Lots to a condition which is as near to its original condition as existed prior to any such inspections and/or tests. Developer shall cooperate with City but shall not be obligated to incur any liability or expense in connection therewith. City agrees to indemnify against and hold Developer harmless from any claim for liabilities, costs, expenses (including reasonable attorneys' fees actually incurred) damages or injuries arising out of or resulting from the inspection of the Developer Lots by City or its agents, except to the extent such costs, expenses or liabilities arising under this Section are in connection with the current owner of such property, its agents', employees' or contractors' activities on the Developer Lots prior to Closing and/or such party has expressly accepted liability or has acted wrongfully causing such cost, expense or liability. Notwithstanding anything to the contrary in this Agreement, such obligation to indemnify and hold harmless Developer shall survive Closing or any termination of this Agreement. All costs for or in connection with such tests, studies and reports shall be paid by City.

SECTION 7. DEFAULT EVENTS AND REMEDIES

Nonperformance by either party of its obligations under this Agreement which continues for a period of ten (10) days following written notice of nonperformance shall be a default by the nonperforming party. Material falsity of any representation, covenant or warranty made in this Agreement by City or Developer either at the time of execution of this Agreement or as of the Closing Date shall be a default hereunder by such party. In the event of default by either party, such other party's remedies shall be (i) termination of this Agreement; (ii) prosecuting an action for damages; (iii) seeking equitable relief from a Court of competent jurisdiction, including but not limited to, specific performance, and (iv) any other remedy available at law or in equity. Furthermore, in the event of such default, City and Developer shall also deliver to such other

EXHIBIT 3.1.2

AGREEMENT FOR DEVELOPER'S TRANSFER AND CONVEYANCE TO CITY

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party copies of all studies, reports and surveys prepared by City and Developer relating to the City Lots forthwith.

SECTION 8. BROKER

Developer and City represent and warrant that they have incurred no liabilities or claims for brokerage commissions or finder's fees in connection with this Agreement and that they have not dealt with, and have no knowledge of, any real estate broker, agent or salesperson in connection with this Agreement. In the event any such real estate broker, agent or salesperson claims any such brokerage commissions or finder's fee in connection with this Agreement, such fees shall be paid by Developer out of escrow, without any liability to such other party, upon closing of this transaction on the Closing Date. Developer and City each agree to indemnify and hold the other harmless from and against any and all liability, including attorneys' fees, for any such fee or commission alleged to be payable in connection with this transaction by reason of the conduct of such party.

SECTION 9. NOTICES

Any and all notices or other communications required or permitted by this Agreement or by law to be served on or given to a party hereto by the other party shall be in writing and shall be duly served and given only when personally delivered or sent by United States mail, registered or certified, postage prepaid, or overnight delivery, and addressed to the respective parties as follows:

City:	City Manager City of Vancouver 210 East 13 th Street Vancouver, Washington 98660
With a Copy to:	City Attorney City of Vancouver 210 East 13 th Street Vancouver, Washington 98660
Developer:	Broadway Investors L.L.C. ATTN: George Killian 820 SE 73 rd Avenue Vancouver, Washington 98664
With a Copy to:	Stephen W. Horenstein Miller Nash LLP 900 Washington Street, Suite 900 Vancouver, Washington 98660

EXHIBIT 3.1.2

AGREEMENT FOR DEVELOPER'S TRANSFER AND CONVEYANCE TO CITY

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Notices or other communications served in the above manner shall be considered sufficiently given or served for all purposes under this Agreement at the time the notice or communication is postmarked or personally delivered to the address shown above.

SECTION 10. CONDITION OF PROPERTY

SUBJECT TO THE PROVISIONS CONTAINED IN THIS AGREEMENT, DEVELOPER MAKES NO REPRESENTATION OR WARRANTY WITH RESPECT TO (I) THE CONDITION OF THE DEVELOPER LOTS (INCLUDING ANY IMPROVEMENTS THEREIN) OR THE SUITABILITY OF THE DEVELOPER LOTS FOR SUCH OTHER PARTIES' INTENDED USE OR FOR ANY USE WHATSOEVER; (II) THE PRESENCE OF ANY HAZARDOUS SUBSTANCES IN THE DEVELOPER LOTS. CITY ACKNOWLEDGES THAT IT HAS BEEN GIVEN THE OPPORTUNITY UNDER THIS AGREEMENT TO FULLY INSPECT THE DEVELOPER LOTS AND THE ENVIRONMENTAL CONDITION. DEVELOPER AGREES THAT BY ACCEPTING THE TRANSFER AND CONVEYANCE OF THE DEVELOPER LOTS, CITY (SUBJECT TO THE FOREGOING CONTAINED IN THIS PARAGRAPH) IS ACCEPTING THE DEVELOPER LOTS IN THEIR "AS IS" CONDITION AND STATE OF REPAIR. CITY AND DEVELOPER AGREE THAT THE PROVISIONS OF THIS SECTION SHALL SURVIVE CLOSING.

SECTION 11. MISCELLANEOUS

11.1 Binding Effect

This Agreement shall be binding upon and inure to the benefit of the City and Developer and their respective successors and assigns.

11.2 Interpretation/Construction

The headings incorporated in this Agreement are for convenience and reference only and are not a part of this Agreement and do not in any way limit or add to the terms and provisions hereof. Further, the masculine, feminine or neuter gender, and the singular or plural number, shall be deemed to include the others whenever the context so indicates.

11.3 Entire Agreement

This is the entire agreement between the parties and there are no other terms, obligations, covenants, representations, statements or conditions, oral or written, of any kind whatsoever concerning the transfer and conveyance of the Developer Lots, other than as set forth in the DDA to which this Agreement is attached as Exhibit 3.1.2. Any inconsistency between this Agreement and the DDA shall be resolved in favor of the DDA. Any agreement hereafter made shall be ineffective to change, modify, discharge or effect an abandonment of this Agreement in whole or in part unless such agreement is in writing, makes specific reference to this Agreement and is

EXHIBIT 3.1.2

AGREEMENT FOR DEVELOPER'S TRANSFER AND CONVEYANCE TO CITY

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signed by the party against whom enforcement of the change, modification, discharge or abandonment is sought.

11.4 Survival

All agreements, covenants, conditions, warranties and representations contained in this Agreement, which by their nature impliedly or expressly involve performance in any particular after closing on the Closing Date or which cannot be ascertained to have been fully performed until after such closing, shall survive the closing.

11.5 Time

Time is of the essence of this Agreement and the performance of the obligations described herein.

11.6 Governing Law

This Agreement shall be governed by and construed under the laws of the State of Washington, all rights and remedies being governed by such laws, and any provision hereof which may prove to be unenforceable shall not affect the validity of any other provision of this Agreement. Any action or litigation arising out of or in connection with this Agreement shall be conducted in Clark County, Washington.

11.7 Cooperation

Each party hereto agrees to take such action as may be necessary or appropriate to carry out the intended purpose hereof and to execute any and all documents which may be necessary or appropriate with respect thereto.

11.8 Attorneys Fees

In the event either party brings an action at law or other proceeding against the other party to enforce any of the terms, covenants and conditions hereof, the party prevailing in such action or proceeding shall be paid by the other party all attorney fees and statutory and other costs (including without limitation costs of discovery and expert witness fees, whether at trial, on appeal, on petition for review or in bankruptcy or other judicial or administrative proceeding), and the same shall be included in any judgment in such action or proceedings or appeal.

11.9 Waiver

No act or omission of either party hereto shall at any time be construed to deprive such party of a right or remedy hereunder or otherwise be construed so as to at any future time estop such party from exercising such right or remedy.

EXHIBIT 3.1.2

AGREEMENT FOR DEVELOPER'S TRANSFER AND CONVEYANCE TO CITY

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11.10 Risk of Loss

If prior to closing, land or improvements on said Developer Lots shall be destroyed or materially damaged by fire or other casualty, this agreement at option of either party shall become null and void.

11.11 Successors and Assigns

The terms and provisions of this Agreement shall be binding upon and shall inure to the benefit of the heirs, legal representatives and proper and permitted assigns and successors of the parties. Permitted assigns of Developer shall include an entity controlled by Developer in accordance with the terms of the DDA.

11.12 City's Affidavit

Developer shall provide an affidavit to the effect that Developer is not a foreign person as the term is used and defined in Section 1445 of the Internal Revenue Code of 1954, as amended, and in the regulations promulgated thereunder. Such affidavit shall be provided on or before the Closing Date.

EXHIBIT 3.1.2

AGREEMENT FOR DEVELOPER'S TRANSFER AND CONVEYANCE TO CITY

01775008 D07 (Transfer Agreement-25b) doc (12/28/1999 - 11:58 AM) -8-

This Agreement is executed and delivered by City as an offer. If the offer is not accepted by execution by Developer of an original of this Agreement and its delivery to City by December 31, 1999, the offer shall be deemed withdrawn and of no further force and effect.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the date indicated.

DEVELOPER:

BROADWAY INVESTORS L.L.C., a
Washington limited liability company

Date: December 28, 1999

By: 
Its: MEMBER

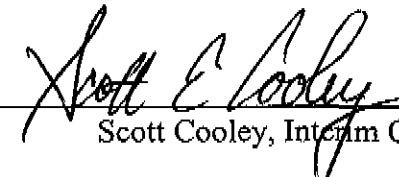
CITY:

CITY OF VANCOUVER,
a Washington municipal corporation

Date: December 29, 1999

By: 
Vernon E. Stoner, City Manager

Attest:


Scott Cooley, Interim City Clerk

Approved as to form:

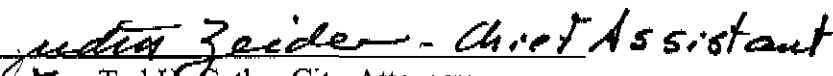
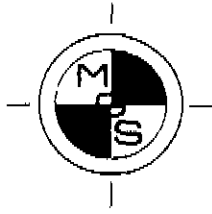
 - Chief Assistant
For: Ted H. Gathe, City Attorney

EXHIBIT 3.1.2

AGREEMENT FOR DEVELOPER'S TRANSFER AND CONVEYANCE TO CITY

01775008 D07 (Transfer Agreement-25b) doc (12/28/1999 - 11:58 AM) -9-

EXHIBIT "A"



MINISTER-GLAESER
SURVEYING INC.

(360) 694-3313
FAX (360) 694-8410
2200 E. EVERGREEN
VANCOUVER, WA 98661

October 7, 1999

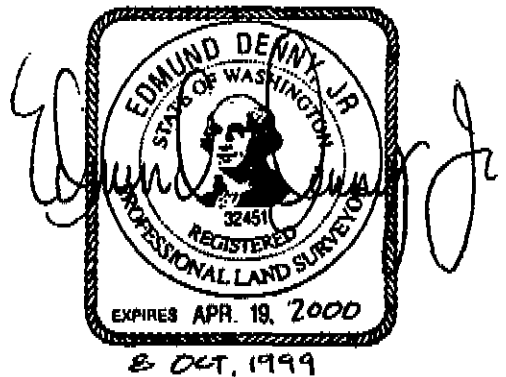
EXHIBIT "A"

~~Lots 1, 2, 7 and 8 of Block 24 of "East Vancouver" according to City of Vancouver~~
~~Ordinance No. 118 and No. 122, according to the plats at page 30, recorded in Volume~~
~~"D" of plats at page 30, records of Clark County, Washington located in the Southeast~~
~~quarter of Section 27, Township 2 North, Range 1 East, Willamette Meridian, Clark~~
~~County, Washington.~~

~~Together with the North 2 feet of that portion of East Fifth Street adjoining the South~~
~~portion of said lots 7 and 8 as vacated under Ordinance No. 1590 of the City of~~
~~Vancouver.~~

LEGAL DESCRIPTION:

Also together with lots 3 and 4 of Block 25 of "East Vancouver" according to the City of Vancouver Ordinance No. 118 and No. 122, according to the plat thereof, recorded in Volume "D" of plats at page 30, records of Clark County, Washington, located in the Southeast quarter of Section 27, Township 2 North, Range 1 East, Willamette Meridian, Clark County, Washington.



INITIAL: GAL B For THG DFB AC
12/28/99 12/29/99 12/29/99 12/29/99

EXHIBIT 3.1.2 - EXHIBIT "A"
LEGAL DESCRIPTION OF CITY LOTS

01775008 D07 (Transfer Agreement-25b) doc (12/28/1999 - 11 58 AM) -1-

EXHIBIT "A-1"

EAST 6TH

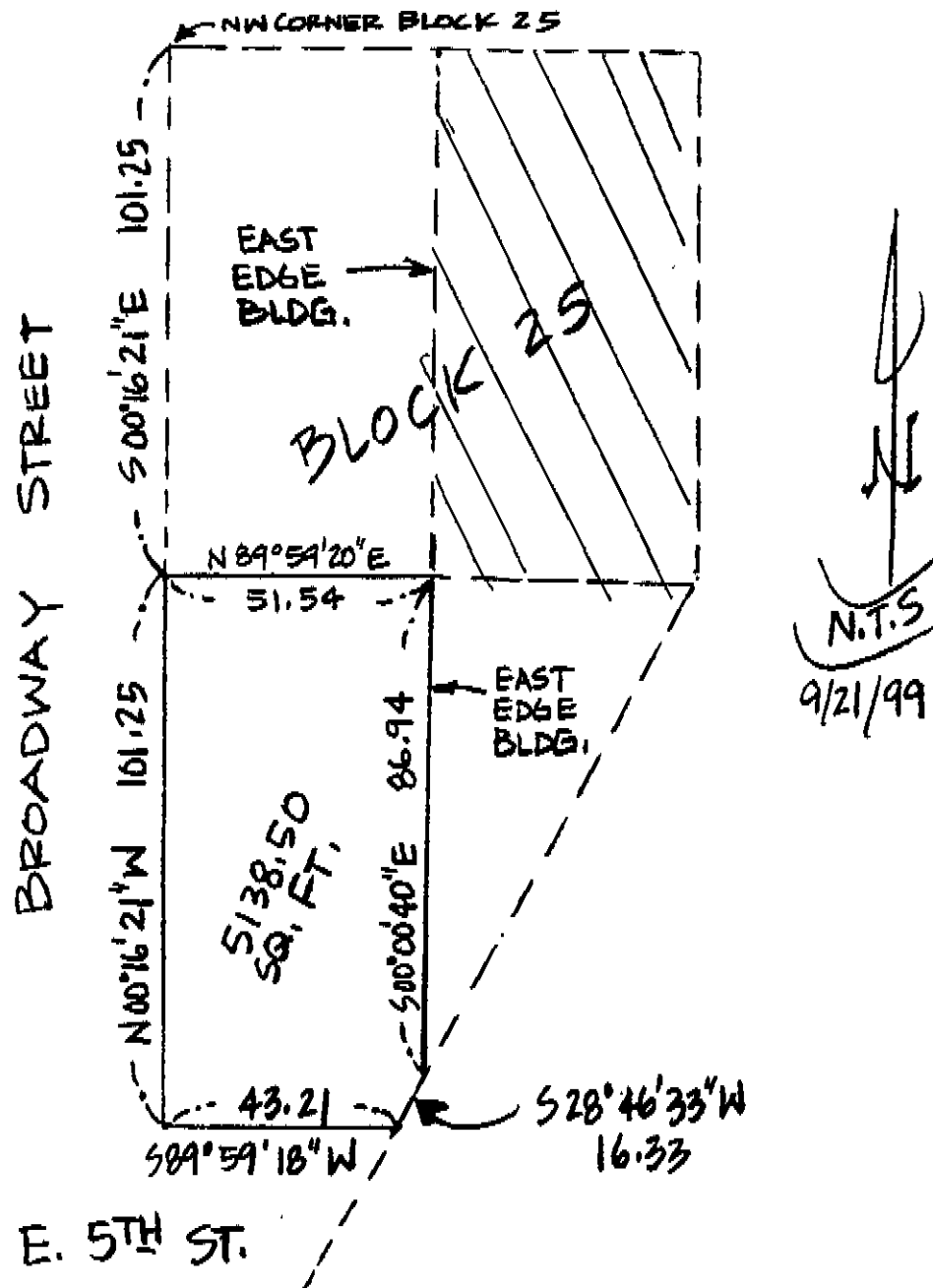


EXHIBIT 3.1.2 - EXHIBIT "A-1"
 MAP DEPICTING DEVELOPER LOTS BEING TRANSFERRED TO CITY
 01775008 D07 (Transfer Agreement-25b) doc (12/28/1999 - 11:58 AM) -1-

EXHIBIT "B"

PERMITTED ENCUMBRANCES

EXHIBIT 3.1.2 – EXHIBIT "B"

PERMITTED ENCUMBRANCES

01775008.D07 (Transfer Agreement-25b).doc (12/28/1999 - 11:58 AM) -1-

EXHIBIT 3.5

DEPICTION OF VACATION OF 5TH AND BROADWAY STREETS

PETITION FOR STREET VACATION

TO: The Honorable Mayor Royce Pollard and the City Council of the City of Vancouver,
Washington

Pursuant to RCW Chapter 35.79, the undersigned Petitioner respectfully requests vacation of a portion of Broadway Street, from East 5th Street to East 6th Street, and a portion of East 5th Street, legally described in Exhibit "A" to this Petition and as shown in the map attached as Exhibit "B."

The following are the owners of land and their respective parcel numbers adjacent to the portions of the streets Petitioner is seeking to vacate:

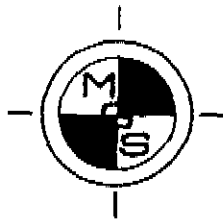
<u>Property Owner</u>	<u>Parcel Number</u>	<u>Site Address</u>
City of Vancouver	038520-000	501 Broadway St.
George A. & Elaine A. Killian	038510-000	No Site Address
George A. & Elaine A. Killian	038470-000	No Site Address
George A. & Elaine A. Killian	038410-000	No Site Address

A copy of the map attached hereto as Exhibit "B" illustrates the portions of Broadway and East 5th Street sought to be vacated and the location of abutting landowners.

Petitioner petitions the City Council to hold proceedings pursuant to RCW Chapter 35.79 to vacate the requested portions of Broadway and East 5th Street.

Date: 9/16/97


GEORGE A. KILLIAN



**MINISTER-GLAESER
SURVEYING INC.**

(360) 694-3313
FAX (360) 694-8410
2200 E. EVERGREEN
VANCOUVER, WA 98661

September 13, 1999

EXHIBIT "A"

Description of that portion of Broadway Street and East 5th Street to be vacated:

A strip of land in the Northwest quarter of the Southeast quarter of Section 27, Township 2 North, Range 1 East, Willamette Meridian, City of Vancouver, Clark County, Washington, described as follows:

Beginning at the Northeast corner of Block 24, of "East Vancouver" according to City of Vancouver Ordinance No. 118 and No. 122 according to the plat thereof recorded in Volume "D" of plats at page 30; records of Clark County, Washington;

Thence South 00°16'21" East, along the West line of Broadway Street also being the East line of said Block 24 and the extension thereof, for a distance of 204.50 feet;

Thence South 89°59'18" West, along the North line of E. 5th Street, also being the South line of a 2.00 foot road vacation according to the City of Vancouver Ordinance No. 1590, dated July 8, 1937, for a distance of 52.93 feet;

Thence South 00°00'40" East, for a distance of 76.00 feet to the Northerly right-of-way line of Washington State Department of Transportation right-of-way, according to SR 5 and SR 14 Vancouver freeway SR14 interchange, dated July 31, 1981;

Thence North 89°59'18" East, along said Northerly line for a distance of 133.28 feet to an angle point in said Northerly line,

Thence North 28°46'33" East, along the Westerly line of said right-of-way line, for a distance of 89.00 feet to the North line of said E. 5th Street;

Thence South 89°59'18" West, along the North line of said E. 5th Street, for a distance of 43 21 feet to the Southwest corner of Block 25 of said "East Vancouver",

Thence North 00°16'21" West, along the West line of said Block 25, for a distance of 202 50 feet to the Northwest corner thereof,

Thence North $89^{\circ}59'20''$ West, along the South line of E. 16th Street, for a distance of 80.00 feet to the POINT OF BEGINNING

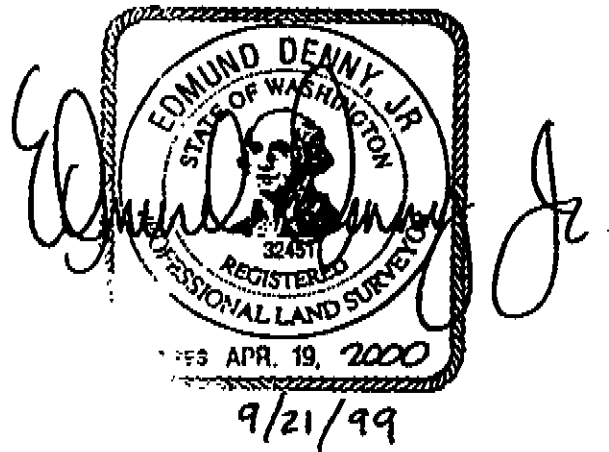
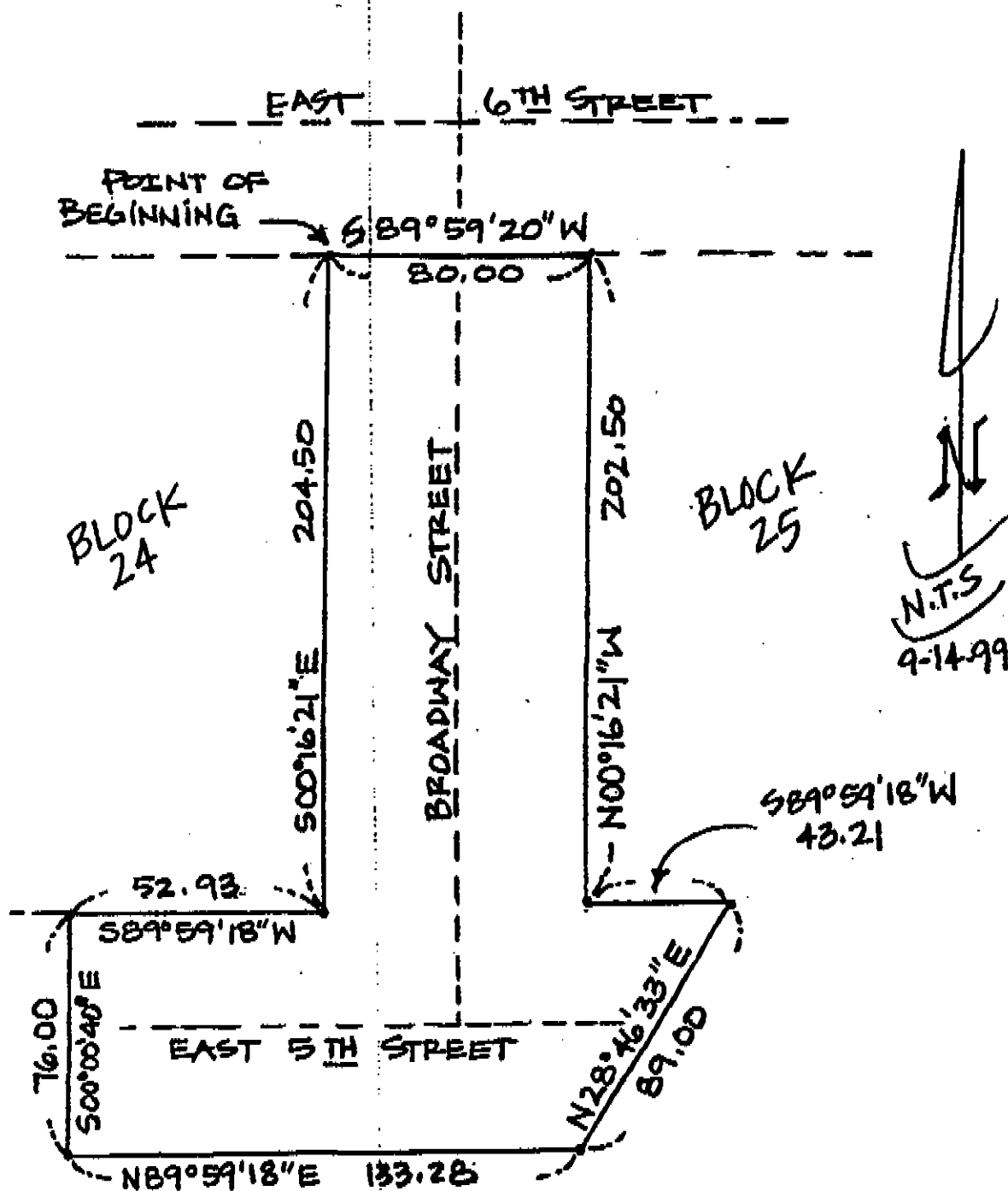


EXHIBIT SKETCH



TOPOGRAPHIC SURVEY

FOR SELLING PLATS OF
BLOCK 24 AND A PORTION OF BLOCK 25
EAST VANCOUVER ACCORDING TO CITY OF
VANCOUVER ORDINANCE NO. 118 AND 122
RECORDED IN BOOK 37 OF PLATS AT PAGE 30
LIVING IN THE NW 1/4 OF SE 1/4 OF
SECTION 27, T. 7 N., R. 1 E.,
CLATSOP COUNTY, WASHINGTON

AS SHOWN ON
PLAT NO. 118
RECORDED IN BOOK 37 OF PLATS AT PAGE 30
LIVING IN THE NW 1/4 OF SE 1/4 OF
SECTION 27, T. 7 N., R. 1 E.,
CLATSOP COUNTY, WASHINGTON

NOTES:
1. ALL DISTANCES ARE IN FEET AND DECIMALS THEREOF.
2. ALL ANGLES ARE IN DEGREES AND DECIMALS THEREOF.
3. ALL CURVES ARE FULL CIRCLES UNLESS OTHERWISE NOTED.
4. ALL ELEVATIONS ARE IN FEET ABOVE MEAN SEA LEVEL.
5. ALL DISTANCES ARE MEASURED ALONG THE CENTER LINE OF THE ROAD OR RAILROAD.
6. ALL DISTANCES ARE MEASURED ALONG THE CENTER LINE OF THE ROAD OR RAILROAD.
7. ALL DISTANCES ARE MEASURED ALONG THE CENTER LINE OF THE ROAD OR RAILROAD.
8. ALL DISTANCES ARE MEASURED ALONG THE CENTER LINE OF THE ROAD OR RAILROAD.
9. ALL DISTANCES ARE MEASURED ALONG THE CENTER LINE OF THE ROAD OR RAILROAD.
10. ALL DISTANCES ARE MEASURED ALONG THE CENTER LINE OF THE ROAD OR RAILROAD.

Exhibit B

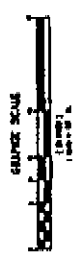
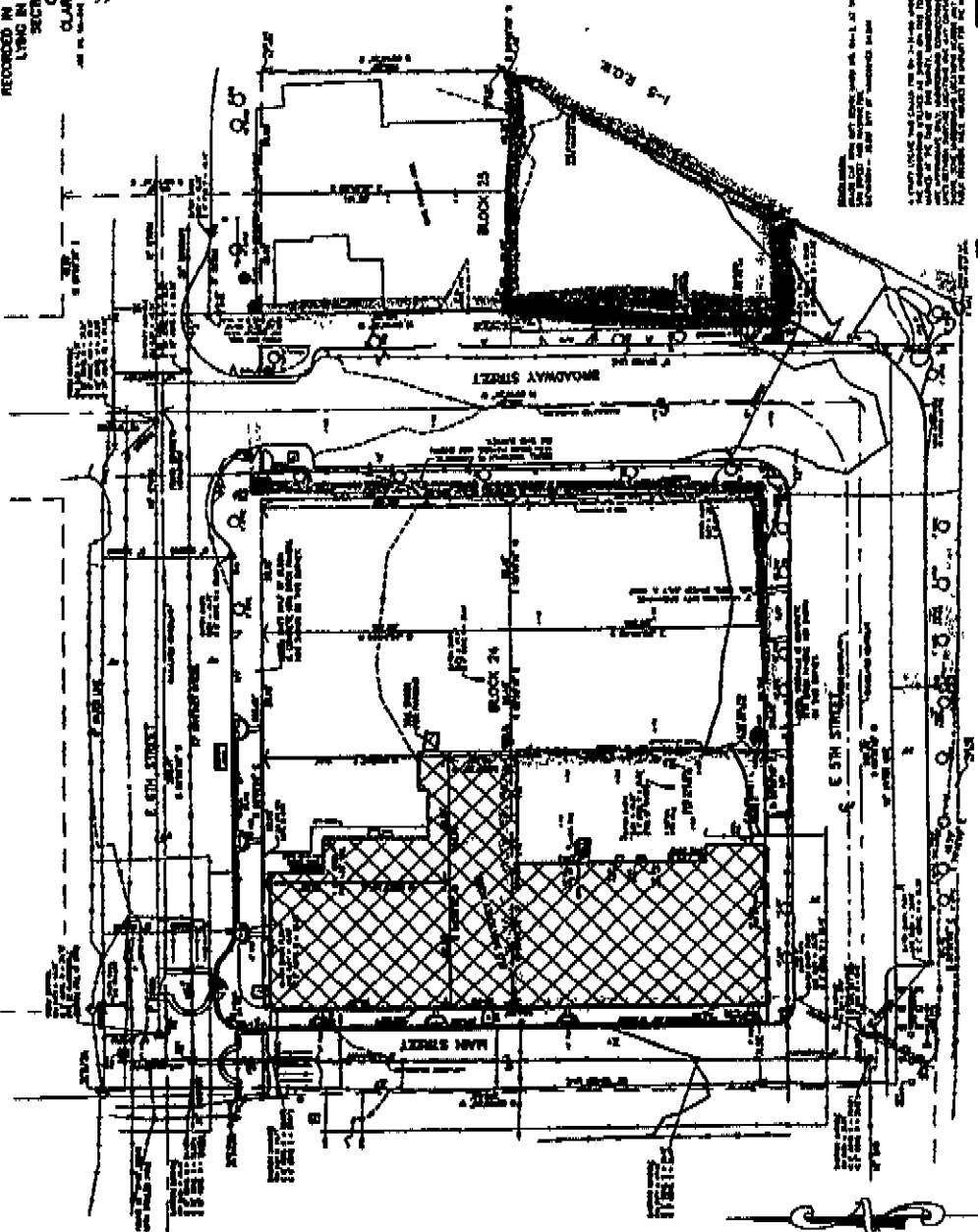
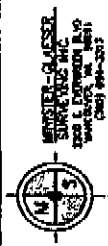


EXHIBIT 3.6

FIRST RIGHT OF REFUSAL AND OPTION AGREEMENT TO PURCHASE FRONTIER PROPERTY

THIS FIRST RIGHT OF REFUSAL AND OPTION AGREEMENT TO PURCHASE FRONTIER PROPERTY (the "Agreement") is made and entered into this 29th day of December, 1999, by and between the CITY OF VANCOUVER, a Washington municipal corporation ("City") and BROADWAY INVESTORS L.L.C., a Washington limited liability company ("Developer").

FOR AND IN CONSIDERATION of the execution of the Disposition and Development Agreement ("DDA"), the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

1. Exclusive Right. Developer herein grants City the exclusive first right of refusal and option to purchase the real property located at 6th and Main in Vancouver, Washington, legally described in Exhibit "A" attached hereto and incorporated herein by reference (the "Frontier Property"), upon the terms and conditions set forth herein. The rights granted City under this Agreement shall commence immediately upon mutual execution of this Agreement and shall terminate at the expiration of ten (10) years unless terminated earlier pursuant to the specific terms of this Agreement.
2. Consideration. The consideration for this Agreement is the entering into the transaction set forth in the DDA to which this Agreement is attached as Exhibit 3.6.
3. First Right of Refusal. Commencing upon mutual execution of this Agreement, City is granted a first right of refusal to purchase the Frontier Property, which right shall expire ten (10) years after such date of commencement ("First Right of Refusal Period"). During the First Right of Refusal Period, if Developer receives from a third party a bona fide offer to purchase the Frontier Property which Developer desires to accept, then Developer shall provide City with written notice of the price, terms and conditions of the offer. Upon City's receipt of such notice, City shall have the right to purchase the Frontier Property at the same price and on the same terms and conditions as are contained in the offer. City shall have fifteen (15) business days from the date City receives the notice to notify Developer whether City elects to purchase the Frontier Property pursuant to the terms of such offer. If City fails to timely exercise its right to purchase pursuant to the terms of this Section 3, then City's right to purchase the Frontier Property under this Agreement shall terminate and Developer shall be entitled to sell the Frontier Property according to the terms of the offer to the third-party offeror. Provided, however, the parties acknowledge and agree that in the event Developer elects to develop the Frontier Property

EXHIBIT 3.6

FIRST RIGHT OF REFUSAL AND OPTION AGREEMENT TO PURCHASE FRONTIER PROPERTY

01775008 D09 (Option Agree Frontier-6).doc (12/28/1999 - 12:01 PM) -1-

during the First Right of Refusal Period, upon thirty (30) days written notice to City by Developer, City's rights shall terminate under this Agreement.

3.1. In the event that Developer elects to develop, such development must contain a minimum floor area ratio of two (2) to one (1).

4. Option to Purchase. Commencing at the end of the fifth (5th) year from the mutual execution of this Agreement, City is granted an option to purchase the Frontier Property, which right shall terminate at the expiration of the tenth (10th) year from the mutual execution of this Agreement unless terminated earlier pursuant to the specific terms of this Agreement. Provided, however, the parties acknowledge and agree that in the event Developer elects to develop the Frontier Property during the Option to Purchase Period, upon thirty (30) days written notice to City by Developer, City's rights shall terminate under this Agreement. Provided, further, the parties acknowledge and agree that the City's rights pursuant to this Option to Purchase provision shall run concurrently with the City's rights under the First Right of Refusal Period set forth hereinabove from the beginning of the fifth (5th) year until the end of the tenth (10th) year from the mutual execution of this Agreement.

4.1. Method of Exercising Option. City shall exercise the Option to Purchase by giving notice in writing ("Option Notice") to Developer within the Option Period set forth in SECTION 3 above.

4.2. City shall purchase the Frontier Property for the Fair Market Value (as defined hereinbelow).

4.3. Furthermore, City shall deliver to Developer, concurrently with the Option Notice, its estimate of the Fair Market Value (as defined hereinbelow) of the Frontier Property. Following receipt of such notice, the parties shall negotiate in good faith in an attempt to reach agreement concerning the then Fair Market Value of the Frontier Property. If they are unable to so agree within thirty (30) days after Developer's receipt of the Option Notice, either party may by written notice to the other, submit the determination of Fair Market Value to Arbitration in accordance with SECTION 4.7 below.

4.4. If either party elects to submit the determination of Fair Market Value to arbitration, then it shall also, in the same notice in which it elects arbitration, designate an appraiser. Within ten (10) days after receipt of such notice, the other party shall give notice designating a second appraiser. The two appraisers so selected shall, within ten (10) days following the selection of the second appraiser, select a third appraiser. The appraisers so selected shall, within ten (10) days following the selection of the final appraiser, meet, review such information as may be submitted by Developer or City, and such other information as they deem pertinent to the determination of the then Fair Market Value of the Frontier Property, and, within thirty (30) days of the selection of the final appraiser, determine (either unanimously or by

EXHIBIT 3.6

FIRST RIGHT OF REFUSAL AND OPTION AGREEMENT TO PURCHASE FRONTIER PROPERTY

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-2-

a vote of two of the three appraisers) the applicable Fair Market Value of the Frontier Property. The appraisers shall give written notice to the parties of the Fair Market Value so determined.

4.5. If either Developer or City shall fail to designate an appraiser within the time period specified in SECTION 4.3 above, the defaulting party shall be deemed to have accepted the appraiser designated by the other, in which event the one appraiser described in SECTION 4.3 above shall make the determination of the then Fair Market Value of the Frontier Property in accordance with SECTION 4.3 above.

4.6. If the two appraisers designated by the parties are unable to agree on a third appraiser within the time period specified in SECTION 4.3 above, then either Developer or City may apply to the Superior Court of the State of Washington for Clark County to designate a third appraiser. Each party shall be responsible for the costs of their own appraiser, with the costs of the third appraiser to be shared equally by the parties.

4.7. All appraisers designated pursuant to SECTION 4.3 above shall be disinterested MAI appraisers with not less than ten (10) years experience in appraising commercial properties in Portland metropolitan area. A disinterested appraiser shall be one who has no direct or indirect financial interest in the outcome of the arbitration (other than payment of a reasonable appraisal fee) and who is not a member, manager, officer, director, employee or agent of City or Developer.

4.8. "Fair Market Value" means the most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is a consummation of sale as of a specified date, and the passing of title from the seller to the buyer under conditions whereby:

4.8.1. The buyer and seller are typically motivated;

4.8.2. Both parties are well informed or well advised, and each acting in what each considers its own best interest;

4.8.3. A reasonable time is allowed for exposure in the open market;

4.8.4. Payment is made in terms of U.S. dollars, or in terms of financial arrangements comparable thereto; and

4.8.5. The price represents a normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

EXHIBIT 3.6

FIRST RIGHT OF REFUSAL AND OPTION AGREEMENT TO PURCHASE FRONTIER PROPERTY

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4.9. In the event that Developer elects to develop, such development must contain a minimum floor area ratio of two (2) to one (1).

5. Purchase Price. The purchase price for the Frontier Property shall be the Fair Market Value as defined in SECTION 4 above.

6. Payment of Purchase Price. The entire purchase price shall be payable by City to Developer at close of escrow in cash.

7. Title to Property. Developer shall convey the Frontier Property to City by Statutory Warranty Deed, free and clear of all right, title or interest of Developer and subject only to rights reserved in federal patents or state deeds; building or use restrictions general to the district; reserved hydrocarbon and mineral rights; existing utility and other easements of record approved by City and not inconsistent with City's intended use; existing covenants, conditions, restrictions, deed exceptions and reservations of record as approved by City and not inconsistent with City's intended use, all of which shall not be deemed encumbrances or defects.

8. Developer Representations and Warranties. Upon sale of the Frontier Property from Developer to City, Developer shall represent and warrant to City as follows:

8.1. During Developer's ownership of the Frontier Property, to the best of Developer's knowledge, there is no litigation pending, threatened, with respect to the Frontier Property.

8.2. During Developer's ownership of the Frontier Property, to the best of Developer's knowledge, Developer has paid any and all state and local taxes assessed in connection with the construction of the Frontier Property and has completed and filed all necessary tax returns with the appropriate taxing authority applicable thereto (if applicable).

8.3. During Developer's ownership of the Frontier Property, to the best of Developer's knowledge, no Hazardous Substances in violation of any applicable federal, state or local laws have been incorporated in the structure of the Frontier Property.

In the event City alleges a breach of such warranties by Developer on or before the expiration of the one (1) year warranty period, Developer shall, within thirty (30) days following receipt of City's claim, proceed to cure the breach identified in City's notice and diligently and promptly complete such cure or correction to completion. For purposes of this Agreement, "warranty period" shall mean that period commencing upon the Date of Closing of this Agreement and expiring one (1) year thereafter.

Any default by Developer under this Agreement, including any breach of any representation or warranty which is not cured within the period of time provided herein shall constitute a default

EXHIBIT 3.6

FIRST RIGHT OF REFUSAL AND OPTION AGREEMENT TO PURCHASE FRONTIER PROPERTY

01775008 D09 (Option Agree Frontier-6) doc (12/28/1999 - 12:01 PM) -4-

by Developer under the DDA; provided however, City's remedies shall be limited to damages or specific performance for such breach.

9. Disclaimer. EXCEPT AS SPECIFICALLY SET FORTH IN SECTION 8 OF THIS AGREEMENT, DEVELOPER MAKES NO REPRESENTATIONS OR WARRANTIES WITH RESPECT TO THE FRONTIER PROPERTY. CITY ACKNOWLEDGES THAT CITY WAS GIVEN THE OPPORTUNITY UNDER THIS AGREEMENT TO FULLY INSPECT THE FRONTIER PROPERTY. CITY AGREES THAT BY PURCHASING THE FRONTIER PROPERTY, CITY IS AGREEING TO PURCHASE THE FRONTIER PROPERTY (SUBJECT TO THE FOREGOING CONTAINED IN THIS PARAGRAPH) IN THEIR "AS IS" CONDITION AND STATE OF REPAIR. CITY AND DEVELOPER AGREE THAT THE PROVISIONS OF THIS SECTION SHALL SURVIVE CLOSING.

10. Escrow. The sale shall be consummated through a Washington State title insurance company mutually agreeable to the parties (the "Escrow Holder"), to be opened by Developer within five (5) business days after the Option Notice has been given to Developer. Escrow shall be deemed to be opened under this paragraph on the date the escrow instructions are drawn. The parties shall execute all documents required by escrow holder as long as they are consistent with the provisions of this paragraph. Escrow shall close within thirty (30) days after the purchase price of the Frontier Property has been set under Paragraph 4. Escrow shall be deemed to be closed pursuant to this paragraph on the date of recording.

11. Title Insurance. At the close of escrow, escrow holder must be prepared to have issued by a Washington State title insurance company, an ALTA Standard Coverage Policy of Title Insurance in the amount of the purchase price insuring title to the Frontier Property vested in City.

12. Proration of Costs. All revenues and all expenses of the Frontier Property including, but not limited to real and personal property taxes, special assessments, rents, water, sewer, and utility charges, amounts payable under contracts assumed by City, if any, annual permits and/or inspection fees (calculated on the basis of the respective periods covered thereby) and other expenses normal to the ownership, use, operation and maintenance of the Frontier Property shall be prorated as of the Closing Date(s) for the Frontier Property. If any revenue or expense amount cannot be ascertained with certainty as of the Close of Escrow, it shall be prorated on the basis of the parties' reasonable estimate of such amounts and shall be the subject of a final proration sixty (60) days after the Close of Escrow or as soon thereafter as the precise amount can be ascertained.

13. Closing Costs. Excise taxes and recording fees on the Deed shall be paid by Developer, if required. Charges for a title insurance policy, escrow and all other closing costs shall be paid equally between the parties in accordance with the custom of Clark County, Washington.

EXHIBIT 3.6

FIRST RIGHT OF REFUSAL AND OPTION AGREEMENT TO PURCHASE FRONTIER PROPERTY

01775008 D09 (Option Agree Frontier-6) doc (12/28/1999 - 12 01 PM) -5-

14. Notices. Any payments or notices required or desired to be given under this Agreement shall be in writing and personally served or given by mail. Any notice or payment given by mail shall be sent, postage prepaid, by certified mail, return receipt requested, or overnight delivery, and addressed to the party to receive the same, at the following address or at such other address or addresses as the parties may from time to time direct in writing, as follows:

City: City Manager
City of Vancouver
210 East 13th Street
Vancouver, Washington 98660

With a Copy to: City Attorney
City of Vancouver
210 East 13th Street
Vancouver, Washington 98660

Developer: Broadway Investors L.L.C.
ATTN: George Killian
820 SE 73rd Avenue
Vancouver, Washington 98664

With a Copy to: Stephen W. Horenstein
Miller Nash LLP
900 Washington Street, Suite 900
Vancouver, Washington 98660

15. Close of Escrow-Termination. Prior to the close of escrow, City will have inspected (or had the opportunity to inspect) all of the Frontier Property and such documents as deemed relevant by City relating to the Frontier Property and City's intended use thereof; and based on City's best judgment and the best judgment of independent experts available to City, accepts same, AS IS, including any latent defects with no warranties, express or implied, except for those expressly provided to survive and continue under the terms of this Agreement, and with no obligation of Developer to make repairs or replacements.

16. Assignment. The parties may not assign their rights under this Agreement without the written consent of the other party (which consent shall not be unreasonably withheld or delayed).

17. Miscellaneous.

17.1. Entire Agreement. This Agreement and the DDA constitutes the entire Agreement between the parties. Any inconsistency between this Agreement and the DDA shall be resolved in favor of the DDA.

EXHIBIT 3.6

FIRST RIGHT OF REFUSAL AND OPTION AGREEMENT TO PURCHASE FRONTIER PROPERTY

01775008 D09 (Option Agree Frontier-6).doc (12/28/1999 - 12:01 PM) -6-

17.2. Binding Nature All rights and obligations arising out of this Agreement shall inure to the benefit of and be binding upon the respective successors, heirs, assigns, administrators, executors and marital communities, if any, of the parties hereto.

17.3. Washington Law. This Agreement shall be construed, interpreted and enforced pursuant to the laws of the State of Washington, and the parties agree that the Superior Court of Clark County for the State of Washington shall have sole and exclusive jurisdiction of any suit or proceeding brought with respect to this Agreement or the Frontier Property.

17.4. Attorney Fees. In the event any action or legal proceedings are commenced to enforce any of the terms and conditions hereof or to terminate this Agreement (whether the same shall proceed to judgment or otherwise), the prevailing party shall receive from the other a reasonable sum as attorneys fees together with costs.

17.5. Time. Time is of the essence hereof.

17.6. Captions. The captions and section headings hereof are inserted for convenience purposes only and shall not be deemed to limit or expand the meaning of any section.

EXHIBIT 3 6

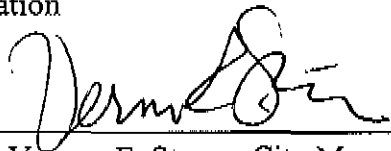
FIRST RIGHT OF REFUSAL AND OPTION AGREEMENT TO PURCHASE FRONTIER PROPERTY

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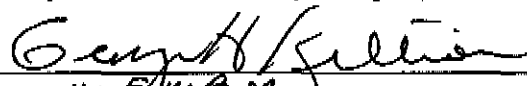
17.7. Counterparts. This Agreement may be signed in counterparts, any one of which shall be deemed an original.

IN WITNESS WHEREOF, we have hereunto set our hands as of the day and year first above written.

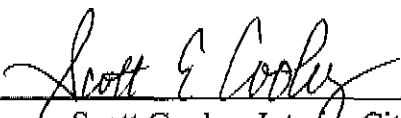
CITY OF VANCOUVER, a municipal
corporation

By 
Vernon E. Stoner, City Manager

BROADWAY INVESTORS L.L.C., a
Washington limited liability company

By 
Its MEMBER

Attest:


Scott Cooley, Interim City Clerk

Approved as to Form:

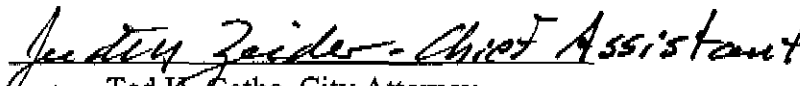

For: Ted H. Gathe, City Attorney

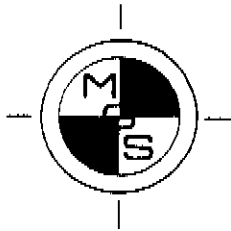
EXHIBIT 3.6

FIRST RIGHT OF REFUSAL AND OPTION AGREEMENT TO PURCHASE FRONTIER PROPERTY

01775008 D09 (Option Agree Frontier-6).doc (12/28/1999 - 12:01 PM) -8-

EXHIBIT "A"

LEGAL DESCRIPTION OF DEVELOPER'S FRONTIER PROPERTY



**MINISTER-GLAESER
SURVEYING INC.**

(360) 694-3313
FAX (360) 694-8410
2200 E. EVERGREEN
VANCOUVER, WA 98661

October 8, 1999

EXHIBIT "B"

Lots 3 and 4 of Block 24 of "East Vancouver" according to City of Vancouver Ordinance No 118 and No. 122, according to the plats at page 30, recorded in Volume "D" of plats at page 30, records of Clark County, Washington, located in the Southeast quarter of Section 27, Township 2 North, Range 1 East, Willamette Meridian, Clark County, Washington

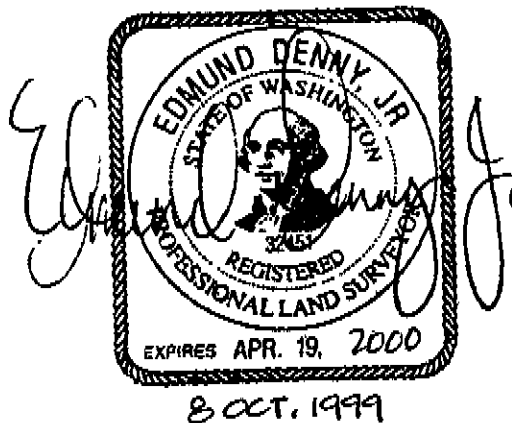


EXHIBIT 3 6 - EXHIBIT "A"

LEGAL DESCRIPTION OF DEVELOPER'S FRONTIER PROPERTY

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EXHIBIT 3.7

DEVELOPER'S EASEMENT FOR STORM WATER RETENTION

(To be attached after site plan approval.)

EXHIBIT 5.3.1

**PARKING GARAGE PURCHASE AGREEMENT
AND JOINT ESCROW INSTRUCTIONS**

Effective Date:

December 29, 1999.

Parties:

CITY OF VANCOUVER, a Washington municipal corporation (as Buyer and/or hereinafter "City"),

and

BROADWAY INVESTORS L.L.C., a Washington limited liability company (as Seller and/or hereinafter "Developer").

Recitals:

A. The parties have entered into a Transfer and Conveyance Agreement of even date herewith wherein City agreed to transfer and convey real property located on a portion of Block 25 in Vancouver, Washington, generally bound by Broadway Street and 5th Street (the "City Lots") to Developer. The parties have also entered into a Transfer and Conveyance Agreement wherein Developer agreed to transfer and convey real property located on a portion of Block 25 in Vancouver, Washington, generally bound by Broadway Street and 6th Street (a portion of "Developer Lots" as defined hereinbelow) to City. Developer intends to develop a mixed use project which will include office and residential condominium units ("Office Tower Unit"), a parking garage ("Parking Garage Unit") and a subterranean parking ramp within the Parking Garage Unit ("Subterranean Ramp Unit"), collectively referred to as the "Project" and also "Improvements", on the City Lots and on a portion of Developer's real property located on Block 25, generally bound by Main Street, 5th Street, 6th Street and Interstate 5 ("Developer Lots"). Developer Lots and City Lots may hereinafter be referred to collectively as the "Property". The Parking Garage Unit will be utilized by the entire Project and the general public. City intends to finance its purchase of the Parking Garage Unit through tax exempt bonds.

B. The parties have also entered into a Disposition and Development Agreement of even date herewith ("DDA") which, in part, governs the obligations, responsibilities, benefits to be exchanged and enjoyed between City and Developer in connection with the construction, maintenance, ownership and operation of the Project. In the event the terms of this Agreement conflict with the terms of the DDA, the terms of the DDA shall govern.

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PARKING GARAGE PURCHASE AGREEMENT

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C. The Parking Garage Unit will be three levels containing 233 parking spaces (one level on ground/grade and two levels above ground) and the Subterranean Ramp Unit will contain 34 parking spaces. The Parking Garage Unit will be purchased by City upon completion (as defined in the DDA) and satisfaction of other terms and conditions set forth in the DDA and as set forth herein; and Developer will retain ownership interest in the Subterranean Ramp Unit.

D. The parties further acknowledge and agree that they shall enter into mutually agreeable covenants, conditions and restrictions and/or reciprocal maintenance and easement agreement(s) as described in the DDA which will further govern the responsibilities and obligations of the parties in connection with the condominium units which comprise the Project (the "Declaration"). The Project will be built in one phase.

E. Upon Substantial Completion (as defined in the DDA) of the Parking Garage Unit and satisfaction of other terms set forth therein and herein, Developer agrees to sell and City agrees to purchase the Parking Garage Unit; provided, however, the parties understand that Developer will retain ownership of the Subterranean Parking Unit. The Parking Garage Unit and the Subterranean Parking Unit shall hereinafter be referred to as the "Property."

Now, therefore, in consideration of the mutual covenants and agreements contained herein, the parties agree as follows:

1. Description of the Parking Garage Unit. City agrees to purchase from Developer and Developer agrees to sell to City, the Parking Garage Unit, which shall constitute a separate condominium unit in a mixed-used commercial condominium, on the terms and conditions set forth in this Agreement and the DDA, and specifically SECTION 5.3 of the DDA. As part of the Improvements of the Project more particularly set forth in SECTION 1.7 of the DDA, Developer shall build the Parking Garage Unit consisting of three (3) levels consisting of 233 spaces (one level on ground/grade and two levels above ground) and the Subterranean Ramp Unit consisting of 34 spaces. The parties agree that a mutually agreed upon legal description for the Parking Garage Unit shall be attached to this Agreement upon completion of the Condominium Survey.

2. Purchase Price. The purchase price for the Parking Garage Unit shall be Three Million Four Hundred Forty-One Thousand One Hundred Ninety-Five Dollars (\$3,441,195.00) which price can be modified pursuant to SECTION 5.3 of the DDA.

3. Conditions Precedent to Obligation of City to Purchase the Property. The obligation of City to consummate the transaction hereunder shall be subject to the fulfillment on or before the date of Closing of all of the following conditions, any or all of which may be waived by City in its sole discretion:

3.1. Final Completion of the Parking Garage Unit as set forth in SECTION 5.4 of the DDA;

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PARKING GARAGE PURCHASE AGREEMENT

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3.2. City obtains an engineering report, at City's sole option and at City's expense verifying that the Parking Garage Unit is structurally sound and was completed in accordance with the construction contracts and Construction Documents and otherwise as set forth in the DDA;

3.3. City has issued a final unconditional certificate of occupancy for the Parking Garage Unit permitting the owner to occupy and use the Parking Garage Unit for the purposes for which it was designed, including a commercial parking garage;

3.4. The general contractor shall have issued its "Certificate of Substantial Completion" together with its Affidavit of Payment of Debts and Claims, AIA Forms 706 and 706A together with final waivers and release of liens in form satisfactory to City and Developer, from such materialmen, laborers, contractors and subcontractors as City and Developer may require;

3.5. All punchlist items shall have been completed to the reasonable satisfaction of City with respect to the Parking Garage Unit;

3.6. Developer shall have provided evidence reasonably satisfactory to City that all construction costs for the Parking Garage Unit have been paid in full, including evidence of full payment for any personal property installed;

3.7. A Notice of Completion has been filed in the Clark County real property records and the period for filing construction liens shall have expired, or releases or discharge of construction liens in form and substance satisfactory to City shall have been obtained by Developer from all contractors in accordance with all construction contracts, subject to the provisions of Section 9.3;

3.8. The Property shall constitute a separate condominium unit in the Project;

3.9. The parties shall have entered into the Declaration;

3.10. Developer shall have delivered to City all of the items required to be delivered to City pursuant to the terms of this Agreement, including but not limited to, those provided for in Section 8;

3.11. All of the representations and warranties of Developer contained in this Agreement shall be true and correct in all material respects as of the Closing;

3.12. Developer shall have performed and observed, in all material respects, all covenants and agreements of this Agreement to be performed and observed by Developer as of the date of Closing;

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3.13. City has obtained and delivered, or shall obtain and deliver, to Developer from the Title Company, an ALTA title insurance report and legible copies of all exceptions thereto (collectively, the "Title Commitment") covering the Property and an ALTA survey of the Property (the "Survey") and shall approve all matters listed in the Title Commitment and shown on the Survey (such approved matters, the "Permitted Exceptions"). The parties agree that general and special city and county taxes and assessments not delinquent, the Declaration of Condominium Plan, and the Declaration shall be Permitted Exceptions. In the event City shall notify Developer of objections to title or to matters shown on the Survey, Developer shall use its best, good faith efforts to cure such objections in a prompt manner. Developer shall have until the date of Closing to attempt to remove, satisfy or cure the same and for this purpose Developer shall be entitled to a reasonable adjournment of the Closing if additional time is required, but in no event shall the adjournment exceed sixty (60) days after the date for Closing set forth below. If Developer cannot cure such objections specified in City's notice, prior to the Closing (or any date to which the Closing has been adjourned), City shall have the following options: (i) to accept a conveyance of the Property subject to the Permitted Exceptions, specifically including any matter objected to by City which Developer is unable to cure, and without reduction of the Purchase Price; or (ii) to terminate this Agreement by sending written notice thereof to Developer, and upon delivery of such notice of termination, this Agreement shall terminate and thereafter neither party hereto shall have any further rights, obligations or liabilities hereunder except to the extent that any right, obligation or liability set forth herein expressly survives termination of this Agreement. If having commenced attempts to cure any objection, Developer later notifies City that Developer will be unable to effect a cure thereof; City shall, within five (5) business days after such notice has been given, notify Developer in writing whether City shall elect to accept the conveyance under clause (i) or to terminate this Agreement under clause (ii). At Closing, Developer shall convey and transfer to City such title to the Property as will enable the Title Company to issue to City, at Developer's expense, an Owner's Policy of Title Insurance covering the Property, in the full amount of the Purchase Price and subject only to the Permitted Exceptions (the "Title Policy"); and

3.14. City shall have made any other physical inspections of the Property as City shall have deemed reasonably appropriate and Developer shall have made available to City at Developer's office and City shall have made any other examinations of any construction and operating files maintained by or on behalf of Developer in connection with the Property, including, without limitation, insurance policies, bills, invoices, receipts and other general records relating to the income and expenses of the Property, correspondence, surveys, plans and specifications, warranties for services and materials provided to the Property, environmental audits and similar materials, as City deemed appropriate. City understands and agrees that any on-site inspections of the Property shall be conducted upon at least twenty-four (24) hours' prior written notice to Developer and in the presence of Developer or its representative. Such physical inspection shall not unreasonably interfere with the use of the Property by Developer nor shall City's inspection damage the Property in any respect. Such physical inspection shall not be invasive in any respect (unless City obtains Developer's prior written consent), and in any event shall be conducted in accordance with standards customarily employed in the industry and in

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compliance with all governmental laws, rules and regulations. Following each entry by City with respect to inspections and/or tests on the Property, City shall restore the Property to a condition which is as near to its original condition as existed prior to any such inspections and/or tests. City shall indemnify, defend and hold harmless Developer pursuant to Section 7 herein in connection with City's inspection of the Property. Developer shall cooperate with City in its due diligence but shall not be obligated to incur any liability or expense in connection therewith. All inspections shall occur at reasonable times agreed upon by City and Developer.

4. Developer Duties and Covenants. Developer shall use its diligent efforts and shall furnish its best skill and judgment and shall cooperate with, coordinate, manage, direct and supervise the contractors, architects, all other engineers, design consultants and other contractors and subcontractors retained in connection with the development and construction of the Parking Garage Unit so as to cause final completion of the Parking Garage Unit in a good and workmanlike manner as required by the DDA, free and clear of all liens.

Developer shall use best efforts to cause the general contractor(s) under the construction contracts to warrant that the Parking Garage Unit will be constructed in a good and workmanlike manner and in strict accordance with the Final Construction Plans as defined in SECTION 5.2.2 of the DDA for the Parking Garage Unit. Developer shall use best efforts to cause the construction contract(s) to contain a provision whereby the contractor's warranty of work and materials will be for a period of one (1) year commencing on the date of Closing of City's purchase of the Parking Garage Unit. Developer shall use best efforts to cause such warranties to be assigned to City upon the date of Closing, and that the construction contracts contain a provision whereby the contractor(s) acknowledge that Developer will be assigning the construction warranties for the Parking Garage Unit to City on the date of Closing, and that City can enforce such warranties directly on and after the date of Closing for the Parking Garage Unit purchased by City.

5. Developer Representations and Warranties.

Upon Final Completion of the Parking Garage Unit, Developer shall represent and warrant to City as follows:

5.1. Developer has been duly organized and is validly existing under the laws of the State of Washington. Developer has the full right and authority to enter into this Agreement and, to transfer all of the Property to be conveyed by Developer pursuant hereto and to consummate and cause to be consummated the transactions contemplated herein to be made by Developer. The person signing this Agreement on behalf of Developer is authorized to do so.

5.2. There is no action, suit, arbitration, unsatisfied order or judgment, governmental investigation or proceeding pending, or to the best of Developer's knowledge threatened, against the Parking Garage Unit or the transaction contemplated by this Agreement, which, if adversely determined, could individually or in the aggregate, have a material adverse effect on title to the

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Parking Garage Unit or any portion thereof or which could in any material way interfere with the consummation by City of the transaction contemplated by this Agreement.

5.3. The Parking Garage Unit has been completed in substantial accordance with the Final Construction Plans for the Project approved by City's Manager of Economic Development are, and at all times during the warranty period as defined below shall remain, free from defects in workmanship and materials in connection with the construction thereof.

5.4. There are no structural defects, latent defects or building system defects within or serving the Parking Garage Unit, including the elevators or other Common elements.

5.5. The Parking Garage has been constructed in accordance with all building, zoning, environmental, health and insurance laws and regulations in effect at the time of construction of the Parking Garage Unit.

5.6. There are no liens, encumbrances or other defects affecting title to the Parking Garage Unit which have been or will be filed against the Parking Garage Unit (unless such lien is the subject of a dispute and Developer has caused such lien to be removed of record as required under the DDA).

5.7. Developer has paid any and all state and local taxes assessed in connection with the construction of the Parking Garage Unit and has completed and filed all necessary tax returns with the appropriate taxing authority applicable thereto.

5.8. To the best of Developer's knowledge (without investigation), no Hazardous Substances in violation of any applicable federal, state or local laws have been incorporated in the structure of the Parking Garage Unit.

In the event City alleges a breach of such warranties by Developer on or before the expiration of the warranty period, Developer shall, within thirty (30) days following receipt of City's claim, proceed to cure the breach identified in City's notice and diligently and promptly complete such cure or correction to completion. For purposes of this Agreement, "warranty period" shall mean that period commencing upon the date of Closing of the purchase of the Parking Garage Unit and expiring one (1) year thereafter. Notwithstanding the foregoing, Developer will attempt to make City the beneficiary of any extended warranty provided to Developer by the contractor constructing the Parking Garage.

Any default by Developer under this Agreement, including any breach of any representation or warranty which is not cured within the period of time provided herein shall constitute a default by Developer under the DDA; provided however, City's remedies shall be limited to damages or specific performance for such breach.

6. Disclaimer. EXCEPT AS SPECIFICALLY SET FORTH IN SECTION 5 OF THIS AGREEMENT, DEVELOPER MAKES NO REPRESENTATIONS OR WARRANTIES WITH

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RESPECT TO THE PARKING GARAGE UNIT. CITY ACKNOWLEDGES THAT CITY WAS GIVEN THE OPPORTUNITY UNDER THIS AGREEMENT TO FULLY INSPECT THE PARKING GARAGE UNIT. CITY AGREES THAT BY PURCHASING THE PARKING GARAGE UNIT, CITY IS AGREEING TO PURCHASE THE PARKING GARAGE UNIT (SUBJECT TO THE FOREGOING CONTAINED IN THIS PARAGRAPH) IN THEIR "AS IS" CONDITION AND STATE OF REPAIR. THE PARTIES AGREE THAT THE PROVISIONS OF THIS SECTION SHALL SURVIVE CLOSING.

7. Indemnification. To the fullest extent permitted by law, each party shall hold the other party harmless from and against any and all damages arising out of any damage to any persons or property occurring in, on or about the Parking Garage Unit, or any part thereof, resulting from the negligent acts or omissions of such party, or its agents, employees, contractors, subcontractors, or authorized representatives except any damage to any persons or property occurring in, on or about the Parking Garage Unit or any part thereof resulting from then negligent acts or omissions of the other party or its agents or employees or authorized representatives.

8. Escrow. The purchase and sale of the Parking Garage Unit shall be consummated through an escrow (the "Escrow") with Chicago Title Insurance Company or other title company mutually acceptable to the parties ("Escrowholder") which shall be opened by Developer upon receipt of notice of completion of the Parking Garage. City and Developer do hereby establish and adopt the following terms and conditions to escrow instructions to govern the consummation of the sale of the Parking Garage Unit, together with the Escrowholder's standard general conditions, a copy of which is attached here as Exhibit "B" and incorporated herein by reference, and do hereby appoint, authorize and direct the Escrowholder, pursuant to the terms of this Agreement and using a counterpart hereof as its instructions, to receive, hold, deliver and disburse all documents, instruments and monies to be deposited in the Escrow:

8.1. The term "closing date", "close of the Escrow" or "closing", as used herein, shall mean the date designated by Developer, but in no event later than thirty (30) days after conditions precedent have been met.

8.2. City shall deliver to the Escrowholder on or before one (1) business day before the closing date:

8.2.1. Cash in an amount equal to the balance of the Purchase Price payable in cash;

8.2.2. Such other documents, instruments and funds as are required from City to enable the Escrowholder to place title to the Parking Garage in the condition specified herein, and to make any required prorations and adjustments.

8.3. Developer shall deliver to the Escrowholder on or before five (5) business days before the closing date:

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8.3.1. A Statutory Warranty Deed to the Parking Garage Unit duly executed by Developer and in recordable form; and

8.3.2. Such other documents, instruments and funds as are required from City to enable the Escrowholder to place title to the Parking Garage Unit in the condition specified herein, and to make any required prorations and adjustments.

8.4. Upon receipt of the documents, instruments and funds set forth above and when Chicago Title Insurance Company or such other comparable title insurance company as may be mutually agreed upon by the parties ("Title Company") can issue in favor of City the Title Company's ALTA extended coverage owner's policy standard form title insurance with a liability limit equal to the Purchase Price and insuring the vesting of title to the Parking Garage Unit in City at the closing, subject to general and special city and county taxes and assessments not delinquent, the Declaration of Condominium Plan, any covenants, conditions and restrictions, easements, reservations, dedications, rights and rights-of-way of record acceptable to City, the Escrowholder is hereby authorized and directed to pay all encumbrances of record necessary to place title to the Parking Garage in the condition specified, record the Statutory Warranty Deed, disburse to Developer the balance of funds deposited by City in the Escrow, deliver the above-described policy of title insurance to City and take such other action as may be authorized and described herein or in a written amendment to these escrow provisions signed by City and Developer.

9. Additional Escrow Provisions. The Escrow shall also be governed by the following additional provisions:

9.1. Real property taxes (if any) shall be prorated by the Escrowholder to the Closing, with all prorations to be made on the basis of a 30-day month. In prorating real property taxes the Escrowholder shall use the latest tax bill or the most recent assessed valuation and rate information for the Parking Garage Unit (whichever is applicable) or, if the Parking Garage Unit is not yet separately assessed, shall prorate, that percentage of the real property taxes for the Project as is applicable to the Parking Garage Unit using the latest tax bill for the Project or the most recent assessed valuation and rate information for the Project (whichever is applicable).

9.2. Developer shall pay any real estate excise or other transfer taxes, the cost of recording the Statutory Warranty Deed(s) and Declaration to the Parking Garage Unit, the premium for the owner's policy of title insurance to be provided by Developer to City and one-half (1/2) the escrow fee. City shall pay one-half (1/2) the escrow fee, any additional cost for the extended policy of title insurance, and any costs associated with its financing, if any. Costs of utilities shall be prorated as of the date of Closing. Developer shall pay all real estate taxes due on the property as of the date of Closing.

9.3. The Escrow shall not close and City's Deposit shall not be released from the Escrow until construction of the Parking Garage Unit has been completed and (1) final completion of the construction in accordance with the construction contracts and the

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Construction Documents (as set forth in the DDA) and as otherwise required by the DDA have occurred; (2) an engineering report may be obtained by City at City's expense verifying that the Parking Garage Unit is structurally sound and was completed in accordance with the construction contracts and construction documents; (3) City of Vancouver has issued a final unconditional certificate of occupancy for the Parking Garage Unit permitting the owner to occupy and use of such Parking Garage Unit for the purposes for which they were designed, including, a commercial parking garage; (4) the general contractor shall have issued its "Certificate of Substantial Completion" together with its Affidavit of Payment of Debts and Claims, AIA Forms 706 and 706A together with final waivers and release of liens in form satisfactory to City and Developer, from such materialmen, laborers, contractors and subcontractors as City and Developer may require; (5) all punchlist items shall have been completed to the reasonable satisfaction of City with respect to the Parking Garage Unit; (6) Developer shall have provided evidence reasonably satisfactory to City that all construction costs for the Parking Garage Unit have been paid in full, including evidence of full payment for any personal property installed; and (7) a Notice of Completion has been filed in the Clark County real property records and the period for filing construction liens shall have expired, or Developer obtains title insurance bonding around any such liens, or releases or discharge of construction liens in form and substance satisfactory to City shall have been obtained by Developer from all contractors in accordance with all construction contracts.

10. Further Assurances. Developer shall, upon request by City, whether prior to or after the Closing Date, execute and deliver to City such further documents which may be required to complete or evidence the transaction herein provided for, and City shall, upon request, execute and deliver like instruments to Developer.

11. City Not To Assign. This Agreement and the rights of City hereunder may not be assigned, sold, transferred or hypothecated by City voluntarily, involuntarily, or by operation of law, without the prior written consent of Developer (which consent shall not be unreasonably withheld) and any assignment, sale, transfer or hypothecation in violation of the provisions of this paragraph shall be null and void and of no force and effect. Except as limited herein, this Agreement shall be binding upon and inure to the benefit if the heirs, executors, administrators and successors of the parties hereto.

12. Default. Nonperformance by either party of its obligations under this Agreement which continues for a period of ten (10) days following written notice of such nonperformance shall be a default by the nonperforming party. In the event of such default, the other party shall be entitled to (i) sue for damages, (ii) bring an action for specific performance, or (iii) exercise any other remedy available to it under the DDA or applicable law.

13. Brokers. City and Developer represent and warrant that they have incurred no liabilities or claims for brokerage commissions or finder's fees in connection with this Agreement and that they have not dealt with, and have no knowledge of, any real estate broker, agent or salesperson in connection with this Agreement. City and Developer each agrees to indemnify and hold the

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other harmless from and against any and all liability, including attorneys' fees, for any such fee or commission alleged to be payable in connection with this transaction by reason of the conduct of such party.

14. Notices. Any and all notices or other communications required or permitted by this Agreement or by law to be served on or given to a party hereto by the other party shall be in writing and shall be duly served and given only when personally delivered or sent by United States mail, registered or certified, postage prepaid, or overnight delivery, and addressed to the respective parties as follows:

Developer: City Manager
City of Vancouver
210 East 13th Street
Vancouver, Washington 98660

With a Copy to: City Attorney
City of Vancouver
210 East 13th Street
Vancouver, Washington 98660

Developer: Broadway Investors L.L.C.
ATTN: George Killian
820 SE 73rd Avenue
Vancouver, Washington 98664

With a Copy to: Stephen W. Horenstein
Miller Nash LLP
900 Washington Street, Suite 900
Vancouver, Washington 98660

Notices or other communications served in the above manner shall be considered sufficiently given or served for all purposes under this Agreement at the time the notice or communication is postmarked or personally delivered to the address shown above.

15. Modifications to Agreement. The parties agree to enter into any reasonable modifications and/or amendments to this Agreement and/or other documents necessary to carry out the intent of this Agreement and the other agreements executed by the parties as set forth in the Recitals hereinabove, including, but not limited to, covenants, conditions and restrictions for the Parking Garage and/or the Project.

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16. Miscellaneous

16.1. Binding Effect This Agreement shall be binding upon and inure to the benefit of Developer and City and their respective successors and assigns.

16.2. Interpretation/Construction. The headings incorporated in this Agreement are for convenience and reference only and are not a part of this Agreement and do not in any way limit or add to the terms and provisions hereof. Further, the masculine, feminine or neuter gender, and the singular or plural number, shall be deemed to include the others whenever the context so indicates.

16.3. Entire Agreement This Agreement and the DDA constitutes the entire agreement between the parties hereto, supersedes and replaces all prior or existing written and oral agreements between the parties, and may not be amended other than in writing, signed by all parties. Any inconsistency between this Agreement and the DDA shall be resolved in favor of the DDA.

16.4. Survival. All agreements, covenants, conditions, warranties and representations contained in this Agreement, which by their nature impliedly or expressly involve performance in any particular after closing on the Closing Date or which cannot be ascertained to have been fully performed until after such closing, shall survive the closing.

16.5. Time. Time is of the essence of this Agreement and the performance of the obligations described herein.

16.6. Governing Law. This Agreement shall be governed by and construed under the laws of the State of Washington, all rights and remedies being governed by such laws, and any provision hereof which may prove to be unenforceable shall not affect the validity of any other provision of this Agreement. Any action or litigation arising out of or in connection with this Agreement shall be conducted in Clark County, Washington.

16.7. Cooperation Each party hereto agrees to take such action as may be necessary or appropriate to carry out the intended purpose hereof and to execute any and all documents which may be necessary or appropriate with respect thereto.

16.8. Attorneys Fees. In the event either party brings an action at law or other proceeding against the other party to enforce any of the terms, covenants and conditions hereof, the party prevailing in such action or proceeding shall be paid by the other party all attorney fees and statutory and other costs (including without limitation costs of discovery and expert witness fees, whether at trial, on appeal, on petition for review or in bankruptcy or other judicial or administrative proceeding), and the same shall be included in any judgment in such action or proceedings or appeal.

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16.9. Waiver. No act or omission of either party hereto shall at any time be construed to deprive such party of a right or remedy hereunder or otherwise be construed so as to at any future time estop such party from exercising such right or remedy.

16.10. Risk of Loss. If prior to Closing, land or improvements on said Property shall be destroyed or materially damaged by fire or other casualty, City shall have the right to terminate its obligation under this Agreement without liability to Developer if there is a casualty loss and Developer does not restore the Parking Garages to their condition immediately prior to such damage or destruction within three hundred sixty-five (365) days from the date of the occurrence of the loss.

16.11. Successors and Assigns. The terms and provisions of this Agreement shall be binding upon and shall inure to the benefit of the heirs, legal representatives and proper and permitted assigns and successors of the parties. Permitted assigns of Developer shall include an entity controlled by Developer in accordance with the provisions of the DDA.

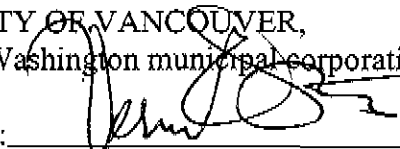
16.12. Developer's Affidavit. Developer shall provide an affidavit to the effect that Developer is not a foreign person as the term is used and defined in Section 1445 of the Internal Revenue Code of 1954, as amended, and in the regulations promulgated thereunder. Such affidavit shall be provided on or before the Closing Date.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the date indicated.

CITY:

CITY OF VANCOUVER,
a Washington municipal corporation

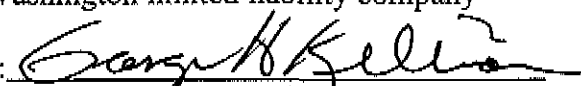
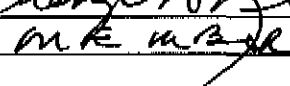
Date: December 29, 1999

By: 
Vernon E. Stoner, City Manager

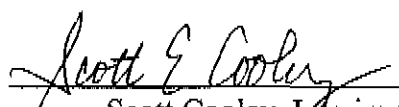
DEVELOPER:

BROADWAY INVESTORS L.L.C.,
a Washington limited liability company

Date: December 28, 1999

By: 
Its: 

Attest:


Scott Cooley, Interim City Clerk

Approved as to form:

 - Chief Assistant +
For: Ted H. Gathe, City Attorney

EXHIBIT “A”

(To be attached upon completion of survey.)

EXHIBIT 5.3.1 – EXHIBIT “A”

01775008 D08 (Parking Garage PSA-15).doc (12/28/1999 - 3:42 PM) -1-

EXHIBIT “B”

EXHIBIT 5.3.1 - EXHIBIT “B”

01775008 D08 (Parking Garage PSA-15) doc (12/28/1999 - 3 42 PM) -1-

EXHIBIT 5.3.2

OPTION TO PURCHASE AGREEMENT FOR PARKING GARAGE UNIT

THIS OPTION TO PURCHASE AGREEMENT FOR PARKING GARAGE UNIT (the "Agreement") is made and entered into this 29th day of December, 1999, by and between the CITY OF VANCOUVER, a Washington municipal corporation ("City") and BROADWAY INVESTORS L.L.C., a Washington limited liability company ("Developer").

Recitals:

A. The parties have entered into a Transfer and Conveyance Agreement of even date herewith ("City Lots Transfer and Conveyance Agreement") wherein City has agreed to sell the real property located on a portion of Block 25 in Vancouver, Washington, generally bound by Broadway Street and 5th Street and legally described in Exhibit "A" attached hereto and incorporated herein by this reference (the "City Lots") to Developer.

B. Upon acquisition of the City Lots pursuant to the City Lots Transfer and Conveyance Agreement, Developer intends to develop a mixed use project which will include office and residential condominium units, a three-level parking garage (one level on ground/grade and two levels above ground) containing 233 parking spaces ("Parking Garage Unit"), and a subterranean parking ramp within the Parking Garage Unit below grade and containing 34 parking spaces ("Subterranean Parking Unit"), collectively referred to as the "Project," on a portion of the City Lots and on a portion of Developer's property located on a portion of Blocks 24 and 25, generally bound by Main Street, 5th Street, 6th Street and Interstate 5 and legally described in Exhibit "B" attached hereto and incorporated herein by this reference ("Developer Lots").

C. The parties have also entered into a Disposition and Development Agreement of even date herewith ("DDA") which, in part, governs the obligations, responsibilities, benefits to be exchanged and enjoyed between City and Developer in connection with the construction, maintenance, ownership and operation of the Project.

D. City desires to grant the option to Developer to purchase the Parking Garage Unit on the terms and conditions set forth herein. The Parking Garage Unit without the Subterranean Parking Unit shall hereinafter be referred to as the "Property."

FOR AND IN CONSIDERATION of the execution of the DDA, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

EXHIBIT 5.3.2

OPTION TO PURCHASE AGREEMENT FOR PARKING GARAGE UNIT

01775008 D09 (Option Agree-17).doc (12/28/1999 - 3 43 PM) -1-

1. Exclusive Option. City herein grants Developer the exclusive option (the "Option") to purchase (the "Option"), upon the terms and conditions hereinafter set forth, the parking garage ("Parking Garage Unit") in the City of Vancouver, County of Clark, State of Washington, and legally described as follows:

See Exhibit "A" attached hereto and incorporated herein by reference for legal description of real property purchased and portion of Parking Garage Unit purchased.

2. Consideration for Option. The consideration for this Option is the entering into the transaction set forth in the DDA to which this Agreement is attached as Exhibit 5.3.2.

3. Option Period. Developer is granted a right to exercise an option to purchase the Parking Garage Unit, which purchase may be closed only after no tax-exempt bonds issued to provide financing for the Parking Garage Unit remain outstanding. Such option may be exercised at any time during the period beginning on January 1, 2016 and extending through December 31, 2021, or a longer period as extended by agreement between the parties ("Option Period").

4. Method of Exercising Option. Developer shall exercise the option by giving notice in writing ("Option Notice") to City within the Option Period set forth in SECTION 3 above.

4.1. Developer shall purchase the Parking Garage Unit at a price based on the Fair Market Value (as defined in SECTION 4.7) less the sum of Two Hundred Nine Thousand Dollars (\$209,000.00) (said \$209,000.00 sum representing a portion of the original cost of construction incurred by Developer for the Parking Garage Unit which was not paid by the City under the terms of the Parking Garage Purchase and Sale Agreement); provided, however, in no event shall the sum paid by Developer for the Parking Garage Unit under this Option Agreement be less than the sum of Three Million Four Hundred Forty-One Thousand One Hundred Ninety-Five Dollars (\$3,441,195.00).

4.2. Furthermore, Developer shall deliver to City, concurrently with its notice of its exercise of its right to reacquire the Parking Garage Unit, its estimate of the Fair Market Value (as defined hereinbelow) of the Parking Garage Unit. Following receipt of such notice, the parties shall negotiate in good faith in an attempt to reach agreement concerning the then Fair Market Value of the Parking Garage Unit. If they are unable to so agree within thirty (30) days after City's receipt of Developer's notice of its exercise of its right to reacquire the Parking Garage Unit, either party may by written notice to the other, submit the determination of Fair Market Value to Arbitration in accordance with SECTION 4.7 below.

4.3. If either party elects to submit the determination of Fair Market Value to arbitration, then it shall also, in the same notice in which it elects arbitration, designate an appraiser. Within ten (10) days after receipt of such notice, the other party shall give notice

EXHIBIT 5.3.2

OPTION TO PURCHASE AGREEMENT FOR PARKING GARAGE UNIT

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designating a second appraiser. The two appraisers so selected shall, within ten (10) days following the selection of the second appraiser, select a third appraiser. The appraisers so selected shall, within ten (10) days following the selection of the final appraiser, meet, review such information as may be submitted by Developer or City, and such other information as they deem pertinent to the determination of the then Fair Market Value of the Parking Garage Unit, and, within thirty (30) days of the selection of the final appraiser, determine (either unanimously or by a vote of two of the three appraisers) the applicable Fair Market Value of the Parking Garage Unit. The appraisers shall give written notice to the parties of the Fair Market Value so determined.

4.4. If either Developer or City shall fail to designate an appraiser within the time period specified in SECTION 4.3 above, the defaulting party shall be deemed to have accepted the appraiser designated by the other, in which event the one appraiser described in SECTION 4.3 above shall make the determination of the then Fair Market Value of the Parking Garage Unit in accordance with SECTION 4.3 above.

4.5. If the two appraisers designated by the parties are unable to agree on a third appraiser within the time period specified in SECTION 4.3 above, then either Developer or City may apply to the Superior Court of the State of Washington for Clark County to designate a third appraiser. Each party shall be responsible for the costs of their own appraiser, with the costs of the third appraiser to be shared equally by the parties.

4.6. All appraisers designated pursuant to SECTION 4.3 above shall be disinterested MAI appraisers with not less than ten (10) years experience in appraising commercial properties in Portland metropolitan area. A disinterested appraiser shall be one who has no direct or indirect financial interest in the outcome of the arbitration (other than payment of a reasonable appraisal fee) and who is not a member, manager, officer, director, employee or agent of City or Developer.

4.7. "Fair Market Value" means the most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is a consummation of sale as of a specified date, and the passing of title from the seller to the buyer under conditions whereby:

4.7.1. The buyer and seller are typically motivated;

4.7.2. Both parties are well informed or well advised, and each acting in what each considers its own best interest;

4.7.3. A reasonable time is allowed for exposure in the open market;

EXHIBIT 5.3.2

OPTION TO PURCHASE AGREEMENT FOR PARKING GARAGE UNIT

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4.7.4. Payment is made in terms of U.S. dollars, or in terms of financial arrangements comparable thereto; and

4.7.5. The price represents a normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

5. Purchase Price. The purchase price for the Parking Garage Unit shall be the Fair Market Value as defined in SECTION 4 above.

6. Payment of Purchase Price. The entire purchase price shall be payable by Developer to City at close of escrow in cash.

7. Title to Property. City shall convey the Parking Garage Unit to Developer by Statutory Warranty Deed, free and clear of all right, title or interest of City and subject only to the (i) Condominium Declaration, (ii) the parking covenant executed by Developer running with the land which shall provide that Developer will make available for public parking 233 parking spaces at commercially reasonable rates on weekday evenings after 6 p.m., and on weekends in connection with community activities and events, (iii) general governmental building or use restrictions consistent with the then applicable zoning regulations for the Project, (iv) utility and other easements not inconsistent with the use of the Parking Garage Unit as a commercial Parking Garage Unit, (v) all easements, covenants, conditions and restrictions which may be imposed on the Property, the Project or the Parking Garage Unit during the course of construction of the Project as a result of permits or other conditions imposed by any governmental authority as a condition to issuing a master use permit, building permit or any other license or approval, (vi) exceptions to title created by, previously approved in writing by, or arising through the actions of Developer, (vii) real property taxes and assessments, (including but not limited to any assessments issued pursuant to the Condominium Declarations), not-delinquent by non-payment, and (viii) the rights of persons holding monthly parking permits to parking in the Parking Garage Unit.

8. City Representations and Warranties. Upon sale of the Parking Garage Unit from City to Developer, City shall represent and warrant to Developer as follows:

8.1. With regard to any alteration and/or improvement (if any) made to the Parking Garage Unit during City's ownership of the Parking Garage Unit, City has no knowledge of any structural defects, latent defects or building system defects within or serving the Parking Garage Unit, including the elevators or other Common elements.

8.2. With regard to any alteration and/or improvement (if any) made to the Parking Garage Unit during City's ownership of the Parking Garage Unit, the Parking Garage has been

EXHIBIT 5.3.2

OPTION TO PURCHASE AGREEMENT FOR PARKING GARAGE UNIT

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constructed in accordance with all building, zoning, environmental, health and insurance laws and regulations in effect at the time of construction of the Parking Garage Unit.

8.3. During City's ownership of the Parking Garage Unit, there are no liens, encumbrances or other defects affecting title to the Parking Garage Unit which have been or will be filed against the Parking Garage Unit (unless such lien is the subject of a dispute and City has caused such lien to be removed of record as required under the DDA).

8.4. During City's ownership of the Parking Garage Unit, there is no litigation pending, or to the best knowledge of City, threatened, with respect to the Parking Garage Unit.

8.5. During City's ownership of the Parking Garage Unit, City has paid any and all state and local taxes assessed in connection with the construction of the Parking Garage Unit and has completed and filed all necessary tax returns with the appropriate taxing authority applicable thereto (if applicable).

8.6. During City's ownership of the Parking Garage Unit, no Hazardous Substances in violation of any applicable federal, state or local laws have been incorporated in the structure of the Parking Garage Unit.

In the event Developer alleges a breach of such warranties by City on or before the expiration of the one (1) year warranty period, City shall, within thirty (30) days following receipt of Developer's claim, proceed to cure the breach identified in Developer's notice and diligently and promptly complete such cure or correction to completion. For purposes of this Agreement, "warranty period" shall mean that period commencing upon the Date of Closing of this Agreement and expiring one (1) year thereafter.

Any default by City under this Agreement, including any breach of any representation or warranty which is not cured within the period of time provided herein shall constitute a default by City under the DDA; provided however, Developer's remedies shall be limited to damages or specific performance for such breach.

9. Disclaimer. EXCEPT AS SPECIFICALLY SET FORTH IN SECTION 8 OF THIS AGREEMENT, CITY MAKES NO REPRESENTATIONS OR WARRANTIES WITH RESPECT TO THE PARKING GARAGE UNIT. DEVELOPER ACKNOWLEDGES THAT DEVELOPER WAS GIVEN THE OPPORTUNITY UNDER THIS AGREEMENT TO FULLY INSPECT THE PARKING GARAGE UNIT. DEVELOPER AGREES THAT BY PURCHASING THE PARKING GARAGE UNIT, DEVELOPER IS AGREEING TO PURCHASE THE PARKING GARAGE UNIT (SUBJECT TO THE FOREGOING CONTAINED IN THIS PARAGRAPH) IN THEIR "AS IS" CONDITION AND STATE OF REPAIR.

EXHIBIT 5.3.2

OPTION TO PURCHASE AGREEMENT FOR PARKING GARAGE UNIT

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10. Escrow. The sale shall be consummated through a Washington State title insurance company mutually agreeable to the parties (the "Escrow Holder"), to be opened by City within five (5) business days after the Option Notice has been given to City. Escrow shall be deemed to be opened under this paragraph on the date the escrow instructions are drawn. The parties shall execute all documents required by escrow holder as long as they are consistent with the provisions of this paragraph. Escrow shall close within one hundred eighty (180) days after the purchase price of the Parking Garage Unit has been set under Paragraph 4. Escrow shall be deemed to be closed pursuant to this paragraph on the date of recording.

11. Title Insurance. At the close of escrow, escrow holder must be prepared to have issued by a Washington State title insurance company, an ALTA Standard Coverage Policy of Title Insurance in the amount of the purchase price insuring title to the Parking Garage Unit vested in Developer.

12. Proration of Costs. All revenues and all expenses of the Parking Garage Unit including, but not limited to real and personal property taxes, special assessments, Condominium Assessments, rents, water, sewer, and utility charges, amounts payable under contracts assumed by Developer, if any, annual permits and/or inspection fees (calculated on the basis of the respective periods covered thereby) and other expenses normal to the ownership, use, operation and maintenance of the Parking Garage Unit shall be prorated as of the Closing Date(s) for each Parking Garage Unit. If any revenue or expense amount cannot be ascertained with certainty as of the Close of Escrow, it shall be prorated on the basis of the parties' reasonable estimate of such amounts and shall be the subject of a final proration sixty (60) days after the Close of Escrow or as soon thereafter as the precise amount can be ascertained.

13. Closing Costs. Excise taxes and recording fees on the Deed shall be paid by City, if required. Charges for a title insurance policy, escrow and all other closing costs shall be paid equally between the parties in accordance with the custom of Clark County, Washington.

14. Notices. Any payments or notices required or desired to be given under this Agreement shall be in writing and personally served or given by mail. Any notice or payment given by mail shall be sent, postage prepaid, by certified mail, return receipt requested, or overnight delivery, and addressed to the party to receive the same, at the following address or at such other address or addresses as the parties may from time to time direct in writing, as follows:

City:	City Manager
	City of Vancouver
	210 East 13 th Street
	Vancouver, Washington 98660

EXHIBIT 5.3.2

OPTION TO PURCHASE AGREEMENT FOR PARKING GARAGE UNIT

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With a Copy to City Attorney
City of Vancouver
210 East 13th Street
Vancouver, Washington 98660

Developer: Broadway Investors L L C
ATTN: George Killian
820 SE 73rd Avenue
Vancouver, Washington 98664

With a Copy to: Stephen W Horenstein
Miller Nash LLP
900 Washington Street, Suite 900
Vancouver, Washington 98660

15. Close of Escrow-Termination. Prior to the close of escrow, Developer will have inspected (or had the opportunity to inspect) all of the Parking Garage Unit and such documents as deemed relevant by Developer relating to the Parking Garage Unit and Developer's intended use thereof; and based on Developer's best judgment and the best judgment of independent experts available to Developer, accepts same, AS IS, including any latent defects with no warranties, express or implied, except for those expressly provided to survive and continue under the terms of this Agreement, and with no obligation of City to make repairs or replacements.

16. Assignment. The parties may not assign their rights under this Agreement without the written consent of the other party (which consent shall not be unreasonably withheld or delayed).

17. Miscellaneous.

17.1. Entire Agreement. This Agreement and the DDA constitutes the entire Agreement between the parties. Any inconsistency between this Agreement and the DDA shall be resolved in favor of the DDA.

17.2. Binding Nature All rights and obligations arising out of this Agreement shall inure to the benefit of and be binding upon the respective successors, heirs, assigns, administrators, executors and marital communities, if any, of the parties hereto.

17.3. Washington Law. This Agreement shall be construed, interpreted and enforced pursuant to the laws of the State of Washington, and the parties agree that the Superior Court of Clark County for the State of Washington shall have sole and exclusive jurisdiction of any suit or proceeding brought with respect to this Agreement or the Parking Garage Unit.

EXHIBIT 5 3 2

OPTION TO PURCHASE AGREEMENT FOR PARKING GARAGE UNIT

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17.4. Attorney Fees. In the event any action or legal proceedings are commenced to enforce any of the terms and conditions hereof or to terminate this Agreement (whether the same shall proceed to judgment or otherwise), the prevailing party shall receive from the other a reasonable sum as attorneys fees together with costs.

17.5. Time. Time is of the essence hereof.

17.6. Captions. The captions and section headings hereof are inserted for convenience purposes only and shall not be deemed to limit or expand the meaning of any section.

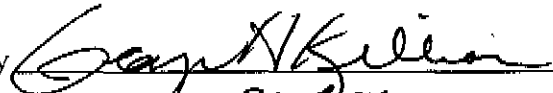
17.7. Counterparts. This Agreement may be signed in counterparts, any one of which shall be deemed an original.

IN WITNESS WHEREOF, we have hereunto set our hands as of the day and year first above written.

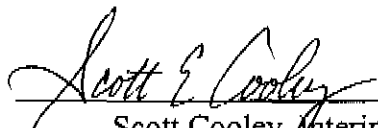
CITY OF VANCOUVER, a municipal
corporation

By 
Vernon E. Stoner, City Manager

BROADWAY INVESTORS L.L.C., a
Washington limited liability company

By 
Its 

Attest:


Scott Cooley, Interim City Clerk

Approved as to Form:

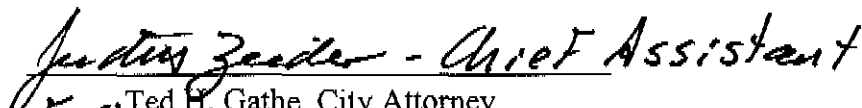

For: Ted H. Gathe, City Attorney

EXHIBIT 5.3.2

OPTION TO PURCHASE AGREEMENT FOR PARKING GARAGE UNIT

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EXHIBIT "A"

LEGAL DESCRIPTION

(To be attached upon completion of Condominium Survey.)

EXHIBIT 5 3 2 – EXHIBIT "A"
LEGAL DESCRIPTION

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EXHIBIT “B”

EXHIBIT 5 3 2 – EXHIBIT “B”

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EXHIBIT 5.5

PARKING GARAGE OPERATION AND MAINTENANCE AGREEMENT

Effective Date:

December 29, 1999.

Parties:

CITY OF VANCOUVER, a Washington
municipal corporation ("City"),

and

BROADWAY INVESTORS L.L.C., a
Washington limited liability company
("Developer").

Recitals:

A. The parties have entered into a Transfer and Conveyance Agreement wherein City transferred and conveyed real property located on a portion of Block 25 in Vancouver, Washington, generally bound by Broadway Street and 5th Street (the "City Lots") to Developer, and Developer transferred a conveyed real property located on a portion of Block 25 in Vancouver, Washington, generally bound by Broadway Street and 6th Street (a portion of "Developer Lots" as defined hereinbelow) to City. Developer intends to develop a mixed use project which will include office and residential condominium units ("Office Tower Unit"), a parking garage ("Parking Garage Unit") and a subterranean parking ramp within the Parking Garage Unit ("Subterranean Ramp Unit"), collectively referred to as the "Project" and also "Improvements", on the City Lots and on a portion of Developer's real property located on Block 25, generally bound by Main Street, 5th Street, 6th Street and Interstate 5 ("Developer Lots"). Developer Lots and City Lots may hereinafter be referred to collectively as the "Property". The Parking Garage Unit will be utilized by the entire Project and the general public. City intends to finance its purchase of the Parking Garage Unit through tax exempt bonds.

B. The parties have also entered into a Disposition and Development Agreement ("DDA") which, in part, governs the obligations, responsibilities, benefits to be exchanged and enjoyed between City and Developer in connection with the construction, maintenance, ownership and operation of the Project, including the Parking Garage Unit.

C. Upon completion of the Parking Garage Unit, Developer shall sell the Parking Garage Unit to City and shall relinquish all control of such facility, and City will commence operation and control of the Parking Garage Unit under the terms and conditions set forth hereinbelow.

EXHIBIT 5.5

PARKING GARAGE OPERATION AND MAINTENANCE AGREEMENT

01775008 D10 (Parking Maint Agree-12) doc (12/28/1999 - 3:45 PM)

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D. The Parking Garage Unit will be three levels containing 233 parking spaces (one level on ground/grade and two levels above ground) and the Subterranean Ramp Unit will contain 34 parking spaces. The Parking Garage Unit will be purchased by the City upon completion (as defined in the DDA) and satisfaction of other terms and conditions set forth in the DDA, and Developer will retain ownership interest in the Subterranean Ramp Unit which Subterranean Ramp Unit shall be accessible and available to the condominium owners/occupants of the Project twenty-four (24) hours per day, seven (7) days per week and three hundred sixty-five (365) days per year.

E. As used herein, the Parking Garage Unit will include three (3) general types of parking areas designated the "Time Parking (Short Term)", the "Twelve (12) Hour Per Day" and the Reserved Parking as set forth below.

Now, therefore, the parties agree as follows:

1. Description of Parking Garage Unit. City may designate three (3) different types of general parking privileges in the Parking Garage Unit. The categories for such parking privileges shall be as follows:

1.1. Timed Parking (Short Term). Such parking privileges shall be available to the general public on a non-reserved, first come, first served basis; and

1.2. Twelve (12) Hour Per Day. Such privileges shall exist Monday through Friday, and be available to the general public on a non-reserved basis conditioned upon the purchase of a month-to-month permit on a first come, first served basis.

1.3. Developer Reserved Parking. Developer shall have the right to "reserve" and mark nine percent (9%) of the parking spaces in the Parking Garage Unit for Developer use only pursuant to rates payable in the Parking Garage Unit similar to rate for other parking spaces in the Parking Garage Unit. Further, Developer and City also acknowledge that so long as holders of monthly parking permits abide by applicable rules and regulations for the Parking Garage Unit and timely pay for such month-to-month parking spaces at month-to-month rates as adjusted by City from time to time, in advance and on an uninterrupted basis, such permit holders shall have a right to continue to use such parking spaces.

2. Modification to Maintain Tax-Exempt Status. City shall have the right to modify this Agreement and change the number or terms under which the parking spaces are available for use if, in the reasonable opinion of City's bond counsel, such modification or amendment is necessary to permit or preserve the tax-exempt status of interest payable on or with respect to any outstanding tax-exempt obligations to be issued by City in connection with the acquisition of the parking garages by City, or with respect to any such debt instruments that are outstanding, but only if and to the extent required to permit or preserve such tax-exempt status.

EXHIBIT 5.5

PARKING GARAGE OPERATION AND MAINTENANCE AGREEMENT

01775008 D10 (Parking Maint Agree-12) doc (12/28/1999 - 3:45 PM)

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3. Hours of Operation. At a minimum, the Parking Garage Unit shall be open for public access on weekdays from 6:00 A.M. to 7:00 P.M. ("Public Access Hours").

4. Weekend and Evening Parking. The parties agree that parking spaces in the Parking Garage Unit will be available for weekend and evening parking. Furthermore, in the event the Parking Garage Unit is purchased by Developer pursuant to the Option Agreement (Exhibit 5.3.2), Developer agrees to make available to the public no fewer than 233 parking spaces at commercially reasonable rates on weekday evenings after 6:00 P.M. and on weekends in connection with community activities and events.

5. Staffing. The Parking Garage Unit shall be managed as follows:

5.1. Off-Site Management. City shall, by direct City management or through the use of an independent contractor, have the following responsibilities and obligations, at its sole cost and expense, in connection with its operation and maintenance of the Parking Garage Unit:

5.1.1. Services. City shall be responsible for establishing and implementing a reasonable system for permit and/or card key sales for the parking spaces located in the Parking Garage Unit. Such responsibility shall include the facilities, personnel and materials required to implement and maintain such system(s).

5.1.2. Security. City shall implement and use closed circuit monitoring units in the Parking Garage Unit.

5.2. Maintenance. The parties agree that prior to opening the Parking Garage Unit, City will establish and implement a minimum maintenance schedule in a form and content similar to the specifications and requirements set forth in Exhibit "A." Such responsibility shall include the facilities, personnel and materials required to implement and maintain such system(s).

6. Special Programs. City may develop and implement incentive program(s) for use of the Parking Garage Unit by carpool and vanpool users.

7. Modification Procedure. This Agreement shall only be modified upon mutual acceptance of written terms and conditions satisfactory to City and Developer.

8. Dispute Resolution. Unless otherwise specifically set forth in a particular provision of this Agreement, any dispute hereunder shall be submitted to arbitration. The arbitration shall be conducted in City of Vancouver, Washington, or at such place as the parties may designate, by a single arbitrator, in accordance with the duly promulgated rules and regulations of the American Arbitration Association or its successor, and the pertinent provisions of the laws of the State of Washington relating to arbitration. If the parties cannot agree on a single arbitrator, such arbitrator shall be appointed by a panel consisting of three (3) persons, one of whom has been appointed by Lessor, one of whom has been appointed by Lessee, and the third of whom has

EXHIBIT 5.5

PARKING GARAGE OPERATION AND MAINTENANCE AGREEMENT

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been appointed by the two so selected. The decision of the arbitrator shall be final and binding on the parties and may be entered as a judgment in any court of competent jurisdiction. The cost of arbitration shall be shared equally between the parties.

9. Insurance.

9.1. Insurance Required. The parties recognize that, at the date of execution of this Agreement, City is self-insured against general liability claims and City's self-insurance program is sufficiently comprehensive to protect Developer as required under the terms of SECTION 10 below.

9.2. Insurance Policies. In the event City is no longer self-insured against all general liability exposures, City shall obtain commercial general liability insurance for the properties covered by this Agreement and shall name Developer thereon as an additional insured.

9.3. Notice of Change. City shall provide Developer with at least thirty (30) days' advance notice in writing of its intention to no longer self-insure the above-required coverages.

9.4. Property Insurance. The parties shall provide and pay for property insurance for their own property, contents, and fixtures at and in the Parking Garage Unit as each, in its sole discretion, deems appropriate. Neither party shall have any responsibility or obligation to insure the other for claims under these categories.

9.5. Waiver of Subrogation. Neither party shall be liable to the other (or to the other's successors or assigns) for any loss or damage to its property caused by fire or any of the risks enumerated in a standard fire insurance policy with an extended coverage endorsement, whether or not such insurance is in effect, and in the event of loss neither party's insurance company shall have a subrogated claim against the other.

9.6. Evidence of Insurance. In the event City no longer self-insures general liability exposures, City shall provide Developer with certificates or other evidence documenting the required insurance coverage, which documents shall state that the insurance shall not be cancelled nor materially altered without first giving at least thirty (30) days' written notice to Developer. The insurance policies shall be in forms and with companies reasonably satisfactory to Developer. Furthermore, the parties agree to name each other as an additional insured under their respective insurance policies.

10. Liability and Indemnity. Neither party shall in any event be liable to the other or anyone claiming by, under or through them, for any damage or loss or liability resulting from the acts or omissions of any other third party (including any other tenant) who is not acting under their direction and control or for any damage to personal property of the other from any cause.

11. Remedies. Notwithstanding anything in this Agreement to the contrary, in the event that either party fails to perform any obligation under this Agreement, the other party shall be entitled to any remedy available at law or in equity.

12. Attorney's Fees and Costs. In the event litigation arises out of this Agreement, the losing party agrees to pay the prevailing party's attorneys fees incident to said litigation, together with all costs and expenses incurred in connection with such action.

13. Waiver. No act or omission of either party hereto shall at any time be construed to deprive such party of a right or remedy hereunder or otherwise be construed so as to at any future time estop such party from exercising such right or remedy. Failure of a party at any time to require performance of any provision of this Agreement shall not limit the right of that party to enforce the provision, nor shall any waiver by a party of any breach of any provision constitute a waiver of any succeeding breach of that provision, or waiver of that provision itself, or any other provision.

14. Notices, Demands and Communications. Formal notices, demands and communications between City and Developer shall be sufficiently given if and shall not be deemed given unless dispatched by certified mail, postage prepaid, return receipt requested, overnight delivery, or delivered personally, to the principal offices of City and Developer as follows:

City: City Manager
City of Vancouver
210 East 13th Street
Vancouver, Washington 98660

With a Copy to: City Attorney
City of Vancouver
210 East 13th Street
Vancouver, Washington 98660

Developer: Broadway Investors L.L.C.
ATTN: George Killian
820 SE 73rd Avenue
Vancouver, Washington 98664

EXHIBIT 5.5

PARKING GARAGE OPERATION AND MAINTENANCE AGREEMENT

01775008 D10 (Parking Maint Agree-12).doc (12/28/1999 - 3:45 PM) -5-

With a Copy to: Stephen W. Horenstein
Miller Nash LLP
900 Washington Street, Suite 900
Vancouver, Washington 98660

Written notices, demands and communications may be sent in the same manner to such other addresses as the affected party may from time to time designate by mail as provided in this SECTION 14.

15. Time is of the Essence. Time is of the essence of this Agreement.

16. Governing Law and Venue. This Agreement shall be governed by and interpreted in accordance with Washington law. Any action or litigation arising out of or in connection with this Agreement shall be conducted in Clark County, Washington.

17. Gender and Number. As used in this Agreement, the masculine, feminine or neuter gender, and the singular or plural number, shall be deemed to include the others whenever the context so indicates.

18. Interpretation and/or Construction. Paragraph headings have been included for the convenience of the parties and shall not be considered a part of this Agreement for any purpose relating to construction or interpretation of the terms of this Agreement and shall in no way limit any of the provisions of this Agreement.

19. Entire Agreement. This Agreement and the DDA constitutes the entire agreement between the parties hereto, supersedes and replaces all prior or existing written and oral agreements between the parties, and may not be amended other than in writing, signed by all parties. Any inconsistency between this Agreement and the DDA shall be resolved in favor of the DDA.

20. Successors & Assigns. The terms and provisions of this Agreement shall be binding upon and shall inure to the benefit of the heirs, legal representatives and proper and permitted assigns and successors of the parties.

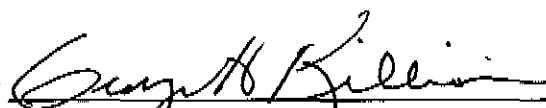
21. Counterparts. This Agreement may be executed in counterparts, which when taken together, shall constitute an original Agreement. An executed cop sent via facsimile transmission shall also be deemed to be an executed original.

DATED this 29th day of December, 1999.

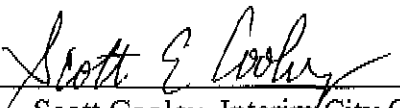
CITY OF VANCOUVER, a municipal corporation

By 
- Vernon E. Stoner, City Manager

BROADWAY INVESTORS L.L.C., a Washington limited liability company

By 
Its MEMBER

Attest:


Scott Cooley, Interim City Clerk

Approved as to Form:


For: Ted H. Gathe, City Attorney

EXHIBIT "A"

MAINTENANCE SCHEDULE

CITY OF VANCOUVER, WASHINGTON Parking Garage Unit – Minimum Maintenance Requirements

Operating Outline

City will provide daily janitorial maintenance to the facility at least five (5) days per week. Janitorial services will be provided through a separate Maintenance Service Agreement with a private operator or through on-site janitorial services provided by City. At minimum, the following services will be provided on a daily, weekly, monthly, quarterly and bi-yearly basis.

City shall maintain an on-site checklist of maintenance tasks to be checked off by the maintenance provider with date of service and signature of provider.

Janitorial Maintenance

DAILY (Monday – Friday)

- Empty all trash receptacles in the parking area (including stairwells) and remove to the central trash storage area.
- Patrol all parking areas, elevator areas and stairwells accessing parking area for trash and debris.
- Sweep elevator-landing areas (i.e., pedestrian accesses).
- Remove trash/debris from entry/exit plaza(s) and sweep and/or hose main entry/exit ramp area.
- Mop out (using safety/environmentally-approved detergents) then rinse with clear water any areas where public urination or defecation has occurred. Apply odor control to these areas immediately upon completion of mop out.
- Remove any graffiti from surfaces in garage areas, plaza areas or stairwells (using safety/environmentally-approved solvent). **All graffiti must be removed within 24 hours of occurrence.**
- Make note of any necessary repairs, electric light or equipment failures and report immediately to facility manager.

WEEKLY

- Sweep all stairwells accessing the parking garage from top to bottom.
- Inspect for oil spotting in parking stall areas. Effectively absorb and dry such areas to ensure safe and manageable parking areas. Dispose of absorbents as required by City/State environmental codes.

MONTHLY

- Hose off sidewalk and drive surfaces in main entry/exit plaza(s).
- Dust all revenue/access control equipment.
- Wipe down all rate boards and entry area informational signage.

QUARTERLY

- Replace burnt out light bulbs/fixtures. [NOTE: At no time shall the parking area (including elevator landings and stairwells) have in excess of 5% of all total light fixtures burnt out.]
- Spot painting (as necessary).

BI-YEARLY

- Pressure wash elevator landing area(s).
- Pressure wash *stairwell landings and stairwell areas showing staining or undue grime* buildup.
- Pressure wash plaza entry/exit area(s).

GENERAL MAINTENANCE RESPONSIBILITY

- City shall at all times maintain in effect a Preventative Maintenance Contract for the elevator(s) serving the parking areas. The Preventative Maintenance Contract shall be entered into with a certified elevator maintenance firm. The Preventative Maintenance Contract shall be established to require regularly scheduled maintenance visits to the facility to ensure that preventative maintenance services are actually performed. The Contract with the provider shall state that preventative maintenance services can only be performed on the scheduled service dates. Calls for service regarding additional elevator operating assistance (i.e., failures) shall be separately tracked and administered. No preventative maintenance service shall be performed during a call for service.

Capital Maintenance

City shall replace operating equipment on a schedule based on the operating service life of the equipment as called for in the manufacturers' specifications for such equipment. Equipment items to be included in the Capital Maintenance Schedule will include:

- CCTV/security monitoring equipment
- Revenue/access control equipment
- Lighting fixtures (i.e., ballast)
- Elevators
- *Painted surfaces*

EXHIBIT 5.5 – EXHIBIT “A” MAINTENANCE SCHEDULE

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-2-

EXHIBIT 7.4

MEMORANDUM OF PARKING GARAGE PURCHASE AGREEMENT

(To be attached prior to commencement of construction of the Project.)

EXHIBIT 7.4.1

MEMORANDUM OF OPTION TO PURCHASE FRONTIER PROPERTY

EXHIBIT 7.4.2

MEMORANDUM OF RIGHT OF FIRST REFUSAL
TO PURCHASE FRONTIER PROPERTY

EXHIBIT 7.4.____

MEMORANDUM OF _____ AGREEMENT
FOR _____

THIS MEMORANDUM OF _____ AGREEMENT FOR _____
(the "Memorandum") is made and entered into this _____ day of _____, 1999, by
and between the CITY OF VANCOUVER, a Washington municipal corporation ("City") and
BROADWAY INVESTORS L.L.C., a Washington limited liability company ("Developer").

RECITALS

- A. On or about _____, the parties entered into a _____
agreement (the "Agreement") for the property located at _____ (the
"Property"), legally described in Exhibit "A" attached hereto and incorporated herein by
reference, in connection with a Disposition and Development Agreement executed
concurrently therewith by the parties.
- B. The parties desire to record a Memorandum of the _____ Agreement to put third
parties on notice of the Agreement and to encumber title to the Property.

NOW, THEREFORE, THE PARTIES MUTUALLY AGREE AS FOLLOWS:

1. Recitals Incorporated by Reference. The parties acknowledge and agree that the terms
and conditions contained in the Recitals set forth hereinabove shall be fully incorporated into this
Memorandum and shall be binding as covenants upon the parties.
2. Memorandum of Agreement. This Memorandum references the Agreement entered into
by the parties for the Property wherein _____ granted _____ a
_____ concerning the Property during the period beginning on
_____ and extending through _____.

EXHIBIT 7.4.____
MEMORANDUM OF _____ AGREEMENT FOR _____

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IN WITNESS WHEREOF, we have hereunto set our hands as of the day and year first above written.

CITY OF VANCOUVER, a municipal
corporation

BROADWAY INVESTORS L.L.C., a
Washington limited liability company

By _____
Vernon E. Stoner, City Manager

By _____
Its _____

Attest:

Scott Cooley, Interim City Clerk

Approved as to Form:

Ted H. Gathe, City Attorney

COLUMBIA BANK PARKING GARAGE

500 Broadway Street
Vancouver, Washington 98660

APPRAISAL REPORT

Date of Report: April 26, 2021

Colliers File #: VAN210031

Client File #: PO-56098



PREPARED FOR
Linda Carlson
Property Management Specialist
City of Vancouver
415 West 6th Street
Vancouver, WA 98668

PREPARED BY
COLLIERS INTERNATIONAL
VALUATION & ADVISORY SERVICES

LETTER OF TRANSMITTAL

COLLIERS INTERNATIONAL
VALUATION & ADVISORY SERVICES

700 Washington Street, Suite 608
Vancouver, WA 98660 USA
MAIN +1 360 699 4844
FAX +1 360 699 1904
WEB www.colliers.com/valuationadvisory



April 26, 2021

Linda Carlson
Property Management Specialist
City of Vancouver
415 West 6th Street
Vancouver, WA 98668

RE: Columbia Bank Parking Garage
500 Broadway Street
Vancouver, Washington 98660

Colliers File #: VAN210031

Client File #: PO-56098

Ms. Carlson:

This appraisal report satisfies the scope of work and requirements agreed upon by City of Vancouver and Colliers International Valuation & Advisory Services. At the request of the client, this appraisal is presented in an Appraisal Report format as defined by USPAP Standards Rule 2-2(a). My appraisal format provides a summary description of the appraisal process, subject and market data and valuation analyses.

The purpose of this appraisal is to develop an opinion of the As-Is Market Value of the subject property's fee simple interest. At the request of the client, we have also presented the Land Value ("As Vacant") using comparable land sales for analysis. We have labeled this a Hypothetical condition that the land is vacant and unencumbered by any other interests, noting the complexity of the parking garage and condominium owner's interest in their own parking spaces. We have provided the land value at the client's request. The following table conveys the final opinion of market value of the subject property that is developed within this appraisal report:

VALUE TYPE	INTEREST APPRAISED	DATE OF VALUE	VALUE
As-Is Market Value	Fee Simple	April 2, 2021	\$3,250,000
OTHER CONCLUSIONS		AS OF APRIL 2, 2021	
Land Value (Hypothetically "As Vacant")			\$1,990,000

The subject is comprised of a 233-space parking structure totaling 64,407 SF of NRA located on a 0.76-acre site at 500 Broadway Street in Vancouver, Washington. The subject property consists of a three-level parking garage currently owned by the City of Vancouver. According to the City of Vancouver, there are 261 parking spaces. However, 28 of these parking spaces are secured in a subterranean area and are not included in this appraisal, as they are controlled by the condominium owners on the top 2 floors of the adjacent Columbia Bank mixed-use building. Therefore, this appraisal pertains to the 233 spaces owned and operated by the City of Vancouver. The

improvements were built in 2001, are in good condition and have a remaining economic life of 43 years based on my estimate. The improvements include a multi-story public parking garage with 64,407 SF of GBA.

The subject property was constructed at the same time as the adjacent Columbia Bank Building, which was known as the West Coast Bank Building at the time of its construction in 2001 and is owned by the City of Vancouver. The subject property serves the Columbia Bank Building to the north, as well as the Hudson Office Building to the west and the subject building was designed to accommodate parking for both buildings. The Columbia Bank Building was considered to drive the construction of the subject building when the two structures were constructed. According to an Option to Purchase Agreement for the subject's parking garage, dated in 1999, between the developer of the adjoining mixed-use building (Killian) and the City of Vancouver, the developer/owner of the adjoining building (Killian) has the option to purchase the subject property between January 1, 2016 and December 31, 2021, or a longer period as extended by agreement between the parties. The purchase price is based on the market value of the subject property LESS \$209,000, which was an amount already paid by the developer (Killian) and not by the City of Vancouver, who paid for the rest of the construction costs in 2001. However, the sum paid by Killian under this Option Agreement shall not be less than \$3,441,195. Our concluded market value is slightly below the "not less than" value spelled out in the 1999 document signed by the parties.

The analyses, opinions and conclusions communicated within this appraisal report were developed based upon the requirements and guidelines of the current Uniform Standards of Professional Appraisal Practice (USPAP), the requirements of the Code of Professional Ethics and the Standards of Professional Appraisal Practice of the Appraisal Institute.

The COVID-19 virus (aka coronavirus) is a serious illness and pandemic that has affected the world and more specifically the United States. The effects thus far include volatility in the stock and capital markets. The impact to demand and ultimately values for real estate is also developing, although there is a wide range of viewpoints with very little consensus on the potential impact. The range of views from market participants suggests the risk premium is widening and we should analyze implications to both near-term and longer-term valuation assumptions. Real estate as an investment type historically takes a longer period of time to be impacted in comparison to alternative investment types, such as stocks and bonds. CIVAS professionals have consulted with market participants in preparation of this assignment to understand and best address how the subject property may be impacted.

Although the annualized monthly revenues do not reflect it, according to the property owners, the Metered (Short-Term) parking revenues have decreased due to COVID-19. Most downtown businesses are encouraging employees to work remotely and tourism and customer/client traffic to these offices has experienced a significant decline. The impact of the coronavirus is discussed in further detail throughout the report.

The report, in its entirety, including all assumptions and limiting conditions, is an integral part of, and inseparable from, this letter. *USPAP* defines an Extraordinary Assumption as, "an assignment specific-assumption as of the effective date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser's opinions or conclusions". *USPAP* defines a Hypothetical Condition as, "that which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis".

The Extraordinary Assumptions and/or Hypothetical Conditions that were made during the appraisal process to arrive at my opinion of value are fully discussed below. I advise the client to consider these issues carefully given the intended use of this appraisal, as their use might have affected the assignment results.

EXTRAORDINARY ASSUMPTIONS

Subject Short-Term (Metered) parking revenue is down about 60% in 2020. What is unusual about this situation is that this decline is not the result of cyclical market trends, but rather has been brought on by a global pandemic and government mandated retail store and office closures in 2020, with many company employees still operating remotely from home. Thus, estimating a prospective date of stabilization cannot be determined by a traditional analysis of historical and projected vacancy and absorption trends. Rather, the return to a stabilized economy is contingent on the continued distribution of the three vaccines to the population, which is expected to take some time, as well as herd immunity, changes in social behaviors, or some other method. The prospective date of stabilization for the Short-Term Income is predicated on the Extraordinary Assumption that continued distribution of the vaccines brings more stability to the workplace situation, which, over time, will result in increased customer/client and general public traffic and use of the subject's metered spaces.

This appraisal reasonably assumes that the income and expense historical figures for the subject property which were provided are accurate.

HYPOTHETICAL CONDITIONS

No Hypothetical Conditions were made for this assignment.

RELIANCE LANGUAGE

My opinion of value reflects current conditions and the likely actions of market participants as of the date of value. It is based on the available information gathered and provided to us, as presented in this report, and does not predict future performance. Changing market or property conditions can and likely will have an effect on the subject's value.

The signature below indicates my assurance to the client that the development process and extent of analysis for this assignment adhere to the scope requirements and intended use of the appraisal. If you have any specific questions or concerns regarding the attached appraisal report, or if Colliers International Valuation & Advisory Services can be of additional assistance, please contact the individuals listed below.

Sincerely,

**COLLIERS INTERNATIONAL
VALUATION & ADVISORY SERVICES**

Dean Meyer, MAI
Senior Valuation Services Director
Certified General Real Estate Appraiser
State of Washington License #1100795
+1 360 823 5263
dean.meyer@colliers.com

REPORT ORGANIZATION**PROPERTY AND ASSIGNMENT OVERVIEW**

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CERTIFICATION**ASSUMPTIONS & LIMITING CONDITIONS****ADDENDA**

Engagement Letter
Historical Income/Expense Summary
Option to Purchase Agreement
Valuation Glossary
Qualifications of Appraiser
Qualifications of Colliers International Valuation & Advisory Services

GENERAL INFORMATION

Property Name	Columbia Bank Parking Garage
Property Type	Retail / Commercial - Garage Parking
Address	500 Broadway Street
City	Vancouver
State	Washington
Zip Code	98660
County	Clark
Core Based Statistical Area (CBSA)	Portland-Vancouver-Hillsboro, OR-WA
Market	Portland-Vancouver Metro Area
Submarket	Clark County
Latitude	45.625101
Longitude	-122.670415
Number Of Parcels	1
Assessor Parcel	038470-004
Total Taxable Value	\$5,021,350
Census Tract Number	425.00

SITE INFORMATION

Land Area	Acres	Square Feet
Usable	0.76	33,128
Unusable	0.00	0
Excess	0.00	0
<u>Surplus</u>	<u>0.00</u>	<u>0</u>
Total	0.76	33,128
Topography	Level at street grade	
Shape	Generally Rectangular	
Access	Average/Good	
Exposure	Good	
Current Zoning	City Center (CX)	
Flood Zone	Zone X (Unshaded)	
Seismic Zone	High Risk	

IMPROVEMENT INFORMATION

Net Rentable Area (NRA)	64,407 SF
Gross Building Area SF (GBA)	64,407 SF
Total Number Of Stories	3
Year Built	2001
Quality	Good
Condition	Good
Type Of Construction	Reinforced Concrete
Land To Building Ratio	0.5 : 1
Site Coverage Ratio	64.8%
Parking Type	Garage
Number of Parking Spaces	233

HIGHEST & BEST USE

As Vacant	Development Of A Commercial Property, Most Likely Multi-Story Parking Garage
As Improved	Continued Use As A Parking Garage

EXPOSURE TIME & MARKETING PERIOD

Exposure Time	12 to 18 Months
Marketing Period	12 to 18 Months

TENANCY INFORMATION

Tenancy	Parking Garage with monthly and transient parking
Direct Capitalization NOI	\$208,123

VALUATION SUMMARY

VALUATION INDICES	AS-IS MARKET VALUE
INTEREST APPRAISED	FEE SIMPLE
DATE OF VALUE	APRIL 2, 2021
INCOME CAPITALIZATION APPROACH	
Discounted Cash Flow	\$3,200,000
DCF \$/SF (NRA)	\$50/SF
Holding Period	10 Years
Terminal Capitalization Rate	6.50%
Direct Capitalization	\$3,270,000
Direct Capitalization \$/SF	\$51/SF
NOI Proforma	\$208,123
NOI \$/SF	\$3.23/SF
Capitalization Rate	6.00%
INCOME CONCLUSION	\$3,250,000
Income Conclusion \$/SF	\$50/SF
FINAL VALUE CONCLUSION	
FINAL VALUE	\$3,250,000
\$/SF	\$50/SF
LAND VALUATION	
LAND VALUE (HYPOTHETICALLY "AS VACANT")	\$1,990,000
Value/SF	\$60.00

AERIAL PHOTOGRAPH



SUBJECT PHOTOGRAPHS



**STREET SCENE: FACING NORTH ALONG
BROADWAY STREET; SUBJECT AT RIGHT**



**STREET SCENE: FACING SOUTH ALONG
BROADWAY STREET; SUBJECT AT LEFT**



**STREET SCENE: FACING EAST ALONG EAST
5TH STREET; SUBJECT IN DISTANCE**



**STREET SCENE: FACING WEST ALONG EAST
5TH STREET FROM SUBJECT**



OVERVIEW OF WEST SIDE OF SUBJECT



ENTRY ON WEST SIDE



OVERVIEW OF SUBJECT IN DISTANCE AT LEFT (PAST COLUMBIA BANK BUILDING)



ENTRY ON 1ST LEVEL



EAST SIDE OF 1ST LEVEL



2ND LEVEL SPACES ON RAMP UP FROM 1ST LEVEL



3RD LEVEL (TOP LEVEL/ROOF)



ELEVATOR AND STAIRS ON 3RD LEVEL

PROPERTY IDENTIFICATION

The subject is comprised of a 233-space parking structure property totaling 64,407 SF NRA located on a 0.76-acre site at 500 Broadway Street in Vancouver, Clark County, Washington. The assessor's parcel number is: 038470-004.

A detailed legal description was not provided.

SCOPE OF WORK

The scope of work for this appraisal assignment is outlined below:

- The appraiser analyzed the regional and local area economic profiles including employment, population, household income, and real estate trends.
- The appraiser confirmed and analyzed legal and physical features of the subject, and how they impact the functionality and overall competitive position of the property.
- The appraiser completed a parking garage and office supply/demand market analysis of the Downtown Portland-Vancouver Metro Area market and Clark County sub-market. Conclusions were drawn regarding the subject property's competitive position given its physical and locational characteristics, the prevailing economic conditions and external influences.
- The appraiser conducted Highest and Best Use analysis and conclusions were drawn for the highest and best use of the subject property As-Vacant and As-Improved.
- The appraiser confirmed and analyzed financial features of the subject property. This information, as well as trends established by confirmed market indicators, was used to forecast performance of the subject property.
- Selection of the valuation methods was based on the identifications required in USPAP relating to the intended use, intended users, definition and date of value, relevant property characteristics and assignment conditions. This appraisal developed the Income (Discounted Cash Flow & Direct Capitalization). approaches to value, which were adjusted and reconciled as appropriate.
- Reporting of this appraisal is in an Appraisal Report format as required in USPAP Standard 2. The appraiser's analysis and conclusions are summarized within this document.
- I understand the Competency Rule of USPAP and the author of this report meets the standards.
- No one provided significant real property appraisal assistance to appraiser signing this certification.

SOURCES OF INFORMATION

The following sources were contacted to obtain relevant information:

SOURCES OF INFORMATION	
ITEM	SOURCE
Tax Information	Clark County Tax Assessor
Zoning Information	City of Vancouver Zoning Code
Site Size Information	Clark County Tax Assessor
Building Size Information	Clark County Tax Assessor
New Construction	City of Vancouver / Clark County
Flood Map	InterFlood
Demographics	Pitney Bowes/Gadberry Group - GroundView®
Comparable Information	See Comparable Charts & Photo Pages for details
Other Property Data	Owner
Income/Expense Statements	Owner

SUBJECT PROPERTY INSPECTION

The following table illustrates the Colliers International professionals involved with this appraisal report and their status related to the property inspection.

SUBJECT PROPERTY INSPECTION			
APPRAISER	INSPECTED	EXTENT	DATE OF INSPECTION
Dean Meyer, MAI	Yes	Interior/Exterior	April 2, 2021

CLIENT IDENTIFICATION

The client of this specific assignment is City of Vancouver.

PURPOSE

The purpose of this appraisal is to develop an opinion of the As-Is Market Value of the subject property's fee simple interest.

INTENDED USE

The intended use of this appraisal is to assist the client in making internal business decisions related to the potential sale of this asset.

INTENDED USERS

City of Vancouver is the only intended user of this report. Use of this report by third parties and other unintended users is not permitted. This report must be used in its entirety. Reliance on any portion of the report independent of others, may lead the reader to erroneous conclusions regarding the property values. Unless approval is provided by the authors no portion of the report stands alone.

ASSIGNMENT DATES

Date of Report	April 26, 2021
Date of Inspection	April 2, 2021
Valuation Date - As-Is	April 2, 2021

PERSONAL AND/OR INTANGIBLE PROPERTY

No personal property or intangible items are included in this valuation.

PROPERTY AND SALES HISTORY**Current Owner**

The subject title is currently recorded in the name of City of Vancouver, according to Clark County Deed Records.

Three-Year Sales History

The Subject has not sold in the last three years.

Subject Sale Status

The subject is not currently offered on the open market for sale. However, as part of the development of the subject property, the adjoining Columbia Bank Mixed-Use Building (Office and Condominium Units - originally named the West Coast Bank Building and Frontier Condominiums), and the subterranean parking ramp (34 parking spaces for the condo owners - not a part of the subject), the developer of the adjoining property, Killian-Pacific (doing business as Broadway Investors) entered into an Option to Purchase Agreement for the subject property with the City of Vancouver. This document was signed on December 29, 1999, right before the two structures (subject and adjacent office building). Killian has the Exclusive Option to purchase the subject property between January 1, 2016 and December 31, 2021, or a longer period as extended by agreement between the parties. According to the Purchase Option Agreement, the "Developer shall purchase the Parking Garage Unit at a price based on the Fair Market Value LESS the sum of \$209,000, representing a portion of the original cost of construction incurred by Developer for the Parking Garage Unit which was NOT paid by the City under the terms of the Parking Garage Purchase and Sale Agreement, provided, however, in no event shall the sum paid by Developer for the Parking Garage Unit under this Option Agreement be less than \$3,441,195".

DEFINITIONS OF VALUE

Given the scope and intended use of this assignment, the definition of Market Value is applicable. The definition of Market Value, along with all other applicable definitions for this assignment, is located in the Valuation Glossary section of the Addenda.

PROPERTY RIGHTS APPRAISED

The property rights appraised constitute the fee simple interest.

VALUE SCENARIOS

The valuation scenarios developed in this appraisal report include the As-Is Market Value of the subject property's fee simple interest.

DeLorme Street Atlas USA© 2014

Scale 1 : 225,000

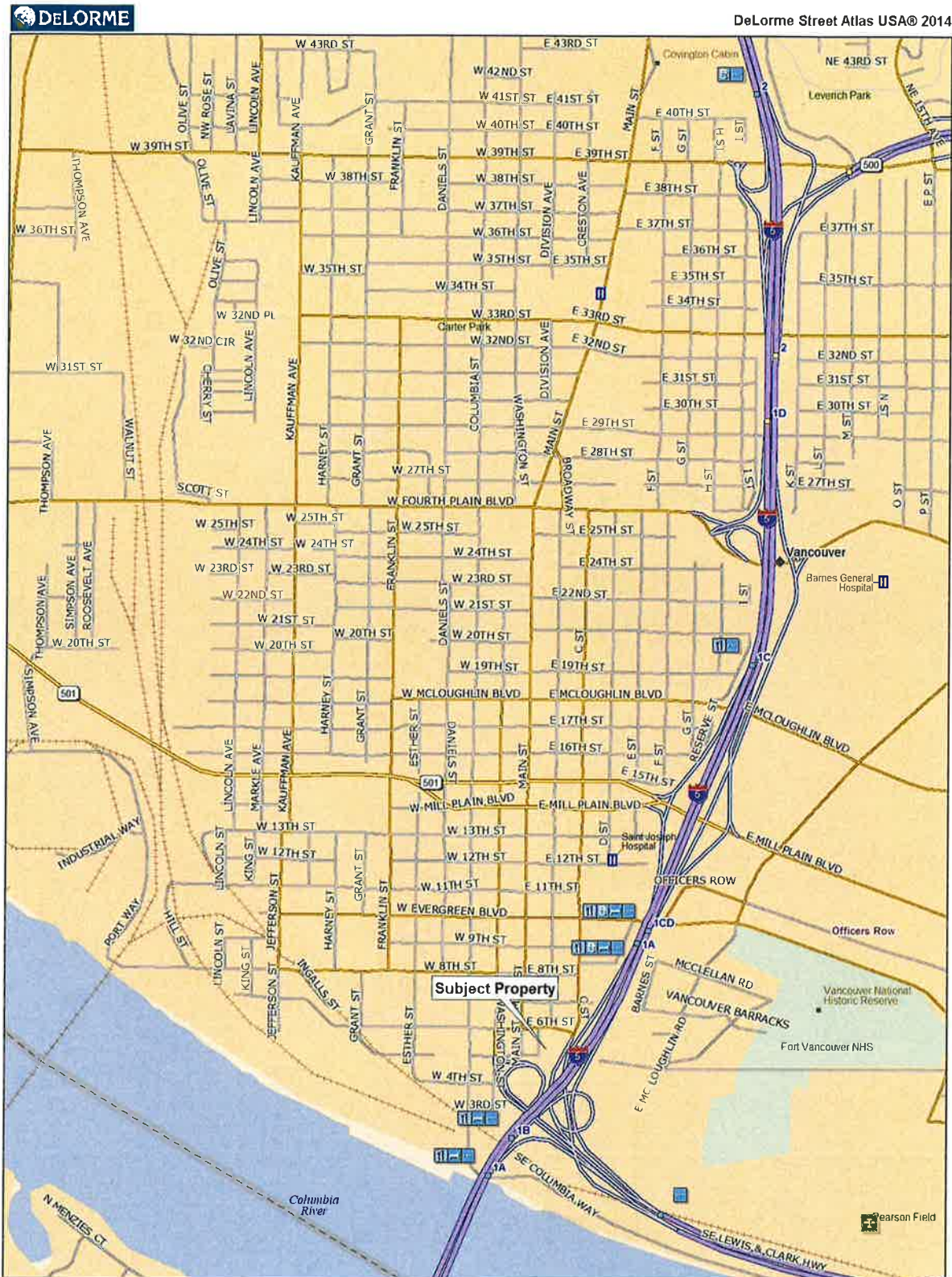
1" = 3.55 mi

Data Zoom 9-7

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Data use subject to license.

LOCAL AREA MAP



Data use subject to license.

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www.delorme.com

As will be discussed below, trends in Clark County have been very positive as Clark County area experienced a sustained recovery from the recession up to the onset of the COVID-19 Pandemic. As of March 2021, the coronavirus had continued as a global pandemic creating an unprecedented health emergency that is impacting the lives of every local resident and causing innumerable economic and human costs. Much of the information presented below pre-dates this global crisis. The situation is fluid and evolving, and only limited data is available so far. The impacts are also discussed in other places in this report.

REGIONAL ANALYSIS

Clark County is one of the 7 counties in Oregon and Washington within the Portland Metropolitan Statistical Area (MSA). It is located in the southwest section of the state of Washington, north of the Columbia River and Multnomah County Oregon. Clark County's 2019 population of 488,843 residents comprises roughly 20% of the total population for the entire Portland MSA. The city of Vancouver serves as the center for commerce and manufacturing within Clark County and is located directly across the Columbia River from the city of Portland.



DEMOGRAPHIC ANALYSIS

Based on regional data provided by Pitney Bowes/Gadberry Group – Groundview®, Clark County's population is anticipated to grow at a faster rate than both the State of Washington and national averages. While the median household income in Clark County is slightly higher than the state of Washington, the median home value is slightly lower. Both regionally and statewide, significantly more housing units are owner occupied rather than rented. Overall, the area has a growing population achieving wages higher than the national median and average, which is a positive for the region.

Please note, these figures do not incorporate any data which reflects market conditions attributed to the coronavirus.

REGIONAL AREA DEMOGRAPHICS							
YEAR	US	WA	COUNTY	YEAR	US	WA	COUNTY
POPULATION				NUMBER OF HOUSEHOLDS			
2010 Total Population	308,745,538	6,724,540	425,363	2019	123,740,541	2,834,755	176,329
2019 Total Population	329,429,186	7,635,747	488,843	2024	127,610,429	2,953,474	186,288
2024 Total Population	340,686,154	8,134,512	523,941	CAGR	0.6%	0.8%	1.1%
2010 - 2019 CAGR	0.7%	1.4%	1.6%	AVERAGE HOUSEHOLD SIZE			
2019 - 2024 CAGR	0.7%	1.3%	1.4%	2019	2.60	2.64	2.75
POPULATION DENSITY				2024	2.61	2.70	2.79
2019 Per Square Mile	92	113	747	CAGR	0.07%	0.46%	0.30%
2024 Per Square Mile	95	121	800	HOUSING UNITS			
MEDIAN AGE				Owner Occupied	80,596,122	1,801,342	116,691
2019	38.25	37.74	38.46	Renter Occupied	43,144,419	1,033,413	59,638
2024	38.90	38.37	39.11	AVERAGE HOUSEHOLD INCOME			
CAGR	0.34%	0.33%	0.34%	2019	\$87,477	\$95,999	\$93,246
MEDIAN HOME VALUE				2024	\$105,741	\$114,983	\$112,319
2019	\$192,890	\$286,559	\$274,093	CAGR	3.9%	3.7%	3.8%
PER CAPITA INCOME				MEDIAN HOUSEHOLD INCOME			
2019	\$33,687	\$36,322	\$33,872	2019	\$60,918	\$69,891	\$70,781
2024	\$40,577	\$42,510	\$40,203	2024	\$73,705	\$83,943	\$84,969
CAGR	3.8%	3.2%	3.5%	CAGR	3.9%	3.7%	3.7%

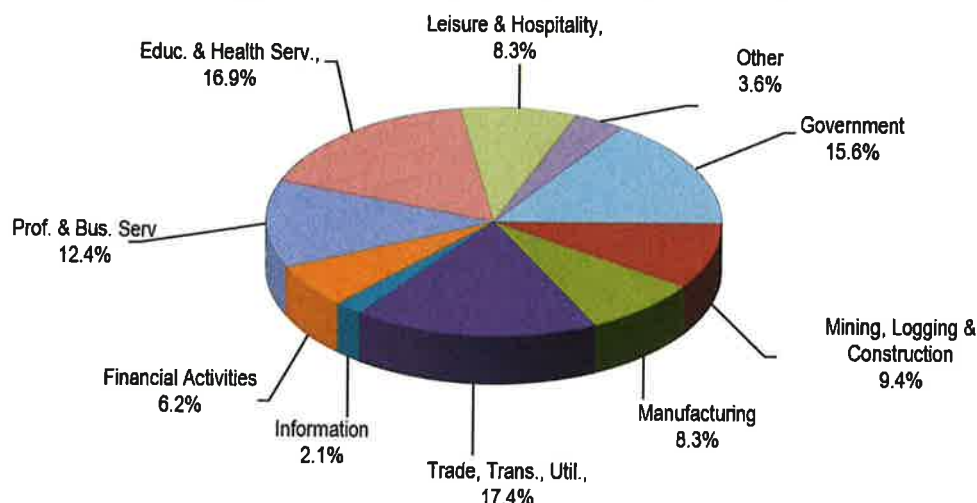
Source: Pitney Bowes/Gadberry Group - GroundView®

*Demographics present income projections in *constant dollars* (adjusted for inflation), rather than *current dollars* (not adjusted). All forecasts, are subject to demographer methodologies for modeling and definitional assumptions and procedures. The following is a demographic study of the region sourced by Pitney Bowes/Gadberry Group - GroundView®, an on-line resource center that provides information used to analyze and compare the past, present, and future trends of geographical areas. Demographic changes are often highly correlated to changes in the underlying economic climate. Periods of economic uncertainty necessarily make demographic projections somewhat less reliable than projections in more stable periods. These projections are used as a starting point, but we also consider current and localized market knowledge in interpreting them within this analysis. Please note that our demographics provider sets forth income projections in constant dollars which, by definition, reflect projections after adjustment for inflation. We are aware of other prominent demographic data providers that project income in current dollars, which do not account for inflation. A simple comparison of projections for a similar market area made under the constant and current dollar methodologies can and likely will produce data points that vary, in some cases, widely. Further, all forecasts, regardless of demographer methodology(ies), are subjective in the sense that the reliability of the forecast is subject to modeling and definitional assumptions and procedures.

ECONOMY

Industry employment information from the Washington State Employment Security Department provides one of the best measures of state and local economic trends. Eight out of ten employment sectors have currently experienced losses year over year, those sectors with losses are: Leisure and Hospitality decreased by (-4,300 jobs), Trade, Transportation and Utilities decreased by (-3,000 jobs), Government decreased by (-2,200 jobs), Mining, logging and construction decreased by (-1,700 jobs), Professional and business services decreased by (-1,700 jobs), Manufacturing decreased by (-1,400 jobs), Education and Health services decreased by (-1,000 jobs), and Other services decreased by (-700 jobs). Two employment sectors posted gains year over year, those sectors are: Information increased (+400 jobs) and Financial Activities increased (+100 jobs). Job losses are expected to be greater in the near future due to the COVID-19 pandemic.

Clark County Current Employment by Industry -Sept 2020



However, as of December 2020, the employment picture has changed dramatically with many industries cutting back on production, and cutting their workforce through furloughs and terminations.

There are numerous large employers in Clark County; however, many employers have a larger presence on the Oregon side of the Portland MSA, which is where many residents of Clark County find employment. The following table lists the top employers in Clark County. The top employer in Clark County is PeaceHealth, which has recently expanded in East Vancouver.

TOP EMPLOYERS		
EMPLOYER NAME	EMPLOYEES	INDUSTRY
Peacehealth		Healthcare
Evergreen Public Schools		Education
Legacy Salmon Creek Medical Center		Healthcare
Battle Ground Public Schools		Education
The Vancouver Clinic Inc		Healthcare
Bonneville Power Administration		Communications
City of Vancouver		Government
WaferTech LLC		Communications
Camas School District No 117		Education

Source: Vancouver Business Journal as of 3/29/18

EMPLOYMENT

Since 2012, employment has increased in both Washington and Clark County through 2019. During this time period, there has also been significantly decreasing unemployment rate and continued employment growth.

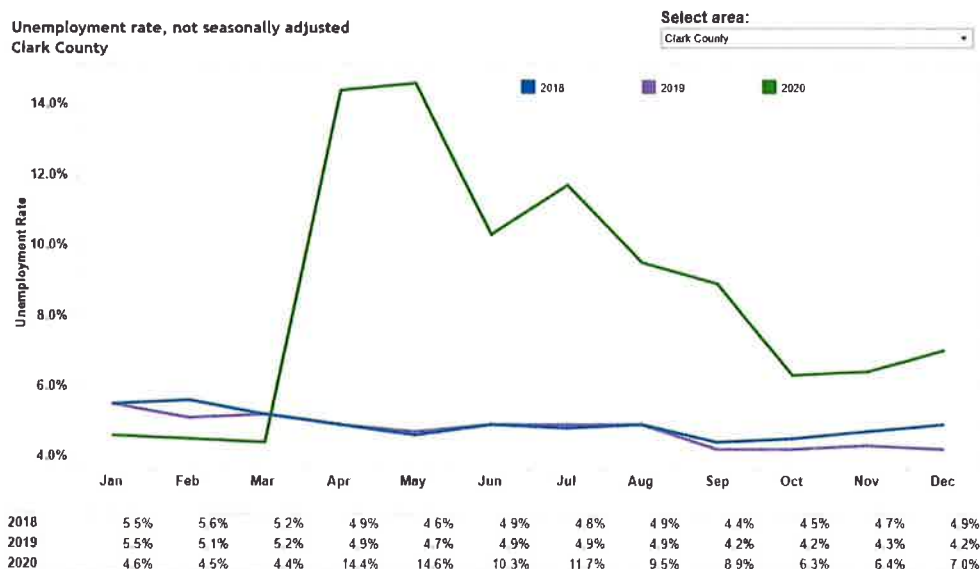
However, as of December 2020, the employment picture has changed dramatically with many industries cutting back on production and cutting their workforce through furloughs and terminations. Please note, these figures do not incorporate any data which reflects market conditions attributed to the coronavirus.

EMPLOYMENT & UNEMPLOYMENT STATISTICS 2010 - 2019

TOTAL EMPLOYMENT					UNEMPLOYMENT RATE		
Year	Washington		Clark County, WA		United States*	Washington	Clark County, WA
	Total	% Δ Yr Ago	Total	% Δ Yr Ago			
2010	3,160,544	(1.6%)	188,628	(0.8%)	9.6%	10.0%	12.9%
2011	3,140,190	(0.6%)	186,816	(1.0%)	8.9%	9.3%	11.7%
2012	3,189,271	1.6%	189,704	1.5%	8.1%	8.1%	9.4%
2013	3,219,842	1.0%	190,701	0.5%	7.4%	7.0%	8.5%
2014	3,277,540	1.8%	194,319	1.9%	6.2%	6.1%	7.0%
2015	3,350,352	2.2%	199,931	2.9%	5.3%	5.6%	6.6%
2016	3,452,854	3.1%	206,972	3.5%	4.9%	5.3%	6.1%
2017	3,551,136	2.8%	215,883	4.3%	4.4%	4.7%	5.2%
2018	3,637,581	2.4%	221,615	2.7%	3.9%	4.5%	4.9%
2019	3,747,713	3.0%	230,422	4.0%	3.7%	4.3%	4.7%
CAGR	1.9%	-	2.2%	-	-	-	-

Source: U.S. Bureau of Labor Statistics *Unadjusted Non-Seasonal Rate

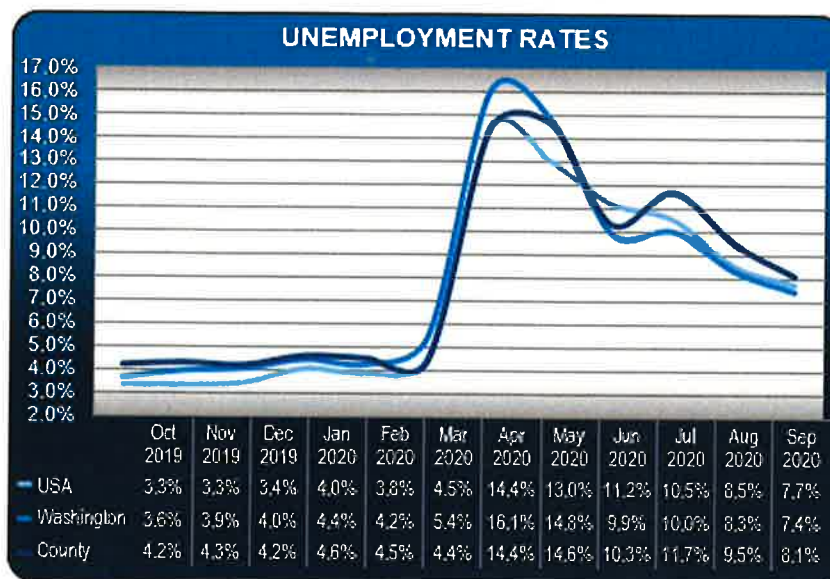
Unemployment trends, taken from the Department of Revenue website, are shown below. The most current information available for Clark County is for December 2020, as shown in the green line trending dramatically upward in the chart below. This is because all businesses, restaurants, hotels, and other industries have been impacted by the coronavirus and reduced their workforce. Most non-essential construction work has also been shut down, including residential projects. Major sporting events have been shut down, along with concerts, conventions and other events that would result in large gatherings.



Employment and unemployment, not seasonally adjusted Clark County

	2020		2019		2018	
	December	January	December	January	December	January
Civilian Labor Force	229,137	247,962	248,649	240,815	242,316	230,482
Employment	213,092	236,675	238,263	227,477	230,358	217,855
Unemployment	16,045	11,287	10,386	13,338	11,958	12,627
Unemployment Rate	7.0%	4.6%	4.2%	5.5%	4.9%	5.5%

Clark County's not-seasonally adjusted unemployment rate has changed dramatically over the course of the last 7 months. The most current unemployment rate (October 2020) is at 6.5%. As seen on the following graph, the unemployment rate in Clark County has typically been slightly higher than state and national averages.



SUMMARY

Employment gains throughout the last many years are noteworthy as evidenced by the highest employed level in the history of the MSA and the low annual unemployment rates. This trend of an increasing employed level and a stable to decreasing unemployment rate is expected to continue over the long term. As 2020 progressed, the COVID-19 had spread into a global pandemic. Most of the information above predates the impact of the COVID-19 pandemic. This situation is fluid and evolving. At the present time, a vaccine is being rolled out with the expectation of improved market conditions in the second half of 2021. In the short term, a negative impact on employment and the economy is expected.

LOCAL AREA ANALYSIS

The subject property is located in the southern portion of the downtown “core” area of the city of Vancouver, in Clark County, in an intensive commercial and mixed-use development in the “core” area of Vancouver. The subject property is located on the east side of Broadway Street at East 5th Street, just west of C Street and the northbound Interstate-5 off-ramp, which is also the westbound State-Route 14 off-ramp. The subject’s immediate market is characterized as a commercial area with primarily office uses and various service-related uses in the area centered around the Clark County Courthouse, with a growing number of apartment projects either completed, under construction, or proposed in the downtown “core” area. The following paragraphs summarize factors pertinent to the social, economic, and physical development of the market area.

Demographics

The demographics for the subject’s local area are provided by (Pitney Bowes/Gadberry Group - GroundView On-line 2015), an on-line resource center that provides information used to analyze and compare the past, present, and future trends of properties and geographical areas.

LOCAL AREA DEMOGRAPHICS							
DESCRIPTION	1 MILE	3 MILES	5 MILES	DESCRIPTION	1 MILE	3 MILES	5 MILES
POPULATION				AVERAGE HOUSEHOLD INCOME			
2000 Population	6,306	52,946	192,502	2020	\$69,285	\$75,044	\$84,558
2010 Population	7,104	56,154	208,806	2025	\$88,513	\$93,661	\$102,046
2020 Population	8,705	62,495	236,216	Change 2020-2025	27.75%	24.81%	20.68%
2025 Population	9,474	65,783	249,705	MEDIAN HOUSEHOLD INCOME			
Change 2000-2010	12.65%	6.06%	8.47%	2020	\$45,486	\$53,554	\$63,233
Change 2010-2020	22.54%	11.29%	13.13%	2025	\$57,939	\$65,135	\$74,722
Change 2020-2025	8.83%	5.26%	5.71%	Change 2020-2025	27.38%	21.63%	18.17%
POPULATION 65+				PER CAPITA INCOME			
2010 Population	1,092	6,746	23,087	2020	\$37,305	\$32,265	\$33,904
2020 Population	1,777	9,981	33,167	2025	\$46,935	\$39,882	\$40,300
2025 Population	2,167	12,013	39,329	Change 2020-2025	25.82%	23.61%	18.86%
Change 2010-2020	62.73%	47.95%	43.66%	2020 HOUSEHOLDS BY INCOME			
Change 2020-2025	21.95%	20.36%	18.58%	<\$15,000	21.5%	11.8%	9.4%
NUMBER OF HOUSEHOLDS				\$15,000-\$24,999	12.5%	10.9%	9.2%
2000 Households	2,801	22,038	75,514	\$25,000-\$34,999	6.4%	9.0%	8.4%
2010 Households	3,428	23,973	84,842	\$35,000-\$49,999	13.7%	15.5%	13.0%
2020 Households	4,113	26,026	92,519	\$50,000-\$74,999	13.3%	18.8%	18.2%
2025 Households	4,451	27,173	96,461	\$75,000-\$99,999	10.9%	12.2%	14.0%
Change 2000-2010	22.38%	8.78%	12.35%	\$100,000-\$149,999	11.4%	11.8%	15.8%
Change 2010-2020	19.98%	8.56%	9.05%	\$150,000-\$199,999	6.0%	5.3%	6.5%
Change 2020-2025	8.22%	4.41%	4.26%	\$200,000 or greater	4.3%	4.7%	5.6%
HOUSING UNITS (2020)				MEDIAN HOME VALUE			
Owner Occupied	1,515	12,602	50,706		\$251,563	\$252,070	\$299,762
Renter Occupied	2,533	13,412	41,818	AVERAGE HOME VALUE			
HOUSING UNITS BY YEAR BUILT					\$253,631	\$274,729	\$335,829
Built 2010 or later	188	924	4,040	HOUSING UNITS BY UNITS IN STRUCTURE			
Built 2000 to 2009	800	2,869	11,642	1, detached	1,254	12,588	55,472
Built 1990 to 1999	230	3,150	10,679	1, attached	107	1,362	5,177
Built 1980 to 1989	180	1,905	7,348	2	236	2,482	5,177
Built 1970 to 1979	740	4,896	13,346	3 or 4	172	1,348	4,953
Built 1960 to 1969	493	3,145	8,930	5 to 9	146	1,167	5,110
Built 1950 to 1959	230	2,596	9,669	10 to 19	144	1,561	4,714
Built 1940 to 1949	263	3,028	8,375	20 to 49	335	1,450	3,349
Built 1939 or earlier	990	3,515	18,490	50 or more	1,289	2,918	6,253
				Mobile home	331	969	2,058
				Boat, RV, van, etc.	34	168	262

Source: Pitney Bowes/Gadberry Group - GroundView®

As noted in the table above, moderate population growth is anticipated to occur in the subject’s market area (3-miles radius) over the next few years. This reflects the built-up character of the downtown area.

Residential Development

There is a considerable amount of residential development located in the subject's market area. Residential uses in the downtown area are primarily single-family residences located along the northern portion of downtown, primarily north of Mill Plain Boulevard and just west of the Interstate-5 freeway, with some older single-family residences on CX- and IL-zoned land further southwest of the subject property. High-end apartment and condominium developments also exist along the Columbia River in the Tidewater Cove and Columbia Shores developments, and in the downtown "core" area. Residential uses in the downtown "core" area consist primarily of new condominiums constructed on the upper levels of the West Coast Bank, VancouverCenter, and Heritage Place mixed-use projects. The Uptown Village, further north of the downtown "core" area, consists of townhomes along Main Street, with some live-work units. And, as will be described below, the Vancouver Waterfront has added new multi-family units to the market in 2019 and more development is taking place.

The residences in the area are commonly in average to good condition and were typically built in the 1960s and earlier. The average home price for single-family residences within a 3-mile radius of the subject property is \$274,729 (Pitney Bowes/Gadberry Group – GroundView Online). Homes are generally older and on small lots, as is typical of downtown residential areas. Many of the single-family homes along major thoroughfares and/or located around the "core" of downtown Vancouver have since been converted to commercial office uses, especially attorney's offices in the areas east and south of the Clark County Courthouse.

Multi-family developments within close proximity to the subject were generally built in the 2000's and earlier and consist of mid-rise style facilities. There have been several new multi-family developments in the "core" area of the subject neighborhood, including Heritage Place and the Vancouver Center, both located near Esther Short Park. The Esther Short Commons project, located on the west end of the Esther Short Park, includes "for rent" apartments for residents at certain reduced income levels. There have also been scattered condominium conversions of older apartment buildings in the neighborhood. New development in downtown Vancouver includes The Vista Court Senior Housing apartment complex at West 14th and Esther Streets, completed in early 2012. Also, the Kirkland Union Plaza multi-family development for retired citizens is located along Mill Plain Boulevard and the Tinnakorn Loft units are nearing completion next to Kirkland Union Plaza. In the downtown "core" area, some apartments are proposed on the western portion of the Academy Site (Phase 1), along C Street, north of Evergreen Boulevard, with an additional Phase 2 also planned. If developed, this will be a positive impact on downtown Vancouver.

Prestige Plaza, a mixed-use project with 96 apartment units and ground floor commercial, was one of the first projects completed in recent years in downtown Vancouver. The same developer recently completed Our Heroes Place, comprised of two adjacent projects (Ed Tower and Dollie Tower) totaling 51 units. Construction was completed on a 6-story full-block apartment project called the Uptown (167 units), located on the full block bounded by Main Street, McLoughlin Boulevard, Washington Street, and West 17th Street, at the south end of Uptown Village. This project is located at the south end of the Uptown Village corridor of downtown Vancouver and will transform this area, bringing more residents downtown and enhancing the "critical mass" that is being sought for downtown Vancouver. This project was purchased in 2019 by an apartment investor, reflecting the attractiveness of downtown Vancouver for apartment investors. The West 15 Apartments (120 units), a subsidized apartment project was completed in 2016 between Mill Plain Boulevard and 15th Streets, west of Columbia Street. The West 13 Apartments (96 units) were completed in 2017 at Columbia and West 13th Streets. Another mixed-use project is proposed at the block bounded by Washington, Main, 15th and 16th Streets, and a smaller project was recently completed (48 units) at the NE corner of 15th Street and E Street. The Midtown Apartments have been completed just north of Mill Plain Boulevard and just west of Interstate-5, and additional units are under construction approximately two blocks west of the Midtown Apartments. Additional apartments have been constructed along East McLoughlin Boulevard and Broadway Streets.

Additional units are also under construction near Esther Short Park, showing a large concentration of new apartments being developed in the downtown “core” area of Vancouver. Also, the Holland Partnership is constructing a mixed-use project on Block 10, immediately NE of Esther Short Park. This project will include a mix of commercial retail/service space, office space, and multi-family units with a parking structure. Construction is nearing completion on The Aria Apartments, along West 6th Street, just west of Esther Street. It will have 122 market rate apartment units and 5 townhome units in 6 floors, with a parking structure. The 4th building in the Vancouver Center project, after several delays, was recently completed in Fall 2020. It includes 6 stories and 116 multi-family residential units and continues to add to the “critical mass” in downtown Vancouver.

Waterfront Development

Columbia Waterfront LLC (a group of investors formed by Gramor Development, a local/regional developer), is now in the process of developing vertical buildings along the Waterfront neighborhood of Vancouver. This 35 acre area is just south of the downtown core and follows the Columbia River. The Vancouver Waterfront project has a long term tentative plan to be improved with an estimated 3,300 residential units (a mix of for-sale condos and apartments, as market conditions dictate), 1,000,000 SF of office space, and 250,000 SF of retail space. There is also a 7 acre park which was opened to the public in 2018, with a water feature which opened to the public in Summer 2019. With the current strong market conditions (prior to COVID-19) in the Portland region, as well as the recent successful absorption of at least one new, luxury property in Downtown Vancouver, the developer has now constructed vertical apartment units in the first phase of the master plan. Phase 1 includes a pair of 2-story restaurant buildings which are now open and in the lease-up stage (intended to hold 2+ tenants each), a 7-story (55 to 60-Unit) apartment tower with ground floor retail (recently completed), a 7-story office building with about 60,000 SF of office space (anchored by the MJ Murdock Charitable Trust) and about 17,000 SF of ground floor retail space, and another 7-story (250-unit) apartment project on Block 8. Another developer has an upscale hotel and condominiums now nearing completion on one of the adjacent blocks.

More apartments are proposed for the area and The Springs Retirement Community, a 12-story structure, is being constructed on Block 18 towards the west end of the Vancouver Waterfront, showing a significant amount of new development to kickstart this major project in downtown Vancouver. The Waterfront development is expected to have a positive impact on the appeal of Downtown Vancouver and the developer is planning to make the area very upscale, with ambitious planned retail, office, and apartment rent levels. Also proposed nearby is a re-development project by the Port of Vancouver, to include a mix of hotels, public space, and commercial space. Construction continues on a hotel, to be the 1st building constructed in the Port's Terminal 1 project, also proposed to have a public market.

Commercial Development

Commercial development in the area is concentrated in the downtown “core” area, and along major thoroughfares, including Main and Broadway Streets, as well as Fourth Plain Boulevard and Mill Plain Boulevard. Other major transportation routes in the area include SR-14, which is an east/west freeway connecting downtown Vancouver with the Columbia River Gorge; and I-5, which is a major north/south freeway that connects downtown Vancouver to downtown Portland to the south and Seattle to the far north. The Downtown area was predominantly residential at one time with retail storefronts along Main and Broadway. Since then, the city has expanded and the demand for commercial products has led to numerous single-family conversions. Historical buildings exist throughout the area. The southern portion of town has since been redeveloped with newer, more intense, commercial development including: various mixed-use Class A office high-rises and civil and government buildings centered around the Courthouse and Citizens Service Center. Retail is scattered throughout downtown Vancouver, and consists of antique stores and consignment stores, with few retailers still operating. Former retail buildings such as Sparks Furnishings (Furniture Store) and Koplan's Furniture have been purchased and renovated/converted to office/service uses.

In the downtown “core” area, there have been and are some additional planned developments and upgrades around the downtown “core” of Vancouver. The former Vancouver City Hall was purchased by members of the

Firstenberg family for use as office space and a parking garage. It has now been renovated and Berger Abam and Stewart Title Company are main tenants in the "Block 56" building which provides some creative office space. In the southern portion of the downtown "core" area, Killian-Pacific has constructed the Hudson Building, a 3-story, 44,000 SF wood-frame and brick office building, with several banks and some other professional office tenants in the building. This building is now 100% leased as one of the newest office buildings in downtown Vancouver, with creative office space, exposed vaulted ceilings, and a considerable amount of natural lighting. Pacific Energy Concepts purchased a commercial building at 210 West 3rd Street and has completely renovated this building for their own occupancy as creative office space for their business. Ryan Hurley has developed the Hurley Building, a 6-level, 33,185 SF office condominium project just south of this property, with ground level parking for this property. An apartment project is also planned by Hurley Development along Columbia Street in this area. In the Interstate-5/Mill Plain Boulevard interchange area, The Angelo Tower, located west of the Al Angelo's 400 Mill Plain Building, is a Class A mixed-use (office/commercial/apartment) building with parking garage which is under construction.

Light and heavy industrial uses exist in the Columbia Business Center and the area west of the defined boundaries, in the Port of Vancouver neighborhood. In summary, the Downtown area consists mostly of older single-family residences to the north that transition to more intense commercial development to the south and industrial uses along east/west boundary lines. South of SR-14 is the 248-acre Columbia Business Center, one of the largest industrial developments in the Portland area. This industrial park includes 26 buildings comprising roughly 2.3 million square feet of industrial space. Columbia Shores is another mixed-use development which resides west of the Columbia Business Center and includes various office/retail buildings, Homewood Suites, Beaches and McMenamin's restaurant.

Also in the eastern portion of the downtown "core" area, the Academy property is a historical landmark property, founded by the Sisters of Providence in the 1800's. The primary building has been converted to a multi-tenant office building. A majority of the property is currently utilized as surface parking for tenants in downtown Vancouver but is proposed for re-development with apartments and commercial space along C Street. The subject's immediate area is the downtown "core" area of Vancouver, which has a mix of restaurant, service-oriented uses, and professional offices, in the southern portion of downtown Vancouver. The entire block at West Evergreen Boulevard and Esther Street was purchased in June 2020 by the Ed & Dollie Lynch Estate, and subsequently the former New Heights West Church was demolished on this full block because of seismic issues relating to the age and structural integrity. An office building was also demolished on this full block, which has not announced plans, but it will possibly be re-developed with some type of future community use.

Community Services/Transportation

Community services and facilities are readily available in the area. These include public services such as fire stations, hospitals, police stations, and schools (all ages). The city also operates two police precincts with the Police Administration Building located next to Officer's Row. The Clark County Sheriff's Station, Jail, and Correction Facility also exist in the subject's neighborhood, next to the Courthouse. Many of the buildings surrounding the Clark County Courthouse are considered suitable to professional office uses, especially attorneys, as the Clark County Courthouse is within walking distance of these buildings.

The Mill Plain Extension facilitates industrial flow, linking the Port of Vancouver with Interstate-5 via Mill Plain Boulevard. Fourth Plain Boulevard has been reduced to two lanes (plus a center/third turn lane) east of the Burlington Northern Railroad Tracks in an attempt to focus industrial traffic onto the Mill Plain Boulevard extension and West 39th Street.

One road improvement/change is the extension of West 8th Street to Jefferson Street, where Jefferson Street extends north from West 8th Street. As the Vancouver Waterfront becomes more built-out and traffic increases, the City of Vancouver eventually plans to extend and realign Jefferson Street to Mill Plain Boulevard, near Markle Avenue to better facilitate traffic flow. This will be a positive for the western portion of the subject neighborhood with respect to exposure.

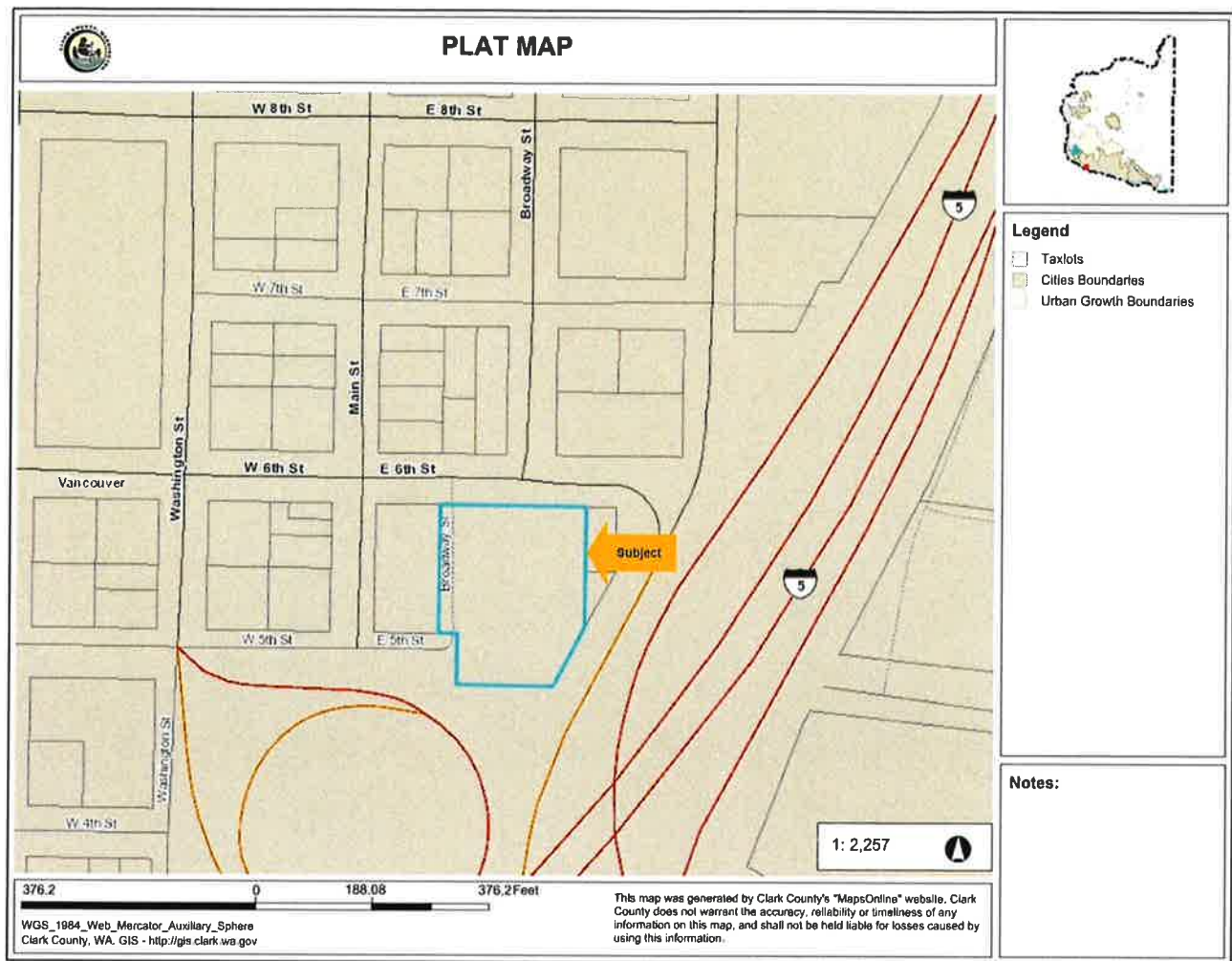
Public transportation, both bus and train, is available throughout and readily accessible from major freeways and thoroughfares. In addition, there are a number of parks in the area which adequately serve the subject's neighborhood. The primary focal point of downtown Vancouver is Esther Short Park, which has been completely renovated and improved with a Bell Tower, a brick plaza and water feature/stream designed for children, a playground, restroom facilities, and a rose garden, as well as a performing arts stage and grass lawn. The area is now an attractive setting for public gatherings and family-oriented/leisure activities.

SUMMARY

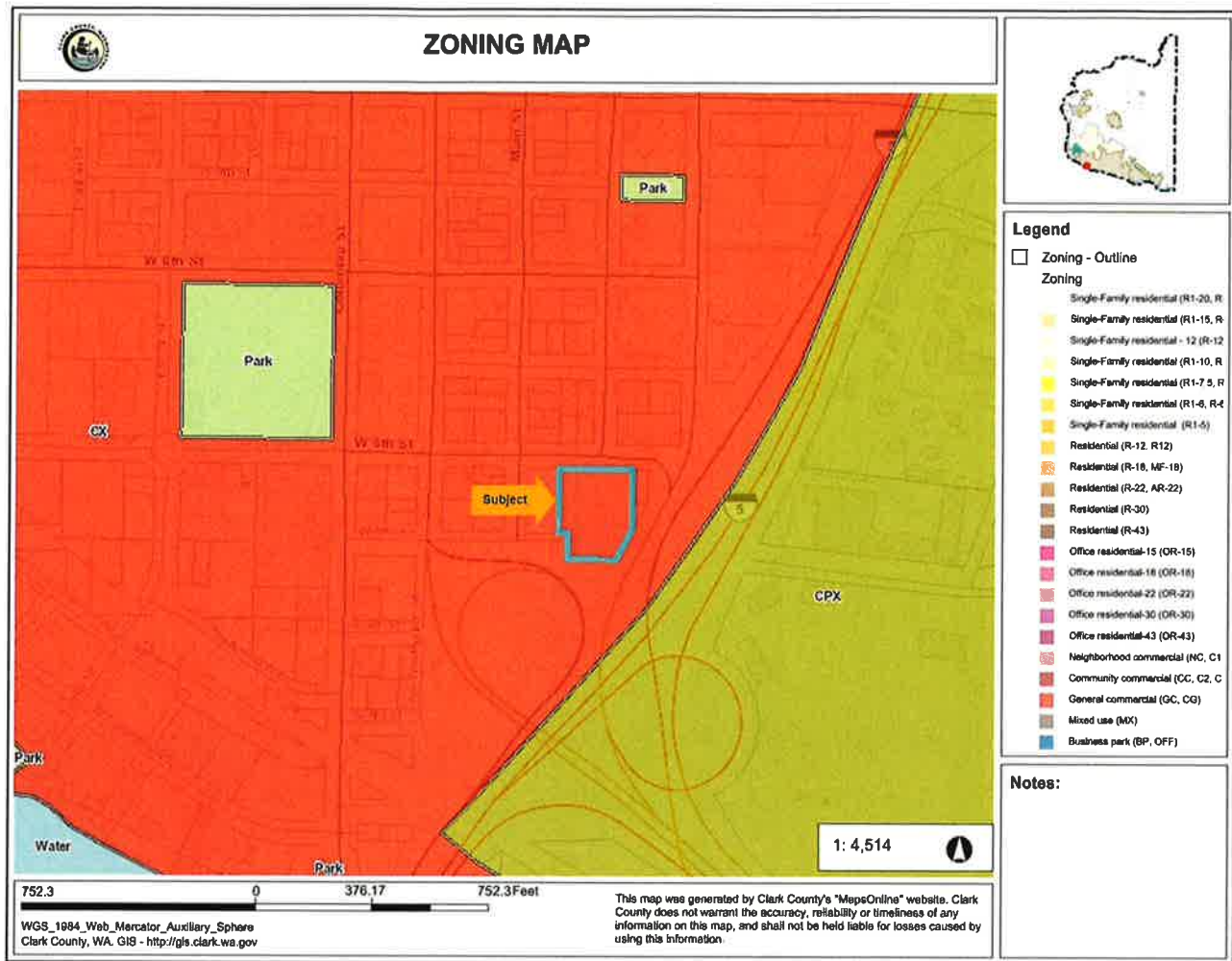
The subject is in an established area of Vancouver. Residential uses include older single-family development off the main thoroughfares and a significant amount of newer multi-family development in the downtown Vancouver area. The subject has a good location with respect to commercial services, thoroughfares, public transportation, and community services. Condition and appeal of the area is generally good. The area is anticipated to experience moderate growth in the foreseeable future. The growth in the immediate area is expected to be focused specifically on the Vancouver Waterfront property over time, which is located in close proximity to the tunnels at Esther and Grant Streets, connecting the Esther Short Park area with the Vancouver Waterfront property.

Until about March 2020, the local area had continued its strong recovery from the recession, as evidenced by fairly stable trends in unemployment, retail sales, housing and new construction. Overall, continued progress was anticipated in 2020, but as of early 2021, there is increased regional and local optimism that the continued distribution of the COVID-19 vaccines will help the local area to return to more normal, but this will take some time. Some of this is not yet reflected in the above figures shown in both the Regional and Local Area Descriptions.

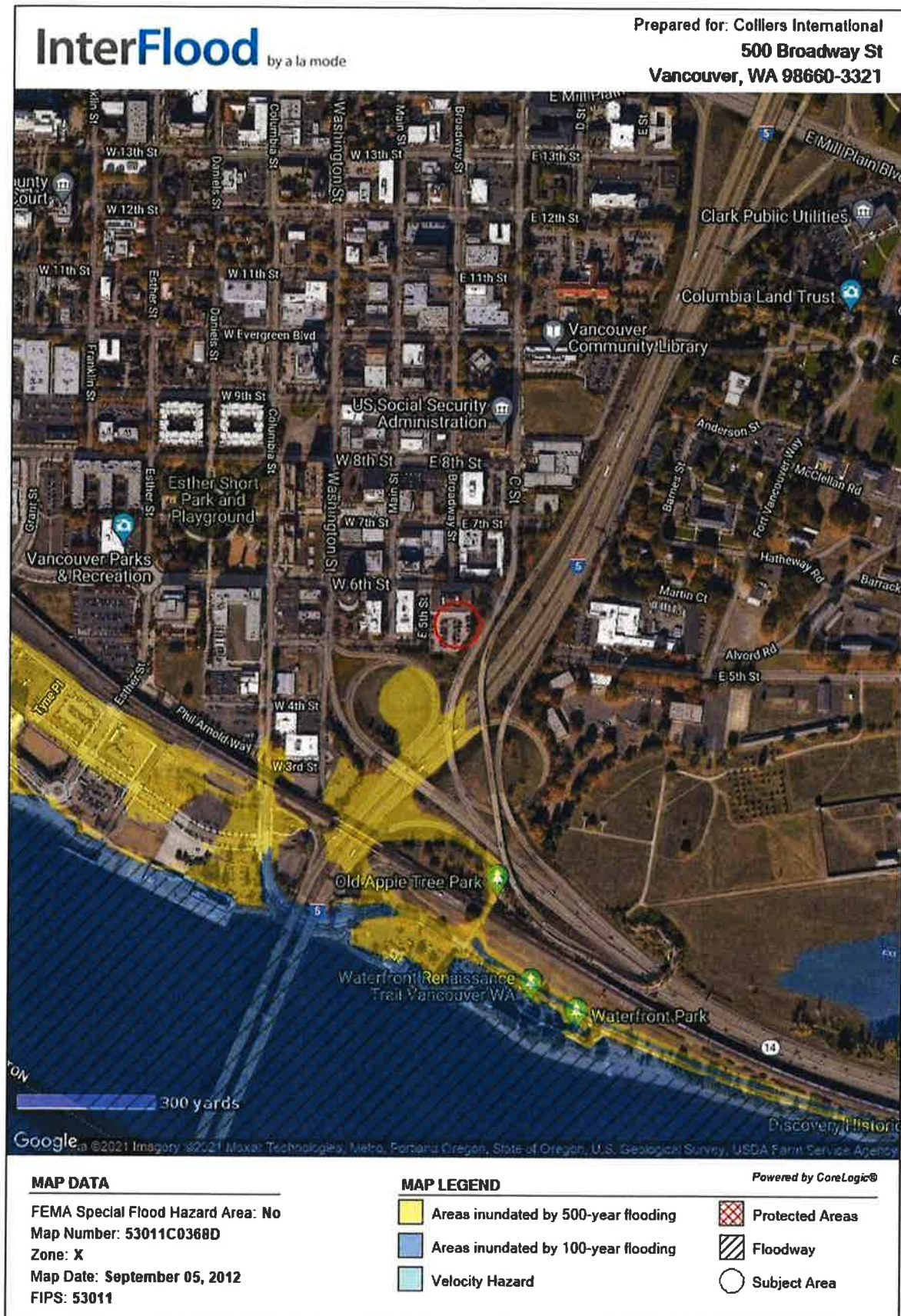
PLAT MAP



ZONING MAP



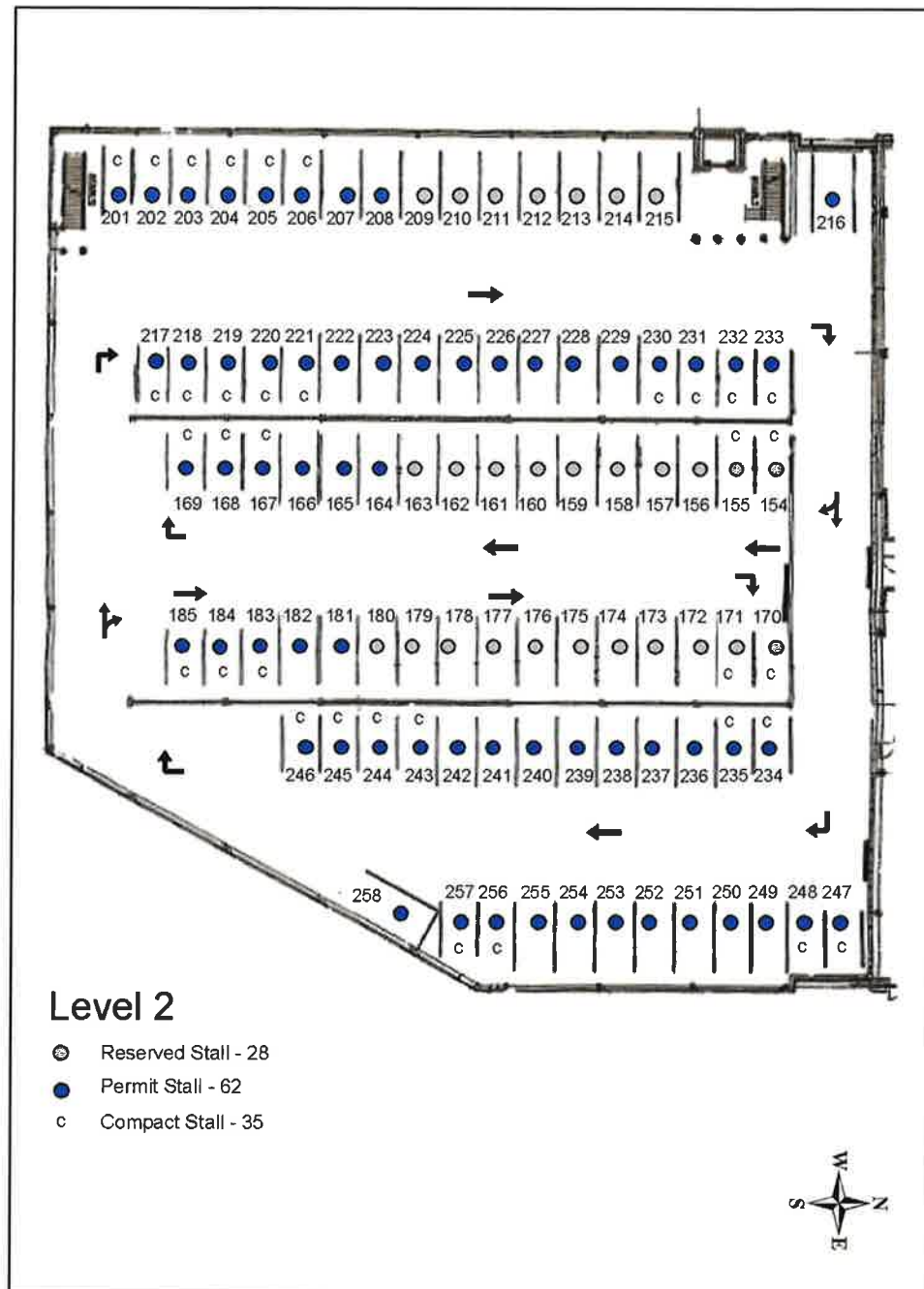
FLOOD MAP



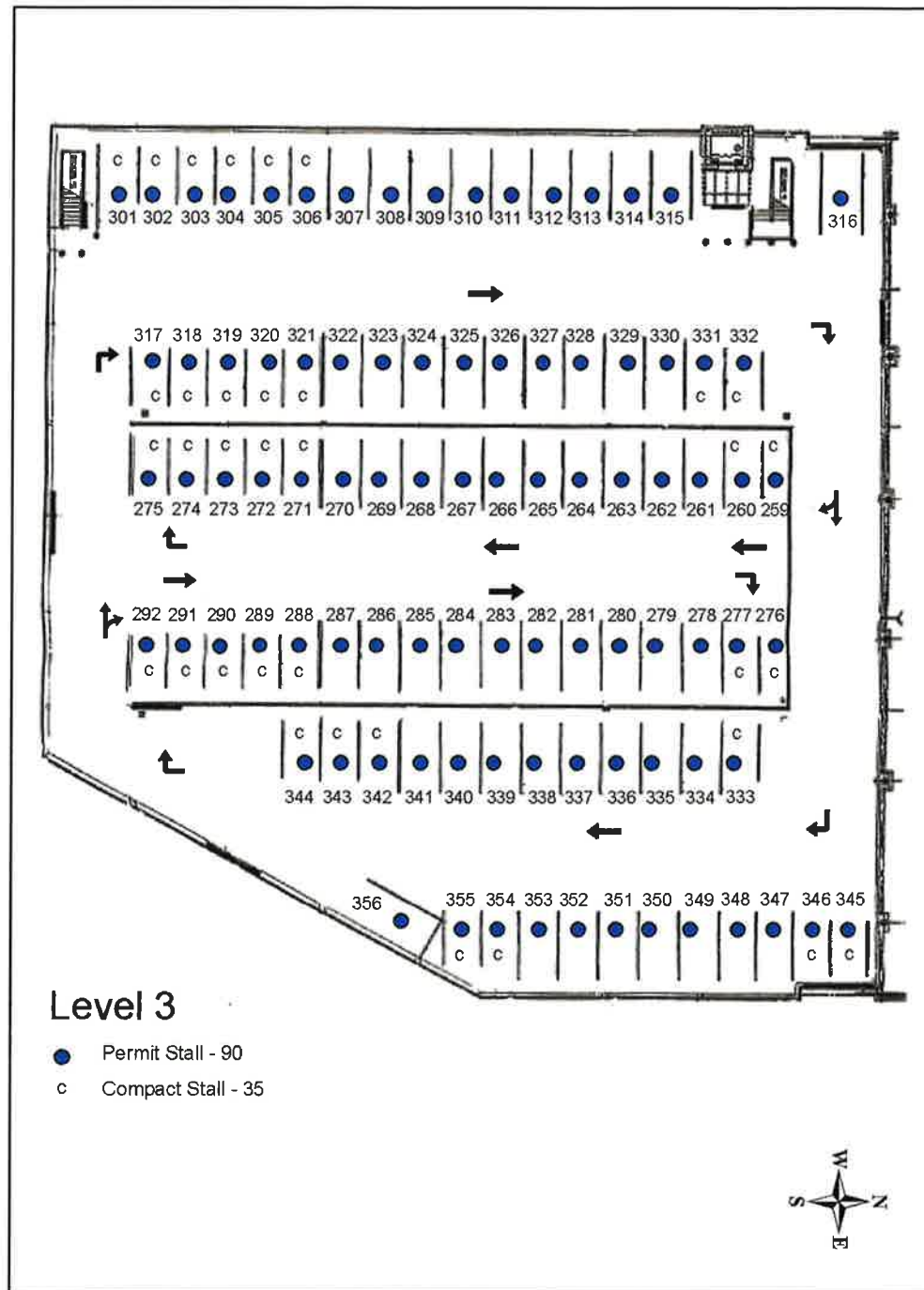
FIRST FLOOR BUILDING PLAN



2ND LEVEL BUILDING PLAN



3RD LEVEL BUILDING PLAN



SITE DESCRIPTION**General Description**

The subject site consists of 1 parcel. As noted below, the subject site has 33,128 SF (0.76 AC) of land area. The area is estimated based on the assessor's parcel map, and may change if a professional survey determines more precise measurements. Going forward, our valuation analyses will utilize the usable site area. The following discussion summarizes the subject site size and characteristics.

Assessor Parcel

038470-004

Number Of Parcels

1

Land Area**Acres****Square Feet**

Primary Parcel

0.76

33,128

Unusable Land

0.00

0

Excess Land

0.00

0

Surplus Land0.000**Total Land Area****0.76****33,128****Shape**

Generally Rectangular - See Plat Map For Exact Shape

Topography

Level at street grade

Drainage

Assumed Adequate

Utilities

All available to the site

Street Improvements

Broadway Street

Street	Direction	No. Lanes	Street Type	Curbs	Sidewalks	Streetslights	Center Lane	Gutters
Secondary Street	two-way	two-lane	connector street	✓	✓	✓		✓
C Street	two-way	two-lane	connector street	✓	✓	✓		✓
5th Street	one-way	one-lane	connector street	✓	✓	✓		✓

Frontage

The subject has approximately 200 lineal feet of frontage along Broadway Street and approximately 110 lineal feet of frontage along C Street. In the vicinity of the subject (5th to 6 Streets), Broadway is a 1-way (northbound only) street, providing access to drive-through teller lanes for Columbia Bank. Also, just west of the subject, 5th Street has a 2-way stretch, but it also has one-way directional sections.

Accessibility

Average/Good - The subject property has access from surrounding thoroughfares, with Broadway Street providing direct access via the surrounding thoroughfares. The subject is well-located close to the southbound I-5 on-ramp at Washington Street and the northbound I-5 off-ramp at C Street, as well as the westbound SR-14 off-ramp into downtown Vancouver. Access to northbound Interstate-5 is approximately 3/4-mile NE of the subject property at the I-5/Mill Plain Boulevard interchange. The subject has one curb-cut along Broadway Street.

Exposure

Good - The subject property has frontage along two streets, Broadway Street and C Street, with some exposure from C Street. The subject is also located just north of the southbound on-ramp to Interstate-5 and the westbound off-ramp from State-Route 14, as well as the Interstate-5 freeway, so the subject has some exposure to all of these thoroughfares.

Seismic	High Risk
Flood Zone	Zone X (Unshaded). This is referenced by Community Number 0027, Panel Number 53011-C0368-D, dated September 05, 2012. Zone X (unshaded) is a moderate and minimal risk area. Areas of moderate or minimal hazard are studied based upon the principal source of flood in the area. However, buildings in these zones could be flooded by severe, concentrated rainfall coupled with inadequate local drainage systems. Local stormwater drainage systems are not normally considered in a community's flood insurance study. The failure of a local drainage system can create areas of high flood risk within these zones. Flood insurance is available in participating communities, but is not required by regulation in these zones. Nearly 25-percent of all flood claims filed are for structures located within these zones. Minimal risk areas outside the 1-percent and .2-percent-annual-chance floodplains. No BFEs or base flood depths are shown within these zones. (Zone X (unshaded) is used on new and revised maps in place of Zone C.)
Site Rating	Overall, the subject site is considered a good commercial site in terms of its location, exposure, and access, recognizing its location in close proximity to the Columbia Bank Building and the Hudson Office Building, both good quality office buildings in the southern portion of downtown Vancouver.
Easements	A preliminary title report was not available for review. During the on-site inspection, no adverse easements or encumbrances were noted. This appraisal assumes that there is no negative value impact on the subject improvements. If questions arise regarding easements, encroachments, or other encumbrances, further research is advised.
Soils	A detailed soils analysis was not available for review. Based on the development of the subject, it appears the soils are stable and suitable for the existing improvements.
Hazardous Waste	We have not conducted an independent investigation to determine the presence or absence of toxins on the subject property. If questions arise, the reader is strongly cautioned to seek qualified professional assistance in this matter. Please see the Assumptions and Limiting Conditions for a full disclaimer.

IMPROVEMENT DESCRIPTION

The information presented below is a basic description of the existing improvements using sources deemed dependable for this analysis. It is assumed that there are no hidden defects, and that all structural components are functional and operational, unless otherwise noted.

The parking floors on each level have painted striping for the parking stalls on each floor. The subject property is a typical parking structure for downtown Vancouver.

Property Type	Retail / Commercial - Garage Parking
Design	The subject is a parking garage with three levels of parking on two floors, with the 2nd level positioned on the ramp between floors. The subject property is connected to the Columbia Bank mixed-use (office and condominium) building, located immediately north of the subject property, with entry doors on each floor.
Number of Buildings	1
Number of Stories	3
Net Rentable Area (NRA)	64,407 SF
Gross Building Area (GBA)	64,407 SF
Floor Plate	21,469 SF
Building Class	C
Parking Garage	64,407 SF
Site Coverage Ratio	64.8%
Land to Building Ratio	0.5 : 1
Parking	233 (Garage) 3.6/1,000 SF NRA
Year Built	2001
Age/Life Analysis	
Actual Age	20 Years
Effective Age	7 Years
Economic Life	50 Years
Remaining Life	43 Years
Quality	Good
Condition	Good
Basic Construction	Reinforced Concrete
Foundation	Concrete slab on reinforced footings
Framing	Concrete panels with steel structural reinforcement
Exterior Walls	Concrete panels
Roof	The top floor is open. The ceiling/roof of the other levels is a concrete structure.
Insulation	Assumed to be standard and to code for both walls and ceilings
Lighting	The subject property has covered sodium vapor (fluorescent) lighting typically throughout various levels, which is considered adequate.

Interior Walls	Concrete
Electrical	The electrical system is assumed to be in good condition to adequately service the building.
Ceilings	Concrete
Windows	None
Flooring	Concrete
Fire Protection	The subject has a fire sprinkler system and smoke alarms.
Security	Video monitoring in parking garage.
Elevators	There is one elevator in the NW corner of the subject property, which serves all of the floors. There are also two sets of stairs in the parking structure.
Landscaping	Landscaping is minimal, as the subject property essentially consists of a parking garage with no room for landscaping.
Parking	The subject is a three-level parking garage. The total number of spaces was reported to be 233, not including the 28 subterranean spaces reserved/owned by the condominium owners.
Deferred Maintenance	The subject property was built in 2001 and has been well maintained. Based on my interview with the property contact and the onsite inspection by the field appraiser, no observable deferred maintenance exists.
Functional Design	The subject improvements are typical for a multi-floor parking garage with a circular interior drive providing access to three parking levels, with a ramp leading up to each level. The subject has an elevator and two interior stairwells.

ASSESSMENT & TAXATION

The subject property is located in Clark County. The assessed value and property tax for the current year are summarized in the following table.

ASSESSMENT & TAXES						
Tax Year	2021			Levy Rate	\$10.59812	
Levy Code	3700			Taxes Current	Yes	
Taxes SF Basis	Net Rentable Area					
APN	LAND	IMPV	TOTAL	EXEMPTIONS	TAXABLE	BASE TAX
038470-004	\$1,656,400	\$3,364,950	\$5,021,350	\$0	\$5,021,350	\$53,217
Totals	\$1,656,400	\$3,364,950	\$5,021,350	\$0	\$5,021,350	\$53,217
Total/SF	\$25.72	\$52.25	\$77.96	\$0.00	\$77.96	\$0.83
Total Base Tax						\$53,217
Total Base Tax Per SF						\$0.83

Source: Clark County Assessment & Taxation

Assessment & Taxation Description

Taxes in the State of Washington are paid twice a year, on the 30th of April and the 31st of October. The assessed values typically are approximately 70 to 90 percent of market value. In the case of the subject property, the current assessed value is approximately 155% of our concluded as-is market value, indicating the subject property's assessed value is high. No adjustments are considered necessary, as any purchaser would expect the assessor to update the assessed value of the subject as part of their trending of the values in the neighborhood after a sale. Also, for publicly-held commercial properties owned by various municipalities, there can be considerable variations, as the subject property is currently owned by the City of Vancouver. The property is a property tax exempt parcel because of the subject's ownership. We have noted the subject's exemption as a publicly-owned property, but have shown what the taxes would be to a private party based on the current assessed value.

ZONING ANALYSIS

The zoning characteristics for the subject property are summarized below:

ZONING SUMMARY	
Municipality Governing Zoning	City of Vancouver Planning & Zoning Department
Current Zoning	City Center (CX)
Permitted Uses	Colleges, Cultural Institutions, Adult Day Care, Medical Centers, Religious Institutions, Multi-Family, Retail, Office, Medical, Transportation Facility, Parking Structure
Current Use	Parking Garage Attached to an Office Building
Is Current Use Legally Permitted?	Yes

ZONING REQUIREMENTS	
Conforming Use	The existing improvements represent a conforming use within this zone
Minimum Site Area (SF)	None
Minimum Yard Setbacks	
Front (Feet)	None
Rear (Feet)	None
Side (Feet)	None (When Abutting Non-Residential Property)
Maximum Building Height (Feet)	75 - 200
Maximum Site Coverage	100%

Source: City of Vancouver Planning & Zoning Department

Zoning Conclusions

Based on the interpretation of the zoning ordinance, the subject property is an outright permitted use that could be rebuilt if unintentionally destroyed. Detailed zoning studies are typically performed by a zoning or land use expert, including attorneys, land use planners, or architects. The depth of our analysis correlates directly with the scope of this assignment, and it considers all pertinent issues that have been discovered through our due diligence. We note that this appraisal is not intended to be a detailed determination of compliance, as that determination is beyond the scope of this real estate appraisal assignment.

MARKET ANALYSIS

The subject consists of a parking garage with monthly and transient parkers. The market analysis is presented for the parking garage, followed by a summary market analysis for office space.

PARKING GARAGE MARKET

The subject property is a 3-level parking garage totaling 64,407 square feet, with a total of 233 spaces, 181 of which are master-leased by Killian-Pacific, owner of both the Columbia Bank Office Building (Immediately North of the subject) and the Hudson Office Building (West of the subject). The remaining spaces are metered and available to the general public. available to generate rental income for the subject property owner. In this section, first the general parking market conditions in both downtown Vancouver will be analyzed, followed by some national trends researched by Colliers International. Then, since the subject property is directly impacted by office market conditions in downtown Vancouver, the office market conditions in the Portland-Vancouver Metropolitan Area market and Clark County sub-market, specifically the downtown Vancouver CBD, will be discussed, as they relate to the subject property. Some of our information comes from the IBIS World Industry Report for December 2020. The following chart summarizes the subject's parking stalls. Please note that it includes the 28 spaces owned by the Frontier Condominium owners and not included in this appraisal (Our Appraisal is for $261 - 28 = 233$ Spaces).

MUNICIPAL LOT 5 SUMMARY

Level 1 - 81 Stalls

- Reserved Stall- 29 stalls (10 compact)
- 5 Hour Stall- 30 stalls (14 compact)
- 90 minute Stall - 15 Car / 2 Motorcycle (8 compact)
- ♿ ADA Stall - 5

Level 2 - 90 Stalls

- Reserved Stall - 28 stalls (4 compact)
- Permit Stall - 62 stalls (31 compact)

Level 3 - 90 Stalls

- Permit Stall - 90 stalls (35 compact)

Total - 261 Stalls

- Permit Stall - 152 stalls (66 compact)
- Reserved Stall- 57 stalls (14 compact)
- 5 Hour Stall- 30 stalls (14 compact)
- 90 minute Stall - 15 Car / 2 Motorcycle (8 compact)
- ♿ ADA Stall - 5

The City of Vancouver has historically constructed parking garage facilities in downtown Vancouver to facilitate commercial office development and attract new development and business in downtown Vancouver. However, in a prior Rick Williams Consulting 12/31/11 Report, "Continued City efforts in future parking investments should be more focused toward adding short-term parking supply over time. This is underscored by the fact that since 1998, the City has progressively emphasized and reiterated through policy guidance its desire to play a key role in assuring an adequate supply of visitor parking while transitioning the leadership role in long-term parking to the private sector. The current mix of parking in the City's off-street parking facilities favors long-term, non-visitor

parking. This mix is not supportive of the City's historic or on-going policy for promoting and providing short-term visitor parking access. At the same time, the off-street parking system is running a significant deficit, which is covered through General Fund transfers".

In a follow-up report by Rick Williams Consulting in 11/8/12, their recommendation was that "the City pursue an option to sell the Main Place parking facility as a means to (a) reduce the financial burden that this facility places on the General Fund, and would continue to place over the next five years and (b) refocus the City's parking assets toward its policy goal for providing and enhancing its parking resources to the patron/visitor of the downtown". The City of Vancouver has since sold the Main Place parking facility.

More recently, there has been a considerable amount of development activity in downtown Vancouver. The new multi-family developments generally have their own parking structure or rely on surrounding street parking. However, the new development taking place in the Vancouver Waterfront, along with these multi-family developments, is generating more density in downtown Vancouver. Some new developments in the Vancouver Waterfront such as the Murdock Office Building, has some underground parking within the structure. However, Gramor, at least to date, has developed some surface parking to satisfy the demand for parking by restaurant patrons. Gramor plans to construct some type of parking structure as the blocks in the Vancouver Waterfront become built-out. Also, according to Steve Kaspan, the City of Vancouver plans a parking structure south of their existing City Hall, which will be utilized, in part, by City of Vancouver employees. This will ultimately free up the surface parking spaces west of City Hall, allowing these parcels to ultimately be re-developed.

The following chart summarizes the results of our Parking Garage Rate Survey in downtown Vancouver.

PARKING GARAGE RATE SUMMARY					
Comp #	Name	Address	# Spaces	Monthly	
				Reserved	Roof
	Subject	5th & Broadway	233	\$120.00	\$120.00
1	Vancouver Center	6th & Washington Streets	733	\$115.00	-
2	Riverview Tower	900 Washington Street	200	\$125.00	\$100.00
3	1220 Main Parking Garage	12th & Main Streets	63	\$115.00	\$95.00
4	Block 56 Parking Garage	Mill Plain & Main Street	130	\$145.00	\$74.00
5	Bank of America	805 Broadway Street	100	\$125.00	\$65.00
6	703 Broadway Building	703 Broadway Street	542	\$110.00	-
7	Murdock Building	5th & Washington Streets	Unknown	\$125.00	-
Total/Median			2,001	\$122.50	\$95.00

Sources: Colliers International
City of Vancouver
Private Owners

As shown in this chart, the monthly reserved permit parking ranges between \$110.00 and \$145.00 per stall per month. The low end of this range is represented by the 703 Broadway Building. The upper end of the range is indicated by Block 56, at the northern end of the downtown "core" area of Vancouver.

Parking Demand Indicators

The subject property is influenced primarily by the Columbia Bank Office Building, located immediately north of the subject and developed at the same time as the subject property, and the Hudson Office Building, located immediately west of the subject property. Both buildings were factored into the design of the subject's parking garage. The subject property has 181 monthly parking spaces which are master-leased by Killian-Pacific. The remaining 52 parking spaces are set aside for transient (office customers/clients and the general public). Tamara Fuller, office leasing agent in Clark County, with Capacity Commercial Group, indicated that the top floor of the

subject property feeds right into the 2nd floor of the Columbia Bank Building, which used to have Clark College as a tenant. However, this space is vacant, so there is currently more vacancy in the Columbia Bank Building. The subject property's 181 parking spaces are devoted solely to Killian-Pacific, who reportedly master-leases these spaces and sub-leases them to tenants in the Columbia Bank Building (70,353 SF NRA) and Hudson Building (43,544 SF NRA), for a total of 113,897 SF. With 181 reserved spaces for these tenants, this equates to a parking ratio of 1.59 parking spaces per 1,000 SF.

For comparison purposes, the amount of parking provided within the leases of the Riverview Tower Office Building is approximately 1.67 parking spaces per 1,000 square feet (1 parking space per 600 SF of building area). With the 166 parking spaces in the Main Place Parking Garage devoted solely to Main Place (90,000 SF NRA), this would provide the Main Place Office Building with a parking ratio of approximately 1.84 parking spaces per 1,000 square feet. So the subject's parking and associated parking ratio for the two office buildings to which the subject's spaces were originally planned for are considered reasonable.

The owners of the Main Place Office Building, a 90,000 square foot Class A office building, purchased the 166-space Main Place Parking Garage in 2013 to control the parking for their building. The potential purchasers of the subject property (Killian-Pacific), who also own the Columbia Bank Building and Hudson Office Building, are the most likely purchasers of the subject property, as they could also control the parking for these two office buildings. Overall, the subject property exhibits strong demand for parking in downtown Vancouver, as there are no other nearby parking structures. The nearest is the 703 Broadway Building north of the subject property.

Most of the recent development has been along the Vancouver Waterfront and in and around the area of Esther Short Park, which hosts large public gatherings where the 733-space Vancouver Center Parking Garage is utilized, as well as metered street parking. Development of the Vancouver Waterfront area and its impact on parking in downtown Vancouver, as well as multi-family development in downtown Vancouver is generally increasing the density in downtown Vancouver and increasing the demand for parking.

The City of Vancouver now owns the former Columbian Newspaper building at 415 West 6th Street. At the time of purchase, there was a development agreement for the former owner to develop a parking garage on the lot immediately south of the Columbian Building within a certain time-frame. However, now that the City of Vancouver owns and controls this property, it appears that the City of Vancouver does plan to construct some type of parking structure in this vicinity. As the Vancouver Waterfront property continues to be developed on the other side of the Burlington Northern Railroad Tracks from this lot, and with the two areas connected by a pedestrian and vehicular tunnel, the City of Vancouver may indeed participate in another type of "partnership" with the Vancouver Waterfront developers to facilitate development of this property, but for now, the City of Vancouver plans this parking structure primarily for its employees and to free up surrounding land for future development. Gramor Development plans their own parking structure in the Vancouver Waterfront development.

The Academy surface parking lots are planned to be developed with a 2-phase multi-family project which may include its own parking structure. This proposed project would eliminate many surface parking spaces in the eastern edge of the downtown "core" area. This is expected to reduce supply and increase demand for existing parking in downtown Vancouver. In summary, there is considered to be strong demand for downtown parking in the "core" area of Vancouver. The pulse of the office market in downtown Vancouver will be discussed later.

National Parking Demand Indicators

From a national perspective, **Colliers International** has access to the IBISWorld Industry Report dated December 2020.

According to the IBISWorld Industry Report, "The sharp decline in economic activity in 2020 is expected to offset tepid growth that occurred between 2015 and 2019. Prior to 2020, an increased value of residential construction,

particularly mixed-use developments, bolstered demand for industry services, such as management contracts and valet services. Additionally, favorable economic conditions, such as low interest rates and unemployment, encouraged commercial developments that serve as important downstream markets for the industry, including of central shopping districts, airports and stadiums. However, the dramatic reversal of these trends due to the COVID-19 (coronavirus) pandemic in 2020 is expected to cause industry revenue to decline. IBISWorld estimates industry revenue to fall an annualized 2.3% to \$9.0 billion over the five years to 2020, including a decline of 13.7% in 2020 alone.

Despite the effects of the coronavirus pandemic, the industry has benefitted from positive trends during the period. Increased urbanization has been a key driver of demand for the industry. Over the past five years, development in fast-growing cities, such as Austin, TX, and Atlanta, has resulted in greater demand for large-scale parking garages. Moreover, industry operators have increasingly incorporated management contracts into their business models due to the low risk and steady incomes that are characteristic of large facility management agreements. As industry operators have turned to cost-efficient business models, industry profit has exhibited positive growth, however, prior to the pandemic.

Over the five years to 2025, the industry is expected to experience slow revenue growth as commercial development is anticipated to gradually reemerge in light of low interest rates and declining investor uncertainty. Moreover, existing market saturation for industry operators will likely limit opportunities for further expansion for the industry, resulting in heightening competition for fewer growth opportunities and increased merger and acquisition activity among major players. Overall, these factors are expected to limit industry revenue growth, and as a result, IBISWorld expects industry revenue to increase an annualized rate 1.8% to \$9.9 billion over the five years to 2025."

Demand for the subject property is directly tied to demand for office space in downtown Vancouver. With respect to commercial market conditions, there continues to be a general balance of office space on the market and office demand has continued to grow stronger, at least until March 2020, when the COVID-19 pandemic began, changing office employees' work patterns dramatically toward working at home to help maintain "social distancing". How long this trend continues remains to be seen, but clearly companies are considering this in their future plans for leasing office space.

Historically, the local area has experienced a tremendous amount of population growth in Clark County and the suburban areas, which drives the demand for necessary supporting services. The new construction of multi-family units is continuing to impact downtown Vancouver by increasing the density of residents in the downtown Vancouver area. These factors reflect the general health and pulse of the economy and office market in downtown Vancouver.

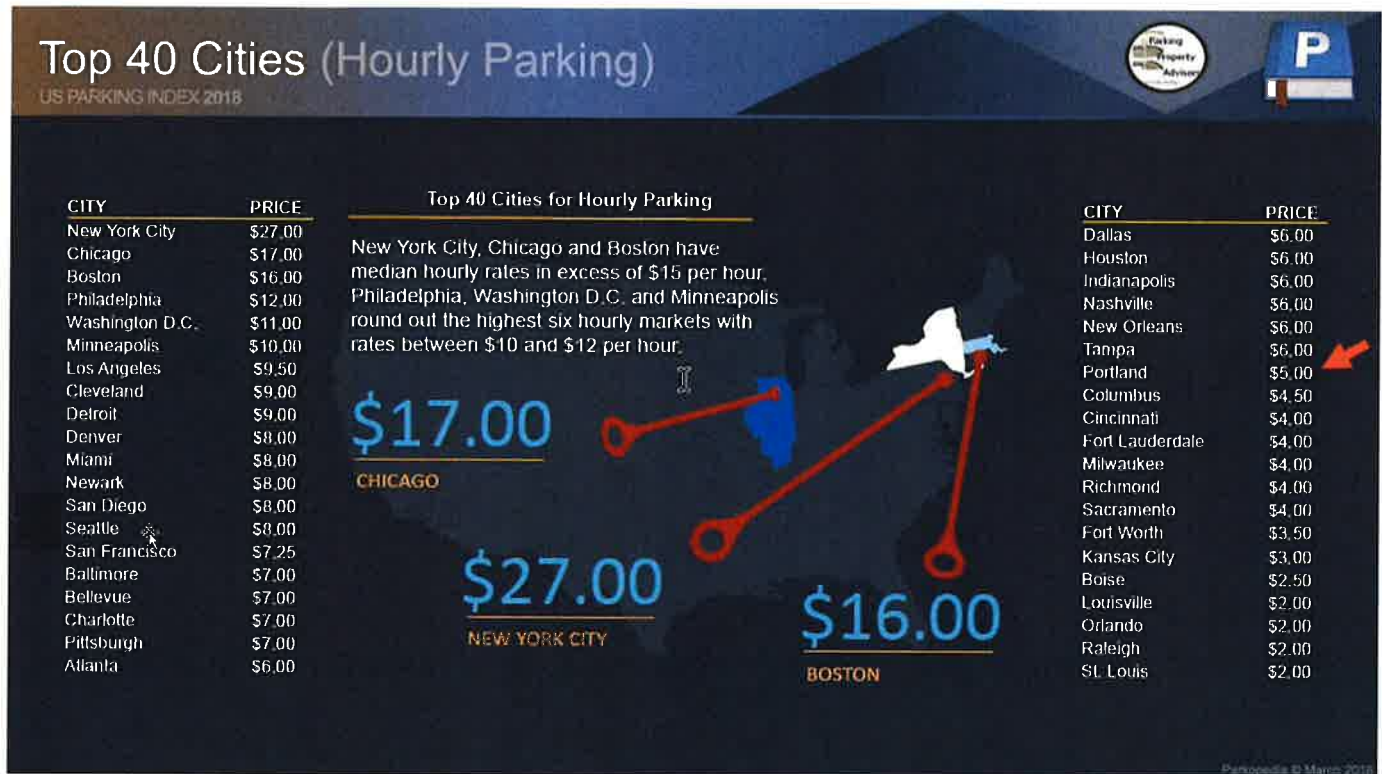
Downtown Vancouver is becoming an increasingly dense city. Metered public parking is available on the streets and parking is available in garages and surface lots. The City of Vancouver has implemented the "Parking Kitty", with various zones for parking areas in downtown Vancouver where parking patrons can use an "app" on their phone to register their vehicles with the Parking Kitty and pay for hourly parking in the various zones throughout downtown Vancouver.

The most recent Top 40 US Cities Parking Index Survey was published in 2018 by Parking Property Advisors and Parkopedia. This survey gathered data from more than 650 parking facilities representing more than 300,000 parking spaces via direct research and provides hourly, daily, monthly and monthly reserved rates from the Central Business Districts of forty of the top US markets. All prices were calculated as the median of corresponding parking rates for all publicly available off-street parking facilities in a city center.

- Hourly parking: 1 hour stay on a weekday
- Daily parking: 8 hour stay on a weekday
- Monthly parking: Unreserved monthly rate (a space is guaranteed but it is not a dedicated space)

- **Reserved Monthly parking:** Monthly rate for a guaranteed space.

Portland was concluded to be below the mid-level in terms of hourly parking rates, which is based on a 1 hour stay on a weekday, and in the top ten in terms of daily parking, which is based on an 8 hour stay on a weekday. The City of Vancouver's hourly rate for metered spaces in the subject facility is only \$0.50/hour, well below these larger metropolitan areas. Parking statistics for Portland, Seattle, and US metro areas are shown in the following charts:



MARKET ANALYSIS

Parking garage occupancy is related to the strength of the office, retail and hotel properties in the area as well as transient and event parking. An overview of the Portland-Vancouver Metro Area office market supply/demand trends and the Clark County office sub-market supply/demand trends are analyzed next.

This section provides a study of office supply/demand conditions for the Portland-Vancouver Metro Area Market and Clark County Submarket. These findings are used to support my conclusions for the competitive position and exposure period for the subject property.

OFFICE

PORTLAND-VANCOUVER METRO AREA OFFICE MARKET

The following is an analysis of supply/demand trends in the Portland-Vancouver Metro Area Office Market using information provided by CoStar. The table below presents historical data for key market indicators.

PORTLAND-VANCOUVER METRO AREA HISTORICAL STATISTICS (LAST FIVE YEARS)

PERIOD	SUPPLY	NEW CONSTRUCTION	NET ABSORPTION	VACANCY	ASKING RENT
2016	105,903,344 SF	1,971,044 SF	2,120,450 SF	7.0%	\$23.02/SF
2017	106,380,514 SF	477,170 SF	893,997 SF	6.9%	\$23.96/SF
2018	108,245,592 SF	1,865,078 SF	1,296,153 SF	6.8%	\$25.45/SF
2019	108,401,439 SF	155,847 SF	31,240 SF	7.1%	\$26.91/SF
2020	109,445,872 SF	1,044,433 SF	(1,854,502) SF	8.4%	\$28.30/SF
CAGR	0.7%	-	-	-	4.2%

*Supply numbers based on information which is amended/updated on an on-going basis by Costar.

Source: Costar®

PORTLAND-VANCOUVER METRO AREA TRAILING FOUR QUARTER PERFORMANCE

PERIOD	SUPPLY	NEW CONSTRUCTION	NET ABSORPTION	VACANCY	ASKING RENT
2020 Q2	108,974,845 SF	84,080 SF	9,433 SF	7.7%	\$28.50/SF
2020 Q3	109,257,481 SF	282,636 SF	(794,263) SF	8.6%	\$28.79/SF
2020 Q4	109,445,872 SF	188,391 SF	(888,396) SF	9.6%	\$27.94/SF
2021 Q1	109,522,871 SF	76,999 SF	(872,462) SF	10.5%	\$28.02/SF

Source: Costar®

PORTLAND-VANCOUVER METRO AREA MARKET TREND ANALYSIS

	Q1 2021	2020	Last 5
Total SF	109,522,871	109,445,872	107,675,352
Vacant SF	11,475,898	9,171,564	7,782,774
Market Vacancy	10.5%	8.4%	7.2%
Construction Growth Rate	0.1%	1.0%	0.7%
Absorption Rate	(0.8%)	(1.7%)	0.5%
Average Asking Rent/SF	\$28.02	\$28.30	\$25.53

Source: Costar®

Portland-Vancouver Metro Area Market Conclusion

Prior to the COVID-19 pandemic, the Portland-Vancouver Metro Area office market demonstrated relatively sound fundamentals and had shown considerable and consistent improvement from the 2008 economic downturn. Many local businesses had begun to expand their footprints and new start-ups had been emerging. However, in March 2020, the COVID-19 pandemic began on a local, national and global scale, creating a vast amount of uncertainty in the economy and local real estate office market. Also, specifically in downtown Portland, the civil unrest in the CBD has driven many employers out of the Portland CBD into the suburbs and Clark County. This is creating a significant amount of change in the office market.

As can be seen in the charts above, there has been a steady but relatively level trend in vacancy rates and upward pressure on rents over the past 5 years, including 2020. However, the Portland-Vancouver Metro Area showed significant negative absorption of office space through the last 2 Quarters of 2020 and the 1st Quarter of 2021 and a leveling of lease rates. There was also a considerable amount of new construction throughout 2020. Market participants and investors generally anticipate Portland to exhibit rental rate growth and continued economic expansion in the long-term, with uncertainty in the short-term caused by the COVID-19 pandemic.

CLARK COUNTY OFFICE SUBMARKET OVERVIEW

The following is an analysis of supply/demand trends in the Clark County Office Submarket using information provided by CoStar. The table below presents historical data for key market indicators.

CLARK COUNTY HISTORICAL STATISTICS (LAST FIVE YEARS)

PERIOD	SUPPLY	NEW CONSTRUCTION	NET ABSORPTION	VACANCY	ASKING RENT
2016	11,551,015 SF	258,383 SF	404,352 SF	7.6%	\$18.90/SF
2017	11,613,615 SF	62,600 SF	168,967 SF	6.9%	\$19.92/SF
2018	11,751,022 SF	137,407 SF	225,885 SF	5.9%	\$20.01/SF
2019	11,772,267 SF	21,245 SF	103,420 SF	5.1%	\$22.33/SF
2020	11,973,803 SF	201,536 SF	(23,180) SF	5.7%	\$23.26/SF
CAGR	0.7%	-	-	-	4.2%

*Supply numbers based on information which is amended/updated on an on-going basis by Costar.

Source: Costar®

CLARK COUNTY TRAILING FOUR QUARTER PERFORMANCE

PERIOD	SUPPLY	NEW CONSTRUCTION	NET ABSORPTION	VACANCY	ASKING RENT
2020 Q2	11,841,803 SF	0 SF	8,736 SF	5.1%	\$22.95/SF
2020 Q3	11,841,803 SF	0 SF	(95,428) SF	5.9%	\$23.71/SF
2020 Q4	11,973,803 SF	132,000 SF	52,875 SF	6.5%	\$23.68/SF
2021 Q1	11,998,803 SF	25,000 SF	(6,651) SF	6.7%	\$24.72/SF

Source: Costar®

CLARK COUNTY MARKET TREND ANALYSIS

	Q1 2021	2020	Last 5
Total SF	11,998,803	11,973,803	11,732,344
Vacant SF	807,000	676,520	731,160
Market Vacancy	6.7%	5.7%	6.2%
Construction Growth Rate	0.2%	1.7%	0.7%
Absorption Rate	(0.1%)	(0.2%)	1.5%
Average Asking Rent/SF	\$24.72	\$23.26	\$20.88

Source: Costar®

CLARK COUNTY SUBMARKET CONCLUSION

The Clark County Submarket demonstrates a similar trend to the greater Portland-Vancouver Metro Area Market. Over the last five years (2016-2020), the vacancy rate ranged from 5.1% to 7.6%, showing a trend of relatively flat vacancies; further, as of the most recent (1st) quarter in 2021, vacancy was at 6.7%, up slightly from the previous quarter (4Q 2020) of 6.5%. Asking rents are higher than 5 years ago, showing an increase from \$18.90/SF to \$23.26/SF over a 5-year period. There has also been consistent positive net absorption of available space over the past 5 years, up until 2020, when Clark County experienced a significant amount of negative absorption in the 3rd Quarter of 2020 and the 1st Quarter of 2021. 4th Quarter 2020 absorption was positive, which is consistent with improving employment figures from earlier in 2020.

The 2020 trends reflect the impact of the COVID-19 pandemic, with some new construction in the previous quarters. Asking rents during the past four quarters ranged from \$22.95 to \$24.72/SF and have exhibited a flattened trending as of the most recent quarters, with the trend somewhat being office tenant "shifting" between buildings, both in downtown Vancouver and the suburbs, and not so much an influx of new office tenants into Clark County. However, in the short-term, it is noted that in Two of the Four Quarters of 2020, Clark County experienced negative absorption related to the COVID-19 pandemic. This is a challenging statistic for Clark County, due to spiked increases in unemployment, as the office market has been impacted by this pandemic, with a significant increase in unemployment and a great deal more uncertainty in the market. As shown in the figures above, this has impacted the office market, with negative absorption and increased vacancies in mid-2020, although the 4th Quarter 2020 showed positive absorption of office space.

With regards to new construction in downtown, there have been very limited new buildings constructed but there are now some buildings either recently completed or under construction. Near downtown Vancouver, Killian-Pacific constructed a build-to-suit office building for Home Depot's Quote Center. A new 7-story, 70,000 SF office

building was recently completed in the Vancouver Waterfront, anchored by the MJ Murdock Charitable Trust. The office space in this building is already at a stabilized occupancy, showing the strength of the market and a successful shifting of rents from the traditional full service (owner pays all operating expenses) expense structure to a triple net expense structure. The Al Angelo Company is now constructing a 2nd phase of the 400 Mill Plain Building, a mixed-use (office/commercial/apartments) named the Angelo Tower and located along Mill Plain Boulevard, at the entrance into downtown Vancouver from the Interstate-5/Mill Plain Boulevard interchange. The adjacent 400 Mill Plain Building was constructed in 2009, and the new phase will include upper level Class A office space and a parking garage on the lower level to support both buildings.

Also, at the south end of downtown Vancouver, Hurley Development recently completed construction of a 6-story office condominium project. The ground floor is a covered/secured parking garage, with 5 floors of office space above ground, each totaling just over 7,600 SF (Gross) and 6,475 SF (NRA) and divided into office condominiums. The top 3 floors (4th, 5th, and 6th floors) have sold to a financial planner for owner-occupancy. The owner has moved into offices on the 3rd floor and the owner/developer is trying to sell or lease the 2nd floor office condominium.

There have been a considerable number of buildings either renovated or constructed as “Creative Office” space in the downtown “core” area of Vancouver. The Firstenberg Family purchased Block 56, the former Vancouver City Hall Building at 210 East 13th Street, completely gutted the building, added exterior windows to brighten the interior and designed the building around a creative office concept, something which, at the time, had not yet been done in downtown Vancouver. They have since leased the top 3 floors to full-floor tenants, including Berger-Abam and a title insurance company, finding considerable success with this concept which had already been introduced into the downtown Portland market. Their investment in this building was also driven by their desire to control the parking structure affiliated with the Block 56 building in conjunction with their 1220 Main Building and parking structure.

Since then, other developers have incorporated the “creative office” design concept into newly constructed and renovated buildings. More recently, Killian-Pacific constructed the Hudson Office Building, designed with treated brick exterior, expansive windows, and open/vaulted ceilings, also oriented around the creative office concept. They were quite successful in leasing this building to various tenants on long-term leases, including Pacific Continental Bank (now Columbia Bank), Bank of America, and MacKenzie, who also are drawn to this creative office concept, which generally features well-lit buildings, open work areas with exposed roof/ceilings, HVAC ductwork, polished sealed concrete floors, and flexible floor plans. Another tenant (6,400 SF) in 2016 in the Hudson is AbSci, a local technology company. AbSci, scheduled to end their initial 5-year lease term in the Hudson Building, is now planning to move into 61,000 SF in a newly constructed building in the Columbia Tech Center in East Clark County. It is part of an expansion of the rapidly growing business that is working on research and development related to the COVID-19 vaccine. Therefore, the creative office concept is well-suited to technology and R & D companies, allowing them to grow into larger space.

Other tenants/users in downtown Vancouver have designed their space around this concept, including Woobox, Gravitare, and Olson Engineering. Most recently, the Murdock Building, a 70,000 SF, 7-story Class A office building developed in the Vancouver Waterfront, has also incorporated the creative office design concept, with several tenants, including the M.J. Murdock Charitable Trust as the anchor tenant.

Overall, the primarily adverse market conditions are caused by the current COVID-19 pandemic and the uncertainty it has created throughout the country and world, regarding the length of the impact. World leaders and government officials are just beginning the process of delivering a newly created and approved COVID vaccine in the hopes of stabilizing the spread of the virus and protecting the population, hopefully the first steps of moving back toward more normal social norms. The office market is expected to continue to show low vacancy rates and steadily increasing rental rates in the long-term but in the short-term, there is considered to be a considerable amount of remaining uncertainty related to the COVID-19 pandemic.

CORONAVIRUS IMPACT

As mentioned in the cover letter, the impact of the global coronavirus pandemic is currently being felt in Clark County in terms of school closures, restaurant closures, and business closings for the time being, with the majority of the population staying home or working from home after federal and state mandates for social distancing as a means to curb the spread of the virus. Interviews with market participants indicate that it is still too early to determine what type of impact this pandemic will have on the local real estate market, but for the short-term, the impact is being felt mostly in the hospitality and retail (food service) industry, as Governor Inslee has ordered restrictions on public gatherings to aid in curbing the spread of the virus.

We interviewed leasing agents and investors/developers/landlords to gain their perspective and insight on the measurable impact the coronavirus pandemic has had so far on the real estate market, specifically the commercial retail/service and office real estate market. During the initial months of the COVID-19 pandemic, there was a significantly more notable difference in office closings in Clark County, with more office workers working from home, including professional office companies such as architects and engineers working on designs for new commercial and residential projects. Recently, however, as Clark County, currently in Phase 2 of a 4-Phase Recovery, and trying to move to Phase 3, is seeing more offices open back up with social distancing restrictions. This can fluctuate on a week-by-week basis, based on the number of local outbreaks.

We interviewed office leasing and investment brokers regarding the impact of the COVID virus. But at this point, they have acknowledged that office has been a little more insulated than retail and multi-family. They have not seen much change with the traditional office users, such as attorneys, who still will have to serve clients and review leases which expire and will need to renew. The same is true with mortgage groups and realtors. Brokers have not seen the adverse effects with a Class A office building yet, and office landlords will not be hurt as badly as retail landlords, at least in the short term. Brokers have already started putting some new spaces on the market, though, and would anticipate an increase in vacancy rates as they are typically tied to employment, with an initial spike in unemployment in Clark County and the United States during the Spring/Summer of 2020. However, recent figures reflect diminishing unemployment rates through Fall 2020. Office brokers feel that vacancy rates will tick back up to double digits for office and continue to go up until after the COVID-19 pandemic settles down.

Also at this point, brokers have not seen a drop in advertised rental rates but they have seen an uptick in concessions and believe that will continue and rates will likely fall as well in more of the commodity or secondary submarkets, as some brokers believe there is no reason this won't last for a minimum of 18 months. Other brokers have commented that the COVID-19 pandemic might be a disruptive event, as well, where people realize they do not need as much square footage as working from home and through "Zoom" and other social media devices, might change how offices function culturally. That may play out on a longer basis but would see the density of office users increase over the long term.

Regarding capitalization rates, brokers are not as certain. One broker stated, "One could argue that the times are scarier and riskier and so capitalization rates should rise. I have also seen, though, on a separate front, that the uncertainty and volatility in competing investments like the stock market have pushed up interest in real estate like office. I would probably tick capitalization rates up a hair, given the change in market and we will know more in the future as this thing plays out a bit."

Active real estate brokers have commented that it is still too early to quantify specific impacts to local office properties and parking structures. But it is still too early to tell, with ongoing decisions being pondered and made by state and local officials as the County continues to try and move toward lesser restrictions.

We have interviewed property managers and owners to identify the current status of landlord's negotiations with tenants in Clark County. Many have indicated that they have negotiated one month of rent abatement for some tenants. On the other hand, other property managers have indicated that they are considering pushing one-month's rent back for some tenants (deferred but not abated) in exchange for a tenant extending their lease

term. Overall, there are options for negotiations between landlord and tenant to help tenants through this immediate period in time. Tenants can also apply to the SBA (Small Business Administration) to see if they qualify for rent assistance and the PPP (Paycheck Protection Program) to help with paying wages to employees. The bulk of lending work initially focused on processing applications for the PPP, rather than for pure real estate lending, in April and May of 2020. In latter, months, and for the remainder of 2020, however, there was more real estate lending activity on office properties.

Overall, from an investment standpoint, due to the limited supply of available product like the subject for sale, investors are still expected to proceed with purchases/investments, knowing that the short-term may be bumpy in relation to some tenant rent abatements/concessions, but the long-term prognosis is for recovery and eventual growth. However, there is considered to be more uncertainty in the short-term. In this appraisal, we will make some downward adjustments to the land sales to reflect this additional uncertainty which exists in the market to reflect the impact on the subject property as part of the office market.

Market Participant Interviews

Colliers conducted a survey of investment brokers active in the Portland and Seattle market regarding parking garages. There have been few sales of parking garages that were not associated with larger office of commercial buildings and no recent sales found in the Portland-Vancouver Metro Area. Several brokers suggested capitalization rates for parking garages range from 5.0% to 7.0%. Most older garages in the city are two to three stories and when sold typically are purchased as redevelopment sites. Most owners consider parking garages a safe investment with relatively low risk and tend to hold on to the asset type. The subject occupies a good location at the south end of the downtown Vancouver market, which places downward pressure on the capitalization rate.

Investor/User Demand

The most likely buyer of the subject is a local or regional investor, with Killian-Pacific as the most likely purchaser because they could control the subject parking structure for their two adjacent office buildings. A developer might also consider the subject because it offers a positive cash flow and mid- to long-term redevelopment potential. But for now, with market conditions being heavily impacted by the pandemic, it is unlikely a developer would be interested in a project at this time.

SUBJECT PROPERTY ANALYSIS

The subject is comprised of a 233-Space parking structure totaling 64,407 SF of GBA located on a 0.76-acre site at 500 Broadway Street in Vancouver, Washington. In terms of location, the subject has a good position near the newer office buildings in the area, and with exposure along the off-ramps to the SE. The subject also has some exposure to Interstate-5 traffic. Physically, the garage improvements have good appeal and adequate internal lighting and circulation. The subject has interior ramps linking all parking levels. Some of the spaces on levels 2 and 3 are actually on the sloped ramp areas but this is typical for parking garages.

The subject has a good competitive position based on its physical condition and location. The subject's monthly parking rate and hourly rates are similar to the market averages and are viewed as market rents.

Based on our analysis of the subject property and investigation of comparable properties in the marketplace, the subject is considered to have good overall appeal to investors with a typical competitive position for attracting and retaining parkers. However, it is noted that in the short term, the property has experienced a significant decrease in "Metered Parking" (Short-Term) revenues due to COVID-19.

EXPOSURE TIME & MARKETING PERIOD

Exposure time is best established based the recent history of marketing periods for comparable sales, discussions with market participants and information from published surveys. The following table summarizes the information that was taken into consideration to develop an estimate of exposure time and marketing period for the subject property:

Market information generally supports an exposure time range from 1 to 12 months for Garage Parking properties. The availability of acquisition financing also factors into exposure time and marketing period. My review of the local capital market indicates that adequate financing options would have been available to consummate a sale of the subject on the date of value.

Based on our analysis of the subject property and investigation of substitute properties in the marketplace, the subject is considered to have good overall buyer appeal with a typical competitive position if the asset was exposed to the open market.

For some property types, COVID-19 had been a significant impact on marketability. Retail and hospitality are both near the top of this list. Under normal conditions, the subject would likely sell in 12 months or less. The conclusions below consider current market conditions.

Exposure Time Conclusion

12 To 18 Months

Marketing Period Conclusion

12 To 18 Months

HIGHEST AND BEST USE ANALYSIS

This section develops the highest and best use of the subject property as-vacant and as-improved. The highest and best use, or most probable use, must be legally permissible, physically possible, financially feasible, and maximally productive.

As-Vacant Analysis

Permitted uses of the subject's City Center (CX) zoning were listed in the Zoning Analysis section. Regarding physical characteristics, the subject site is generally rectangular in shape and has level topography with average/good access and good exposure. The subject site has frontage on three streets in the area, and in close proximity to the off-ramps to the southeast. The immediate area has a mix of older buildings and newer buildings such as the Columbia Bank Building and Hudson Office Building. Downtown Vancouver is developed with a broad range of commercial and multi-family uses more around the perimeter and near amenities like Esther Short Park. Newer developments are primarily multi-story, mixed-use to maximum density.

Based on my observations of land development trends for sites with similar zoning and physical characteristics as the subject and analysis of current supply/demand trends, the highest and best use of the subject site as-vacant is development of a commercial property, most likely multi-story parking garage.

As-Improved Analysis

The subject's (Garage Parking) use (as-improved) is permitted outright use by the CX zoning. The legal factors influencing the highest and best use of the subject property support the existing use. The subject's improvements were constructed in 2001 and have a remaining economic life of approximately 43 years based on my estimate. The project is of good quality construction and in good condition. The parking garage has a typical multi-floor construction with access ramp, two interior stairwells, an elevator and entry into the adjoining Columbia Bank Building from the north end of the parking garage. Legal, physical, locational and marketability factors support the existing use as the highest and best use of the subject site.

In addition to legal, physical and locational considerations, analysis of the subject property as-improved requires the treatment of alternative uses for the property. The five possible alternative treatments of the property are demolition, expansion, renovation, conversion, and the subject's use "as-improved".

The subject garage is in average condition and has a remaining economic life of approximately 43 years. Renovation is not applicable. Among the five alternative uses, the continued use as a parking garage is the Highest and Best Use of the subject property as-improved.

VALUATION METHODS

The following presentation of the appraisal process deals directly with the valuation of the subject property. The paragraphs below describe the standard approaches to value that were considered for this analysis.

Income Approach

The two fundamental methods of this valuation technique include Discounted Cash Flow and Direct Capitalization.

Characteristics specific to the subject property warrant that this valuation technique is developed. Development of the Income Approach is a specific scope requirement of this assignment. The subject is an investment property; therefore, the Income Approach represents the decision making process of knowledgeable buyers and sellers of this property type. Discounted Cash Flow and Direct Capitalization analysis are both applicable and developed within this analysis. The resulting opinions of value are reconciled into a final opinion of value by the Income Approach.

Sales Comparison Approach

Characteristics specific to the subject property do not warrant that this valuation technique to be developed. Development of the Sales Comparison Approach is not a specific scope requirement of this assignment. Due to unique characteristics of the interest being appraised or lack of market transactions of like substitute comparable properties, insufficient sales data is available to provide a credible value opinion by the Sales Comparison Approach. Based on this reasoning, the Sales Comparison Approach is not presented within this appraisal.

Land Valuation

Characteristics specific to the subject property warrant that a site value is developed. Development of the subject site value is a specific scope requirement of this assignment. Within the Site Valuation section, the subject is valued as one marketable economic site.

Cost Approach

Characteristics specific to the subject property do not warrant that this valuation technique is developed. Development of the Cost Approach is not a specific scope requirement of this assignment. The Cost Approach has limited applicability due to the age of the improvements and lack of market based data to support an estimate of accrued depreciation. Based on the preceding information, the Cost Approach will not be presented.

Reconciliation of Value Conclusions

The Income (Discounted Cash Flow & Direct Capitalization). approaches are used to value the subject property, which will be reconciled into the final opinion of market value in the Analysis of Value Conclusions section.

INCOME APPROACH

Discounted Cash Flow and Direct Capitalization analysis are both applicable and developed within this analysis. The resulting opinions of value are correlated into a final value when multiple methods are applied to the same scenario.

Direct Capitalization

The first step in the direct capitalization method is to estimate the subject's durable rental income through reconciliation of the subject's in-place lease terms and market rent analysis. Next, I analyze other income items including reimbursements and miscellaneous revenue. Then, vacancy allowance and operating expenses are estimated based on analysis of the subject and market indicators. Finally, the resulting net operating income is capitalized at an appropriate supported rate. The implied value may be adjusted to account for non-stabilized conditions or required capital expenditures to reflect an as is value.

Rental Income Analysis

In this section, I developed an opinion of the subject's rental income through examination of subject lease terms and market rent analysis. The rental income conclusion was reconciled taking into account such items as durability of in-place contract rents, lease escalations and market terms as measured by rent comparables.

Subject Lease Analysis

The subject property is operated by the City of Vancouver, with 181 parking spaces master-leased to Killian-Pacific, who also has an option to purchase the subject property. According to the client, Killian-Pacific master-leases 181 parking spaces, up from 171 previously. According to Steve Kaspan with the City of Vancouver, Killian-Pacific pays rent to the City of Vancouver and then sub-leases to various office tenants. Tamara Fuller, with Capacity Commercial Group, confirmed that the subject property's parking garage was built with not only the Columbia Bank Building in mind, but also what was, at the time, the future building which was ultimately built as the Hudson Building just west of the subject property. Killian-Pacific pays rent to the City of Vancouver and then sub-leases these spaces to various tenants in the Columbia Bank Building and the Hudson Building. No master lease document was provided but the City of Vancouver confirmed that the current monthly rate being paid for the subject property's spaces, as of January 2021, is \$120/month/space. Based on 181 parking spaces, this equates to a monthly rent of \$21,720/month, or \$260,640/year. As discussed previously, Killian-Pacific still maintains the first right of refusal to purchase the subject property, described previously in the History & Ownership.

The remainder of the income for the subject property comes from hourly/metered parking for the other spaces, which the City of Vancouver charges at the rate of \$0.50/hour. According to Steve Kaspan, this metered parking is paid for by clients/customers of the tenants in the Columbia Bank Building and the Hudson Building. However, in 2020, this income dropped significantly because of the COVID-19 pandemic. Since the tenants were working from home, there was very little income attributable to the hourly/metered parking. Over time, this is expected to change, but the 2020 figures and 2021 figures are expected to show reduced income from this component of the subject property.

Monthly parking is renewed on either a monthly or annual basis for these users, and the City of Vancouver has most recently implemented annual rate increases, increasing from \$84 (2018), \$110 (2019), \$115 (2020), to \$120 (2021), with a projected rate increase to \$125 in 2022. Other spaces are typically rented on an hourly basis with daily rates (4-10 hours). This income will fluctuate daily and will be addressed later as supplemental income.

Having analyzed the subject's current income producing capability through an analysis of the subject's actual parking rate information, the next section develops the market rent.

ANALYSIS OF COMPARABLES – PARKING GARAGE RATES

In this section, potential gross income for the garage is analyzed. Potential gross income is analyzed based on various sources of revenue (monthly, daily, and hourly parking). Consideration is given to historical operation and comparable activity.

Unit of Comparison

The short term parking market typically quotes rents on a rent per space, based on a monthly rate.

Adjustments

The rental rates and information is all current and do not require adjustment for time. The location of the comparables is also in the downtown “core” area, so only minor adjustments may be necessary. In summary, no significant quantitative adjustments are applicable.

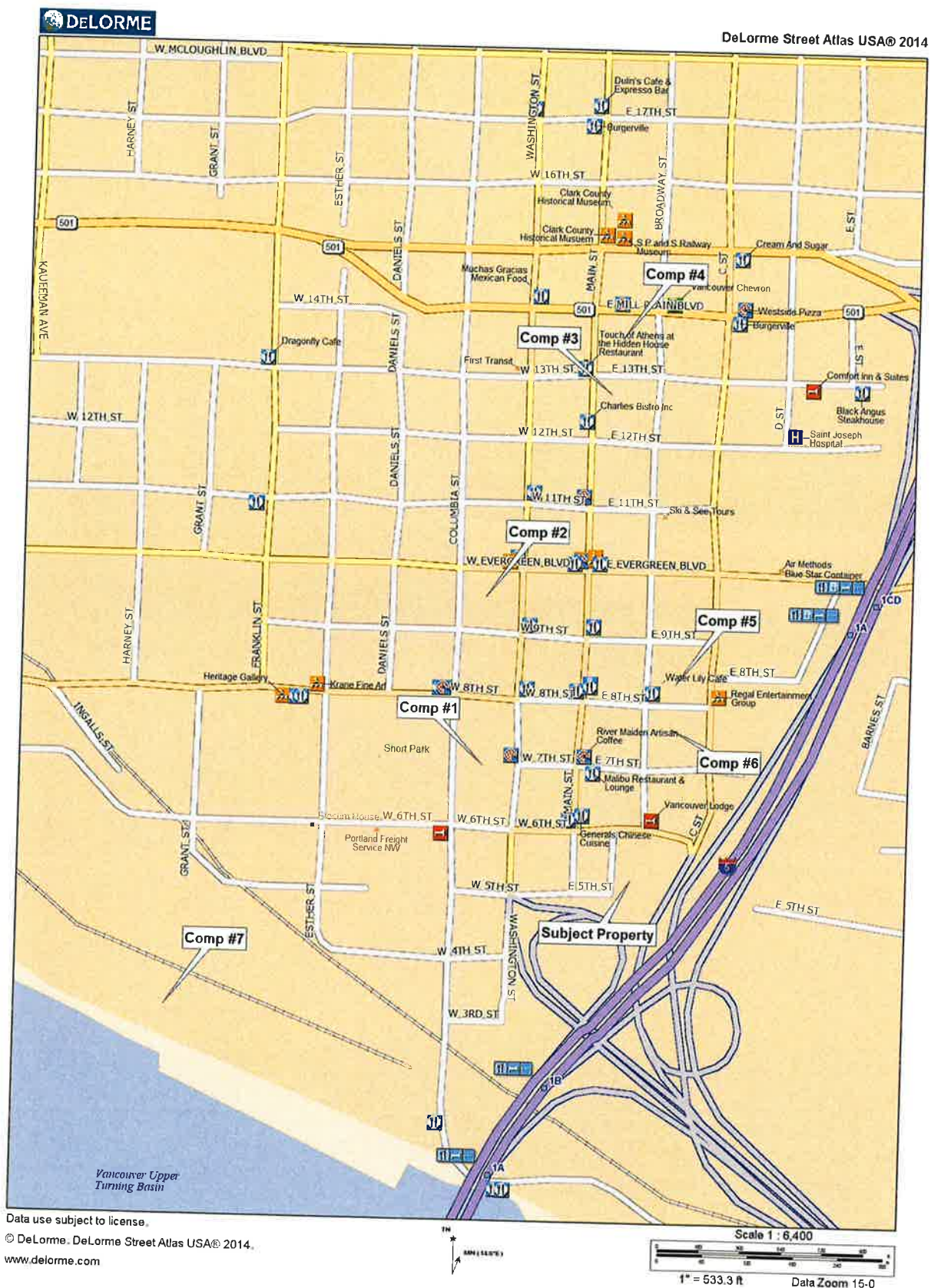
Comparable Selection

The comparables include parking structures located within close proximity to the subject.

PARKING GARAGE RATE SUMMARY					
Comp #	Name	Address	# Spaces	Monthly	
				Reserved	Roof
	Subject	5th & Broadway	233	\$120.00	\$120.00
1	Vancouver Center	6th & Washington Streets	733	\$115.00	-
2	Riverview Tower	900 Washington Street	200	\$125.00	\$100.00
3	1220 Main Parking Garage	12th & Main Streets	63	\$115.00	\$95.00
4	Block 56 Parking Garage	Mill Plain & Main Street	130	\$145.00	\$74.00
5	Bank of America	805 Broadway Street	100	\$125.00	\$65.00
6	703 Broadway Building	703 Broadway Street	542	\$110.00	-
7	Murdock Building	5th & Washington Streets	Unknown	\$125.00	-
Total/Median			2,001	\$122.50	\$95.00

Sources: Colliers International
City of Vancouver
Private Owners

COMPARABLE GARAGE LEASE MAPS



COMPARABLE GARAGE RENT PHOTOGRAPHS

**COMPARABLE 1 – VANCOUVER CENTER****COMPARABLE 2 – RIVERVIEW TOWER****COMPARABLE 3 – 1220 MAIN STREET****COMPARABLE 4 – BLOCK 56****COMPARABLE 5 – 805 BROADWAY STREET****COMPARABLE 6 – 703 BROADWAY STREET**



COMPARABLE 7 – MURDOCK OFFICE

CONCLUSION OF MARKET RENTS AND POTENTIAL GROSS INCOME – PARKING GARAGE**Conclusion of Market Rent**

In this analysis, seven parking garage comparables were researched in the downtown Vancouver “core” area, in order to help provide support for a concluded market rent for the subject property. All of these comparables are located in parking garages, similar to the subject property.

According to Steve Kaspan, Parking Services Manager with the City of Vancouver, the current rent set by the City of Vancouver for the subject's parking spaces is \$120/month/space. Previous managers have indicated that the City Manager can adjust the “ceiling” for rates, but for a long time, this had not been done since 2009. At that time, rates were raised because they had not been raised for a considerable amount of time before then. Since then, with more construction and development in downtown Vancouver, the City of Vancouver has been making annual rent increases in recent years. The subject property is somewhat unique because there are residential condominiums on the top two floors of the adjacent Columbia Bank Building to the north of the subject, and these condominium owners own their spaces in this parking garage. These spaces are not valued in this appraisal.

Comparable No. 1 is the Vancouver Center parking garage, which contains approximately 733 parking spaces, according to the City of Vancouver. This property, like the Columbia Bank building, has some spaces which have been purchased by condominium owners on the top floor. It is located at 6th and Washington Streets. It is located directly east of Esther Short Park on effectively two blocks. This parking garage consists of three levels, P1, P2, and P3. P1 & P2 total 475 spaces and are both reserved through parking license agreements and also have general permits. P3 has 258 spaces on a “secure” level accessed through keycards. Some of these spaces are owned by condominium owners. Rates for reserved spaces are \$115/month/space for P3 and \$100/month/space for P1 & P2.

Comparable No. 2 is the Riverview Tower parking garage, located at 900 Washington Street. This building was built at the same time as the subject property and is unique because, at the time of construction, the City of Vancouver, as an incentive to development of this mixed-use building, leased 200 spaces from the owner/developer and then had leased them out to parking tenants. However, this lease structure was losing a considerable amount of money for the City of Vancouver, so they did not renew their 20-year lease, which expired on 10/31/12. The owners of Riverview Tower are now leasing these spaces directly. According to the owners, the parking garage at Riverview Tower is only available for tenants of the building. Floors 1-3 rent for \$125/month/space. Floor 4 (uncovered) rents for \$100/month/space.

Comparable No. 3 is the 1220 Main parking garage in the former First Independent Bank building at 1220 Main Street. According to the owners, at the 1220 Main location, they have 63 spaces which are all assigned to tenants (except for two that are being held for the last vacant space they have in the adjacent 1207 Washington building). Rents range from \$95 to \$115/space/month, with the average being \$106.56. In the acquisition of First Independent Bank by Sterling Bank, this property and parking structure were retained by the Firstenberg family.

Comparable No. 4 is the Block 56 building, formerly the City Hall building and parking structure, purchased and renovated/converted into creative office space by the Firstenberg family. According to the owner, they own the Block 56 building (old City Hall) and it has 130 spaces, some of which are rented to 1220 Main tenants. Those rent for \$74 to \$145/space/month, with the average being \$94.21. The owner added that they actually purchased this building in part to augment their parking at 1220 Main. He commented that in retrospect, they agreed to provide the Block 56 tenants too many spaces at favorable rents and feels he could achieve higher rents.

The owners of 1220 Main and Block 56 normally adjust prices annually as of 1/1 but they didn't do that this year, opting to defer until July 2021, due to so many tenants working remotely with COVID. Their office buildings have been closed to the public since last March and they just reopened in early April 2021. Tenants all had full access with security fobs. They have seen minimal COVID impact on their leases; one large tenant asked for temporary rent relief last summer but they repaid all of their deferred rent by the end of 2020.

Comparable No. 5 is the Bank of America Building, located at 805 Broadway Street. It totals 100 parking spaces, all of which are leased by tenants in the building, with rates between \$110 and \$125/month/space for reserved spaces. This building utilizes additional spaces in the parking garage of the 703 Broadway Building (Former MJ Murdock Executive Plaza), located immediately south of this comparable, as the 703 Broadway Building provides an ample amount of parking spaces for itself and the Bank of America building.

Comparable No. 6 is the rates at the 703 Broadway Building. It includes 542 total vehicle parking spaces. The rates are currently \$125/space/month for non-tenants on a month-to-month basis, and \$110/space/month for tenants in the building.

Comparable No. 7 is the underground parking in the Murdock Building in the Vancouver Waterfront development. It includes an unknown number of underground parking spaces which have a rate of \$125/space/month. The developer's (Gramor) surface parking spaces have a rate of between \$95 and \$100/space/month.

Conclusion of Market Rent

Based on the rates set by the City of Vancouver in downtown Vancouver, the current rate of \$120/month/space is concluded as market rent. The subject's current rate is well-supported by the above comparables. The annual historical revenues for monthly parking have been \$152,755 (2018), \$200,302 (2019), and \$249,780 (2020), reflecting the City of Vancouver's rate increase each year. Any potential for a rate increase in January 2022 to \$125/space/month is anticipated for the future and this potential will be factored into the capitalization rate conclusion at the end of this section. Based on the 181 parking spaces which are leased at this rate, the **Forecasted Parking Revenue is \$260,640** (181 spaces x \$120/space/month x 12 Months).

POTENTIAL GROSS RENT – PARKING GARAGE

The Forecasted Parking Revenue, as discussed above, from monthly parking income is stable, but the transient parking income tends to fluctuate monthly, as shown in the historical income and expense summary below.

As noted, however, regarding the transient (hourly) parking, the parking industry has felt the impact of COVID-19 and government mandated shelter-in-place restrictions. Many office employees in the Columbia Bank Building and Hudson Office Building worked from home in 2020, following the outbreak of the COVID-19 pandemic, so their customers and clients, along with downtown patrons, did not utilize the parking spaces with hourly rates. Therefore, the Parking Revenue (Short-Term), which reflects the income from the hourly rate meters, ranged between \$31,723 (2018), \$24,362 (2019), and \$9,847 (2020). The 2020 income of \$9,847 reflects an approximate 60% reduction from the 2019 income of \$24,362. (CIVAS appraised another downtown Seattle parking garage in July for which year-to-date revenues were down 30% over the prior year.) The 2019 revenue is modeled in our analysis, so the more stabilized figure of **\$24,362 is forecasted as Parking Revenue (Short-Term)**. Later in this section, a one-time, below-the-line 60% deduction, will be applied at the end of the Direct Capitalization method analysis as an attempt to reflect the short-term reduced income from the Parking Revenue (Short-Term).

POTENTIAL GROSS RENT

My analysis and conclusions of the subject's potential gross rent are detailed as follows:

POTENTIAL GROSS RENT

SF Leased	64,407
Forecasted Gross Parking Revenues	\$260,640
Parking Revenue (Short-Term)	\$24,362
Annual	\$285,002

POTENTIAL GROSS RENT CONCLUSION

Total Annual Potential Gross Rent	\$285,002
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The garage parking rates were concluded to be at or near the low end of the rates of nearby competitive garages, and ultimately in line with the market. Due to the effect of the shutdown of most retail and office spaces in downtown Vancouver (as a result of the coronavirus), monthly revenue has reportedly declined. It is anticipated in 2021, as the three various vaccines are being rolled out and administered to the population, that there will be some improvement, and, at some point, a resolution to the current pandemic will occur – whether through a successful vaccine distribution, herd immunity, changes in social behaviors, or an as of yet undetermined solution. To that end, capitalizing the significantly decreased annualized revenues into perpetuity seems punitive. The 2019 Short-Term Parking Revenue (\$24,362) is emphasized in our Direct Capitalization analysis, and a one-time adjustment of 60% is applied at the end of the Income Approach to represent lost revenues as a result of the pandemic.

INCOME & EXPENSE ANALYSIS

In this section, I estimate additional revenue sources, vacancy and credit loss, and applicable operating expenses. There are no real estate taxes currently, since the subject property owner is tax exempt. The following table summarizes the historical operations of the subject property, along with my estimate of income and expenses on a stabilized basis.

SUBJECT OPERATING HISTORICALS

YEAR	2018			2019			2020			COLLIERS FORECAST		
	TOTAL			TOTAL			TOTAL			PROFORMA		
INCOME ITEMS	TOTAL	\$/SF	%EGI	TOTAL	\$/SF	%EGI	TOTAL	\$/SF	%EGI	TOTAL	\$/SF	%EGI
Base Contract Income	\$152,755	\$2.37	82.8%	\$200,302	\$3.11	89.2%	\$249,780	\$3.88	96.2%	\$260,640	\$4.05	91.5%
TOTAL RENTAL INCOME	\$152,755	\$2.37	82.8%	\$200,302	\$3.11	89.2%	\$249,780	\$3.88	96.2%	\$260,640	\$4.05	91.5%
MISCELLANEOUS												
Parking Revenue (Short-Term)	\$31,723	\$0.49	17.2%	\$24,362	\$0.38	10.8%	\$9,847	\$0.15	3.8%	\$24,362	\$0.38	8.5%
TOTAL MISCELLANEOUS	\$31,723	\$0.49	17.2%	\$24,362	\$0.38	10.8%	\$9,847	\$0.15	3.8%	\$24,362	\$0.38	8.5%
TOTAL GROSS INCOME	\$184,477	\$2.86	100.0%	\$224,664	\$3.49	100.0%	\$259,627	\$4.03	100.0%	\$285,002	\$4.43	100.0%
General Vacancy & Credit Loss	-	-	-	-	-	-	-	-	-	\$0	-	0.0%
Other Vacancy & Credit Loss	-	-	-	-	-	-	-	-	-	\$0	-	0.0%
EFFECTIVE GROSS INCOME	\$184,477	\$2.86	100.0%	\$224,664	\$3.49	100.0%	\$259,627	\$4.03	100.0%	\$285,002	\$4.43	100.0%
EXPENSE ITEMS												
Real Estate Taxes	\$0	-	-	\$0	-	-	\$0	-	-	(\$47,533)	(\$0.74)	(16.7%)
Management Fees	\$0	-	-	\$0	-	-	\$0	-	-	\$0	-	0.0%
Garage Operating Expenses	\$0	-	-	(\$34,226)	(\$0.53)	(15.2%)	(\$138,855)	(\$2.16)	(53.5%)	(\$3,232)	(\$0.05)	(1.1%)
Reserves	\$0	-	-	\$0	-	-	\$0	-	-	(\$9,695)	(\$0.15)	(3.4%)
TOTAL EXPENSES	\$0	-	0.0%	(\$34,226)	(\$0.53)	(15.2%)	(\$138,855)	(\$2.16)	(53.5%)	(\$60,459)	(\$0.94)	(21.2%)
NET OPERATING INCOME	\$184,477	\$2.86	100.0%	\$190,438	\$2.96	84.8%	\$120,772	\$1.88	46.5%	\$224,543	\$3.49	78.8%

Expense Reimbursements

There are no expense reimbursements present.

VACANCY AND CREDIT LOSS

General vacancy was discussed in depth in the market analysis section of this report. Please reference that discussion for a full analysis. The subject's parking income reflects actual parking revenue plus the variable short-term income from customers/clients of office tenants, as well as the general public. Inherent in these figures is a vacancy figure. Therefore, no additional vacancy is applied. Regarding credit loss, non-sophisticated investors of single-tenant assets most often lump this allocation within the general vacancy loss factor, which is not applied in this analysis.

ANALYSIS OF OPERATING EXPENSES

The operating expenses for the subject property were presented previously. The following chart summarizes comparable expenses used in this analysis. These expenses were reported by three comparable parking garage properties in Downtown Seattle, with Nos 1 and 2 being the same garage and Nos 4 and 5 being the same garage. These are considered the best comparables available for analysis and present some parameters for parking expenses to use with the subject's historicals.

EXPENSE COMPARABLES								
COMPARABLE	COMP 1	COMP 2	COMP 3	COMP 4	COMP 5	LOW	HIGH	AVG
City	Seattle	Seattle	Seattle	Seattle	Seattle	-	-	-
State	WA	WA	WA	WA	WA	-	-	-
Expense Year	2012	2013	2014	2019	2020	2012	2020	2016
Actual/Budget	Actual	Annualized	Annualized	Actual	Annualized	-	-	-
Net Rentable Area	149,330	149,330	64,630	203,198	203,198	64,630	203,198	153,937
Building Class	B	B	B	B	B	-	-	-
Year Built	2001	2001	2009	1969	1969	1969	2009	1990
EFFECTIVE GROSS INCOME	\$9.23	\$9.06	\$3.27	\$12.73	\$8.77	\$3.27	\$12.73	\$8.61
EXPENSE ITEMS	\$/SF	\$/SF	\$/SF	\$/SF	\$/SF	LOW	HIGH	AVG
Real Estate Taxes	\$0.74	\$0.80	\$0.42	\$0.75	\$0.85	\$0.42	\$0.85	\$0.71
Other Taxes, Fees and Permits	-	-	-	\$0.83	\$0.44	\$0.44	\$0.83	\$0.64
Property Insurance	\$0.10	\$0.08	\$0.45	\$0.21	\$0.18	\$0.08	\$0.45	\$0.20
Repairs and Maintenance	\$0.26	\$0.30	\$0.07	\$0.25	\$0.16	\$0.07	\$0.30	\$0.21
Security	-	-	\$0.04	\$0.14	\$0.14	\$0.04	\$0.14	\$0.11
Utilities	\$0.16	\$0.21	\$0.14	\$0.18	\$0.19	\$0.14	\$0.21	\$0.18
Management Fees	\$0.16	\$0.35	-	\$0.20	\$0.13	\$0.13	\$0.35	\$0.21
%EGI	1.7%	3.9%	-	1.6%	1.5%	1.5%	3.9%	2.2%
Garage Operating Expenses	\$1.37	\$1.35	-	-	-	\$1.35	\$1.37	\$1.36
Reserves	-	-	-	-	-	\$0.00	\$0.00	-
TOTAL EXPENSES (\$/SF)	\$2.79	\$3.09	\$1.12	\$2.56	\$2.09	\$1.12	\$3.09	\$2.33

CONCLUSION OF OPERATING EXPENSES

In the following section I discuss the individual expense conclusions for the subject property.

EXPENSE CONCLUSIONS

EXPENSE	%EGI	\$/SF	TOTAL	COMMENT
Real Estate Taxes	11.2%	\$0.49	\$31,794	The subject property is currently owned by the City of Vancouver and is therefore tax exempt, so there has been no historical property taxes. However, in a sale to a private party, we will factor in an estimate of real estate taxes to mirror the analysis of a typical purchaser/investor. Assessed values for commercial properties in Clark County are typically 70 to 90 percent of market value. Therefore, taxes are based on an assessed value in the mid-range of 80% of market value, with the current millage rate.
Garage Operating Expenses	11.3%	\$0.50	\$32,204	The concluded amount is based on market standards from other operating parking garages in the Pacific Northwest, and recognizing that the owner has not broken out individual expense items. Therefore, this category blends typical expenses such as building insurance, building maintenance, cleaning/sweeping, property management, and utilities.
Reserves	4.5%	\$0.20	\$12,881	The concluded amount is based on \$0.20/SF of the subject's building area.
TOTAL EXPENSES	27.0%	\$1.19	\$76,879	The subject's historical operating expenses have ranged widely between 15.2% and 53.5%, as there are very limited actual operating expense figures, with a significant expense incurred in 2020, which places upward pressure on the high end of the expense range. However, these figures are still low because the subject did not incur real estate taxes and the management expense is blended into the garage operating expenses. Other expenses of parking garages in the Pacific NW indicate expenses between \$1.12 to \$3.09/SF/year and our conclusion equates to \$1.19/SF/year, which is at the low end. Therefore, our conclusion of expenses, which equates to 27.0% of effective gross income, is generally considered reasonable and will be utilized in this analysis.

DEVELOPMENT OF CAPITALIZATION RATE

In developing my opinion of the capitalization rate, also known as overall rate (OAR), the following techniques were used:

- Comparable Sales
- Investor Surveys
- Band of Investment Technique

Comparable Sales

The following table presents a summary of various sales of parking garages. These are used to provide support for overall capitalization rate trends for the subject property.

CAPITALIZATION RATE COMPARABLES (OAR)

NAME	CITY	ST	SALE DATE	YR BLT	NRA	\$/SF	SALE PRICE	NOI	NOI/SF	CAP RATE
4 Butler Parking Garage	Seattle	WA	December 1, 2017	1927	149,330	\$206	\$30,750,000	\$1,537,500	\$10.30	5.00%
CALIFORNIA COMPS										
6 Sunrise Airport Parking (Surface)	Ontario	CA	March 4, 2016	1988	N/Ap	N/Ap	\$3,500,000	N/Ap	N/Ap	7.25%
7 Playa Jefferson Parking Garage	Los Angeles	CA	July 22, 2016	2016	72,750	\$182	\$13,255,165	\$546,113	\$7.51	4.12%
8 Van Ness Garage	San Francisco	CA	August 5, 2016	1920	151,200	\$212	\$32,000,000	\$1,360,000	\$8.99	4.25%
9 The Academy Garage	North Hollywood	CA	October 27, 2016	1990	153,904	\$174	\$26,740,342	\$1,283,536	\$8.34	4.80%
10 Parking Garage	San Francisco	CA	LISTING	2004	25,598	\$109	\$2,790,000	\$179,955	\$7.03	6.45%
ADDITIONAL COMPS										
11 River East Center Parking Garage	Chicago	IL	February 13, 2020	2001	250,870	\$132	\$33,000,000	\$2,475,000	\$9.87	7.50%
12 L&C Garage	Nashville	TN	August 9, 2019	1967	127,000	\$134	\$17,000,000	\$816,000	\$6.43	4.80%
13 Parking Garage	Boston	MA	March 27, 2019	1999	160,180	\$506	\$81,100,000	\$3,081,800	\$19.24	3.80%
LOW			March 4, 2016							3.80%
HIGH			February 13, 2020							7.50%
AVERAGE			November 16, 2017							5.33%
MEDIAN			May 15, 2017							4.80%
CONCLUDED CAPITALIZATION RATE (OAR)										6.00%

The comparables include the 2017 sale of a parking garage in the Pioneer Square neighborhood of downtown Seattle. This property also included some ground floor retail tenants. This would be viewed as a good indicator under pre-Covid market conditions, and a low indicator under current market conditions.

As a special purpose property, there is a limited supply of downtown parking garages in downtown Vancouver – many of which are subterranean under multi-story, mixed-use properties, and thus a relatively limited number of freestanding, leased fee transactions to analyze. Mr. Dan Dahl, an investment broker with Colliers International, said that there have been relatively few sales of parking garages in the Pacific Northwest as most owners consider it a safe investment with relatively low risk and tend to hold on to the asset type. Most sales have been older garages purchased as redevelopment sites. The cap rates from those sales are older and don't reflect a long-term investor perspective and were not reliable.

The comparable search was therefore broadened to California, which include four sales from 2016 ranging from 4.12% to 7.25%, and a current listing at 6.45% which includes 40 private parking spaces plus two-levels of office space totaling 2,168 SF, and an outdoor patio. As a surface parking lot, No 6 is a high indicator. The three sales (Nos 7-9) ranging from 4.12% to 4.80% are viewed as low indicators based on their superior market locations in Los Angeles, San Francisco, and North Hollywood.

An additional set of leased fee garage sales based on a national search since January 1, 2018 are also analyzed. (These are the only three leased fee sales of parking garage properties providing cap rates in the country since January 1, 2018, according to CoStar data.) These 3 sales show a range of 3.80% to 7.50% and are considered to bracket the subject.

The subject has a good location at the southern end of the downtown Vancouver "core" area. The downtown Vancouver area is surrounded by a wide range of commercial, office and newer apartment residential uses. The parking revenue stream at the subject has fluctuated over the past few years, mainly due to the impact of the COVID-19 pandemic. The concluded monthly parking garage revenue is based on current monthly rates for the majority of the subject's parking spaces. The Short-Term parking garage revenue based on hourly rates for customers/clients and the general public places emphasis on the 2019 parking income. Due to continued investment in the immediate downtown Vancouver area, most investors would assume the parking revenue would increase in future years.

All of the sales are pre-March 2020 with one active listing. A search in CoStar revealed no current comparable current year transactions. This is likely a reflection of the fact most buyers and sellers are in a holding pattern due to the unknown risks presented by the coronavirus. It is noted that one parking garage sale in Seattle fell through in 2020 because of concerns of one of the partners based on the coronavirus.

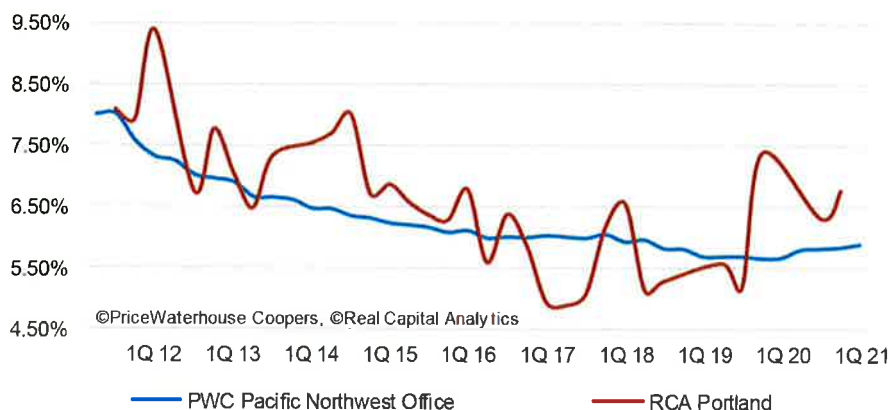
On the other hand, the subject occupies a good downtown location, has good appeal to local and regional investors. Overall, based on the above comparables, a capitalization rate in the range of 5.50% to 6.50% would be considered appropriate for the subject property, with the mid-range of **6.00%**, concluded.

Investor Surveys

The following table provides capitalization rate statistics as surveyed by investors that I considered to be relevant to the subject property and my independent market participant survey.

CAPITALIZATION RATE SURVEYS (OAR)						
SOURCE	QUARTER	RANGE		AVG	LAST Q	LAST YR
PriceWaterhouse Coopers						
National Net Lease	1Q 21	5.00%	to 8.00%	6.16%	6.22%	6.16%
Real Capital Analytics						
Portland	1Q 21			-	6.78%	-
AVERAGE		5.00%	to 8.00%	6.16%	6.50%	6.16%

CAPITALIZATION RATE (OAR)



It is noted that the Real Capital Analytics survey shows an uptick from the previous quarter, which is likely can be attributed to COVID-19. The PWC ranges are fairly wide (about 4 to 10%) and a rate below the averages of 6.22% (Net Lease) and 6.78% (Office) would be anticipated for the subject based on its strong location, history of revenue growth, and the long term growth potential in downtown Vancouver.

Band of Investment Technique

Most properties are purchased with debt and equity capital; therefore, the overall capitalization rate must satisfy the market return requirements of both investment positions. Available financing information from lenders and the sales comparables indicates the following terms:

BAND OF INVESTMENT ASSUMPTIONS

Loan Amortization Period	30 Years
Interest Rate	4.50%
Loan-to-Value (LTV) Ratio	70%
Mortgage Constant	6.08%

Equity dividend rates vary depending upon motivations of buyers and financing terms. The previous terms and an appropriate equity dividend rate are used in the Band of Investments calculations, which are presented on the following chart.

BAND OF INVESTMENT CALCULATION

Mortgage Component	70%	x	6.08%	=	4.256%
Equity Component	30%	x	4.00%	=	1.200%
Indicated Capitalization Rate					5.456%
INDICATED CAPITALIZATION RATE					5.46%

Capitalization Rate Conclusion

For investments of the subject's general size and price, and when sales activity is brisk with relative market stability, the Market Extraction Method is most often relied upon by buyers and sellers to develop cap rate decisions. In this analysis, sufficient recent sales data was available indicating strong support for the capitalization rate developed by the Market Extraction Method, concluded at **6.00%**.

National Survey data has limited direct application for the subject property; however, it helps establish general macro trends for this type of investment property.

The Band of Investments technique employs reasonable mortgage and equity rates and is given some consideration.

CAPITALIZATION RATE CONCLUSION (OAR)

SOURCE	QUARTER	RANGE	AVG	LAST Q	LAST YR
Comparable Sales		4.12% to 7.25%	5.31%	-	-
Investor Surveys	1Q 21	5.00% to 8.00%	6.16%	6.50%	6.16%
Band of Investment Technique			5.46%	-	-
AVERAGE		4.56% to 7.63%	5.64%	6.50%	6.16%
CAPITALIZATION CONCLUSION (FEE SIMPLE)			6.00%		

DIRECT CAPITALIZATION CONCLUSION

The table below summarizes the direct capitalization method and the Income Approach Value conclusion.

DIRECT CAPITALIZATION SUMMATION TABLE						
INCOME ITEMS		%PGI	%EGI	\$/SF(MO.)	\$/SF(YR.)	TOTAL
Base Contract Income	64,407 SF				\$4.05	\$260,640
TOTAL RENTAL INCOME					\$4.05	\$260,640
MISCELLANEOUS REVENUE						
Parking Revenue (Short-Term)				\$0.03	\$0.38	\$24,362
TOTAL MISCELLANEOUS				\$0.03	\$0.38	\$24,362
POTENTIAL GROSS INCOME (PGI)		100.0%	100.0%	\$0.37	\$4.43	\$285,002
VACANCY & CREDIT LOSS						
Rental Income			0.0%	-	-	\$0
Other Income			0.0%	-	-	\$0
TOTAL VACANCY & CREDIT LOSS			0.0%	-	-	\$0
EFFECTIVE GROSS INCOME (EGI)		100.0%	100.0%	\$0.37	\$4.43	\$285,002
EXPENSE ITEMS						
Real Estate Taxes		(11.2%)	(11.2%)	(\$0.04)	(\$0.49)	(\$31,794)
Garage Operating Expenses		(11.3%)	(11.3%)	(\$0.04)	(\$0.50)	(\$32,204)
Reserves		(4.5%)	(4.5%)	(\$0.02)	(\$0.20)	(\$12,881)
TOTAL EXPENSES		(27.0%)	(27.0%)	(\$0.10)	(\$1.19)	(\$76,879)
NET OPERATING INCOME (NOI)		73.0%	73.0%	\$0.27	\$3.23	\$208,123
Capitalization Rate						6.00%
Capitalized Value						\$3,468,712
INDICATED VALUE					\$54/SF	\$3,470,000
LESS RENT LOSS DUE TO COVID-19						(\$200,000)
AS-IS MARKET VALUE					\$51/SF	\$3,270,000
Rounded to nearest \$10,000						

Rounded to nearest \$10,000

ADJUSTMENTS TO VALUE**One-Time COVID-19 Operational Adjustment**

According to market participants, due to store and office building closures in order to maintain social distancing as a result of the pandemic, many Landlords are anticipating an interim period of rent loss. Investment real estate owners are considering solutions including rent deferral and rent abatements to assist struggling tenants as the economy stalls nationwide. While some offices are opening back up to their employees, some offices maintain a remote work environment, possibly until further vaccines are administered.

A complete closure of retail stores is not expected to encompass the entire time period but owners expect a rolling re-open, depending on property use and type, with crowd increases gradually occurring during this time. Most situations are expected to be handled on a case-by-case basis. Regardless, rent loss and other opportunity costs are expected to be incurred by owners and landlords.

The 2020 Short-Term Parking Revenue for hourly rates from customers and clients of the office tenants, as well as the general public, shows a loss of 60% from 2019 revenue. Revenue will improve once the County moves to Phase 4, allowing even more office employees and shop/restaurants with more capacity. It is unlikely the tourism industry will see a significant rebound this year. Thus, the 2019 Short-Term Parking Revenue is applied and a 60% rent loss is modeled. A buyer would also want to build in profit for their efforts, if they were to take on the property as of today. Due to current market conditions, an investor incentive/profit estimate of 5% of Stabilized Value (prior to rent loss adjustment) is reasonable.

YEAR 1 RENT LOSS AND ENTREPRENEURIAL INCENTIVE

Short-Term Parking Revenues	\$24,362	x	60%	=	\$14,617
Entrepreneurial Profit - 5% of Stabilized Value	\$3,230,000	x	5%	=	\$161,500
Total Rent Loss + Investor Incentive (5% of Stabilized Value)					\$176,117
Total Adjustment					\$176,117
Rounded to Nearest \$100,000					\$200,000

The preceding value adjustments were applied to the Income (Direct Capitalization) approach to value that was developed in this appraisal.

DISCOUNTED CASH FLOW ANALYSIS

A Discounted Cash Flow analysis is presented in a brief format to provide additional support for the value conclusion.

For Net Garage Revenue, the City's current rate structure is used for Year 1 (**\$260,640**), and their anticipated rate increase to \$125/month/space for 2022 is utilized for Year 2 (\$271,509). For Years 3 and 4, no rent increases are forecasted, with 3% annual increases thereafter. Historical revenues showed a large increase (after years of flat rents) of 30% from 2018 to 2019, and then an upward trend of 4.5% thereafter.

For Parking Revenue (Short-Term) for the metered spaces, the actual "reduced" 2020 revenue of **\$9,847** is modeled in Year 1. When local experts were queried as to what is a reasonable timeframe estimate for revenues to return to pre-COVID-19 levels, most broker's response was "my crystal ball is no better than yours." For 2021, however, there is increased optimism that the vaccines being distributed will help move past the COVID-19 pandemic, although this is ongoing and will be for a period of time, with remaining uncertainty as to when the metered spaces will see increased usage and increased revenue.

Assuming there is continued improvement with the vaccines, herd immunity, or otherwise to the pandemic at some point in the next year, the subject will likely see an accelerated growth rate in the short term before stabilizing. Thus, for the Short-Term (Metered) Parking Revenue, an annual CPI increase of 10.0% is applied to forecast increased usage as more office space continues to see more activity from tenants and a corresponding increase from customers/clients and the general public in downtown Vancouver. Therefore, the Short-Term (Metered) Parking Revenue is expected to see a gradual rebound.

No vacancy is applied to the subject throughout the holding period, as our rents reflect actuals, already adjusted for vacancy.

The operating expenses concluded earlier are modeled to increase at 3% annually.

Similar to the Direct Cap, an investor's entrepreneurial incentive of 5% of the Stabilized value is applied.

Development of Discount Rate (IRR)

Investor surveys, discussions with market participants and the subject's investment characteristics were considered in developing my opinions of Discount Rates. The following graph provides a historical illustration of discount rate statistics as surveyed by investors that I considered to be relevant to the subject property.

DISCOUNT RATE (IRR)



Taking all factors into consideration, the following table summarizes the various discount rate indicators and provides the final discount rate conclusion.

DISCOUNT RATE (IRR) CONCLUSIONS						
SOURCE	QUARTER	RANGE		AVG	LAST Q	LAST YR
AVERAGE	1Q 21	6.00%	to 10.00%	7.46%	7.43%	7.17%
DISCOUNT RATE IRR CONCLUSION (CASH FLOW)				8.00%		
DISCOUNT RATE IRR CONCLUSION (REVERSION)				8.00%		

There is a 200 bps spread between the subject's going-in capitalization rate of 6.00% and the selected discount rate above of 8.00%. This spread is generally supported by the investor survey results.

Development of Terminal OAR (Terminal Capitalization Rate)

Investor surveys, discussions with market participants and the subject's investment characteristics were considered in developing my opinion of Terminal OAR. The following graph provides a historical illustration of terminal rate statistics as surveyed by investors that I considered to be relevant to the subject property.

TERMINAL CAPITALIZATION RATE



Taking all factors into consideration, the following table summarizes the various terminal rate indicators and provides the final terminal capitalization rate conclusion.

TERMINAL CAPITALIZATION RATE CONCLUSION					
SOURCE	QUARTER	RANGE		AVG	LAST Q LAST YR
AVERAGE	1Q 21	5.00%	to 9.00%	6.60%	6.64% 6.27%
TERMINAL CAPITALIZATION RATE CONCLUSION				7.00%	

There is a 100 bps spread between the subject's going-in capitalization rate and the selected terminal capitalization rate above of 7.00%. This spread is supported by the investor survey results.

The rounded Cumulative Present Value is shown on the following table:

CONTINUED

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INCOME APPROACH CONCLUSION

The following table summarizes the opinions for market value that were developed by the direct capitalization method and discounted cash flow of the income approach. Placing emphasis on both approaches, the Income Approach conclusion is \$3,125,000.

VALUATION INDICES	AS-IS MARKET VALUE
INTEREST APPRAISED	FEE SIMPLE
DATE OF VALUE	APRIL 2, 2021
INCOME CAPITALIZATION APPROACH	
Discounted Cash Flow	\$3,200,000
DCF \$/SF (NRA)	\$50/SF
Holding Period	10 Years
Terminal Capitalization Rate	6.50%
Direct Capitalization	\$3,270,000
Direct Capitalization \$/SF	\$51/SF
NOI Proforma	\$208,123
NOI \$/SF	\$3.23/SF
Capitalization Rate	6.00%
INCOME CONCLUSION	\$3,250,000
Income Conclusion \$/SF	\$50/SF

SALES APPROACH

The Sales Comparison Approach analyzes comparable sales by applying transactional and property adjustments to bracket the subject property within an appropriate unit value comparison. The most relevant unit of comparison is the price per parking stall, as it best reflects the analysis used by buyers and sellers in this market for improved properties with similar design and utility. However, I completed a thorough search for similar improved sales in terms of property type, location, physical characteristics, and date of sale. There were no comparable sales in the Portland-Vancouver Metro Area available for analysis, limiting any reliability of the Sales Comparison Approach.

There were few scattered portfolio sales of large groups of properties including parking garages, in the Portland area. However, these are not considered to be directly comparable to the subject property.

One sale of note in downtown Vancouver, and considered to be used as some type of a “benchmark” is the 2013 sale of the Main Place Parking Garage from the City of Vancouver to Main Place Garage, LLC. This 166-space parking garage, similar in design as the subject property, adjoins the Main Place Office Building, also similar to the subject property. This parking garage sold in 2013 for \$1,260,000, or \$7,590/space. While a much older sale, this provides a rough benchmark for a 2013 transaction, recognizing that parking rates have increased since this sale, so a higher “price per space” indication is expected for the subject property, based on the appreciation in parking rates.

The indicated As-Is Value conclusion of \$3,250,000, spread over the 233 parking spaces, equates to \$13,948/space, which is higher than the Main Place sale and expected to be higher because of higher parking rates in relation to the rate at the time of this older sale. It does help provide a “barometer” for the subject property. No conclusion is drawn from this analysis.

RECONCILIATION OF VALUE CONCLUSIONS

The Analysis of Value Conclusions is the final step in the appraisal process and involves the weighing of the individual valuation techniques in relationship to their substantiation by market data, and the reliability and applicability of each valuation technique to the subject property.

The following table summarizes the opinions of the As-Is Market Value of the subject property's fee simple interest. Based on the overall quality of the data and analyses, and considering the decision-making process of the typical buyer profile of the subject asset being an investor, greater emphasis was placed on the Income Approach, which is reflected in my final opinion of market value below. In this appraisal, sole weight is given to the Income Approach, with an adjustment made for the COVID-19 pandemic and current market conditions.

My opinion of value reflects current conditions and the likely actions of market participants as of the date of value. It is based on the available information gathered and provided to us, as presented in this report, and does not predict future performance. Changing market or property conditions can and likely will have an effect on the subject's value.

ANALYSIS OF VALUE CONCLUSIONS	
VALUATION INDICES	AS-IS MARKET VALUE
INTEREST APPRAISED	FEE SIMPLE
DATE OF VALUE	APRIL 2, 2021
Income Approach	\$3,250,000
FINAL VALUE CONCLUSION	\$3,250,000
\$/SF	\$50/SF
Exposure Time	12 to 18 Months
Marketing Period	12 to 18 Months
OTHER CONCLUSIONS	APRIL 2, 2021
Land Value (Hypothetically "As Vacant")	\$1,990,000

LAND VALUATION (“AS VACANT”)

As previously discussed within the Valuation Methods section, the subject is valued as one marketable economic site in this appraisal. The most relevant unit of comparison is the price per square foot, as it best reflects the analysis used by buyers and sellers in this market for land with similar utility and zoning. A thorough search was made for similar land sales in terms of proximity to the subject, size, location, development potential, and date of sale. Overall, the sales selected represent the best comparables available for this analysis.

Adjustment Process

The following adjustments or general market trends were considered for the basis of valuation.

Transactional Adjustments

Dollar adjustments to the comparable sales were considered and made when warranted for transactional adjustments including property rights transferred, financing terms, conditions of sale, expenditures after purchase such as demolition costs and market conditions. The following table summarizes the market conditions adjustment applied in this analysis.

MARKET CONDITIONS ADJUSTMENT		
Per Year As Of	March 2020 (PRE COVID-19)	3%

The analysis applies an upward market conditions adjustment of 3% annually reflecting the conditions between the oldest comparable sale date up through the period preceding COVID-19.

COVID-19 Impact Adjustment

While we applied market conditions adjustments for date of sale preceding the date of value for factors such as rent growth generated market appreciation prior to COVID-19, we recognize the need for straight-line adjustment for near-term rent loss anticipated and increased risk premiums for intermediate market uncertainty, which we have applied a -5% downward adjustment, which differs from the market adjustments to the sales, which is up until the point in time that the impact of COVID-19 became more apparent. This downward adjustment reflects the impact to new commercial development, due to the COVID-19 pandemic and its impact on the economy, creating more uncertainty in the market.

Property Adjustments

Qualitative adjustments are also made for location and physical characteristics such as size, shape, access, exposure, topography, zoning and overall utility. Where possible the adjustments applied are based on paired data or other statistical analysis. It should be stressed that the adjustments are subjective in nature and are meant to illustrate my logic in deriving a value opinion for the subject site.

Presentation

The following Land Sales Summation Table, Location Map and aerial maps summarize the sales data used in this analysis. Following these items, the comparable land sales are adjusted for applicable elements of comparison and the opinion of site value is concluded.

LAND SALES SUMMATION TABLE

COMPARABLE	SUBJECT	COMPARABLE 1	COMPARABLE 2	COMPARABLE 3	COMPARABLE 4	COMPARABLE 5	COMPARABLE 6
Name	Columbia Bank Parking Garage	Block 10 Commercial Land	Vancouver Waterfront (Block 3)	15th & Main Full Block	Academy Mixed- Use Land Sale	Madden Multi- Family Block	Hidden Full Re- Development Block
Address	500 Broadway Street	815 Columbia Street	West Columbia Way & Esther Street	1506 Main St	1015 C Street	1655 C Street	1501 Columbia Street
City	Vancouver	Vancouver	Vancouver	Vancouver	Vancouver	Vancouver	Vancouver
State	WA	WA	WA	WA	WA	WA	WA
Zip	98660	98660	98660	98660	98660	98663	98660
County	Clark	Clark	Clark	Clark	Clark	Clark	Clark
APN	038470-004	048120-000	986041-167	046390-000, 046485-000, 047283-000, 047280-000, 04	986035-621, 986035-622, 039224-000	040890-000 & 040870-000	52530-, 52540- 52550-, 52560- 52570-00 +

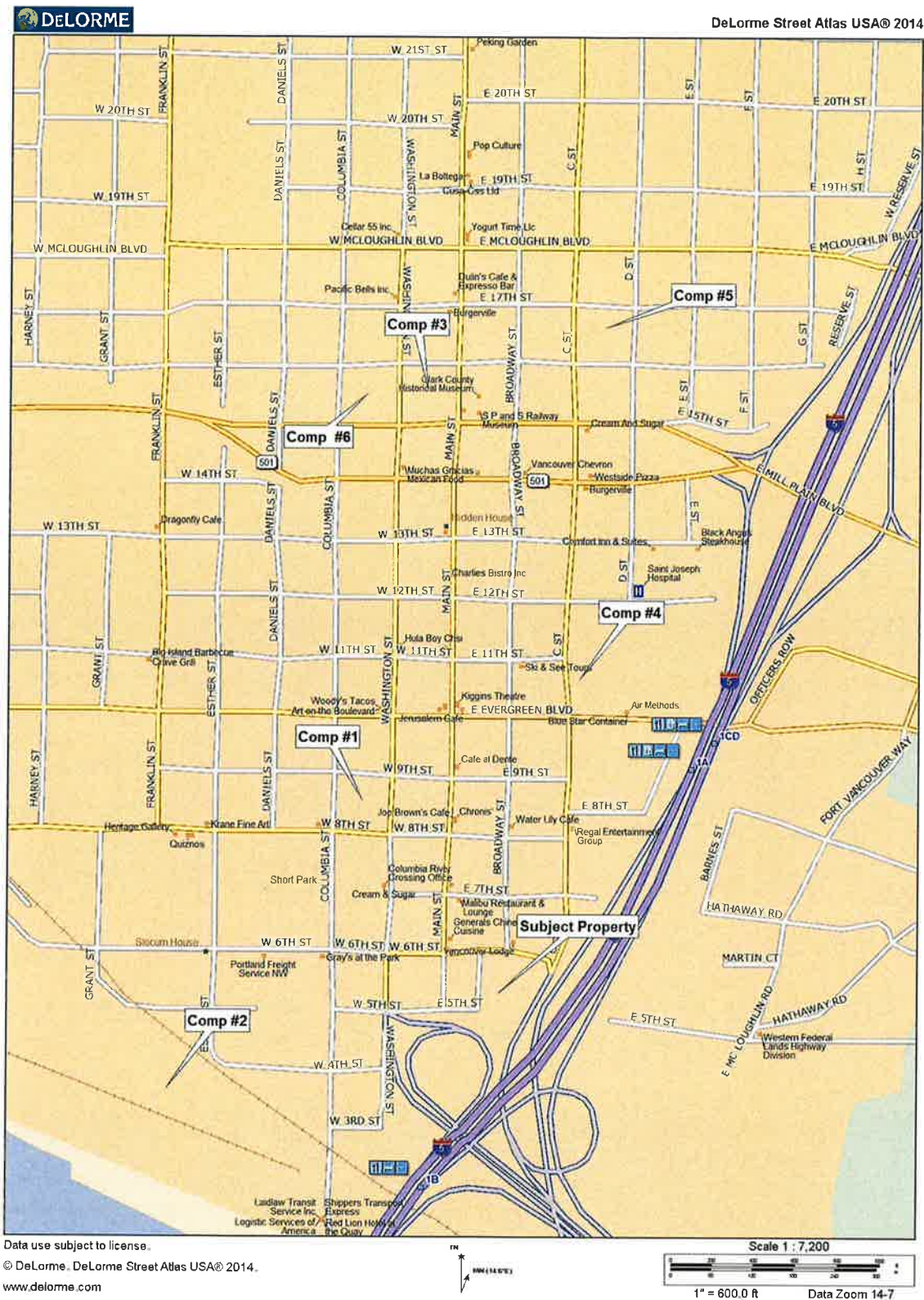
PHYSICAL INFORMATION

SF	33,128	41,681	37,785	44,875	96,267	40,076	48,366
Location	Good	Good/Excellent	Excellent	Good	Good	Average/Good	Average/Good
Exposure	Good	Good	Good/Excellent	Good	Average/Good	Average	Good
Access	Average/Good	Good	Good/Excellent	Good	Average/Good	Average/Good	Average/Good
Shape	Generally	Square	Square	Square	Irregular	Square	Square
Zoning	CX	CX (City Center)	CX	CX (City Center)	CX (City Center)	CX (City Center)	CX (City Center)

SALE INFORMATION

Date	6/26/2020	6/18/2018	12/19/2017	11/16/2018	3/26/2018	9/30/2019
Status	Recorded	Recorded	Recorded	Recorded	Recorded	Recorded
Rights Transferred	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
Transaction Price	\$3,330,000	\$4,250,000	\$2,700,000	\$5,494,573	\$1,850,000	\$3,200,000
Analysis Price	\$3,330,000	\$4,250,000	\$2,700,000	\$5,594,573	\$1,975,000	\$3,000,000
\$/SF Land	\$79.89	\$112.48	\$60.17	\$58.12	\$49.28	\$62.03

LAND SALES LOCATION MAP



LAND SALES EXHIBITS



COMPARABLE 1



COMPARABLE 2



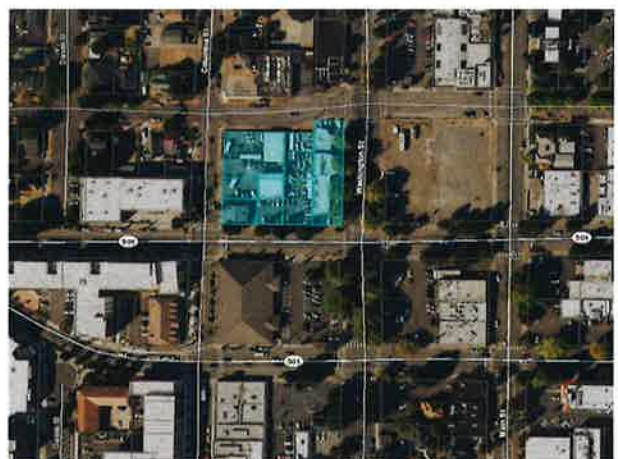
COMPARABLE 3



COMPARABLE 4



COMPARABLE 5



COMPARABLE 6

LAND SALES ADJUSTMENT TABLE

COMPARABLE	SUBJECT	COMPARABLE 1	COMPARABLE 2	COMPARABLE 3	COMPARABLE 4	COMPARABLE 5	COMPARABLE 6
Name	Columbia Bank Parking Garage	Block 10 Commercial Land	Vancouver Waterfront (Block 3)	15th & Main Full Block	Academy Mixed-Use Land Sale	Madden Multi-Family Block	Hidden Full Re-Development Block
Address	500 Broadway Street	815 Columbia Street	West Columbia Way & Esther	1506 Main St	1015 C Street	1655 C Street	1501 Columbia Street
City	Vancouver	Vancouver	Vancouver	Vancouver	Vancouver	Vancouver	Vancouver
Acres	0.76	0.96	0.87	1.03	2.21	0.92	1.11
SF	33,128	41,681	37,785	44,875	96,267	40,076	48,366
Zoning	CX	CX (City Center)	CX	CX (City Center)	CX (City Center)	CX (City Center)	CX (City Center)
Flood Zone	Zone X (Unshaded)	None	None	None	None	None	None
SALE INFORMATION							
Date		6/26/2020	6/18/2018	12/19/2017	11/16/2018	3/26/2018	9/30/2019
Status		Recorded	Recorded	Recorded	Recorded	Recorded	Recorded
Rights Transferred		Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
Analysis Price		\$3,330,000	\$4,250,000	\$2,700,000	\$5,594,573	\$1,975,000	\$3,000,000
Price/SF		\$79.89	\$112.48	\$60.17	\$58.12	\$49.28	\$62.03
TRANSACTIONAL ADJUSTMENTS							
Property Rights		0%	0%	0%	0%	0%	0%
Financing		0%	0%	0%	0%	0%	0%
Conditions of Sale		0%	0%	0%	0%	0%	0%
Expenditures After the Sale		0%	0%	0%	0%	0%	0%
Market Conditions (preceding COVID-19)¹		0%	5%	7%	4%	6%	1%
COVID-19 Market Impact		-5%	-5%	-5%	-5%	-5%	-5%
Subtotal Transactional Adj Price		\$75.90	\$112.20	\$61.16	\$57.42	\$49.62	\$59.52
PROPERTY ADJUSTMENTS							
Location		-5%	-10%	0%	0%	5%	5%
Size		0%	0%	0%	0%	0%	0%
Exposure		0%	-5%	0%	5%	10%	0%
Access		-5%	-10%	-5%	0%	0%	0%
Shape		0%	0%	0%	0%	0%	0%
Zoning		0%	0%	0%	0%	0%	0%
Subtotal Property Adjustment		-10%	-25%	-5%	5%	15%	5%
TOTAL ADJUSTED PRICE		\$68.31	\$84.15	\$58.10	\$60.29	\$57.06	\$62.50
STATISTICS	UNADJUSTED	ADJUSTED					
LOW	\$49.28	\$57.06					
HIGH	\$112.48	\$84.15					
MEDIAN	\$61.10	\$61.40					
AVERAGE	\$70.33	\$65.07					

¹ Market Conditions Adjustment: 3%

Date of Value (for adjustment calculations): 3/1/20

LAND SALES ANALYSIS

In this analysis, six comparable land sales were researched in order to estimate a land value for the subject property. An attempt was made to find comparable land sales in the subject's immediate downtown "core" CBD area, of a size which is similar to the subject. As will be mentioned below, due to the apartment market conditions which have strengthened in the past couple of years, driving new construction of apartment and mixed-use projects, there have been some sales for large blocks recently which suggest a trend of some upward pressure on downtown land values, especially for full/large blocks, likely due to the limited supply of available properties. However, in recent years, due to the volume of single-family residential, multi-family residential, and commercial/industrial construction in Clark County, coupled with the increases in construction costs for certain materials, the appreciation in land values has been tempered as developers attempt to achieve financial feasibility for certain projects. This is also tempered by the more recent impact of the COVID-19 pandemic on local markets, both in the public and private sector.

The above land sales and listings indicate a relatively wide range of adjusted land value for the subject property of between \$57.06 and \$84.15 per square foot.

Comparable 1 (\$68.31) is the sale of Block 10 in downtown Vancouver, just NE of Esther Short Park. It was purchased for the development of a mixed-use project (office/commercial and apartments) under construction and is considered a prime development parcel in downtown Vancouver. Downward adjustments were made for its superior location and access.

Comparable 2 (\$84.15) is the sale of a block in the Vancouver Waterfront development, purchased by an apartment developer. Downward adjustments were made for its superior location, exposure, and access.

Comparable 3 (\$58.10) is the sale of a full block site bounded by 15th, Main, 16th, and Washington Streets in downtown Vancouver. According to the broker, the buyer plans to develop a mixed-use project, primarily apartments, with some commercial space planned for the first floor which was recently announced to be anchored by New Seasons. A downward adjustment was made for its superior access.

Comparable No. 4 (\$60.29) is the sale of the Phase 1 portion of the proposed Academy Mixed-Use property, purchased by the developers who also have an option to purchase a Phase 2 but have not yet done so. It was formerly part of the same ownership as The Academy historical property, which is generally located between East Evergreen Boulevard and East 11th Street, between C Street and Interstate-5. This is a surplus portion of the historical property which had previously been used as surface parking leased to various office tenants in downtown Vancouver. It was sold as a mixed-use (apartment-commercial) site in downtown Vancouver which is planned to be developed with 110 apartment units to be located over 1st floor commercial retail/service space. It has been adjusted for the buyer's obligation to demolish the adjacent El Presidente Restaurant, with the demolition costs estimated at \$100,000, which seems reasonable. An upward adjustment was made for its inferior exposure.

Comparable 5 (\$57.06) is the sale of a multi-family site located just north of the downtown "core" area of Vancouver. It is currently being developed with a multi-family project. Upward adjustments were made for its inferior location and exposure.

Comparable 6 (\$62.50) is a recent sale of a full block located just NW of the downtown "core" area of Vancouver. It was purchased on a contract, with the seller's broker indicating that the favorable contract terms raised the price by \$200,000, so the sales price is adjusted downward by \$200,000. He added that the buyers, while leasing the commercial buildings (mostly auto-service related) for a short-term, plans to re-develop the block in 3 years, as the buyer owes the seller a balloon payment after 3 years. An upward adjustment was made for its inferior location.

Therefore, based on the above analysis, and considering the subject's location/exposure along Interstate-5 in the southern portion of downtown Vancouver, along with its shape and size, along with current economic and market conditions, a value in the range of \$58.00 to \$62.00 per square foot would be considered appropriate for the subject property, with the mid-range of \$60.00 per square foot concluded for the subject property. This is applied to the subject's land area "As Vacant".

The sale of the full block at West Evergreen Boulevard and Esther Street for \$80/SF, prior to demolition, was not utilized as a land sale comparable, because of the complicated nature of the demolition of the large church building.

CALCULATION OF LAND VALUE

The following table summarizes the analysis of the comparables, reports the reconciled price per square foot value conclusion, and presents the concluded value of the subject site "As Vacant". In the case of the subject property, with some of the parking spaces already "owned" by the Frontier Block condominium owners, we are labeling the subject's land value as a Hypothetical Condition that it is vacant and there are no other related interests such as parking spaces owned by owners of the condominium owners.

CALCULATION OF LAND VALUE								
COMP	ANALYSIS	ADJUSTMENT				NET	GROSS	OVERALL
	PRICE	TRANSACTIONAL ¹	ADJUSTED	PROPERTY ²	FINAL	ADJ %	ADJ %	COMPARISON
1	\$79.89	-5%	\$75.90	-10%	\$68.31	-14%	15%	PRIMARY
2	\$112.48	0%	\$112.20	-25%	\$84.15	-25%	35%	SECONDARY
3	\$60.17	2%	\$61.16	-5%	\$58.10	-3%	17%	PRIMARY
4	\$58.12	-1%	\$57.42	5%	\$60.29	4%	14%	PRIMARY
5	\$49.28	1%	\$49.62	15%	\$57.06	16%	26%	PRIMARY
6	\$62.03	-4%	\$59.52	5%	\$62.50	1%	11%	PRIMARY
LOW	\$57.06					AVERAGE		\$65.07
HIGH	\$84.15					MEDIAN		\$61.40
COMPONENT		SUBJECT SF		\$/SF CONCLUSION		VALUE		
TOTAL PROPERTY		33,128	x	\$60.00	=	\$1,990,000		

¹Cumulative ²Additive

Rounded to nearest \$10,000

I certify that, to the best of my knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions of the signer are limited only by the reported assumptions and limiting conditions, and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- The signer of this report has no present or prospective interest in the property that is the subject of this report, and no personal interest with respect to the parties involved.
- Dean Meyer, MAI has performed no services, as an appraiser or in any other capacity regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
- The signer is not biased with respect to the property that is the subject of this report or to the parties involved with this assignment.
- The engagement in this assignment was not contingent upon developing or reporting predetermined results.
- The compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- The reported analysis, opinions, and conclusions were developed, and this report has been prepared, in conformity with the *Uniform Standards of Professional Appraisal Practice* and the *Code of Professional Ethics and Standards of Professional Appraisal Practice* of the Appraisal Institute.
- Dean Meyer, MAI inspected the property that is the subject of this report.
- No one provided significant real property appraisal assistance to appraiser signing this certification.

The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.

As of the date of this report Dean Meyer, MAI completed the continuing education program for Designated Members of the Appraisal Institute.

Dean M. Meyer

April 26, 2021

Date

Dean Meyer, MAI
Senior Valuation Services Director
Certified General Real Estate Appraiser
State of Washington License #1100795
+1 360 823 5263
dean.meyer@colliers.com

This appraisal is subject to the following assumptions and limiting conditions:

- The appraiser may or may not have been provided with a survey of the subject property. If further verification is required, a survey by a registered surveyor is advised.
- We assume no responsibility for matters legal in character, nor do we render any opinion as to title, which is assumed to be marketable. All existing liens, encumbrances, and assessments have been disregarded, unless otherwise noted, and the property is appraised as though free and clear, under responsible ownership, and competent management.
- The exhibits in this report are included to assist the reader in visualizing the property. We have made no survey of the property and assume no responsibility in connection with such matters.
- Unless otherwise noted herein, it is assumed that there are no encroachments, zoning, or restrictive violations existing in the subject property.
- The appraiser assumes no responsibility for determining if the property requires environmental approval by the appropriate governing agencies, nor if it is in violation thereof, unless otherwise noted herein.
- Information presented in this report has been obtained from reliable sources, and it is assumed that the information is accurate.
- This report shall be used for its intended purpose only, and by the party to whom it is addressed. Possession of this report does not include the right of publication.
- The appraiser may not be required to give testimony or to appear in court by reason of this appraisal, with reference to the property in question, unless prior arrangements have been made therefore.
- The statements of value and all conclusions shall apply as of the dates shown herein.
- There is no present or contemplated future interest in the property by the appraiser which is not specifically disclosed in this report.
- Without the written consent or approval of the author neither all, nor any part of, the contents of this report shall be conveyed to the public through advertising, public relations, news, sales, or other media. This applies particularly to value conclusions and to the identity of the appraiser and the firm with which the appraiser is connected.
- This report must be used in its entirety. Reliance on any portion of the report independent of others, may lead the reader to erroneous conclusions regarding the property values. Unless approval is provided by the author no portion of the report stands alone.
- The valuation stated herein assumes professional management and operation of the buildings throughout the lifetime of the improvements, with an adequate maintenance and repair program.
- The liability of Colliers International Valuation & Advisory Services, its principals, agents, and employees is limited to the client. Further, there is no accountability, obligation, or liability to any third party. If this report is placed in the hands of anyone other than the client, the client shall make such party aware of all limiting conditions and assumptions of the assignment and related discussions. The appraiser is in no way responsible for any costs incurred to discover or correct any deficiency in the property.
- The appraiser is not qualified to detect the presence of toxic or hazardous substances or materials which may influence or be associated with the property or any adjacent properties, has made no investigation or analysis as to the presence of such materials, and expressly disclaims any duty to note the degree of fault. Colliers International Valuation & Advisory Services and its principals, agents, employees, shall not be liable for any costs, expenses, assessments, or penalties, or diminution in value, property damage, or personal

injury (including death) resulting from or otherwise attributable to toxic or hazardous substances or materials, including without limitation hazardous waste, asbestos material, formaldehyde, or any smoke, vapors, soot, fumes, acids, alkalis, toxic chemicals, liquids, solids or gasses, waste materials or other irritants, contaminants or pollutants.

- The appraiser assumes no responsibility for determining if the subject property complies with the *Americans with Disabilities Act (ADA)*. Colliers International Valuation & Advisory Services, its principals, agents, and employees, shall not be liable for any costs, expenses, assessments, penalties or diminution in value resulting from non-compliance. This appraisal assumes that the subject meets an acceptable level of compliance with *ADA* standards; if the subject is not in compliance, the eventual renovation costs and/or penalties would negatively impact the present value of the subject. If the magnitude and time of the cost were known today, they would be reduced from the reported value conclusion.
- An on-site inspection of the subject property was conducted. No evidence of asbestos materials on-site was noted. A Phase 1 Environmental Assessment was not provided for this analysis. This analysis assumes that no asbestos or other hazardous materials are stored or found in or on the subject property. If evidence of hazardous materials of any kind occurs, the reader should seek qualified professional assistance. If hazardous materials are discovered and if future market conditions indicate an impact on value and increased perceived risk, a revision of the concluded values may be necessary.
- A detailed soils study was not provided for this analysis. The subject's soils and sub-soil conditions are assumed to be suitable based upon a visual inspection, which did not indicate evidence of excessive settling or unstable soils. No certification is made regarding the stability or suitability of the soil or sub-soil conditions.
- This analysis assumes that the financial information provided for this appraisal, including rent rolls and historical income and expense statements; accurately reflect the current and historical operations of the subject property.

Engagement Letter

Historical Income/Expense Summary

Option to Purchase Agreement

Valuation Glossary

Qualifications of Appraiser

Qualifications of Colliers International Valuation & Advisory Services



CITY OF VANCOUVER
Procurement Services
 (360) 487-8430
 (360) 487-8433 fax
 www.cityofvancouver.us
 Federal Tax ID No. 91-6001288

Purchase Order Number:
Revision Number:
Purchase Order Date:

PO-56098
 1
 3/22/21

This Purchase Order number **MUST** appear on all invoices, packing lists, and correspondence related to this order.

Colliers International Valuation & Advisory Services LLC
 9820 Willow Creek Rd Ste 300
 San Diego, CA 92131

Submit Invoice To:

City of Vancouver
 Linda Carlson
 P.O. Box 1995
 Vancouver, WA 98668
 linda.carlson@cityofvancouver.us
 accpay@cityofvancouver.us

Ship To:

City of Vancouver
Linda Carlson
 City Hall - 3rd Floor
 415 W 6th Street
 Vancouver, WA 98660

If you have any questions regarding this order, please contact:

Linda Carlson / (360) 487-8423 linda.carlson@cityofvancouver.us

Line #	Line Description	Qty	UOM	Unit Price	Amount
1	Parking garage appraisal - West Coast Bank building				4,800.00
2	Add "land only" value to appraisal				1,000.00
Subtotal:					\$5,800.00
Tax:					\$0.00
Total:					\$5,800.00

Note to Supplier

Enter this URL <https://www.cityofvancouver.us/fms/page/terms-and-conditions> to access either the General terms and conditions or the Professional Services terms and conditions, whichever apply to this purchase order. Any amendments to this purchase order take full precedent over said terms and conditions.

Authorized Signature

Year-to-Date General Ledger Account Balance As of Period : 'ADJ-18'

Balance Type :Actual

Fund	Org	Object	Location	Project	Object Description	YTD Amt	Category
491	000000	362300	9105	000000	Parking Revenue (Short-Term)	-31,722.64	revenues
491	000000	362500	9105	000000	Space & Facilities Leases (Long-Term)	-152,754.84	revenues
491	199500	500100	9105	000000	Depreciation and Depletion Expense	87,178.30	expenses
491	192400	511100	9105	000000	Regular Salaries	83.48	expenses
491	193200	511310	9105	000000	Overtime Pay	35.45	expenses
491	192400	521200	9105	000000	PERS II Pension	10.64	expenses
491	193200	521200	9105	000000	PERS II Pension	4.55	expenses
491	192400	521500	9105	000000	Social Security	4.80	expenses
491	193200	521500	9105	000000	Social Security	2.09	expenses
491	192400	521510	9105	000000	Medicare	1.08	expenses
491	193200	521510	9105	000000	Medicare	0.49	expenses
491	192400	521605	9105	000000	Med Hospital Admin	0.76	expenses
491	193200	521605	9105	000000	Med Hospital Admin	0.36	expenses
491	192400	521620	9105	000000	Med Hospital - OPEIU Trust	25.36	expenses
491	193200	521620	9105	000000	Med Hospital - OPEIU Trust	11.27	expenses
491	192200	541100	9105	000000	Janitorial Cleaning	3,961.67	expenses
491	192100	541900	9105	000000	Professional & Contracted Services	28,565.13	expenses
491	192100	547200	9105	000000	Water/Sewer/Drainage	1,386.36	expenses
491	192200	548900	9105	000000	Repair & Maint - Other	4,096.85	expenses
491	192100	553000	9105	000000	External Taxes/Assessment	2,814.73	expenses
491	010021	583000	9105	000000	Interest - Long Term External Debt	9,875.26	expenses
491	010122	583000	9105	000000	Interest - Long Term External Debt	38,243.74	expenses
491	191010	598400	9105	000000	Interfund - Repair & Maint Building Labor Charges	3,220.81	expenses
Grand Total:						-4,954.30	

GOV/Nonprofit categories	GOV/2019-2021 Plan
Company	City of Vancouver
Plan Structure	GOV Plan Structure
Plan Name	GOV Current 2019-20 Plan Template
	GOV Current 2021-22 Plan Template
Plan Status	Available
Do not include Budget Am	Cancelled
Period	FY 2020 - Dec
Fund	491 Parking Services Fund
Lead Account Type	Expenditures
	Revenues
Location	LOC0244 Lot 5 - Parking (Columbia Bank Sth & Main

Fund	Department	Cost Center	Workings Parent Ledger	Spend Category	Revenue Category	Prior Year				Budget	Total Encumbranc	Current Year		Available Budget	% Spend	
						Budget (Years End)	Actuals (Budget - Actuals)	Variance (Budget - Actuals)	Total Encumbranc			Actuals (Current Period YTD)	% Spent			Actuals
491 Parking Services Fund	Budget - Debt	CG0211 DBT-Debt	Standard Budget - Debt	SC0208 Principal and Interest - Principal (Blank)	G 0 Bonds 171000	207,900	207,900	0	0	207,900	100%	211,200	211,200	0	100.00%	
491 Parking Services Fund	Budget - Debt	CG0211 DBT-Debt	Standard Budget - Debt	SC0208 Principal and Interest - Interest - (Blank)	Long Term External Debt \$53000	38,068	38,068	0	0	38,068	100%	34,767	34,767	0	100.00%	
491 Parking Services Fund	Budget - Parking	CG0009 CED	Standard Budget - Parking Collections	SC0056 Intergovernmental Services and (Blank)	Payments - External Funds/Assessments	0	5,621	(5,621)	0	5,621	0%	0	32,945	32,945	(2,945)	0.00%
491 Parking Services Fund	Budget - Parking	CG0009 CED	Standard Budget - Parking Collections	SC0039 Supplies - Other Operating	Supplies \$51900	0	0	0	0	0	0%	0	230	230	(230)	0.00%
491 Parking Services Fund	Budget - Parking	CG0009 CED	Standard Budget - Parking Collections	SC0049 Services - Janitorial Cleaning	Janitorial	0	0	0	0	0	0%	0	0	0	0	0.00%
491 Parking Services Fund	Budget - Parking	CG0009 CED	Standard Budget - Parking Collections	SC0053 Services - Professional and Contracted Services \$41900	Professional	12,062	12,110	(48)	0	12,110	100%	11,748	11,748	0	100.00%	
491 Parking Services Fund	Budget - Parking	CG0009 CED	Standard Budget - Parking Collections	SC0073 Services - Water/Sewer/Storm	Water/Sewer/Storm \$147200	2,962	1,956	106	0	1,956	95%	2,221	2,068	153	93.11%	
491 Parking Services Fund	Budget - Parking	CG0009 CED	Standard Budget - Parking Collections	SC0075 Services - Repair & Maint - Equipment	Equipment \$48100	0	0	0	0	0	0%	37,485	37,485	(37,485)	0.00%	
491 Parking Services Fund	Budget - Parking	CG0009 CED	Standard Budget - Parking Collections	SC0076 Services - Repair & Maint - Buildings	Buildings \$48400	0	0	0	0	0	0%	136	136	(136)	0.00%	
491 Parking Services Fund	Budget - Parking	CG0009 CED	Standard Budget - Parking Collections	SC0077 Services - Repair & Maint - Other	Other \$48400	0	0	0	0	0	0%	5,000	0	5,000	0.00%	
491 Parking Services Fund	Budget - Parking	CG0116 CED	Standard Budget - Parking Admin	SC0224 Interfund - Repair & Maint Building Labor Charges	Building Labor Charges \$599400	0	20,160	(20,160)	0	20,160	0	4,888	4,888	0	100.00%	
491 Parking Services Fund	Budget - Parking	CG0118 CED	Standard Budget - Parking Admin	SC0243 Interfund - Facilities Maintenance	Facilities Maintenance \$98400	0	0	0	0	0	0%	19,833	19,833	(19,833)	0.00%	
491 Parking Services Fund	Budget - Parking	CG0118 CED	Standard Budget - Parking Admin	SC0075 Services - Repair & Maint - Equipment	Equipment \$48100	0	0	0	0	0	0%	62,647	62,647	(62,647)	0.00%	
491 Parking Services Fund	(Blank)	(Blank)	Standard Budget - Revenues - L4	RC0249 Misc Revenue	(Blank)	(24,362)	24,362	0	(24,362)	0%	0	(9,847)	(9,847)	9,847	0.00%	
491 Parking Services Fund	(Blank)	(Blank)	Standard Budget - Revenues - L4	RC0253 Misc Revenue	(Blank)	(200,302)	200,302	0	(200,302)	0%	0	(249,780)	(249,780)	249,780	0.00%	
Total						688,052	688,551	(551)	0	55,551	23%	295,424	352,741	111,663	58.86%	

EXHIBIT 5 3 2

OPTION TO PURCHASE AGREEMENT FOR PARKING GARAGE UNIT

THIS OPTION TO PURCHASE AGREEMENT FOR PARKING GARAGE UNIT (the "Agreement") is made and entered into this 29th day of December, 1999 by and between the CITY OF VANCOUVER a Washington municipal corporation ("City") and BROADWAY INVESTORS L L C a Washington limited liability company ("Developer")

Recitals

A The parties have entered into a Transfer and Conveyance Agreement of even date herewith (City Lots Transfer and Conveyance Agreement) wherein City has agreed to sell the real property located on a portion of Block 25 in Vancouver Washington generally bound by Broadway Street and 5th Street and legally described in Exhibit A attached hereto and incorporated herein by this reference (the 'City Lots) to Developer

B Upon acquisition of the City Lots pursuant to the City Lots Transfer and Conveyance Agreement Developer intends to develop a mixed use project which will include office and residential condominium units, a three level parking garage (one level on ground/grade and two levels above ground) containing 233 parking spaces (Parking Garage Unit) and a subterranean parking ramp within the Parking Garage Unit below grade and containing 34 parking spaces (Subterranean Parking Unit), collectively referred to as the Project, on a portion of the City Lots and on a portion of Developer s property located on a portion of Blocks 24 and 25, generally bound by Main Street 5th Street, 6th Street and Interstate 5 and legally described in Exhibit B attached hereto and incorporated herein by this reference (Developer Lots)

C The parties have also entered into a Disposition and Development Agreement of even date herewith (DDA) which in part, governs the obligations responsibilities benefits to be exchanged and enjoyed between City and Developer in connection with the construction, maintenance, ownership and operation of the Project

D City desires to grant the option to Developer to purchase the Parking Garage Unit on the terms and conditions set forth herein The Parking Garage Unit without the Subterranean Parking Unit shall hereinafter be referred to as the Property

FOR AND IN CONSIDERATION of the execution of the DDA the receipt and sufficiency of which is hereby acknowledged the parties hereto agree as follows

EXHIBIT 5 3 2

OPTION TO PURCHASE AGREEMENT FOR PARKING GARAGE UNIT

01775008 D09 (Option Agree 17) doc (12/28/1999 3:43 PM) 1

1 Exclusive Option City herein grants Developer the exclusive option (the "Option") to purchase (the "Option"), upon the terms and conditions hereinafter set forth the parking garage (Parking Garage Unit) in the City of Vancouver County of Clark State of Washington and legally described as follows

See Exhibit "A" attached hereto and incorporated herein by reference for legal description of real property purchased and portion of Parking Garage Unit purchased

2 Consideration for Option The consideration for this Option is the entering into the transaction set forth in the DDA to which this Agreement is attached as Exhibit 5 3 2

3 Option Period Developer is granted a right to exercise an option to purchase the Parking Garage Unit which purchase may be closed only after no tax exempt bonds issued to provide financing for the Parking Garage Unit remain outstanding Such option may be exercised at any time during the period beginning on January 1, 2016 and extending through December 31, 2021, or a longer period as extended by agreement between the parties (Option Period)

4 Method of Exercising Option Developer shall exercise the option by giving notice in writing ("Option Notice ") to City within the Option Period set forth in SECTION 3 above

4 1 Developer shall purchase the Parking Garage Unit at a price based on the Fair Market Value (as defined in SECTION 4 7) less the sum of Two Hundred Nine Thousand Dollars (\$209 000 00) (said \$209,000 00 sum representing a portion of the original cost of construction incurred by Developer for the Parking Garage Unit which was not paid by the City under the terms of the Parking Garage Purchase and Sale Agreement) provided however, in no event shall the sum paid by Developer for the Parking Garage Unit under this Option Agreement be less than the sum of Three Million Four Hundred Forty-One Thousand One Hundred Ninety-Five Dollars (\$3 441 195 00)

4 2 Furthermore Developer shall deliver to City concurrently with its notice of its exercise of its right to reacquire the Parking Garage Unit its estimate of the Fair Market Value (as defined hereinbelow) of the Parking Garage Unit Following receipt of such notice the parties shall negotiate in good faith in an attempt to reach agreement concerning the then Fair Market Value of the Parking Garage Unit If they are unable to so agree within thirty (30) days after City s receipt of Developer s notice of its exercise of its right to reacquire the Parking Garage Unit, either party may by written notice to the other submit the determination of Fair Market Value to Arbitration in accordance with SECTION 4 7 below

4 3 If either party elects to submit the determination of Fair Market Value to arbitration then it shall also in the same notice in which it elects arbitration designate an appraiser Within ten (10) days after receipt of such notice the other party shall give notice

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designating a second appraiser. The two appraisers so selected shall within ten (10) days following the selection of the second appraiser, select a third appraiser. The appraisers so selected shall within ten (10) days following the selection of the final appraiser meet review such information as may be submitted by Developer or City and such other information as they deem pertinent to the determination of the then Fair Market Value of the Parking Garage Unit and within thirty (30) days of the selection of the final appraiser determine (either unanimously or by a vote of two of the three appraisers) the applicable Fair Market Value of the Parking Garage Unit. The appraisers shall give written notice to the parties of the Fair Market Value so determined.

4.4 If either Developer or City shall fail to designate an appraiser within the time period specified in SECTION 4.3 above the defaulting party shall be deemed to have accepted the appraiser designated by the other in which event the one appraiser described in SECTION 4.3 above shall make the determination of the then Fair Market Value of the Parking Garage Unit in accordance with SECTION 4.3 above.

4.5 If the two appraisers designated by the parties are unable to agree on a third appraiser within the time period specified in SECTION 4.3 above then either Developer or City may apply to the Superior Court of the State of Washington for Clark County to designate a third appraiser. Each party shall be responsible for the costs of their own appraiser with the costs of the third appraiser to be shared equally by the parties.

4.6 All appraisers designated pursuant to SECTION 4.3 above shall be disinterested MAI appraisers with not less than ten (10) years experience in appraising commercial properties in Portland metropolitan area. A disinterested appraiser shall be one who has no direct or indirect financial interest in the outcome of the arbitration (other than payment of a reasonable appraisal fee) and who is not a member, manager, officer, director, employee or agent of City or Developer.

4.7 Fair Market Value means the most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller acting prudently and knowledgeably and assuming the price is not affected by undue stimulus. Implicit in this definition is a consummation of sale as of a specified date, and the passing of title from the seller to the buyer under conditions whereby

4.7.1 The buyer and seller are typically motivated

4.7.2 Both parties are well informed or well advised and each acting in what each considers its own best interest,

4.7.3 A reasonable time is allowed for exposure in the open market

EXHIBIT 5.3.2

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474 Payment is made in terms of U S dollars, or in terms of financial arrangements comparable thereto, and

475 The price represents a normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale

5 Purchase Price The purchase price for the Parking Garage Unit shall be the Fair Market Value as defined in SECTION 4 above

6 Payment of Purchase Price The entire purchase price shall be payable by Developer to City at close of escrow in cash

7 Title to Property City shall convey the Parking Garage Unit to Developer by Statutory Warranty Deed free and clear of all right, title or interest of City and subject only to the (i) Condominium Declaration (ii) the parking covenant executed by Developer running with the land which shall provide that Developer will make available for public parking 233 parking spaces at commercially reasonable rates on weekday evenings after 6 p m , and on weekends in connection with community activities and events (iii) general governmental building or use restrictions consistent with the then applicable zoning regulations for the Project, (iv) utility and other easements not inconsistent with the use of the Parking Garage Unit as a commercial Parking Garage Unit (v) all easements covenants conditions and restrictions which may be imposed on the Property, the Project or the Parking Garage Unit during the course of construction of the Project as a result of permits or other conditions imposed by any governmental authority as a condition to issuing a master use permit, building permit or any other license or approval (vi) exceptions to title created by previously approved in writing by, or arising through the actions of Developer, (vii) real property taxes and assessments (including but not limited to any assessments issued pursuant to the Condominium Declarations), not delinquent by non-payment and (viii) the rights of persons holding monthly parking permits to parking in the Parking Garage Unit

8 City Representations and Warranties Upon sale of the Parking Garage Unit from City to Developer, City shall represent and warrant to Developer as follows

81 With regard to any alteration and/or improvement (if any) made to the Parking Garage Unit during City s ownership of the Parking Garage Unit, City has no knowledge of any structural defects latent defects or building system defects within or serving the Parking Garage Unit including the elevators or other Common elements

82 With regard to any alteration and/or improvement (if any) made to the Parking Garage Unit during City s ownership of the Parking Garage Unit the Parking Garage has been

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constructed in accordance with all building, zoning, environmental, health and insurance laws and regulations in effect at the time of construction of the Parking Garage Unit

8.3 During City's ownership of the Parking Garage Unit, there are no liens, encumbrances or other defects affecting title to the Parking Garage Unit which have been or will be filed against the Parking Garage Unit (unless such lien is the subject of a dispute and City has caused such lien to be removed of record as required under the DDA)

8.4 During City's ownership of the Parking Garage Unit, there is no litigation pending or to the best knowledge of City, threatened, with respect to the Parking Garage Unit

8.5 During City's ownership of the Parking Garage Unit, City has paid any and all state and local taxes assessed in connection with the construction of the Parking Garage Unit and has completed and filed all necessary tax returns with the appropriate taxing authority applicable thereto (if applicable)

8.6 During City's ownership of the Parking Garage Unit, no Hazardous Substances in violation of any applicable federal, state or local laws have been incorporated in the structure of the Parking Garage Unit

In the event Developer alleges a breach of such warranties by City on or before the expiration of the one (1) year warranty period, City shall, within thirty (30) days following receipt of Developer's claim, proceed to cure the breach identified in Developer's notice and diligently and promptly complete such cure or correction to completion. For purposes of this Agreement, 'warranty period' shall mean that period commencing upon the Date of Closing of this Agreement and expiring one (1) year thereafter.

Any default by City under this Agreement, including any breach of any representation or warranty which is not cured within the period of time provided herein, shall constitute a default by City under the DDA; provided however, Developer's remedies shall be limited to damages or specific performance for such breach.

9. Disclaimer EXCEPT AS SPECIFICALLY SET FORTH IN SECTION 8 OF THIS AGREEMENT, CITY MAKES NO REPRESENTATIONS OR WARRANTIES WITH RESPECT TO THE PARKING GARAGE UNIT. DEVELOPER ACKNOWLEDGES THAT DEVELOPER WAS GIVEN THE OPPORTUNITY UNDER THIS AGREEMENT TO FULLY INSPECT THE PARKING GARAGE UNIT. DEVELOPER AGREES THAT BY PURCHASING THE PARKING GARAGE UNIT, DEVELOPER IS AGREEING TO PURCHASE THE PARKING GARAGE UNIT (SUBJECT TO THE FOREGOING CONTAINED IN THIS PARAGRAPH) IN THEIR AS IS CONDITION AND STATE OF REPAIR.

EXHIBIT 5.3.2

OPTION TO PURCHASE AGREEMENT FOR PARKING GARAGE UNIT

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10 Escrow The sale shall be consummated through a Washington State title insurance company mutually agreeable to the parties (the "Escrow Holder") to be opened by City within five (5) business days after the Option Notice has been given to City. Escrow shall be deemed to be opened under this paragraph on the date the escrow instructions are drawn. The parties shall execute all documents required by escrow holder as long as they are consistent with the provisions of this paragraph. Escrow shall close within one hundred eighty (180) days after the purchase price of the Parking Garage Unit has been set under Paragraph 4. Escrow shall be deemed to be closed pursuant to this paragraph on the date of recording.

11 Title Insurance At the close of escrow, escrow holder must be prepared to have issued by a Washington State title insurance company an ALTA Standard Coverage Policy of Title Insurance in the amount of the purchase price insuring title to the Parking Garage Unit vested in Developer.

12 Proration of Costs All revenues and all expenses of the Parking Garage Unit including, but not limited to real and personal property taxes, special assessments, Condominium Assessments, rents, water, sewer, and utility charges, amounts payable under contracts assumed by Developer, if any, annual permits and/or inspection fees (calculated on the basis of the respective periods covered thereby) and other expenses normal to the ownership, use, operation and maintenance of the Parking Garage Unit shall be prorated as of the Closing Date(s) for each Parking Garage Unit. If any revenue or expense amount cannot be ascertained with certainty as of the Close of Escrow, it shall be prorated on the basis of the parties' reasonable estimate of such amounts and shall be the subject of a final proration sixty (60) days after the Close of Escrow or as soon thereafter as the precise amount can be ascertained.

13 Closing Costs Excise taxes and recording fees on the Deed shall be paid by City, if required. Charges for a title insurance policy, escrow and all other closing costs shall be paid equally between the parties in accordance with the custom of Clark County, Washington.

14 Notices Any payments or notices required or desired to be given under this Agreement shall be in writing and personally served or given by mail. Any notice or payment given by mail shall be sent postage prepaid, by certified mail, return receipt requested, or overnight delivery, and addressed to the party to receive the same, at the following address or at such other address or addresses as the parties may from time to time direct in writing, as follows:

City
City Manager
City of Vancouver
210 East 13th Street
Vancouver, Washington 98660

With a Copy to City Attorney
City of Vancouver
210 East 13th Street
Vancouver, Washington 98660

Developer Broadway Investors L L C
ATTN George Killian
820 SE 73rd Avenue
Vancouver Washington 98664

With a Copy to Stephen W Horenstein
Miller Nash LLP
900 Washington Street, Suite 900
Vancouver, Washington 98660

15 Close of Escrow Termination Prior to the close of escrow Developer will have inspected (or had the opportunity to inspect) all of the Parking Garage Unit and such documents as deemed relevant by Developer relating to the Parking Garage Unit and Developer's intended use thereof, and based on Developer's best judgment and the best judgment of independent experts available to Developer accepts same AS IS including any latent defects with no warranties express or implied except for those expressly provided to survive and continue under the terms of this Agreement, and with no obligation of City to make repairs or replacements

16 Assignment The parties may not assign their rights under this Agreement without the written consent of the other party (which consent shall not be unreasonably withheld or delayed)

17 Miscellaneous

17.1 Entire Agreement This Agreement and the DDA constitutes the entire Agreement between the parties. Any inconsistency between this Agreement and the DDA shall be resolved in favor of the DDA.

17.2 Binding Nature All rights and obligations arising out of this Agreement shall inure to the benefit of and be binding upon the respective successors heirs assigns administrators executors and marital communities, if any of the parties hereto.

17.3 Washington Law This Agreement shall be construed interpreted and enforced pursuant to the laws of the State of Washington, and the parties agree that the Superior Court of Clark County for the State of Washington shall have sole and exclusive jurisdiction of any suit or proceeding brought with respect to this Agreement or the Parking Garage Unit.

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17.4 Attorney Fees In the event any action or legal proceedings are commenced to enforce any of the terms and conditions hereof or to terminate this Agreement (whether the same shall proceed to judgment or otherwise) the prevailing party shall receive from the other a reasonable sum as attorneys fees together with costs

17.5 Time Time is of the essence hereof

17.6 Captions The captions and section headings hereof are inserted for convenience purposes only and shall not be deemed to limit or expand the meaning of any section

17.7 Counterparts This Agreement may be signed in counterparts any one of which shall be deemed an original

IN WITNESS WHEREOF we have hereunto set our hands as of the day and year first above written

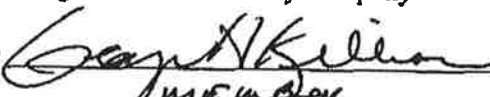
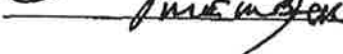
CITY OF VANCOUVER a municipal corporation

By


Vernon E. Stoner, City Manager

BROADWAY INVESTORS L L C, a Washington limited liability company

By
Its

Attest


Scott Cooley Interim City Clerk

Approved as to Form


Ted H. Gathe City Attorney

EXHIBIT 532

OPTION TO PURCHASE AGREEMENT FOR PARKING GARAGE UNIT

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Valuation Glossary

Unless specified otherwise, these definitions were extracted from the following sources or publications:

The Dictionary of Real Estate Appraisal, Sixth Edition, Appraisal Institute, Chicago, Illinois, 2015 (Dictionary).

Uniform Standards of Professional Appraisal Practice, 2020-2022 Edition (USPAP).

The Appraisal of Real Estate, Fifteenth Edition, Appraisal Institute, Chicago, Illinois, 2020 (15th Edition).

Absolute Net Lease

A lease in which the tenant pays all expenses including structural maintenance, building reserves, and management; often a long-term lease to a credit tenant. *(Dictionary)*

Ad Valorem Tax

A real estate tax based on the assessed value of the property, which is not necessarily equivalent to its market value. *(15th Edition)*

Aggregate of Retail Values (ARV)

The sum of the separate and distinct market value opinions for each of the units in a condominium; subdivision development, or portfolio of properties, as of the date of valuation. The aggregate of retail values does not represent the value of all the units as sold together in a single transaction; it is simply the total of the individual market value conclusions. Also called *sum of the retail values*. *(Dictionary)*

Arm's-length Transaction

A transaction between unrelated parties who are each acting in his or her own best interest. *(Dictionary)*

As-Is Market Value

The estimate of the market value of real property in its current physical condition, use, and zoning as of the appraisal date. *(Dictionary)*

Assessed Value

The value of a property according to the tax rolls in ad valorem taxation; may be higher or lower than market value, or based on an assessment ratio that is a percentage of market value. *(Dictionary)*

Average Daily Room Rate (ADR)

In the lodging industry, the net rooms revenue derived from the sale of guest rooms divided by the number of paid occupied rooms. *(Dictionary)*

Band of Investment

A technique in which the capitalization rates attributable to components of an investment are weighted and combined to derive a weighted-average rate attributable to the total investment. *(Dictionary)*

Cash-Equivalent Price

The price of a property with nonmarket financing expressed as the price that would have been paid in an all-cash sale. *(Dictionary)*

Common Area

The total area within a property that is not designed for sale or rental but is available for common use by all owners, tenants, or their invitees, e.g., parking and its appurtenances, malls, sidewalks, landscaped areas, recreation areas, public toilets, truck and service facilities. *(Dictionary)*

Contract Rent

The actual rental income specified in a lease. *(15th Edition)*

Cost Approach

A set of procedures through which a value indication is derived for the fee simple interest in a property by estimating the current cost to construct a reproduction of (or replacement for) the existing structure, including an entrepreneurial incentive; deducting depreciation from the total cost; and adding the estimated land value. Adjustments may then be made to the indicated fee simple value of the subject property to reflect the value of the property interest being appraised. *(Dictionary)*

Curable Functional Obsolescence

An element of depreciation; a curable defect caused by a flaw in the structure, materials, or design, which can be practically and economically corrected. *(Dictionary)*

Debt Coverage Ratio (DCR)

The ratio of net operating income to annual debt service, which measures the relative ability of a property to meet its debt service out of net operating income; also called debt service coverage ratio (DSCR). *(Dictionary)*

Deferred Maintenance

Items of wear and tear on a property that should be fixed now to protect the value or income-producing ability of a property. *(Dictionary)*

Depreciation

In appraisal, a loss in property value from any cause; the difference between the cost of an improvement on the effective date of the appraisal and the market value of the improvement on the same date. *(Dictionary)*

Direct Costs

Expenditures for the labor and materials used in the construction of improvements; also called hard costs. *(Dictionary)*

Discounted Cash Flow (DCF) Analysis

The procedure in which a discount rate is applied to a set of projected income streams and a reversion. The analyst specifies the quantity, variability, timing, and duration of the income streams and the quantity and timing of the reversion, and discounts each to its present value at a specified yield rate. *(Dictionary)*

Discount Rate

A rate of return on capital used to convert future payments or receipts into present value; usually considered to be a synonym for yield rate. *(Dictionary)*

Disposition Value

The most probable price that a specified interest in property should bring under the following conditions:

1. Consummation of a sale within a specified time, which is shorter than the typical exposure time for such a property in that market.
2. The property is subjected to market conditions prevailing as of the date of valuation.
3. Both the buyer and seller are acting prudently and knowledgeably.
4. The seller is under compulsion to sell.
5. The buyer is typically motivated.
6. Both parties are acting in what they consider their best interests.
7. An adequate marketing effort will be made during the exposure time.
8. Payment will be made in cash in U.S. dollars (or the local currency) or in terms of financial arrangements comparable thereto.
9. The price represents the normal consideration for the property sold, unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

This definition can also be modified to provide for valuation with specified financing terms. *(Dictionary)*

Easement

The right to use another's land for a stated purpose. Access or right-of-way easements may be acquired by private parties or public utilities. Governments may be the beneficiaries of easements placed on privately owned land that is dedicated to conservation, open space, or preservation. *(15th Edition)*

Economic Life

The period over which improvements to real property contribute to property value. *(Dictionary)*

Effective Age

The age of property that is based on the amount of observed deterioration and obsolescence it has sustained, which may be different from its chronological age. *(Dictionary)*

Effective Date

The date on which the appraisal or review opinion applies (SVP) *(Dictionary)*

Effective Gross Income (EGI)

The anticipated income from all operations of the real estate after an allowance is made for vacancy and collection losses and an addition is made for any other income. *(Dictionary)*

Effective Gross Income Multiplier (EGIM)

The ratio between the sale price (or value) of a property and its effective gross income. *(Dictionary)*

Effective Rent

The total base rent, or minimum rent stipulated in a lease, over the specified lease term minus rent concessions - e.g. free rent, excessive tenant improvements, moving allowances, lease buyouts, cash allowances, and other lease incentives. *(15th Edition)*

Eminent Domain

The right of government to take private property for public use upon the payment of just compensation. The Fifth Amendment of the U.S. Constitution, also known as the takings clause, guarantees payment of just compensation upon appropriation of private property. *(Dictionary)*

Entrepreneurial Incentive

The amount an entrepreneur expects to receive for his or her contribution to a project. Entrepreneurial incentive may be distinguished from entrepreneurial profit (often called developer's profit) in that it is the expectation of future profit as opposed to the profit actually earned on a development or improvement. *(Dictionary)*

Entrepreneurial Profit

A market-derived figure that represents the amount an entrepreneur receives for his or her contribution to a project and risk; the difference between the total cost of a property (cost of development) and its market value (property value after completion), which represents the entrepreneur's compensation for the risk and expertise associated with

development. An entrepreneur is motivated by the prospect of future value enhancement (i.e., the entrepreneurial incentive). An entrepreneur who successfully creates value through new development, expansion, renovation, or an innovative change of use is rewarded by entrepreneurial profit. Entrepreneurs may also fail and suffer losses. *(Dictionary)*

Excess Land

Land that is not needed to serve or support the existing improvement. The highest and best use of the excess land may or may not be the same as the highest and best use of the improved parcel. Excess land has the potential to be sold separately and is valued separately. *(Dictionary)*

Excess Rent

The amount by which contract rent exceeds market rent at the time of the appraisal; created by a lease favorable to the lessor and may reflect superior management, a lease execution in an earlier, stronger rental market, or an agreement of the parties. Due to the higher risk inherent in the receipt of excess rent, it may be calculated separately and capitalized or discounted at a higher rate in the income capitalization approach. *(15th Edition)*

Expense Stop

A clause in a lease that limits the landlord's expense obligation, which results in the lessee paying any operating expenses above a stated level or amount. *(Dictionary)*

Exposure Time

An opinion, based on supporting market data, of the length of time that the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal. *(USPAP)*

Extraordinary Assumption

An assignment-specific assumption as of the effective date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser's opinions or conclusions. Uncertain information might include physical, legal, or economic characteristics of the subject property; or conditions external to the property, such as market conditions or trends; or the integrity of data used in an analysis. An extraordinary assumption may be used in an assignment only if:

- It is required to properly develop credible opinions and conclusions;
- The appraiser has a reasonable basis for the extraordinary assumption;
- Use of the extraordinary assumption results in a credible analysis; and
- The appraiser complies with the disclosure requirements set forth in USPAP for extraordinary assumptions. *(USPAP)*

External Obsolescence

A type of depreciation; a diminution in value caused by negative external influences and generally incurable on the part of the owner, landlord, or tenant. The external influence may be temporary or permanent. *(Dictionary)*

Fair Market Value

In nontechnical usage, a term that is equivalent to the contemporary usage of market value.

As used in condemnation, litigation, income tax, and property tax situations, a term that is similar in concept to market value but may be defined explicitly by the relevant agency. *(Dictionary)*

Feasibility Analysis

A study of the cost-benefit relationship of an economic endeavor. *(USPAP)*

Fee Simple Estate

Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power and escheat. *(Dictionary)*

Floor Area Ratio (FAR)

The relationship between the above-ground floor area of a building, as described by the zoning or building code, and the area of the plot on which it stands; in planning and zoning, often expressed as a decimal, e.g., a ratio of 2.0 indicates that the permissible floor area of a building is twice the total land area. *(Dictionary)*

Functional Obsolescence

The impairment of functional capacity of improvements according to market tastes and standards. *(Dictionary)*

Functional Utility

The ability of a property or building to be useful and to perform the function for which it is intended according to current market tastes and standards; the efficiency of a building's use in terms of architectural style, design and layout, traffic patterns, and the size and type of rooms. *(Dictionary)*

Furniture, Fixtures, and Equipment (FF&E)

Business trade fixtures and personal property, exclusive of inventory. *(Dictionary)*

Going-concern

An established and operating business having an indefinite future life. *(Dictionary)*

Going-concern Value

An outdated label for the market value of all the tangible and intangible assets of an established and operating business with an indefinite life, as if sold in aggregate; more accurately termed the market value of the going concern or market value of the total assets of the business. *(Dictionary)*

Gross Building Area (GBA)

Total floor area of a building, excluding unenclosed areas, measured from the exterior of the walls of the above-grade area. This includes mezzanines and basements if and when typically included in the market area of the type of property involved. *(Dictionary)*

Gross Leasable Area (GLA) - Commercial

Total floor area designed for the occupancy and exclusive use of tenants, including basements and mezzanines; measured from the center of joint partitioning to the outside wall surfaces. *(Dictionary)*

Gross Living Area (GLA) - Residential

Total area of finished, above-grade residential area; calculated by measuring the outside perimeter of the structure and includes only finished, habitable, above-grade living space. (Finished basements and attic areas are not generally included in total gross living area. Local practices, however, may differ.) *(Dictionary)*

Highest & Best Use

The reasonably probable use of property that results in the highest value. The four criteria that the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity. The use of an asset that maximizes its potential and that is possible, legally permissible, and financially feasible. The highest and best use may be for continuation of an asset's existing use or for some alternative use. This is determined by the use that a market participant would have in mind for that asset when formulating the price that it would be willing to bid (IVS). *(Dictionary)*

Hypothetical Condition

A condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis. Hypothetical conditions are contrary to known facts about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis. *(USPAP)*

Income Capitalization Approach

In the income capitalization approach, an appraiser analyzes a property's capacity to generate future benefits and capitalizes the income into an indication of present value. The principle of anticipation is fundamental to this approach. Techniques and procedures from this approach are used to analyze comparable sales data and to measure obsolescence in the cost approach. *(15th Edition)*

Incurable Functional Obsolescence

An element of depreciation; a defect caused by a deficiency or superadequacy in the structure, materials, or design that cannot be practically or economically corrected as of the effective date of the appraisal. *(Dictionary)*

Indirect Costs

Expenditures or allowances for items other than labor and materials that are necessary for construction, but are not typically part of the construction contract. Indirect costs may include administrative costs, professional fees, financing costs and the interest paid on construction loans, taxes and the builder's or developer's all-risk insurance during construction, and marketing, sales, and lease-up costs incurred to achieve occupancy or sale. Also called soft costs. *(Dictionary)*

Insurable Replacement Cost

The cost estimate, at current prices as of the effective date of valuation, of a substitute for the building being valued, using modern materials and current standards, design and layout for insurance coverage purposes guaranteeing that damaged property is replaced with a new property (i.e., depreciation is not deducted). *(Dictionary)*

Interim Use

The temporary use to which a site or improved property is put until a different use becomes maximally productive. *(Dictionary)*

Investment Value

The value of a property to a particular investor or class of investors based on the investor's specific requirements. Investment value may be different from market value because it depends on a set of investment criteria that are not necessarily typical of the market. *(Dictionary)*

Leased Fee Interest

The ownership interest held by the lessor, which includes the right to receive the contract rent specified in the lease plus the reversion right when the lease expires. *(Dictionary)*

Leasehold Interest

The right held by the lessee to use and occupy real estate for a stated term and under the conditions specified in the lease. *(Dictionary)*

Legally Nonconforming Use

A use that was lawfully established and maintained, but no longer conforms to the use regulations of its current zoning; also known as a grandfathered use. *(Dictionary)*

Liquidation Value

The most probable price that a specified interest in real property should bring under the following conditions:

1. Consummation of a sale within a short time period.
2. The property is subjected to market conditions prevailing as of the date of valuation.
3. Both the buyer and seller are acting prudently and knowledgeably.
4. The seller is under extreme compulsion to sell.
5. The buyer is typically motivated.
6. Both parties are acting in what they consider to be their best interests.
7. A normal marketing effort is not possible due to the brief exposure time.
8. Payment will be made in cash in U.S. dollars (or the local currency) or in terms of financial arrangements comparable thereto.
9. The price represents the normal consideration for the property sold, unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

This definition can also be modified to provide for valuation with specified financing terms. *(Dictionary)*

Market Area

The geographic region from which a majority of demand comes and in which the majority of competition is located. Depending on the market, a market area may be further subdivided into components such as primary, secondary, and tertiary market areas. *(Dictionary)*

Market Rent

The most probable rent that a property should bring in a competitive and open market reflecting the conditions and restrictions of a specific lease agreement, including the rental adjustment and revaluation, permitted uses, use restrictions, expense obligations, term, concessions, renewal and purchase options, and tenant improvements (TIs). *(Dictionary)*

Market Study

An analysis of the market conditions of supply, demand, and pricing for a specific property type in a specific area. *(Dictionary)*

Market Value (Most Common Non-FRT)

The most probable price, as of a specific date, in cash, or in terms equivalent to cash, or in other precisely revealed terms, for which the specified property rights should sell after reasonable exposure in a competitive market under all conditions requisite to a fair sale, with the buyer and seller each acting prudently, knowledgeably, and for self-interest, and assuming that neither is under undue distress. *(Dictionary)*

Market Value (Interagency Guidelines)

The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

1. buyer and seller are typically motivated;
2. both parties are well informed or well advised, and acting in what they consider their own best interests;
3. a reasonable time is allowed for exposure in the open market;
4. payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
5. the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale. (Interagency Appraisal and Evaluation Guidelines, December 10, 2010, Federal Register, Volume 75 Number 237, Page 77472)

Marketability Analysis

The study of how a specific property is expected to perform in a specific market. A marketability analysis expands on a market analysis by addressing a specific property. *(Dictionary)*

Neighborhood Analysis

The objective analysis of observable or quantifiable data indicating discernible patterns of urban growth, structure, and change that may detract from or enhance property values; focuses on four sets of considerations that influence value: social, economic, governmental, and environmental factors. *(Dictionary)*

Net Operating Income (NOI)

The actual or anticipated net income that remains after all operating expenses are deducted from effective gross income but before mortgage debt service and book depreciation are deducted. Note: This definition mirrors the convention used in corporate finance and business valuation for EBITDA (earnings before interest, taxes, depreciation, and amortization). *(15th Edition)*

Obsolescence

One cause of depreciation; an impairment of desirability and usefulness caused by new inventions, changes in design, improved processes for production, or external factors that make a property less desirable and valuable for a continued use; may be either functional or external. *(Dictionary)*

Off-site Costs

Costs incurred in the development of a project, excluding on-site costs such as grading and construction of the building and other improvements; also called common costs or off-site improvement costs. *(Dictionary)*

On-site Costs

Costs incurred for the actual construction of buildings and improvements on a particular site. *(Dictionary)*

Overage Rent

The percentage rent paid over and above the guaranteed minimum rent or base rent; calculated as a percentage of sales in excess of a specified breakeven sales volume. *(15th Edition)*

Overall Capitalization Rate (OAR)

The relationship between a single year's net operating income expectancy and the total property price or value. *(Dictionary)*

Parking Ratio

The ratio of parking area or parking spaces to an economic or physical unit of comparison. Minimum required parking ratios for various land uses are often stated in zoning ordinances. *(Dictionary)*

Potential Gross Income (PGI)

The total income attributable to property at full occupancy before vacancy and operating expenses are deducted. *(Dictionary)*

Potential Gross Income Multiplier (PGIM)

The ratio between the sale price (or value) of a property and its annual potential gross income. *(Dictionary)*

Present Value (PV)

The value of a future payment or series of future payments discounted to the current date or to time period zero. *(Dictionary)*

Prospective Opinion of Value

A value opinion effective as of a specified future date. The term does not define a type of value. Instead, it identifies a value opinion as effective at some specific future date. An opinion of value as of a prospective date is frequently sought in connection with projects that are proposed, under construction, or under conversion to a new use, or those that have not achieved sellout or a stabilized level of long-term occupancy. *(Dictionary)*

Qualitative Adjustment

An indication that one property is superior, inferior, or the same as another property. Note that the common usage of the term is a misnomer in that an adjustment to the sale price of a comparable property is not made. Rather, the indication of a property's superiority or inferiority to another is used in relative comparison analysis, bracketing, and other forms of qualitative analysis. *(Dictionary)*

Quantitative Adjustment

A numerical (dollar or percentage) adjustment to the indicated value of the comparable property to account for the effect of a difference between two properties on value. *(Dictionary)*

Rentable Area

The amount of space on which the rent is based; calculated according to local practice. *(Dictionary)*

Replacement Cost

The estimated cost to construct, at current prices as of a specific date, a substitute for a building or other improvements, using modern materials and current standards, design, and layout. *(Dictionary)*

Reproduction Cost

The estimated cost to construct, at current prices as of the effective date of the appraisal, an exact duplicate or replica of the building being appraised, using the same materials, construction standards, design, layout, and quality of workmanship and embodying all the deficiencies, superadequacies, and obsolescence of the subject building. *(Dictionary)*

Retrospective Value Opinion

A value opinion effective as of a specified historical date. The term retrospective does not define a type of value. Instead, it identifies a value opinion as being effective at some specific prior date. Value as of a historical date is frequently sought in connection with property tax appeals, damage models, lease renegotiation, deficiency judgments, estate tax, and condemnation. Inclusion of the type of value with this term is appropriate, e.g., "retrospective market value opinion." *(Dictionary)*

Sales Comparison Approach

The process of deriving a value indication for the subject property by comparing sales of similar properties to the property being appraised, identifying appropriate units of comparison, and making adjustments to the sale prices (or unit prices, as appropriate) of the comparable properties based on relevant, market-derived elements of comparison. The sales comparison approach may be used to value improved properties, vacant land, or land being considered vacant when an adequate supply of comparable sales is available. *(Dictionary)*

Scope of Work

The type and extent of research and analysis in an appraisal or appraisal review assignment. Scope of work includes, but is not limited to:

The extent to which the property is identified;

The extent to which tangible property is inspected;

The type and extent of data researched; and

The type and extent of analysis applied to arrive at opinions or conclusions. *(USPAP)*

Shopping Center Types

Neighborhood Shopping Center: The smallest type of shopping center, generally with a gross leasable area of between 30,000 and 100,000 square feet. Typical anchors include supermarkets. Neighborhood shopping centers offer convenience goods and personal services and usually depend on a market population support of 3,000 to 40,000 people.

Community Shopping Center: A shopping center of 100,000 to 400,000 square feet that usually contains one junior department store, a variety store, discount or department store. A community shopping center generally has between 20 and 70 retail tenants and a market population support of 40,000 to 150,000 people.

Regional Shopping Center: A shopping center of 300,000 to 900,000 square feet that is built around one or two full-line department stores of approximately 200,000 square feet each plus small tenant spaces. This type of center is typically supported by a minimum population of 150,000 people.

Super-Regional Center: A large center of 600,000 to 2.0 million square feet anchored by three or more full-line department stores. This type of center is typically supported by a population area of 300,000 people. *(15th Edition)*

Superadequacy

An excess in the capacity or quality of a structure or structural component; determined by market standards. *(Dictionary)*

Surplus Land

Land that is not currently needed to support the existing use but cannot be separated from the property and sold off for another use. Surplus land does not have an independent highest and best use and may or may not contribute value to the improved parcel. *(Dictionary)*

Tenant Improvements (TIs)

1. Fixed improvements to the land or structures installed for use by a lessee.
2. The original installation of finished tenant space in a construction project; subject to periodic change for succeeding tenants. *(Dictionary)*

Triple Net Lease

An alternative term for a type of net lease. In some markets, a net net net lease is defined as a lease in which the tenant assumes all expenses (fixed and variable) of operating a property except that the landlord is responsible for structural maintenance, building reserves, and management. Also called NNN, triple net lease, or fully net lease. *(Dictionary)*

Usable Area

The area that is actually used by the tenants measured from the inside of the exterior walls to the inside of walls separating the space from hallways and common areas. *(Dictionary)*

Useful Life

The period of time over which a structure or a component of a property may reasonably be expected to perform the function for which it was designed. *(Dictionary)*

Vacancy and Collection Loss

A deduction from potential gross income (PGI) made to reflect income deductions due to vacancies, tenant turnover, and non-payment of rent; also called vacancy and credit loss or vacancy and contingency loss. *(Dictionary)*

Yield Capitalization

A method used to convert future benefits into present value by 1) discounting each future benefit at an appropriate yield rate, or 2) developing an overall rate that explicitly reflects the investment's income pattern, holding period, value change, and yield rate. *(Dictionary)*



Senior Valuation Services Director
Valuation & Advisory Services

dean.meyer@colliers.com
Direct: +1 360 823 5263
Fax: +1 360 823 5563
colliers.com

700 Washington Street
Suite 608
Vancouver WA 98660
United States

Dean M. Meyer, MAI

Area of Expertise

Dean M. Meyer, MAI, has spent the last 30 years developing local commercial real estate expertise in the Vancouver office of Colliers International Valuation & Advisory Services, specializing geographically in Southwest Washington. His primary local expertise is in Clark County, with a vast range of experience in appraising commercial office, retail, industrial and special-use properties, along with commercial and industrial land. Various clients, including lenders, brokers, developers, attorneys, private owners, and governmental agencies, have turned to Dean for his expertise and service in the local Southwest Washington market. Dean cares about the relationships he has built with these clients in providing valuable real estate services for a variety of property types. Dean received his MAI (Member of the Appraisal Institute) designation in 1999, and continues to provide various real estate appraisal services to an extensive array of clients for various intended uses, including lending, right-of-way acquisition, estate planning, decision-making, tax appeal, divorce and arbitration. Dean has over 15 years of eminent domain experience involving various right-of-way acquisition assignments.

Affiliations or Memberships

Member – Appraisal Institute

Professional Background

Senior Valuation Services Director, 2006-present, Colliers International Valuation & Advisory Services. Specialty is primarily in office, retail, and industrial properties. Geographic area of specialty is in Southwest Washington.

Manager, 1999-2009, Colliers International Valuation & Advisory Services

Real Estate Appraiser, 1989-present, Colliers International Valuation & Advisory Services.

Education or Qualifications

B.A., Business/Economics with honors, Willamette University, 1989

State Certifications

Washington



STATE OF WASHINGTON

DEPARTMENT OF LICENSING – BUSINESS AND PROFESSIONS DIVISION
THIS CERTIFIES THAT THE PERSON OR BUSINESS NAMED BELOW IS AUTHORIZED AS A



CERTIFIED GENERAL REAL ESTATE APPRAISER

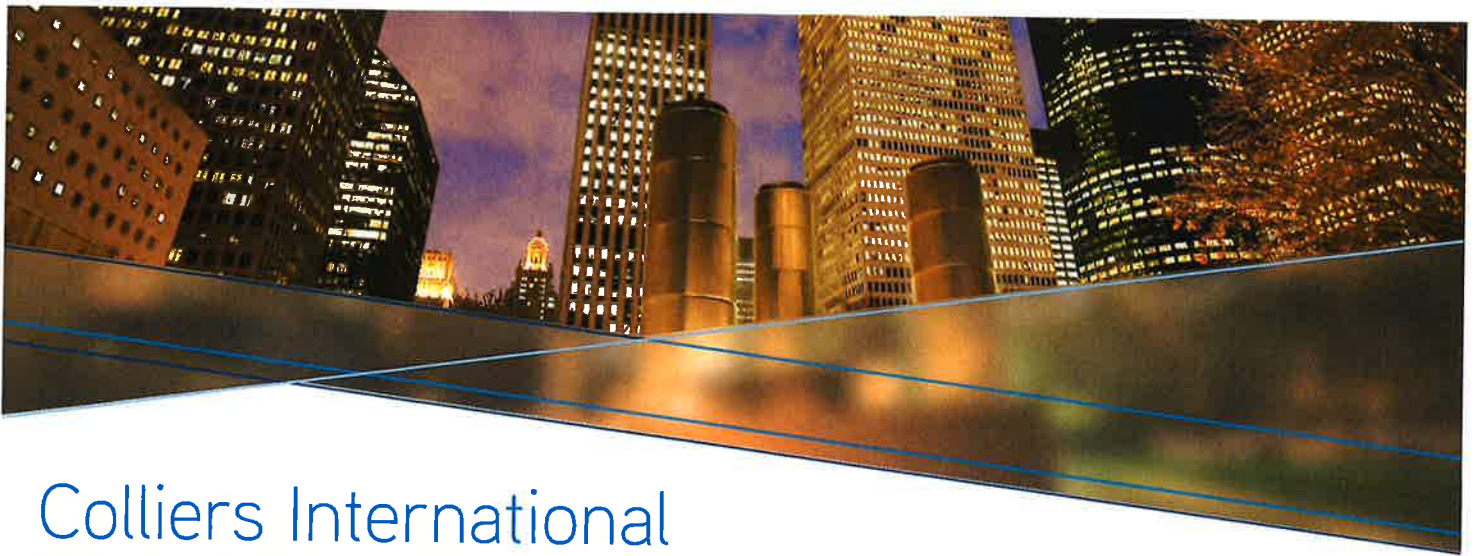
DEAN MATTHEW MEYER
700 Washington Street #Suite 608
Vancouver WA 98660

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License Number

1991-12-18
Issue Date

2022-03-16
Expiration Date

Teresa Berntsen
Teresa Berntsen, Director



Colliers International

Valuation & Advisory Services

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Tax Appeals
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Real estate valuations play a pivotal role in today's business climate. An accurate and well supported opinion of property value can mean the difference between reaching a critical goal—securing a loan, closing a sale, reporting to investors, choosing the best asset—or failing to achieve it altogether.

Colliers Valuation & Advisory Services' reports are designed to deliver insight into a property's fundamentals, its competition and the overall market dynamics affecting value. A solid valuation report can be a strategic asset for investors, lenders and owners, provided that it addresses both a property's unique characteristics and the most current market conditions.

Commitment to high-end client service, coupled with Colliers International's unparalleled market intelligence and resources, differentiates us as the firm of choice in the real estate industry.

PROFESSIONALS

Our professionals share a commitment to deliver the highest level of service and consistent results. We go the extra mile for our clients, whether this means meeting a tight deadline or working with a complex and challenging property.

TECHNOLOGY

Our unmatched report creation technology speeds appraisals through the pipeline. This secure, centralized production system generates a wide range of reports and high volume portfolio orders without delays.

INFORMATION

Today's business climate places valuation in a more pivotal position than ever before. All our appraisals are evaluated and approved by an experienced review team to ensure our clients receive concise and timely appraisals. With clear, prompt reporting and a comprehensive, big picture approach, Colliers International's Valuation and Advisory reports give our clients the information they need to make better business decisions.

VALUATION & ADVISORY KEY CONTACTS & OFFICES

ALBUQUERQUE

Conner Marshall MAI
Sr. Valuation Services Director
Conner.Marshall@colliers.com
+1 505 880 7053

AUSTIN

Jay Lefevers MAI
Managing Director
Jay.Lefevers@colliers.com
+1 602 770 4530

ATLANTA

Leamon Holliday MAI
Managing Director
Leamon.Holliday@colliers.com
+1 404 892 3526

BALTIMORE

Zachary Smith MAI
Associate Managing Director
Zachary.Smith@colliers.com
+1 443 602 8985

BOISE

Reid Erickson MAI
EMD | Northwest Region
Reid.Erickson@colliers.com
+1 206 965 1106

BOSTON

Chris Stickney MAI
Associate Managing Director
Chris.Stickney@colliers.com
+1 617 330 8171

BUFFALO

James Murrett MAI, SRA
Executive Managing Director
Jim.Murrett@colliers.com
+1 716 312 7790

CHARLESTON

Curt McCall, Jr. CRE, MAI
Executive Managing Director
Curt.McCall@colliers.com
+1 843 442 1915

CHARLOTTE

Chris Johnson MAI, SRA, AI-GRS
Managing Director
Christopher.Johnson@colliers.com
+1 704 409 2374

CHICAGO

Nancy Myers MAI
Managing Director
Nancy.Myers@colliers.com
+1 312 602 6159

CINCINNATI

Brian Graham MAI, CCIM
Senior Valuation Specialist
Brian.Graham@colliers.com
+1 513 562 2214

CLEVELAND

Jacob Roehl
Senior Valuation Specialist
Jacob.Roehl@colliers.com
+1 303 915 5165

COLUMBUS

Christian Smith MAI
Managing Director
Christian.Smith@colliers.com
+1 614 437 4684

DALLAS

Thomas Bogdon MAI, R/W-AC, MRICS
EMD | Southcentral Region
Thomas.Bogdon@colliers.com
+1 214 217 9338

DENVER

Jonathan Fletcher MAI
Managing Director
Jon.Fletcher@colliers.com
+1 303 779 5500

DESTIN

Kevin Branton
Senior Valuation Specialist
Kevin.Branton@colliers.com
+1 850 269 6861

DETROIT

David Abraham MAI, SRA
Managing Director
David.Abraham@colliers.com
+1 248 226 1872

FAYETTEVILLE

Curt Smith MAI
Valuation Services Director
Curt.Smith@colliers.com
+1 479 202 5932

FRESNO

John Larson MAI
Sr. Valuation Services Director
John.Larson@colliers.com
+1 559 221 1271

GRAND RAPIDS

Will Fowler MAI
Valuation Services Director
Will.Fowler@colliers.com
+1 616 988 5843

HAWAIIAN ISLANDS

Bobby Hastings MAI, MRICS
Managing Director
Bobby.Hastings@colliers.com
+1 808 200 5603

HOUSTON

Paula Thoreen MAI, CRE
Executive Managing Director
Paula.Thoreen@colliers.com
+1 713 835 0081

INDIANAPOLIS

Nancy Myers MAI
Managing Director
Nancy.Myers@colliers.com
+1 312 602 6159

IRVINE

John Park MAI
Sr. Valuation Services Director
John.Park@colliers.com
+1 949 751 2706

JACKSONVILLE

Patrick Phipps MAI
Managing Director
Patrick.Phipps@colliers.com
+1 904 861 1114

KANSAS CITY

Alex Hoenig MAI
Associate Managing Director
Alex.Hoenig@colliers.com
+1 816 419 3561

LAS VEGAS

Evan Ranes MAI, ASA, R/W-AC
Managing Director
Evan.Ranes@colliers.com
+1 702 836 3749

LITTLE ROCK

Joshua Smith MAI, MRICS
Managing Director
Joshua.Smith@colliers.com
+1 501 219 8546

LOS ANGELES

Casey Merrill MAI, ASA, FRICS
EMD | Southwest Region
Casey.Merrill@colliers.com
+1 213 417 3315

MIAMI

Ralph Peña, III MAI
Managing Director
Ralph.Pena@colliers.com
+1 786 517 4855

MILWAUKEE

Karen Dabek MAI
Sr. Valuation Services Director
Karen.Dabek@colliers.com
+1 312 602 6158

MINNEAPOLIS

Karen Dabek MAI
Sr. Valuation Services Director
Karen.Dabek@colliers.com
+1 312 602 6158

NASHVILLE

Patrick Gibson MAI, CCIM
Managing Director
Patrick.Gibson@colliers.com
+1 615 610 4728

NEW ORLEANS

Jason Lindsey MAI
Valuation Services Director
Jason.Lindsey@colliers.com
+1 504 717 1926

NEW YORK

Tony O'Sullivan MAI, MRICS
Managing Director
Tony.OSullivan@colliers.com
+1 212 207 8057

NEW YORK (UPSTATE)

Anthony Palma MAI, MRICS
Sr. Valuation Services Director
Anthony.Palma@colliers.com
+1 518 788 8108

ONTARIO

Casey Merrill MAI, ASA, FRICS
EMD | Southwest Region
Casey.Merrill@colliers.com
+1 213 417 3315

ORLANDO

Chuck Buhler MAI, CCIM
Managing Director
Chuck.Buhler@colliers.com
+1 407 362 6155

PHILADELPHIA

Albert Crosby MAI
Associate Managing Director
Albert.Crosby@colliers.com
+1 215 928 7526

PHOENIX

Michael Brown
Associate Managing Director
Michael.Brown@colliers.com
+1 602 222 5166

PITTSBURGH

Bruce Nell MAI, AI-GRS, MRICS
EMD | National Practices
Bruce.Nell@colliers.com
+1 614 437 4687

PORTLAND/VANCOUVER

Jeremy Snow MAI
Managing Director
Jeremy.Snow@colliers.com
+1 503 542 5409

RALEIGH

Chris Johnson MAI, SRA, ASA
Managing Director
Christopher.Johnson@colliers.com
+1 704 409 2374

RENO

Jeffrey Shouse MAI, CRE
EMD | National Practices
Jeff.Shouse@colliers.com
+1 916 724 5531

RICHMOND

Chris Johnson MAI, SRA, AI-GRS
Managing Director
Christopher.Johnson@colliers.com
+1 704 409 2374

SACRAMENTO

Scott Shouse MAI
Managing Director
Scott.Shouse@colliers.com
+1 916 724 5532

SALT LAKE CITY

John Blaser MAI
Valuation Services Director
John.Blaser@colliers.com
+1 385 249 5440

SAN DIEGO

Rob Detling MAI
Managing Director
Rob.Detling@colliers.com
+1 858 860 3852

SAN FRANCISCO

Vathana Duong MAI
Managing Director
Vathana.Duong@colliers.com
+1 415 288 7854

SAN JOSE

Jeffrey Shouse MAI, CRE
EMD | National Practices
Jeff.Shouse@colliers.com
+1 916 724 5531

SARASOTA

Justin Butler MAI
MD | Healthcare Valuation
Justin.Butler@colliers.com
+1 941 210 5004

SEATTLE

Reid Erickson MAI
EMD | Northwest Region
Reid.Erickson@colliers.com
+1 206 965 1106

ST. LOUIS

Jeremy R. Walling MAI, MRICS
Executive Vice President
Jeremy.Walling@colliers.com
+1 312 371 4920

TAMPA

PJ Cusmano MAI, MRICS
EMD | Florida Region
PJ.Cusmano@colliers.com
+1 813 229 1599

WASHINGTON DC

Bruce Nell MAI, AI-GRS, MRICS
EMD | National Practices
Bruce.Nell@colliers.com
+1 614 437 4687

NATIONAL CLIENT SERVICES

Jerry P. Gisclair MAI, MRICS
EMD | National Client Services
Jerry.Gisclair@colliers.com
+1 813 871 8531

John Jordan MAI
MD | Multifamily Client Services
John.Jordan@colliers.com
+1 214 217 9328

NATIONAL OPERATIONS

Morgan Turnbow MAI, MRICS
EMD | National Operations
Morgan.Turnbow@colliers.com
+1 212 355 1029

US LEADERSHIP

Jeremy R. Walling MAI, MRICS
Executive Vice President
Jeremy.Walling@colliers.com
+1 312 371 4920

AMERICAS LEADERSHIP

Eduardo Alegre MAI, MRICS
President | Americas
Ed.Alegre@colliers.com
+1 714 496 9400





Third-party reports by a true third party

Appraisal Report

Columbia Bank Parking Garage

Three-Level Parking Garage
500 Broadway Street, Parking Garage Condo
Vancouver, Washington 98660

BBG File #0120016750

Prepared For

Mr. Lance Killian
Broadway Investors, c/o Killian Pacific
1615 SE 3rd Ave, Suite 100
Portland, OR 97214

Intended users include Broadway Investors c/o Killian Pacific and the City of Vancouver.

Report Date

January 6, 2021

Prepared By

BBG, Inc., Portland Office
1220 SW Morrison
Portland, OR 97205
503-478-1000

Client Manager: Owen Bartels, MAI
obartels@bbgres.com



VALUATION



ADVISORY



ASSESSMENT



ZONING



January 6, 2021

Mr. Lance Killian
Broadway Investors, c/o Killian Pacific
1615 SE 3rd Ave, Suite 100
Portland, OR 97214

Re: Appraisal of Real Property
Columbia Bank Parking Garage
500 Broadway Street, Parking Garage Condo
Vancouver, Washington 98660
BBG File #0120016750

Dear Mr. Killian:

In accordance with your authorization (per the engagement letter found in the addenda of this report), we have prepared an Appraisal of the above-referenced property.

The subject is a three-level parking structure totaling 64,407 square feet. The building was constructed in 2001 and consists of 233 striped parking spaces. The 233 parking stalls consists of 226 compact and standard stalls, 5 ADA stalls, and 2 motorcycle stalls. The City of Vancouver owns the garage and operates the short-term metered stalls. The monthly stalls are licensed to Broadway Investors, which owns the adjacent office building to the north at 500 Broadway. Broadway Investors has entered into a Service Agreement with City Center Parking to operate the monthly stalls. The License Agreement and Service Agreement can be terminated by either party with 30 days notice. There are no other leases, other than short-term parking agreements with individuals and companies, at the property. There are no income restrictions. The site area is 33,128 square feet, or 0.76 acres.

The City of Vancouver owns the subject property. The subject is not currently listed for sale, nor is it under a sales contract. However, Broadway Investors has a purchase option at Fair Market Value. Currently the 233 parking stalls consists of 181 monthly, 47 short-term metered (90 minute to 5 hours), and 5 ADA stalls. Were the option to be exercised, the City of Vancouver requires that at least 25 stalls are retained for short-term metered, public parking. Therefore, the maximum monthly stalls available would be 208.

This appraisal report was prepared to conform with the requirements of the Uniform Standards of Professional Appraisal Practice (USPAP), and in accordance with the Code of Ethics and the Standards of Professional Practice of the Appraisal Institute.

Intended users include Broadway Investors c/o Killian Pacific and the City of Vancouver. The intended use is asset valuation relating to exercising a potential purchase option.

Note: Our opinion of market value is subject to the following Extraordinary Assumptions and/or Hypothetical Conditions:

EXTRAORDINARY ASSUMPTION(S) AND HYPOTHETICAL CONDITION(S)

The values presented within this appraisal report are subject to the extraordinary assumptions and hypothetical conditions listed below. Pursuant to the requirement within Uniform Standards of Professional Appraisal Practice Standards Rule 2-2(a)(xi), it is stated here that the use of any extraordinary assumptions might have affected the assignment results.

Extraordinary Assumption(s)	This appraisal employs no extraordinary assumptions.
Hypothetical Condition(s)	This appraisal employs no hypothetical conditions.

Based on our inspection of the property and the investigation and the analysis undertaken, we have concluded the following value opinion(s).

MARKET VALUE CONCLUSION(S)			
Appraisal Premise	Interest Appraised	Date of Value	Value Conclusion
Fair Market Value - As Is	Leased Fee	December 2, 2020	\$2,600,000

The global outbreak of a "novel coronavirus" known as COVID-19 was officially declared a pandemic by the World Health Organization (WHO) on March 11, 2020, with the President of the United States declaring the COVID-19 outbreak a national emergency on March 13.

The impact of the virus has created near-term instability in the capital and real estate markets. The extent of the direct and indirect effects of this event on the national economy, the local economy, and the market in which the subject property is located are only beginning to be reflected in commercial real estate transactions. The reader should note the data and comparables used in this report are data points that occurred in the past and there is projection risk associated with using lagging indicators. While every attempt has been made to determine the impact on value of the subject property, the associated risk may not yet be priced into the real estate market. Our conclusions have been based on best available market evidence including interviews with market participants and analysis of all relevant current market data.

Please reference the COVID-19 Disease overview in the Market Analysis section of the appraisal for further discussion.

Mr. Killian
January 6, 2021
Page 3

This letter must remain attached to the report, which should be transmitted in its entirety, in order for the value opinion set forth to be considered valid.

Our firm appreciates the opportunity to have performed this appraisal assignment on your behalf. If we may be of further service, please contact us.

Sincerely,
BBG, Inc.



Owen Bartels, MAI
WA Certified General Appraiser
License #: 1101723
503-478-1016
obartels@bbgres.com



Chris Durek
WA Certified General Appraiser
License #: 1102517
415-655-1228
cdurek@bbgres.com

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SUBJECT PROPERTY



AERIAL PHOTOGRAPH



SUMMARY OF SALIENT FACTS

PROPERTY DATA

Property Name	Columbia Bank Parking Garage
Address	500 Broadway Street, Parking Garage Condo Vancouver, Washington 98660
Location	Main Street and 6th Street, adjacent to the south of the Columbia Bank Building at 500 Broadway.
Property Description	Retail Building (Parking Structure)
County	Clark
Parcel Number	38470004
Census Tract No.	0425.00
Legal Description	West Coast Bank Bldg Condo Parking Garage Sub 2002
Site Area	
Primary Site	33,128 square feet (0.7605 acres)
Excess Land	0 square feet (0.0000 acres)
Surplus Land	0 square feet (0.0000 acres)
Total	33,128 square feet (0.7605 acres)
Zoning	CX; City Center
Flood Status	Zone X (unshaded) is a Non-Special Flood Hazard Area (NSFHA) of minimal flood hazard, usually depicted on Flood Insurance Rate Maps (FIRM) as above the 500-year flood level. This is an area in a low to moderate risk flood zone that is not in any immediate danger from flooding caused by overflowing rivers or hard rains. In communities that participate in the National Flood Insurance Program (NFIP), flood insurance is available to all property owners and renters in this zone.
Year Built	2001
Type of Construction	Reinforced concrete
Number of Buildings	1
Gross Building Area	64,407 square feet
Parking Stalls	233
Overall Condition	Average
Overall Quality	Average
Overall Design/Functionality	Average

VALUE INDICATIONS

As Is as of December 2, 2020

Sales Comparison Approach	\$2,640,000	\$11,330	Per Parking Space
Income Capitalization Approach			
Direct Capitalization	\$2,540,000	\$10,901	Per Parking Space
Approach Reliance	Direct Capitalization primarily; Sales Comparison secondarily		
Value Conclusion - As Is	\$2,600,000	\$11,159	Per Parking Space
Exposure Time	5-7 months		
Marketing Time	5-7 months		

PROPERTY HISTORY

As of the valuation date of this report, the City of Vancouver owns the subject property. To the best of our knowledge, there have been no sales or transfers involving the subject within the past three years, and the property is not currently listed for sale or in-contract.

However, Broadway Investors has a **purchase option at Fair Market Value**. Broadway Investors owns the mixed use (office/residential) development to the north at 500 Broadway. Currently, the subject's 233 parking stalls consist of 181 monthly, 47 short-term metered (90 minute to 5 hours), and 5 ADA stalls. Were the option to be exercised, the City of Vancouver requires that at least 25 stalls are retained for short-term metered, public parking. Therefore, the maximum monthly stalls available would be 208.

SCOPE OF WORK

APPRAISAL INFORMATION

Client	Broadway Investors, c/o Killian Pacific 1615 SE 3rd Ave, Suite 100 Portland, OR 97214
Intended User(s)	Intended users include Broadway Investors c/o Killian Pacific and the City of Vancouver.
Intended Use	The intended use is asset valuation relating to exercising a potential purchase option.
Property Rights Appraised / Premise	•Fair Market Value of the Leased Fee interest in the subject property, As Is as of December 2, 2020
Date of Inspection	December 2, 2020
Marketing Time	5-7 months
Exposure Time	5-7 months
Owner of Record	City of Vancouver
Property Contact(s)	Boomer Fleming and Lance Killian, Killian Pacific
Most Probable Purchaser	Investor
Highest and Best Use	
If Vacant	Multifamily development
As Improved	As currently developed

SCOPE OF THE INVESTIGATION

General and Market Data Analyzed	▪ Regional economic data and trends ▪ Market analysis data specific to the subject property type ▪ Published survey data ▪ Neighborhood demographic data ▪ Comparable cost, sale, rental, expense, and capitalization rate data ▪ Floodplain status ▪ Zoning information ▪ Assessor's information ▪ Interviewed professionals knowledgeable about the subject's property type and market
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Inspection Details	Christopher M. Durek conducted an inspection on December 2, 2020. In addition, all comparable sales were inspected.
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Property Specific Data Requested and Received

PROPERTY DATA RECEIVED

Historical operating statements
 Current year operating statement
 Rent roll
 Leases
 Building plan
 Site plan
 Renovation budget
 Covenants, Conditions, and Restrictions

Data Requested, but not Provided

DATA REQUESTED, BUT NOT PROVIDED

All requested information was provided

Data Sources

DATA SOURCES	
Site Size	Assessor's Records
Building Size	Realquest
Tax Data	Assessor's Records
Zoning Information	Planning Dept
Flood Status	FEMA
Demographics Reports	Spotlight

VALUATION METHODOLOGY

Most Probable Purchaser	To apply the most relevant valuation methods and data, the appraiser must first determine the most probable purchaser of the subject property. The most probable purchaser of the subject property "As Is" is an investor because it is leased to third-party tenants.
Valuation Methods Utilized	This appraisal employs the Sales Comparison Approach and the Income Capitalization Approach. Based on our analysis and knowledge of the subject property type and relevant investor profiles, it is our opinion that these approaches would be considered applicable and/or necessary for market participants. The subject's age makes it difficult to accurately form an opinion of depreciation and tends to make the Cost Approach unreliable. Investors do not typically rely on the Cost Approach when purchasing a property such as the subject of this report. Therefore, we have not employed the Cost Approach to develop an opinion of market value.

EXTRAORDINARY ASSUMPTION(S) AND HYPOTHETICAL CONDITION(S)

The values presented within this appraisal report are subject to the extraordinary assumptions and hypothetical conditions listed below. Pursuant to the requirement within Uniform Standards of Professional Appraisal Practice Standards Rule 2-2(a)(xi), it is stated here that the use of any extraordinary assumptions might have affected the assignment results.

Extraordinary Assumption(s)	This appraisal employs no extraordinary assumptions.
Hypothetical Condition(s)	This appraisal employs no hypothetical conditions.

DEFINITIONS

Pertinent definitions, including the definition of market value, are included in the glossary, located in the Addenda to this report. The following definition of market value is used by agencies that regulate federally insured financial institutions in the United States:

Market Value	"The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby: • Buyer and seller are typically motivated; • Both parties are well informed or well advised, and acting in what they consider their own best interests; • A reasonable time is allowed for exposure in the open market; • Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
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- The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.”

(Source: Code of Federal Regulations, Title 12, Chapter I, Part 34.42[g]; also, Interagency Appraisal and Evaluation Guidelines, Federal Register, 75 FR 77449, December 10, 2010, page 77472)

As Is Market Value

As is market value is defined as, “The estimate of the market value of real property in its current physical condition, use, and zoning as of the appraisal date.”

(Source: Appraisal Institute, *The Dictionary of Real Estate Appraisal*, 6th ed. (Chicago: Appraisal Institute, 2015); also, Interagency Appraisal and Evaluation Guidelines, Federal Register, 75 FR 77449, December 10, 2010, page 77471)

Definition of Property Rights Appraised

Leased fee interest is defined as, “The ownership interest held by the lessor, which includes the right to receive the contract rent specified in the lease plus the reversionary rights when the lease expires.”

Source: Appraisal Institute, *The Dictionary of Real Estate Appraisal*, 6th ed. (Chicago: Appraisal Institute, 2015)

Applicable Requirements

This appraisal is intended to conform to the requirements of the following:

- Uniform Standards of Professional Appraisal Practice (USPAP);
- Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute;
- Applicable state appraisal regulations.

LEVEL OF REPORTING DETAIL

Standards Rule 2-2 (Real Property Appraisal, Reporting) contained in USPAP requires each written real property appraisal report to be prepared as either an Appraisal Report or a Restricted Appraisal Report.

This report is prepared as an **Appraisal Report**. An Appraisal Report must at a minimum summarize the appraiser’s analysis and the rationale for the conclusions. This format is considered most similar to what was formerly known as a Self-Contained Appraisal Report in prior versions of USPAP.

COVID-19 DISEASE; SARS-CoV-2 VIRUS

CDC

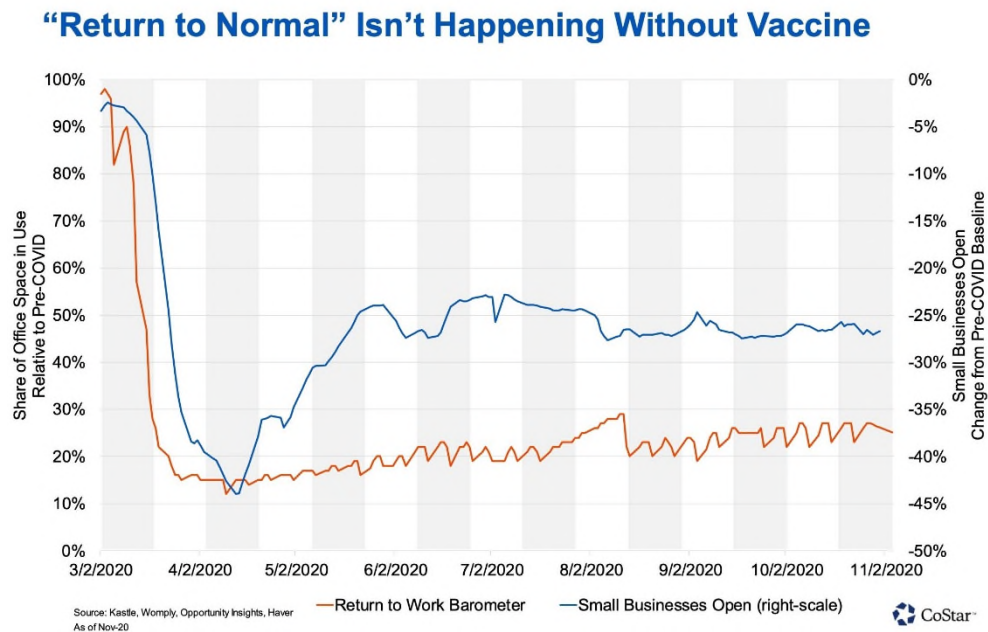
On January 30, 2020, the International Health Regulations Emergency Committee of the World Health Organization (WHO) declared the outbreak a “public health emergency of international concern” (PHEIC). On January 31, Health and Human Services Secretary Alex M. Azar II declared a public health emergency (PHE) for the United States to aid the nation’s healthcare community in responding to COVID-19. On March 11, WHO publicly characterized COVID-19 as a pandemic. On March 13, the President of the United States declared the COVID-19 outbreak a national emergency.

COSTAR | NOVEMBER 16, 2020

This may have been one of the most challenging columns to write in the short history of CoStar Economy. And we’re not sure they’re going to get much easier over the next few months. One can always find reasons to be optimistic or pessimistic in any economic outlook at almost any stage of expansion or recession. But we find ourselves in a very rare spot indeed, and last week highlighted it perfectly.

On Monday, it was announced that Pfizer’s vaccine appears to be 90% effective in preventing COVID-19. It’s hard to imagine any better news than that! At that level of effectiveness, the disease will be wiped out and life can return to normal. Full stop. However, last week also showed a record number of new COVID cases, a record number of hospitalizations and a daily death count rising to levels not seen since the spring. And all of those numbers are climbing quickly. At this rate, the third wave of COVID infections is setting up to be worse than the one we saw over the summer, and could result in another rollback of economic activity and new lockdowns.

We have more reason to be optimistic about the future today than we’ve had in nine months, as we can now actually see the other side of the chasm. But the chasm appears to be getting very deep in the meantime, and not every business will make it across without help. As we survey some of our favorite high-frequency data points, it appears that the pace of recovery has slowed since the summer. Using daily data on physical office usage, from security and keycard provider Kastle Systems, and the number of small businesses that are open, from commerce platform Womply via Harvard’s economic research group Opportunity Insights, we see the “return to normalcy” trend stalled as we make our way into the winter months.

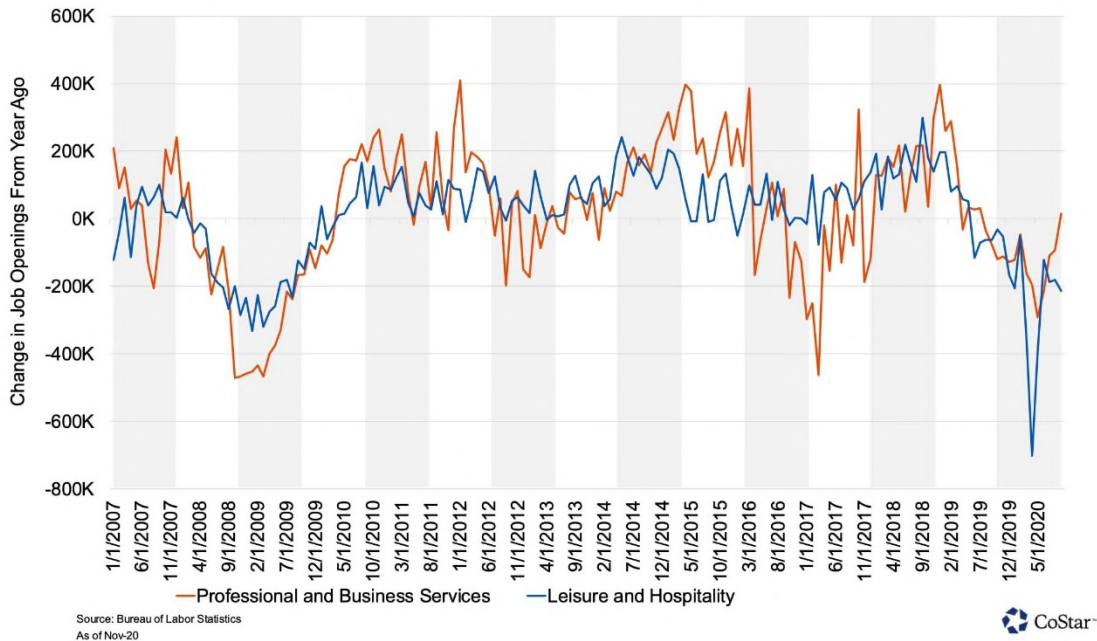


According to Kastle data, only 13% of New York City office space is being used, down from 17% in late October. Of the 10 major metropolitan areas tracked, Dallas office space is being used the most, though still at less than half capacity.

And in spite of continued employment gains on a national basis since April, the share of small businesses closed has been relatively unchanged. In fact, it has been declining since summer. Given the quickly rising third COVID wave, this is not likely to get better in the meantime.

The lack of virus containment to date has meant the more pandemic-afflicted sectors have struggled to join the recovery. September’s “Job Opening and Labor Turnover Survey” from the Bureau of Labor Statistics, released last week, shows this most starkly. As you can see in the graph below, the industries more inclined to work from home have stabilized, with job openings back to year-ago levels in professional and business services. But the same cannot be said for hospitality, restaurant, bar and entertainment sectors. Openings in the leisure and hospitality sector are once again falling at an accelerating pace.

Some Industries Stable, Others Not



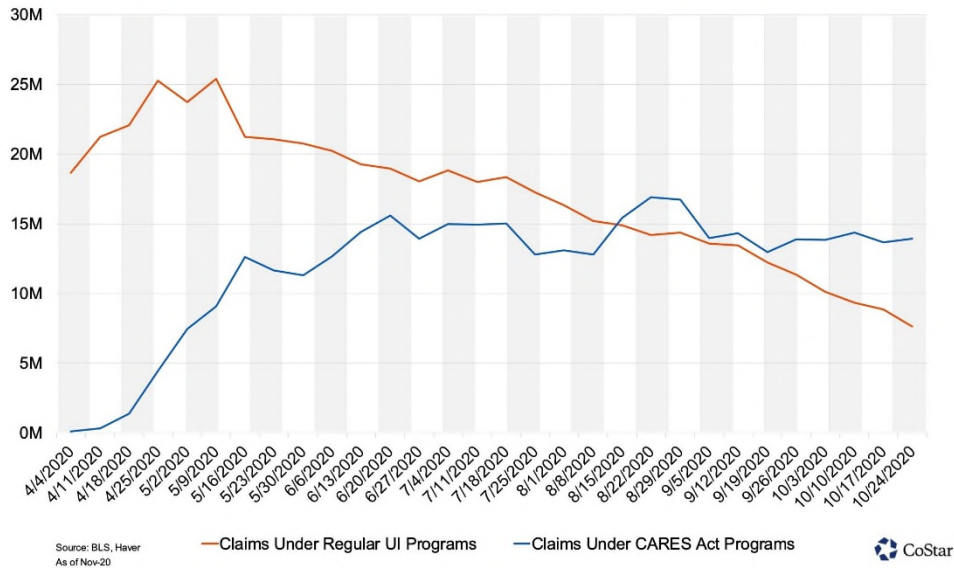
What's worse, the data above is from September. For a higher frequency, look at this point, check out career search Indeed's job postings data, which indicates this trend is likely to get worse. This is all sounding very dire, you're likely to be thinking. Where's all the optimism? Stocks are up. A vaccine is coming!

You're not wrong! In all honesty, the economic boom that will come on the back of overcoming the virus for good will likely rival post-war booms of the past. The key is now to bridge the gap between here and there, and get as many businesses and households across it as possible. Some predict, on the back of Pfizer's results, that this will happen by mid-2021. But possible timelines remain highly uncertain in both directions (we won't even get into our worries about actual adoption and use of the vaccine when it is available).

The timeline that is much more certain is that of the Coronavirus Aid, Relief and Economic Security Act, or CARES, which has helped keep the economy afloat so far. Those programs sunset in a month and a half.

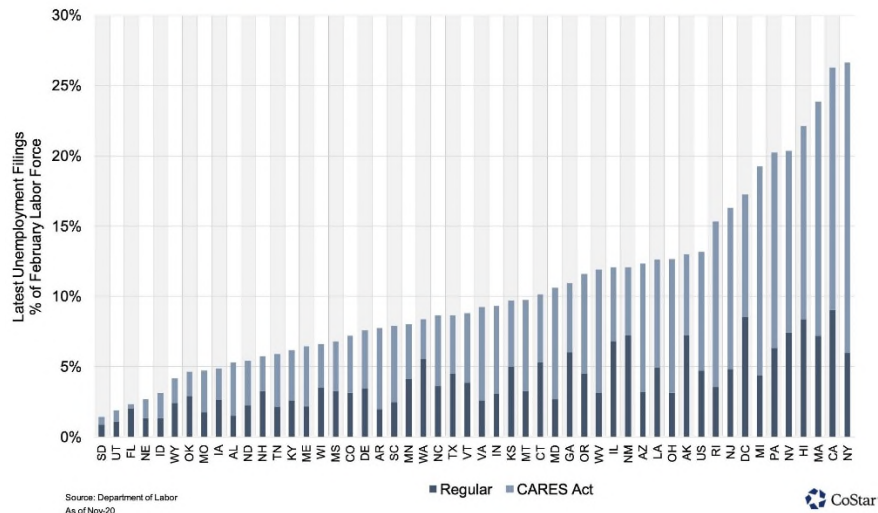
Weekly jobless claims data shows that there are nearly twice as many claims in special CARES Act programs, than in traditional unemployment insurance. Whether gig workers (Pandemic Unemployment Assistance claims) or special jobless benefit extensions (Pandemic Emergency Unemployment Compensation claims), roughly 14 million people will see those claims expire at year-end. Six months of job gains has not helped these workers.

Majority of Current Jobless Claim Programs Expire Soon



To keep these figures in scale, recall that even at the peak of the Great Recession in 2009 that a *maximum* of 7.4 million applied for regular benefits. Regular, non-CARES Act claims remain 1 million above that. Businesses and households alike have been highly dependent on this continued cash flow during the lack of a normal, settled economy. Letting these programs roll off will have dire consequences, even if a vaccine is six months away. The economic situation is not the same everywhere. The data below shows jobless claims, both traditional and CARES Act, broken out by state as a percentage of the pre-COVID labor force. As you can see, many states have three to four times as many people on CARES Act claims programs than traditional unemployment.

Dense States Relying Heavily on Cares Act, Still



Looking at the states that are still suffering the most, we see a few familiar themes. The most densely populated states such as New York, California, Massachusetts and Washington, D.C., are all among the most at risk. Those are joined by states most dependent on the hardest-hit industries, such as Hawaii and Nevada. These states and industries and businesses and households are now coming under increasing pressure once again. Restaurant

restrictions are being increased again throughout the country, plans to return to offices are being pushed back once again and New York City shut down schools again due to a rising positive COVID test rate. Early indicators of consumer spending are rolling over, especially in areas hardest hit by the third wave of COVID cases. The last time we saw these things happening, the CARES Act rode to the rescue.

New fiscal stimulus in the next few months is highly unlikely.

We look forward to writing about the economy and commercial real estate in the post-COVID world. It's close enough that you can almost see it. But the pathway there will not be easy.

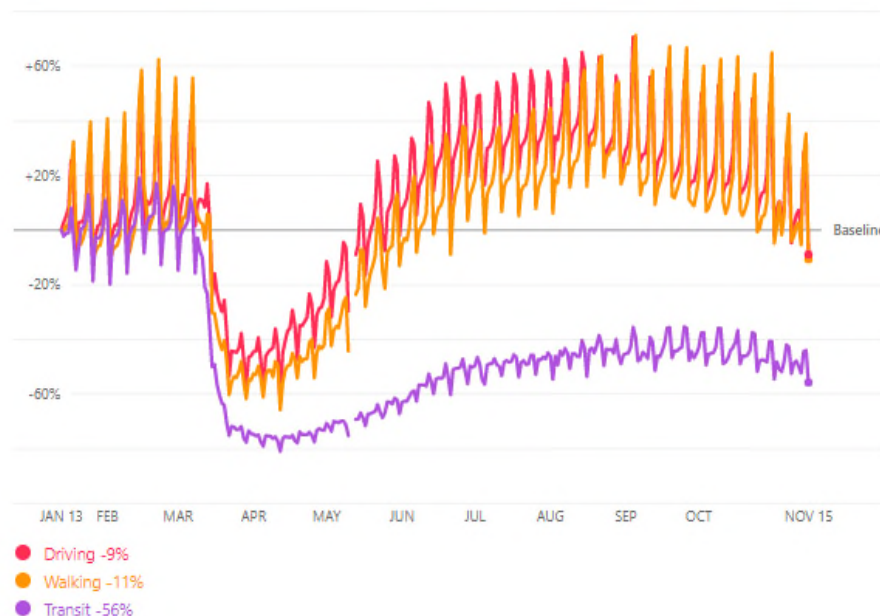
The Week Ahead ...

Retail sales data for October highlights next week's releases. Results have been overperforming recently while highlighting growing divergences in the economy. Sales are expected to have increased by 0.5% in the month after a sharp 2% rise in September. As mentioned above, early tracking data for November appears to show a slowing from this hearty pace.

Industrial production data for October is set to be released as well on Tuesday, projected to rise 1%. Production has been on a slower path than retail, remaining down a few percentage points since the pandemic began. But manufacturers have become much more optimistic, with October's Institute of Supply Management's manufacturing print of 59.3 just below 2018's peak. We will receive some early November survey data as well, with New York's Empire Manufacturing survey releasing Monday morning and the Philadelphia Federal Reserve region on Thursday.

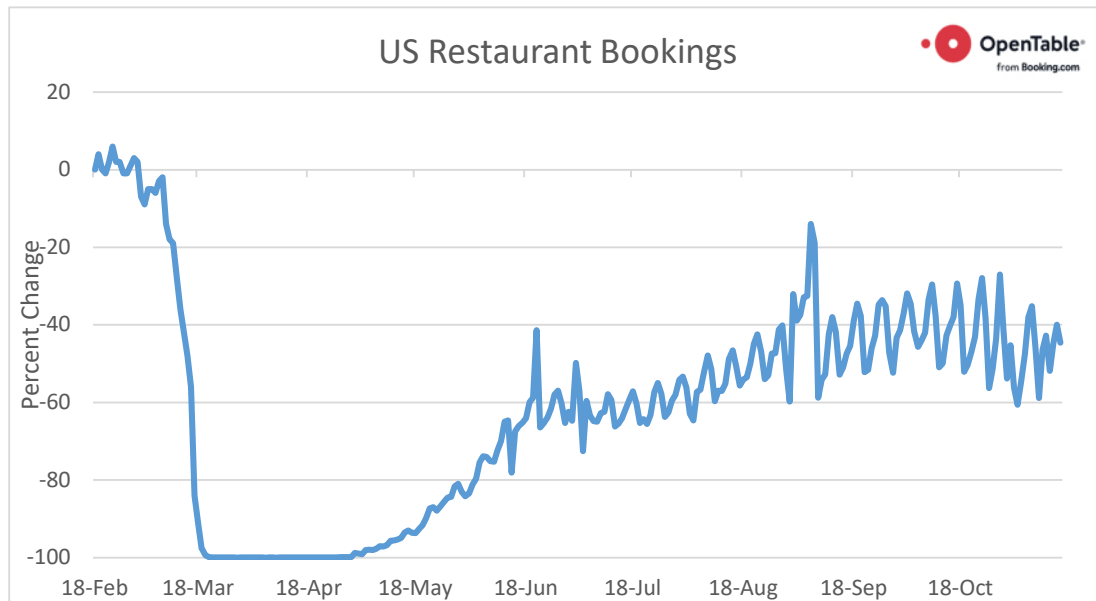
APPLE: DIRECTION REQUESTS | NOVEMBER 15, 2020

Requests for walking and driving directions from Apple's navigation tool, Maps, has shown a material recovery since the bottom in April although transit remains well below pre-covid levels. In any event Americans' mobility has improved greatly but is showing signs of weakening in recent weeks.



OPENTABLE: RESTAURANT BOOKINGS | NOVEMBER 12, 2020

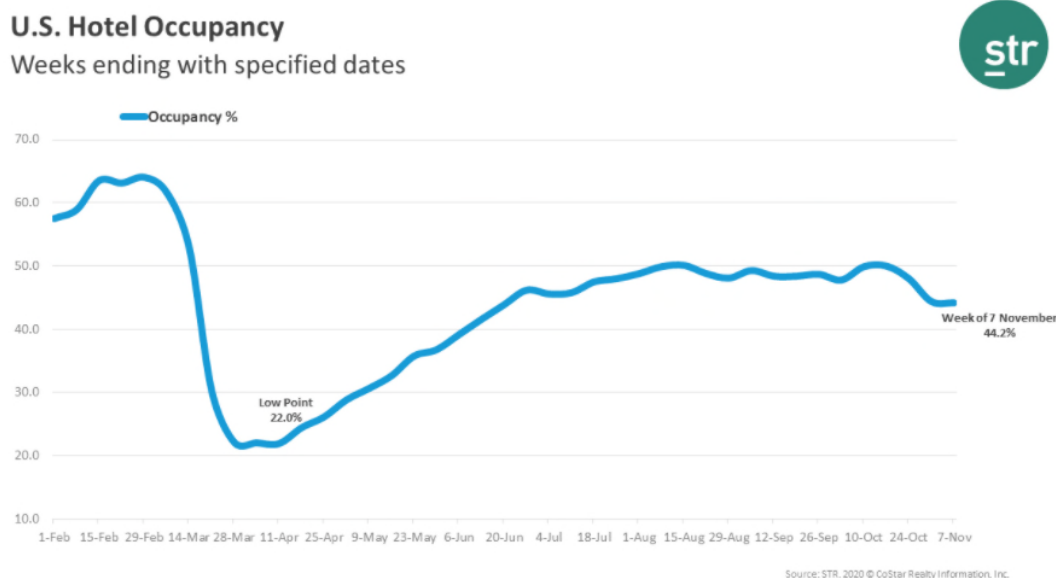
U.S. restaurant bookings have increased off the April lows but remain much lower than pre-covid. There are some signs of weakness in recent weeks.



In the past two weeks, Rhode Island leads the US in restaurant recovery followed by New Jersey. Oklahoma is third nationally but still down about 29%. Illinois, DC and Hawaii round out the bottom three, respectively.

STR: HOTEL OCCUPANCY | NOVEMBER 12, 2020

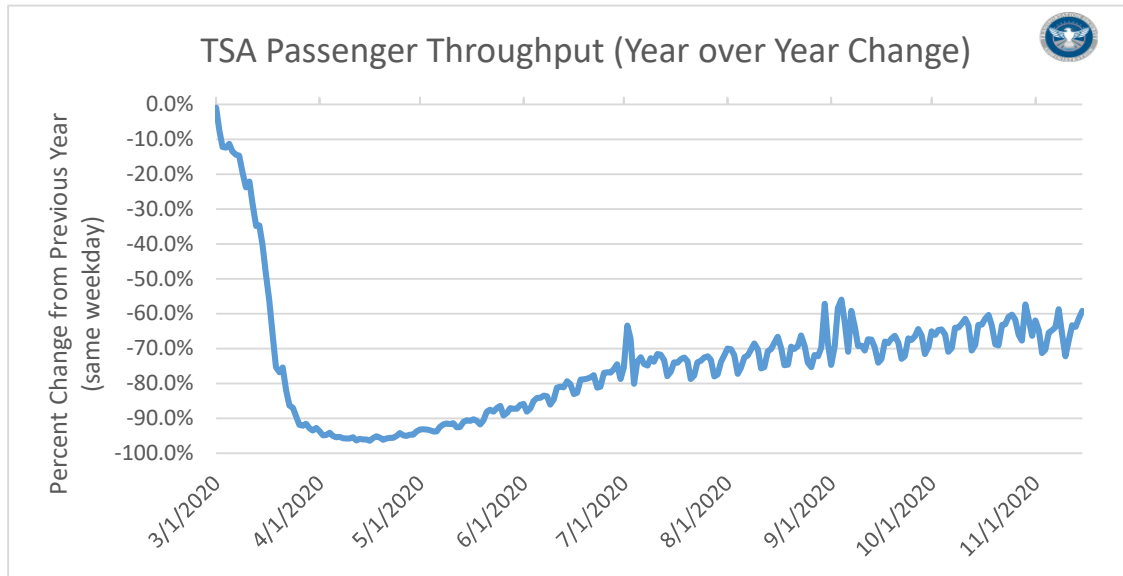
Hotel occupancy has increased from its April low of 22% but remains below pre-covid levels. Occupancy has declined in recent weeks.



Aggregate data for the Top 25 Markets showed lower occupancy (39.9%) but higher ADR (US\$97.13) than all other markets. Only two of those major markets reached or surpassed 50% occupancy: Phoenix, Arizona (55.1%); and New Orleans, Louisiana (53.9%). Markets with the lowest occupancy levels for the week included Oahu Island, Hawaii (24.0%), and Minneapolis/St. Paul, Minnesota-Wisconsin (30.0%).

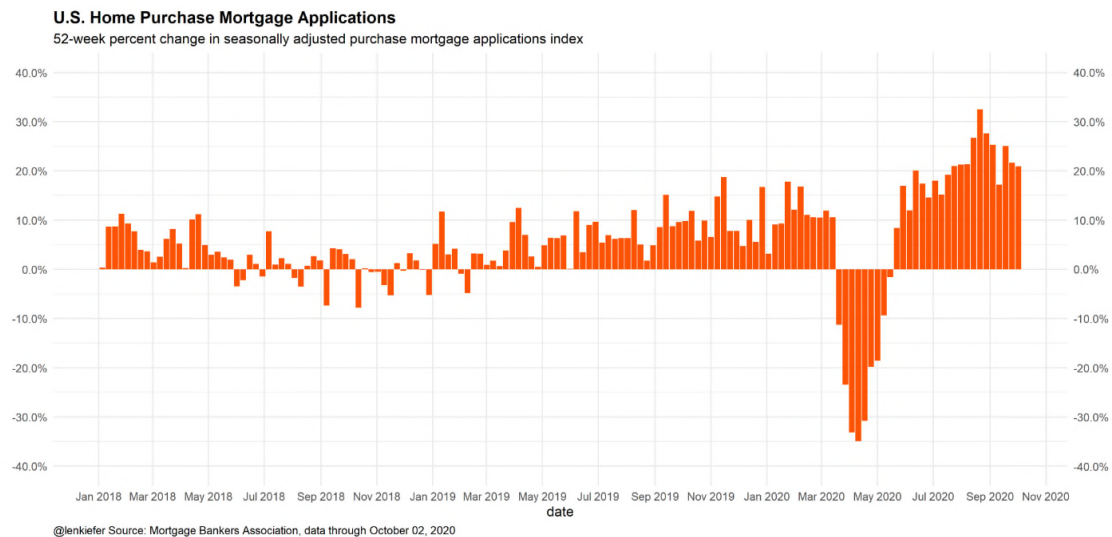
TSA: AIR TRAVEL | NOVEMBER 15, 2020

According to data from the Transportation Security Administration, air travel is down about 64% from the same period a year ago.



MORTGAGE BANKERS ASSOCIATION: HOME PURCHASES | OCTOBER 2, 2020

Mortgage applications to purchase a home have accelerated in the second half of 2020 and the housing market remains healthy. Home purchases spur economic activity.

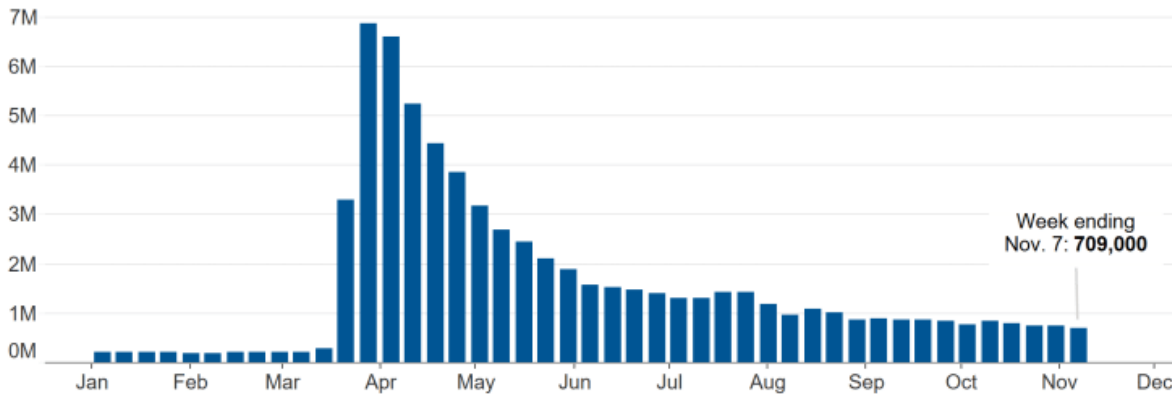


INITIAL JOBLESS CLAIMS | NOVEMBER 12, 2020

On March 26th initial jobless claims showed an increase in unemployment by 3.1 million persons for the week of March 16th-20th, setting a record that would be broken the following week at 6.9 million. All weekly claims reported since March 26th are higher than any historical figure prior to COVID-19. The following chart illustrates the weekly initial jobless claims in 2020.

Initial claims for unemployment insurance

Weekly in 2020, seasonally adjusted



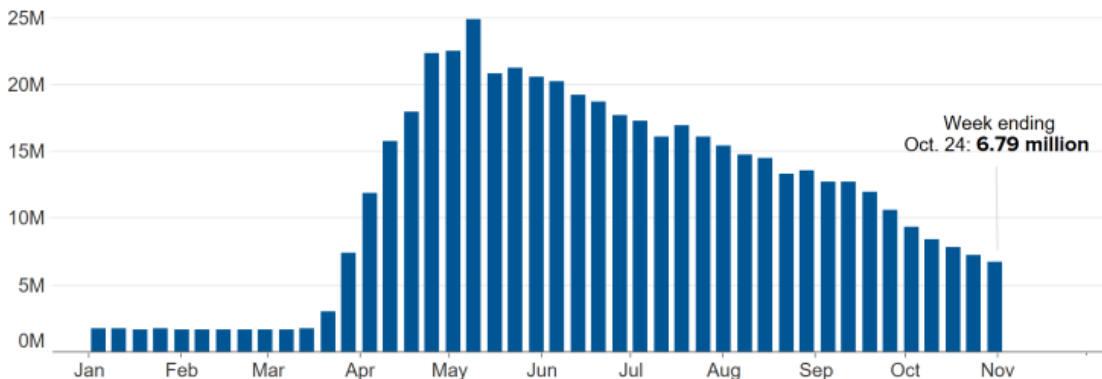
SOURCE: Department of Labor. Data is seasonally adjusted and through Nov. 7, 2020. The Department of Labor began using a new seasonal adjustment methodology the week of Aug. 29.



First-time claims for unemployment insurance continued their decline last week, hitting another pandemic-era low in a sign that the labor market is gradually improving. The Labor Department reported Thursday that jobless claims hit 709,000 for the week ended Nov. 7, down from 757,000 the week before. Economists surveyed by Dow Jones had been looking for 740,000 new claims. This marked the fourth consecutive week that the total declined from the previous period, though claims remain above the pre-coronavirus pandemic record 695,000 in 1982.

Continuing claims for unemployment insurance

Weekly in 2020, seasonally adjusted



SOURCE: Department of Labor. Data are based on the week of unemployment, not the week when the initial claim was filed. Data is seasonally adjusted and through Oct. 24, 2020. The Department of Labor began using a new seasonal adjustment methodology the week of 8/22.



BUREAU OF LABOR AND STATISTICS | NOVEMBER 6, 2020

The US unemployment rate (U-3) has declined to 6.9% in October from an April 2020 high of 14.7%. These improvements in the labor market reflected the continued resumption of economic activity that had been curtailed in March and April due to the coronavirus (COVID-19) pandemic and efforts to contain it. In October, notable job gains occurred in leisure and hospitality, professional and business services, retail trade, and construction. Employment in government declined.

Chart 1. Unemployment rate, seasonally adjusted, October 2018 – October 2020

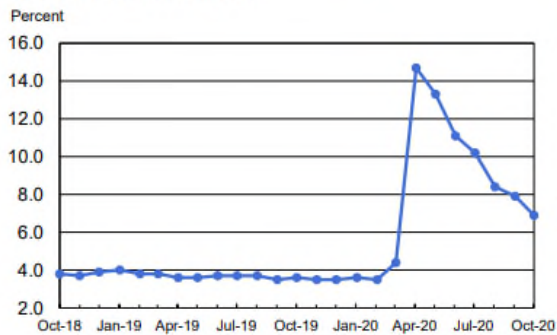
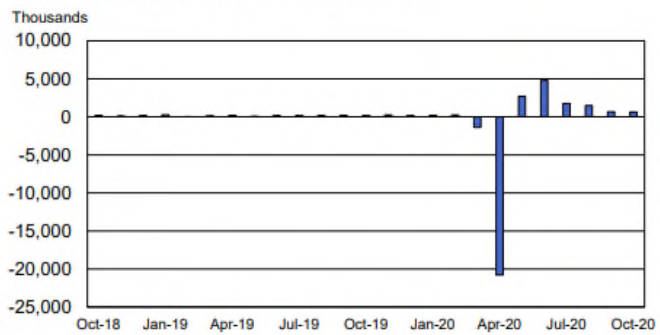


Chart 2. Nonfarm payroll employment over-the-month change, seasonally adjusted, October 2018 – October 2020



GDP FORECASTS

The following chart summarizes GDP forecasts from various economists and institutions. Please note the annualized figures are the quarterly change multiplied by four.

2020 GDP Forecasts						
Annualized						
Source	Date	Q1	Q2	Q3	Q4	Full Year
CNBC/Moody's Consensus	11/4	--	--	--	3.0%	-3.6%
Mortgage Bankers Association	10/21	--	--	--	3.6%	-3.1%
Goldman Sachs	9/11	--	--	--	--	--
Atlanta Fed GDP Now	11/6	--	--	--	3.5%	--
Actual		-5.0%	-32.9%	38.0%		
Change from Previous Quarter						
CNBC/Moody's Consensus		--	--	--	0.8%	
Mortgage Bankers Association		--	--	--	0.9%	
Goldman Sachs		--	--	--	--	
Atlanta Fed GDP Now		--	--	--	--	
Actual		-1.3%	-8.2%	9.5%		

While Q2 was beyond painful, the worst is behind us and Q3 was outstanding.

RENT COLLECTIONS

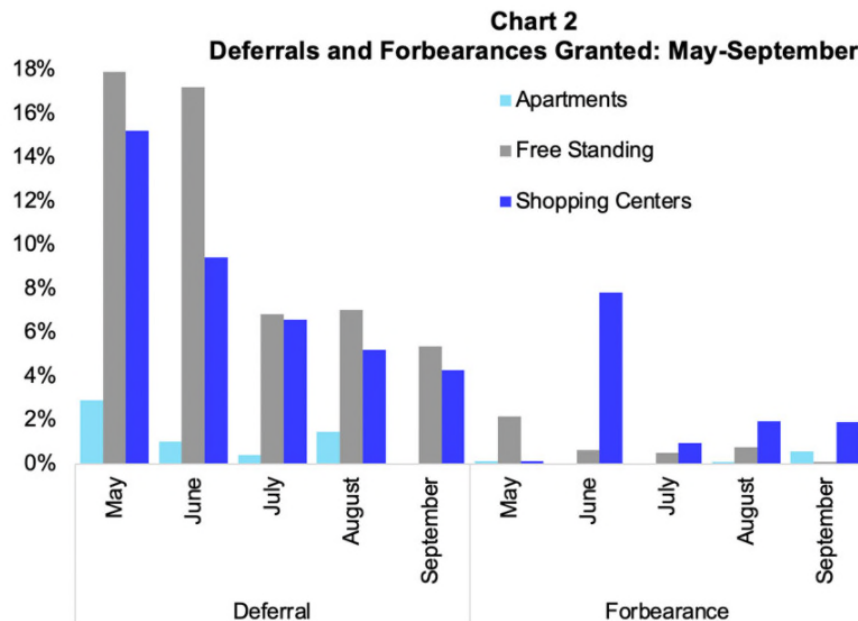
The following chart from NAREIT summarizes rent collections by property type showing retail the most affected. This table shows the estimated REIT rent collections as a share of typical rent collections. A total of 34 equity U.S. REITs were included in the survey sample across six property sectors.

Table 1
Share of Typical Rent Received April-September

Property Sector	April	May	June	July	August	September
Industrial	97.0%	95.7%	97.8%	99.4%	N/A	N/A
Office	93.2%	92.6%	97.5%	96.4%	N/A	N/A
Apartments	93.8%	94.8%	96.0%	95.4%	96.0%	95.7%
Health Care	90.2%	89.9%	94.8%	95.2%	N/A	N/A
Retail						
Free Standing	72.6%	70.0%	79.5%	90.9%	90.5%	94.9%
Shopping Centers	50.3%	49.3%	60.9%	72.8%	80.2%	81.6%

Source: Equity market capitalization weighted. Nareit survey of members, public disclosures, and FTSE Nareit All REITs Index equity market capitalization as of August 31, 2020 via FactSet.

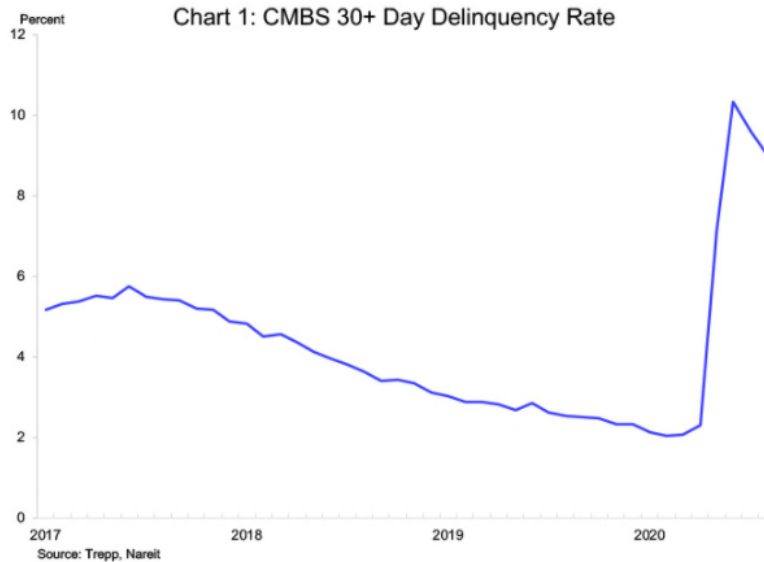
The following chart illustrates deferrals and forbearances granted.



Source: Equity market capitalization weighted. Nareit survey of members, public disclosures, and FTSE Nareit All REITs Index equity market capitalization as of August 31, 2020 via FactSet.

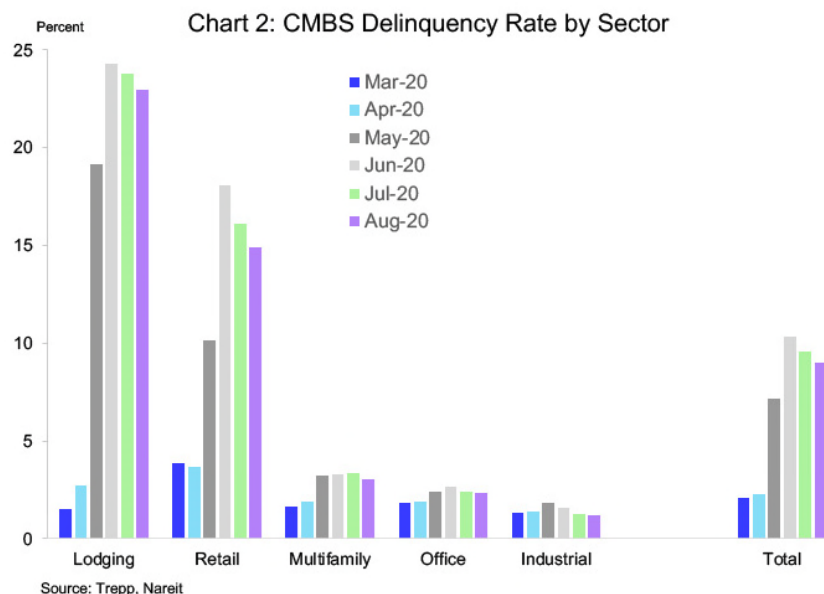
NAREIT/TREPP: CMBS DELINQUENCY | SEPTEMBER 2, 2020

The CMBS delinquency rate continued to decline in August as the reopening of the economy helped revive cash flows at some troubled tenants. The overall 30+ delinquency rate fell 58 bps, to 9.02%, according to data from Trepp. While delinquencies are considerably below the June peak of 10.32%, they are still 648 bps above one year ago. Some of the improvement reflects mortgages that the borrower brought current by making up any past-due payments. Others, however, could reflect forbearance being granted to remove the loan from delinquent status rather than any improvement in underlying credit quality, cautions Trepp.



Delinquency rates fell most among mortgages on retail properties, declining 122 bps, to 14.88%. Retail delinquencies are 319 bps below their peak level in June as stores and shopping malls have continued opening up. The decline in delinquencies on lodging properties also declined, slipping 83 bps, to 22.96%. The improvement in this sector has been slower, as travel volumes remain deeply depressed, and lodging delinquencies have come down just 122 bps.

Other property sectors did not experience as severe a drop in revenues during the spring as did lodging and retail, and delinquencies among office, multifamily, and industrial properties increased much by less in April, May, and June. These sectors nevertheless also saw slight declines in delinquency rates last month.



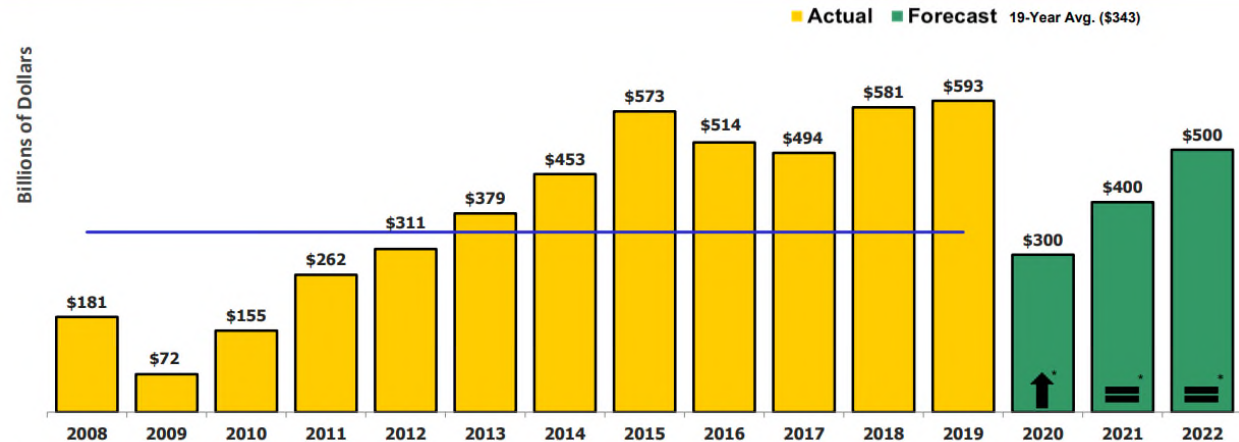
URBAN LAND INSTITUTE: REAL ESTATE ECONOMIC FORECAST | OCTOBER 2020

ULI compiled forecasts from 43 economist/analysts at 37 real estate organizations. The key findings are noted as follows.

Transaction Volume

Commercial real estate transaction volume reached \$593 billion in 2019, a post-Great Financial Crisis peak. Volume is expected to be about 50% lower in 2020 with a forecast of \$300 billion. Forecasts for '21 and '22 show growth to \$400 billion and \$500 billion, respectively.

Commercial Real Estate Transaction Volume



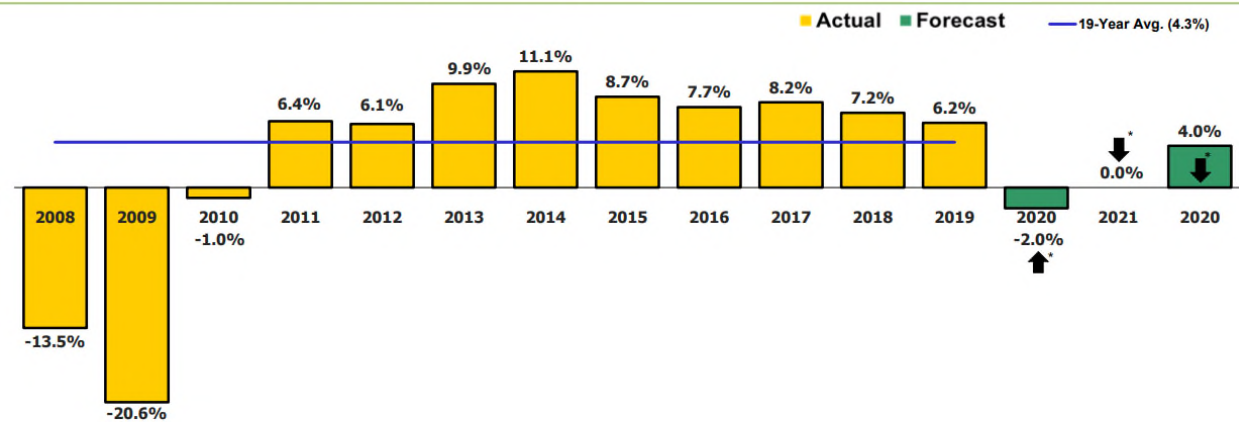
Sources: 2001-2019, Real Capital Analytics (RCA); 2020-2022, ULI Real Estate Economic Forecast.

*Indicated directions (↑ ↓ =) refer to the current forecast relative to the previous ULI Real Estate Economic Forecast. The previous forecast (released in May, 2020) projected \$275B for 2020, \$400B for 2021, and \$500B for 2022.

CRE Pricing

The RCA Commercial Property Price Index (CPPI) has experienced strong growth over the last nine years, staying consistently above 6 percent annually. Prices are expected to drop by 2% in 2020, remaining at that level with no change in '21 and then resuming growth in '22 with a 4% growth rate.

RCA Commercial Property Price Index (annual change)



Sources: 2000-2019, Real Capital Analytics (RCA); 2020-2022, ULI Real Estate Economic Forecast.

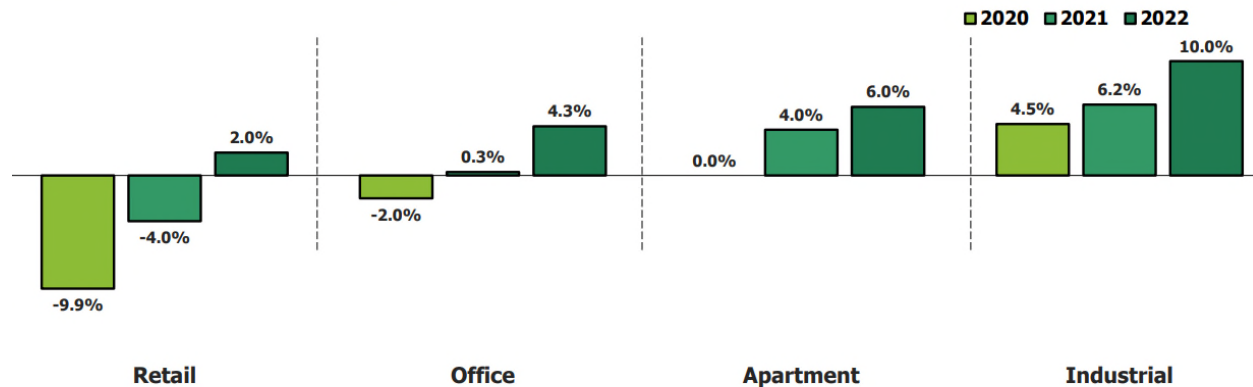
*Indicated directions (↑ ↓ =) refer to the current forecast relative to the previous ULI Real Estate Economic Forecast. The previous forecast (released in May, 2020) projected -7.0% for 2020, 1.0% for 2021, and 5.0% for 2022.

CRE Returns

NCREIF total returns in 2020 for the industrial sector in 2020 are expected to be positive, the only sector for which this is the case. Still, at 4.5%, this is a significant decline from industrial returns in 2019 of 13.4% and well below its long-term average of 10.4%. Apartment returns for 2020 are expected to be flat, while office and retail returns for

2020 are both forecast to be negative, at -2% and -9.9%, respectively. Industrial total returns are forecast to continue to increase in '21 and '22, at 6.2% and 10%, respectively, not yet returning to the recent growth rates experienced prior to the pandemic. Apartment and office total returns are forecast to turn positive in '21, at 4% and 0.3%, respectively and continuing to gain strength in '22, at 6.0% and 4.3%, respectively. Retail total returns are expected to further decline in 2021 by 4.0%, and then experience positive growth in 2022 of 2%.

NCREIF Property Types Total Returns

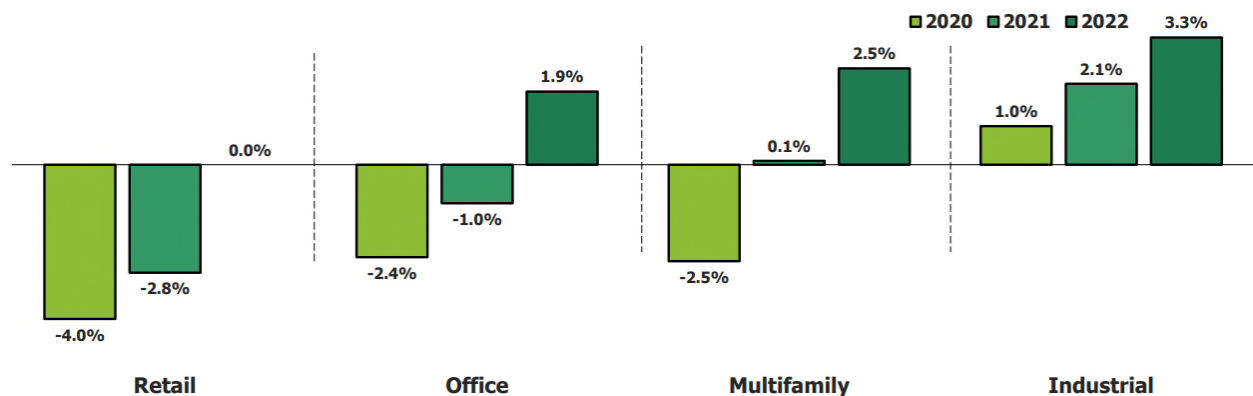


Source: 2020-2022, ULI Real Estate Economic Forecast.

Rent Growth

Commercial property rent growth differs widely by property type, as well. In 2020, industrial rent growth is forecast to be 1.0%, while apartments, office and retail are forecast at -2.5%, -2.4%, and -4.0%, respectively. In '21, both the industrial and multifamily sectors experience positive growth, at 2.1% and 0.1%, respectively, while office rental rate growth is -1.0% and retail is -2.8%. By '22, positive rental growth is forecast for all sectors, ranging from 3.3% in the industrial sector to 1.9% in the office sector. The exception is the retail sector that plateaus in '22..

Rental Rate Growth 2019-2022



Source: 2020-2022, ULI Real Estate Economic Forecast.

Vacancy

Change in vacancy and availability rates differ widely by property type. In 2020, industrial availability is forecast to move up 50 basis points, while apartments are forecast to move up 100 basis points and both office and retail are

forecast to move up 200 basis points. In '21, industrial availability is expected to reverse direction and notch down slightly, apartment vacancy notches up slightly, and both office and retail vacancy rates continue to increase, albeit more moderately. In '22, all sectors show slight improvement, with the exception of retail which remains unchanged over '21.

Vacancy Rate Change 2019-2022 (bps)

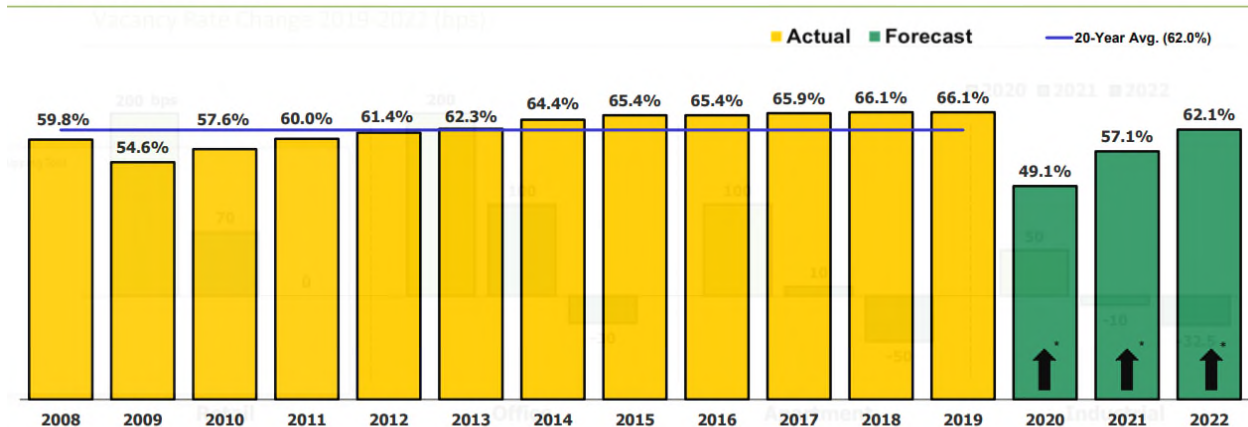


Source: 2020-2022, ULI Real Estate Economic Forecast.

Hotel Occupancy

Hotel occupancy rates, according to STR, were steadily improving over the last ten years, coming in at 66.1% in 2019, above the twenty-year average. The occupancy forecast for the full 2020, 49.1%, reflects the sector's relative strength in the few months prior to the pandemic, the near halt during the initial phases of the pandemic, and then some level of return to travel the balance of the year. Rates are forecast to improve over subsequent forecast years, increasing to 57.1% in '21 and 62.1% in '22.

Hotel Occupancy Rates



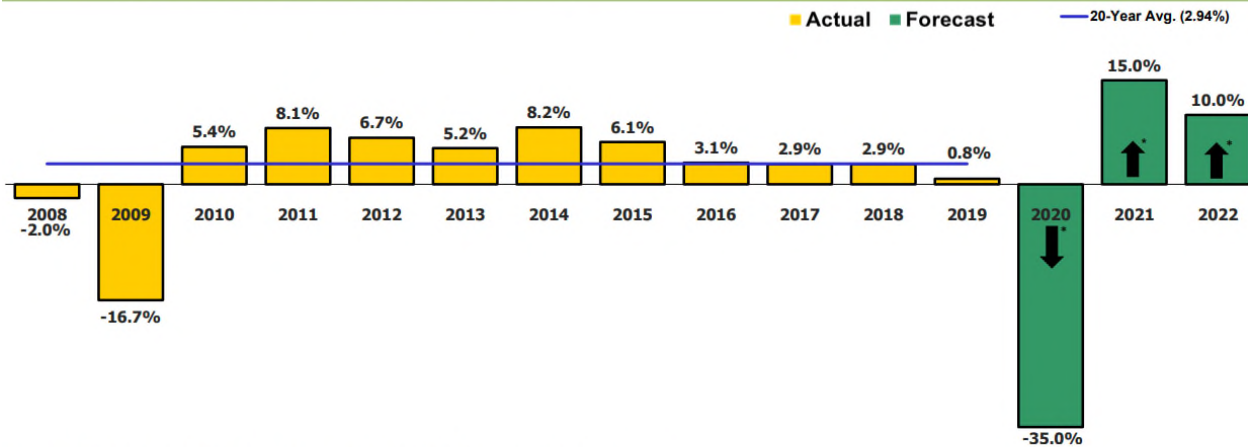
Sources: 2000-2019, (December, 12-month rolling average), STR; 2020-2022, ULI Real Estate Economic Forecast.

*Indicated directions (↑ ↓ ⇒) refer to the current forecast relative to the previous ULI Real Estate Economic Forecast. The previous ULI Real Estate Economic Forecast (released in May, 2020) projected 40.1% for 2020, 54.9% for 2021, and 59.9% for 2022.

Hotel RevPar

Following seven years of above-average hotel revenue per available room (RevPAR) growth, the RevPAR growth rate dipped to the long-term average in '17 and '18, and then experienced minimal growth, 0.8%, in 2019. RevPAR is forecast to drop 35% in 2020. Growth is expected to begin recovery in '21 at positive 15%, and continue in '22 at 10%. Given the steep decline in '20, the growth rates in the subsequent forecast years will not yet be sufficient to bring RevPAR to 2019 levels.

Hotel Revenue per Available Room (RevPAR) Change



Sources: 1999-2019, (December, 12-month rolling average), STR; 2020-2022, ULI Real Estate Economic Forecast.

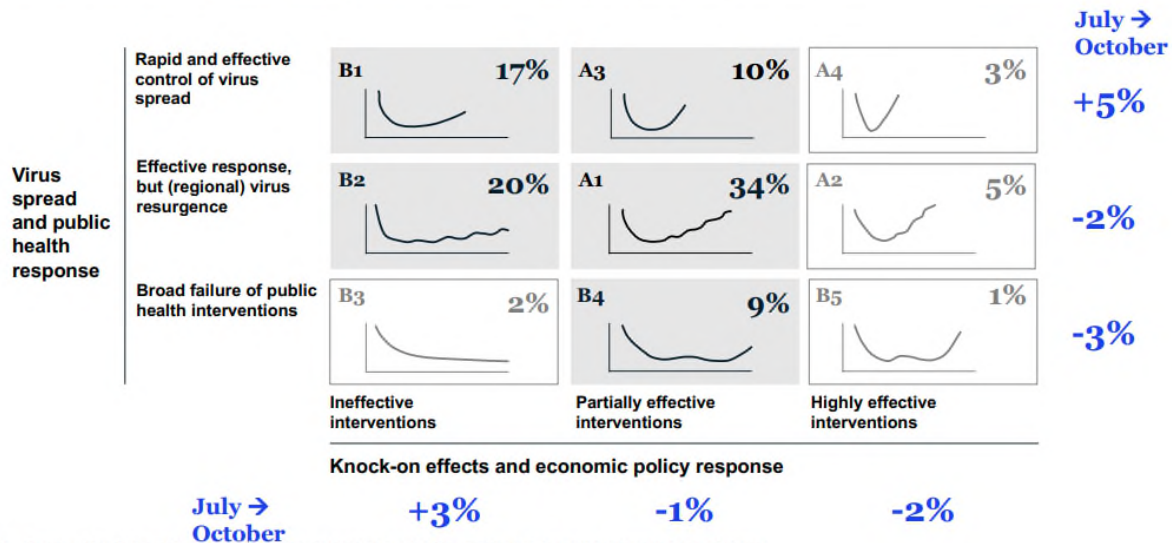
*Indicated directions (↑ ↓ =) refer to the current forecast relative to the previous ULI Real Estate Economic Forecast. The previous forecast (released in May, 2020) projected -27.5% for 2020, 6.5% for 2021, and 5.0% for 2022.

McKinsey & Company | OCTOBER 30, 2020

The following from McKinsey & Company illustrates the many possible scenarios for the economic impact of the COVID-19 crisis. With a strong public health response and the stimulus package the most likely scenarios are A1 through A4. Other, more extreme scenarios can also be conceived, and some of them are already being discussed (B1–B5 in Exhibit 3). One can't exclude the possibility of a "black swan of black swans": structural damage to the economy, caused by a yearlong spread of the virus until a vaccine is widely available, combined with the lack of policy response to prevent widescale bankruptcies, unemployment, and a financial crisis.

Global executives' sentiment about potential virus health impacts improved by early October

Results from survey of ~2,000 global executives about "most likely scenario"



If Scenario A1 occurs, McKinsey & Company projects US GDP will return to pre-crisis levels in the third quarter of 2022. If Scenario A3 occurs, McKinsey & Company projects US GDP will return to pre-crisis levels in the first quarter of 2021.

OTHER FEDERAL, STATE AND LOCAL CONSIDERATIONS

The federal government, states and municipalities are enacting legislation to lessen the economic impact of COVID-19. Landlords', owners' and tenants' rights may be affected by such legislation. Many states and cities issued shelter-in-place orders forcing most residents to remain indoors except for essential needs like groceries and essential businesses. Several states have proposed legislation that would forgive rent and/or would allow termination of contracts. These issues should be closely monitored as they could place downward pressure on value.

FORCE MAJEURE

Force majeure clauses are contract provisions that excuse a party's inability to perform its obligations under the contract if an unforeseeable event prevents such performance. Most leases have similar clauses. We are not experts with regard to force majeure contracts and laws. Should COVID-19 become accepted in the US as a force majeure event there may be additional risk for landlords.

CONCLUSION

COVID-19 infections and overall economic implications are the primary concern of US and international investors. This is an ongoing and evolving situation. Third quarter GDP growth was overwhelmingly positive as nearly all industry sectors have seen an increase in investment activity. Fourth quarter growth should continue, but at a slower pace than the third quarter. The continuing rise of national COVID-19 infections may cause economic deterioration in the fourth quarter as people are forced indoors due to colder temperatures; however, the death rate remains relatively low and new treatments continue to improve patient outcomes. States and cities have begun to institute new restrictions on restaurants, gyms and other businesses. These restrictions should be monitored closely as they could profoundly affect commercial real estate in some markets. While a national lockdown is unlikely a national mask mandate is possible in the first quarter of 2021.

Two US vaccines are in final stages of development both of which have 90% effectiveness rates. Those considered high-risk and healthcare workers could begin receiving the vaccine by the end of the year. The importance of the vaccine cannot be overstated.

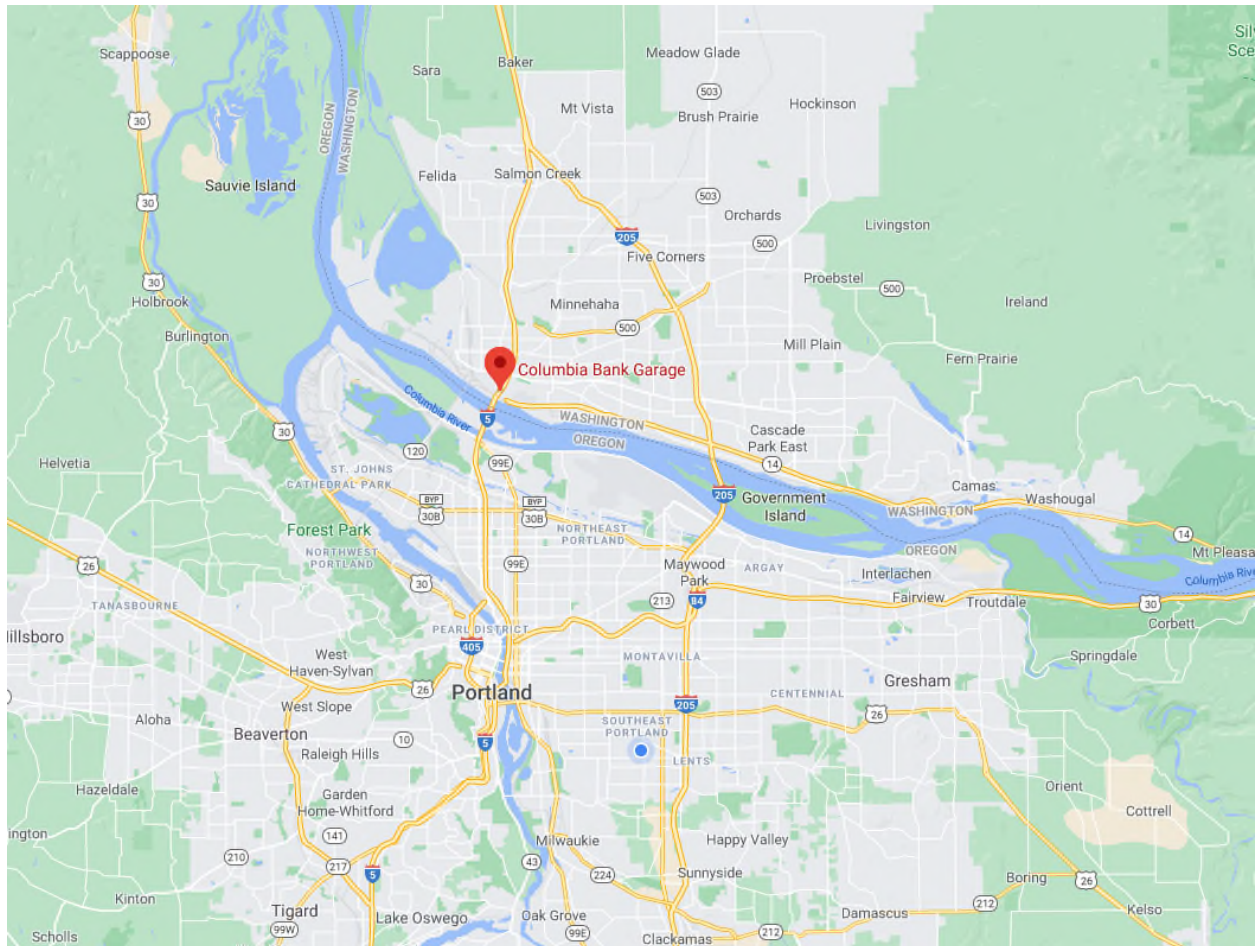
Medium and long-term outlooks are favorable and interest rates are expected to remain low into 2023, which could bode well for commercial real estate. Over the short-term hotels, restaurants and non-credit retail have taken the brunt of the declines while industrial, self-storage and multi-family have been the least affected. Office will likely face downward pressures due to remote working trends and elevated levels of unemployment, which are declining. We will continue to interview market participants regarding changes in market conditions.

REGIONAL ANALYSIS

AREA OVERVIEW

The subject is located within the city limits of Vancouver, Washington in the northern portion of the Portland-Vancouver-Hillsboro OR-WA metropolitan statistical area (MSA).

REGIONAL MAP



ECONOMIC & DEMOGRAPHIC PROFILE

The following profile of the Portland-Vancouver-Hillsboro OR-WA MSA was provided by Economy.com as of August 2020, a leading provider of economic, financial, and industry information. **A full detailed report can be found as an addendum to this report.**

Economy.com's core assets of proprietary editorial and research content as well as economic and financial databases are a source of information on national and regional economies, industries, financial markets, and demographics. The company is staffed with economists, data specialists, programmers, and online producers who create a proprietary database.

Economy.com's approach to the analysis of the U.S. economy consists of building large-scale, simultaneous-equation econometric models, which they simulate and adjust with local market information, creating a model of the U.S. macroeconomy that is both top-down and bottom-up. As a result, those variables that are national in nature are modeled nationally while those that are regional in nature are modeled regionally. Thus, interest rates, prices, and business investment are modeled as national variables; key sectors such as labor markets (employment, labor force), demographics (population, households, and migration), and construction activity (housing starts and sales) are modeled regionally and then aggregated to national totals. This approach allows local information to influence the macroeconomic outlook. Therefore, changes in fiscal policy at the national level (changes in tax rates, for example) are translated into their corresponding effects on state economies. At the same time, the growth patterns of large states, such as California, New York, and Texas, play a major role in shaping the national outlook.

In addition on a regional basis, the modeling system is explicitly linked to other states through migration flows and unemployment rates. Economy.com's model structure also takes into account migration between states.

CRITICAL OBSERVATIONS

RECENT PERFORMANCE

Portland-Vancouver-Hillsboro has rebounded from its pandemic-related crash, but the economy is operating well below its potential. The sudden, sharp recession erased six years of job growth in March and April, sending Portland-Vancouver-Hillsboro's unemployment rate to 14.6%, higher than the 11.4% peak during the last financial crisis. Every industry has suffered, but lockdowns particularly battered leisure/hospitality, which comprised nearly 45% of lost jobs despite accounting for only about one-tenth of the pre crisis workforce. Despite a boost from reopening, payroll employment remains almost 9% below that in February, in line with the West region and slightly higher than the U.S. Wage and salary income is down sharply because of a shorter workweek and loss of jobs; average hourly earnings are up but this is due to the compositional effect of far fewer low-wage jobs. Housing permits dipped in the spring, only partially recovering since.

REOPENING

Establishments directly affected by the lockdown helped Portland-Vancouver-Hillsboro enter recovery as the state lifted restrictions, but their gains will slow. Food and accommodation made up more than half of the 55,000 jobs gained since April, the bulk coming in June when bars and restaurants, personal services, and gyms resumed operations. However, further easing will benefit far fewer businesses. Now mostly allowed to open, leisure/hospitality faces headwinds from capacity restrictions, higher health and safety-related costs, and less demand for services, driven by precarious household financial situations and concern for COVID-19. Downside risks are substantial, as significant cutbacks in federal fiscal support propping up disposable incomes or a rapid rise in infections could cause the sector to backtrack. The virus will prevent in-person consumer industries from fully recovering, at least until a vaccine is widely circulated.

EXPORTERS

Portland-Vancouver-Hillsboro's reliance on exports means its fortunes will be tied to global growth, which is expected to be slow and remain fragile into 2021. Exports account for 13% of gross metro product, ranking in the top quintile of areas nationally. Firms that produce for a global market are now revising their plans and restructuring their operations given the worse outlook. Some of Portland-Vancouver-Hillsboro's largest employers are reducing headcount. Aerospace supplier Precision Castparts saw commercial aircraft demand collapse in the spring, and Nike will cut workers at its Beaverton headquarters beginning in October in response to poor sales. Dismissals by larger employers will hurt suppliers and other businesses in the economy. Until global markets can move past the pandemic, growth prospects for exporters will remain sluggish and factory payrolls will struggle.

HIGH TECH

High-tech employers will expand and help to offset weakness elsewhere. Tech's share of employment is 2.5 percentage points greater in Portland-Vancouver-Hillsboro than the nation. The pandemic is already pushing the economy toward a greater reliance on technology, as many firms have committed to telework into next summer, including Intel. Demand for better hardware and software should follow. As technology becomes further integrated with work, Portland-Vancouver-Hillsboro's tech firms will have opportunities to grow. Hiring is expected to accelerate next year, and this core part of the economy will make up recession losses by mid-2022.

CONCLUSION

Portland-Vancouver-Hillsboro will outperform in the short run and reach its pre-COVID-19 level of employment in early 2023. Tech firms will aid Portland-Vancouver-Hillsboro's recovery, but they cannot fully offset losses in consumer industries in the short run. In the long run, a highly educated workforce, attractive quality of life, and lucrative mix of high-skill industries will attract migrants and contribute to superior performance.

NEIGHBORHOOD ANALYSIS

BOUNDARIES

The subject is located in the Esther Short Neighborhood in Downtown Vancouver, WA. This area is the furthest southwestern neighborhood within Vancouver, part of the Vancouver CBD submarket and is generally delineated as follows:

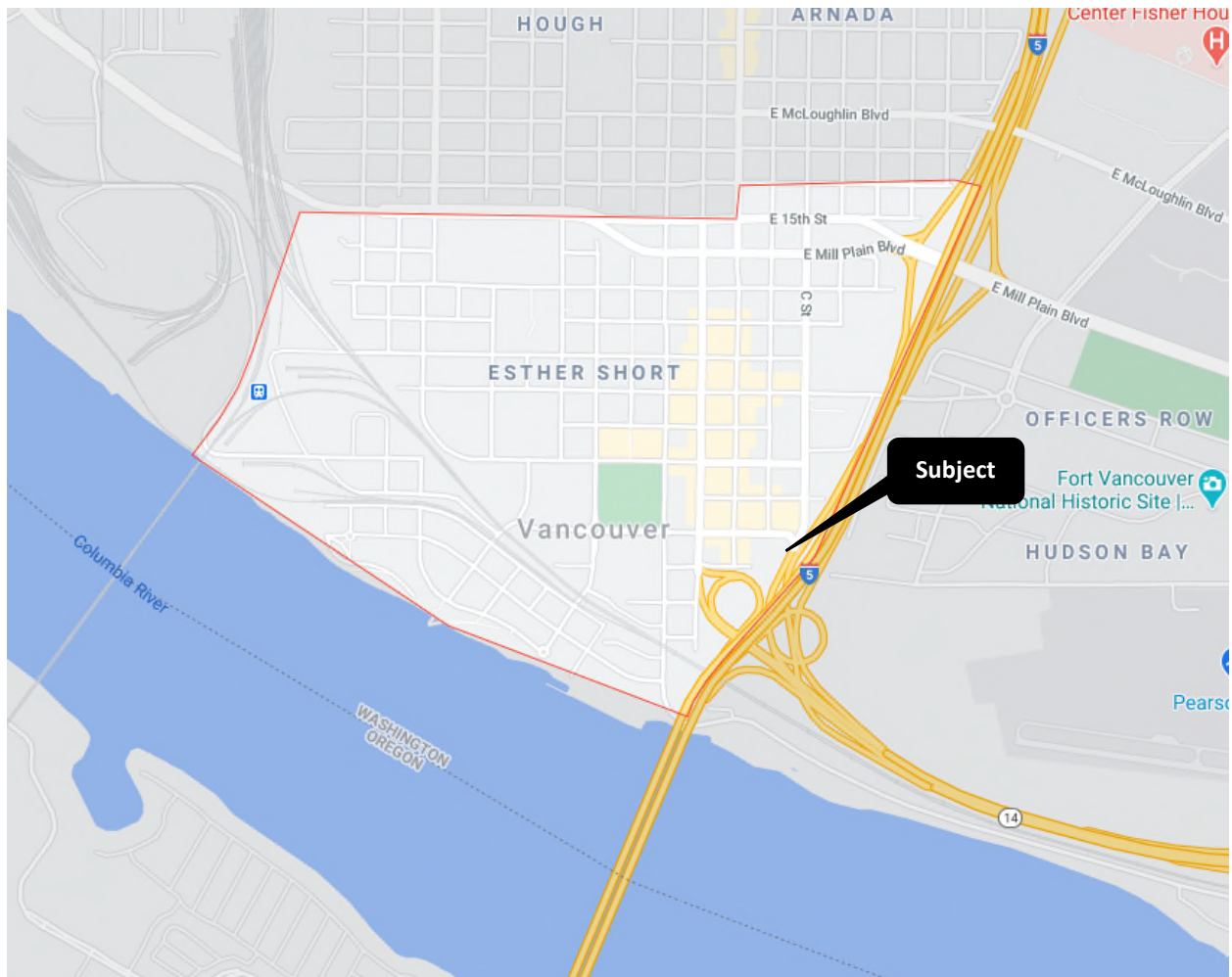
North East 15th Street

South Columbia River

East Interstate 5

West Port Way

The following map shows the neighborhood boundaries and the location of the subject.



ACCESS AND LINKAGES

Primary access to the area is provided by Interstate-5, a major interstate highway that crosses the Portland metro area in a north/south direction. Interstate 5 acts as the eastern border of the neighborhood, running the entire vertical length of the neighborhood boundaries, with the neighborhood containing two full-service interchanges with Interstate-5. One is located just west of the subject along W 5th Street with the other located to the northeast along East Mill Plain Boulevard. Moreover, Interstate 5 provides connections to further outlying regions such as the Portland CBD to the south, and the Seattle MSA to the north.

The area is also served by accessory arterials that provide access to more central and select portions of the neighborhood.

W 13th/11th Street(s), and E/W Evergreen Boulevard are all east/west arterials that run parallel to each other from the northern to southern portions of the neighborhood. Moreover, each of these accessory arterials can provide access to and from the subject via intersection with Broadway Street, and other neighborhood collectors that run between downtown Vancouver and the Waterfront area.

Esther, Columbia, Washington, Main, Broadway and C Street(s) are north/south arterials that run parallel to each other from the western to eastern portions of the neighborhood. All of the north/south accessory arterials connect with the aforementioned east/west accessory arterials above, with Broadway Street lending direct access to the subject. Overall vehicular access is considered good.

Public transportation is provided by C-Tran and provides access to all of Clark County with express buses connecting to downtown Portland. The subject is within 1-3 blocks of multiple bus stops serving numerous C-Tran bus routes, providing the Esther Short neighborhood, and more specifically the subject's immediate area linkages to areas all over the larger City of Vancouver. The local market perceives public transportation as good compared to other areas in the region. However, the primary mode of transportation in this area is the automobile.

The Portland International Airport is located about 11 miles from the property; travel time is about 20 minutes, depending on traffic conditions. The Portland CBD, the economic and cultural center of the region, is approximately ten miles from the property.

DEMAND GENERATORS

While Vancouver, along with SW Clark County area has seen substantial growth over the last ten years, it is still largely a bedroom community that acts as a suburb of Portland. Due to this, many of the major employers to Vancouver are in Portland at places such as Intel, Nike, Adidas, and OHSU. However, the City of Vancouver has recognized this issue and began to shift the focus by providing business incentives and programs to continue the economic growth in the area, by catering to small businesses and start-up companies.

More than 95% of all businesses located in Vancouver are characterized by the city as "small businesses," and in recognizing this they developed the "City of Vancouver Business Assistance Program" which encompass a variety of programs and services that were designed to support business start-up and growth citywide.

Along with small business development, the City of Vancouver is in an advantageous location situated along the Columbia River and moreover is the location of the major Port of Vancouver. Created in 1912, the port has been a major international import-export hub for over 100 years. Today, tonnage has increased to roughly 7.5 million metric tons of grain, steel, automobiles (Subaru's primarily), forest products and minerals. This increased capacity has led to port activities supporting over 20,200 jobs and \$2.9 billion in economic impact to the region.

These demand generators support the demographic profile described in the following section.

DEMOGRAPHICS

A demographic profile of the surrounding area, including population, households, and income data, is presented in the following table.

COMPARATIVE DEMOGRAPHIC ANALYSIS FOR PRIMARY TRADE AREA			
	500 Broadway Street - 1 mi Radius Totals	500 Broadway Street - 3 mi Radius Totals	500 Broadway Street - 5 mi Radius Totals
Description			
Population			
2026 Projection	9,760	65,471	250,453
2021 Estimate	9,094	62,088	236,886
2010 Census	7,453	55,736	209,821
2000 Census	6,664	52,656	193,070
2021 Est. Median Age	44.01	40.60	38.64
2021 Est. Average Age	44.42	40.70	39.22
Households			
2026 Projection	5,146	29,227	104,820
2021 Estimate	4,711	27,442	98,514
2010 Census	3,637	23,805	85,429
2000 Census	3,009	21,904	75,927
2021 Est. Average Household Size	1.70	2.19	2.35
2021 Est. Households by Household Income (%)			
Income < \$15,000	19.4	10.9	8.5
Income \$15,000 - \$24,999	10.9	8.4	7.3
Income \$25,000 - \$34,999	7.7	8.3	7.0
Income \$35,000 - \$49,999	11.6	12.9	12.0
Income \$50,000 - \$74,999	13.5	18.2	17.3
Income \$75,000 - \$99,999	9.6	12.8	13.1
Income \$100,000 - \$124,999	8.0	8.7	10.1
Income \$125,000 - \$149,999	6.3	6.3	7.6
Income \$150,000 - \$199,999	6.2	6.5	8.4
Income \$200,000 - \$249,999	3.7	3.4	4.2
Income \$250,000 - \$499,999	2.3	2.5	3.3
Income \$500,000+	1.0	1.0	1.2
2021 Est. Average Household Income	\$77,498	\$84,848	\$95,451
2021 Est. Median Household Income	\$50,547	\$62,216	\$71,558
2021 Est. Tenure of Occupied Housing Units (%)			
Owner Occupied	38.5	48.1	54.3
Renter Occupied	61.5	51.9	45.7
2021 Est. Median All Owner-Occupied Housing Value	\$373,382	\$352,893	\$399,352
Source: 2021 Claritas, Inc.			

RETAIL AND PUBLIC SERVICES

Surrounding land uses are commercial in nature with an office and retail focus. The subject is within close proximity to a wide variety of retail and restaurant developments. The Esther Short neighborhood also is the location of the Esther Short Park and Playground, which hosts the Vancouver Farmers Market as well as the Vancouver Wine & Jazz Festival; with the subject located roughly two blocks east of the park.

LAND USE

The Esther Short neighborhood is the city's commercial, cultural, financial and municipal center. Within the neighborhood is Vancouver's vibrant and livable downtown with its numerous small shops, restaurants, entertainment, and river front areas, and is home to many residents. Since 1997 approximately \$300 million have been invested in new downtown projects. Esther Short Park (dedicated in 1855) is the oldest public square in the Pacific Northwest and is the heart of the downtown district. It represents over five continuous acres of valuable public green space in the heart of downtown with a public plaza, bell tower, water features, flower gardens, playground, walkways, benches and picnic areas. It is home to the Vancouver Farmers Market and is also the venue for many other events throughout the year. The neighborhood is primarily zoned for mixed uses, that provide for high density commercial, office, and residential development.

In the immediate vicinity of the subject, land uses include a mix of office, retail, and multifamily. Other land use characteristics are summarized in the following table.

SURROUNDING AREA LAND USES	
Character of Area	Urban
Predominant Age of Improvements	New to 80 years
Predominant Quality and Condition	Average
Approximate Percent Developed	95%
Infrastructure/Planning	Above Average
Predominant Location of Undeveloped Land	South along Waterfront
Prevailing Direction of Growth	South along Waterfront

DEVELOPMENT ACTIVITY AND TRENDS

Most of the development in the area has been related to the Waterfront Development Project. The 21-block master planned area contains approximately 32 acres of land and upon completion will add an estimated 1.25 million square feet of Class A creative office space, one-quarter million square feet of restaurant/retail space, and 3,300 housing units. The total cost of the project is approximated at \$1.5B. Construction on the first phase commenced in November 2015, with the first building opening in the Summer of 2018. It is projected that upon completion this new urban neighborhood will create more than 10,000 jobs and inject \$385M to the region's economy.

Phase 1 I still under currently under way, with various individual developments having delivered as of the effective date of value. Below we highlight the properties that have delivered, and those that are currently under construction or proposed.

Completed

- The Waterfront (655 W Columbia Way) – Seven stories, class A office building built in November 2018. The property contains 17,000 SF retail spaces on ground floor, and 60,000 SF office spaces on upper levels.
- Block 9 (100 SE Columbia Way) – waterfront two-story retail building with a total of 17,000 SF completed in 2018.
- Rediviva at the Waterfront (111 Parkway Pl) – A 6-story apartment with 63 units completed in December 2018. The apartment consists of 25 studios, 20 one-bedroom units, and 18 two-bedroom units.
- Our Heroes Place (412 E 13th St) – Under Construction, Class B apartment building containing 55,000 SF in 49 units. Delivered in summer 2019.
- The Aria (562 W 6th St) – Class B Mid-rise apartment with 127 units totaling 120,000 SF of gross building area. Delivered in 2020.

Under Construction

- Hotel Indigo (100 SE Columbia Way) – Class A waterfront hotel. The building will consist of 138 hotel rooms, 40 luxury condos and 16,152 SF retail spaces. Will deliver in 2020/2021.
- Block 10 (100 SE Columbia Way) – Class A mid-rise apartment with 110 units expected to construct in 2021.
- AC Hotels by Marriott at 301 W Columbia Way consisting of 400 rooms. Expected to deliver in 2021.

Proposed

- The waterfront (100 SE Columbia Way) – Class A, ten-story, 157,000 SF office building project.
- Block 3 (100 SE Columbia Way) – Class A mid-rise apartment with 251 units expected to construct in 2021.
- 1505 Broadway – Proposed, 37,098 SF Class B office building; construction start date unknown.

The following map shows the general layout of the Waterfront Development Project. The subject is located roughly 6-8 blocks northeast from the Waterfront Park shown below.



OUTLOOK AND CONCLUSIONS

The area is in the growth stage of its life cycle. The area has seen increased attraction from developers and investors as the area's rent growth has beaten the historical average in each of the past seven years, along with multifamily sales volume in 2019 quadrupling the historical average. Furthermore, the population of the area continues to grow substantially as many individuals who may work in Portland are attracted to living in Vancouver as there is no state income tax. Given the history of the area and the growth trends, it is anticipated that property values will increase in the mid- to long-term. However, the current health pandemic creates some near-term uncertainty.

In comparison to other areas in the region, the area is rated as follows:

SURROUNDING AREA ATTRIBUTE RATINGS

Highway Access	Above Average
Demand Generators	Above Average
Convenience to Support Services	Average
Convenience to Public Transportation	Above Average
Employment Stability	Average
Police and Fire Protection	Average
Property Compatibility	Average
General Appearance of Properties	Average
Appeal to Market	Above Average
Price/Value Trend	Above Average

NEIGHBORHOOD MAP



SITE DESCRIPTION

INTRODUCTION

The description of the site is based upon our physical inspection of the property, information available from the client, and public sources. See the *Data Sources Used Within This Appraisal* table in the Scope of Work section for more detail.

GENERAL DESCRIPTION OVERVIEW

Location	Main Street and 6th Street, adjacent to the south of the Columbia Bank Building at 500 Broadway.		
Parcel Number	38470004		
Legal Description	West Coast Bank Bldg Condo Parking Garage Sub 2002		
Site Area			
Primary Site	33,128 square feet	(0.7605 acres)	
Total	33,128 square feet	(0.7605 acres)	
Configuration	Irregular		
Topography	Generally Level		
Drainage	Appears adequate		
Utilities/Municipal Services	Typical utilities and municipal services available to site		
Floodplain	<u>Zone</u>	<u>Map</u>	<u>Date</u>
	Zone X (Unshaded)	53011C0368D	September 5, 2012
	Zone X (unshaded) is a Non-Special Flood Hazard Area (NSFHA) of minimal flood hazard, usually depicted on Flood Insurance Rate Maps (FIRM) as above the 500-year flood level. This is an area in a low to moderate risk flood zone that is not in any immediate danger from flooding caused by overflowing rivers or hard rains. In communities that participate in the National Flood Insurance Program (NFIP), flood insurance is available to all property owners and renters in this zone.		
Census Tract No.	0425.00		
Hazards Nuisances	None reported or observed		
Access	The garage is accessed via East 5th Street. There is one entry/exit point along the west end of the property. A small service road connects the garage with East 6th Street to the north.		
Visibility	Average		
Surrounding Land Uses	Office to the north and west. The I-5 and SR-14 interchange borders to the south and east.		
Transportation Facilities	Numerous bus stops within a few blocks in downtown Vancouver		

ZONING

The subject is zoned CX, City Center. The following table summarizes our understanding and interpretation of the zoning requirements that affect the subject.

ZONING	
Designation	CX
Description	City Center
Zoning Intent	The CX zoning district is designed to provide for a concentrated mix of retail, office, civic and housing uses in downtown Vancouver. The broad range of allowed uses is intended to promote Vancouver as the commercial, cultural, financial and municipal center of Clark County.
Compliance	The subject appears to be a legally nonconforming use in this zoning district.
ZONING REQUIREMENTS	
Permitted Uses	A wide variety of office, retail, commercial and multifamily uses
Minimum Lot Size	None
Minimum Lot Width	None
Maximum Coverage Ratio	100%
Front (min. ft.)	None
Rear, alley/no alley (min. ft.)	None
Side (min. ft.) interior	None; except when abutting a residentially zoned property then increased to 5 feet
Maximum Density	None
Maximum Height	100-200 feet (dependent on FAA Regulations Part 77)
Required No. Parking Spaces	Depends on use
Subject's Total Parking Spaces	233

According to the local planning department, there are no pending or prospective zoning changes. It appears that the current use of the site is a legally conforming. We are not experts in the interpretation of zoning ordinances. An appropriately qualified land use attorney should be engaged if a determination of compliance is required.

SOIL/SUBSOIL CONDITION

We did not receive nor review a soil report. However, we assume that the soil's load-bearing capacity is sufficient to support existing and/or proposed structure(s). We did not observe any evidence to the contrary during our physical inspection of the property.

ENVIRONMENTAL CONCERNS

No unusual conditions observed. No studies provided. Site is assumed to be free of any environmental concerns.

EASEMENTS, ENCROACHMENTS AND DEED RESTRICTIONS

We were not provided a current title report to review. We are not aware of any easements, encroachments, or restrictions that would adversely affect value. Our valuation assumes no adverse impacts from easements, encroachments, or restrictions, and further assumes that the subject has clear and marketable title.

The subject is a condominium with shared parking and common areas. The subject's development also includes the office tower condo and top-floor residential condos at 500 Broadway. In addition, the gated lower ramp area of the subject garage is a separate condominium tied to the residential condominiums on the top two floors of 500 Broadway (Frontier Block Condos). The Covenants, Conditions, and Restrictions (CC&Rs) were reviewed. There are no unusual conditions and each condo is responsible for its own operating expenses and an allocated amount for limited common area expenses. This ownership structure is common and has no material adverse impact on the property.

OPPORTUNITY ZONE

In 2018, the Federal Government enacted a new tax incentive program. The U.S. Treasury created opportunity zone designations across the country to encourage long-term investments in “low income” neighborhoods through a federal tax incentive. Governor’s for each State nominated these zones within each state. **The subject is located within one of them.**

There are three key advantages to investors when a property is purchased and held within this zone, which include:

1. Tax Deferment - gains that are transferred into a qualified opportunity fund within 180 days of being realized will have their tax liability delayed or deferred until December 31, 2026, at the latest.
2. Decrease in Taxes for Long-Term Investment - The amount subject to taxes shrinks by 10%—in that the basis in the investment increases—if the investment has been held for at least five years. If held for at least seven years in total, the basis increases by an additional 5% pts (15% in total). The amount subject to taxes is effectively the fair market value of the investment, if it has declined in value.
3. Untaxed Long-Term Gains - If the investment of tax deferred gains appreciates after having been held for at least 10 years, then those new capital gains earned in the zone are themselves completely tax free. Otherwise, the net income or proceeds generated by a zone investment are taxable.

The subject’s location within an opportunity zone enhances the overall desirability of investors, particularly those with potential capital gains taxes.

We are not aware of any other land use regulations that would affect the property.

CONCLUSION OF SITE ANALYSIS

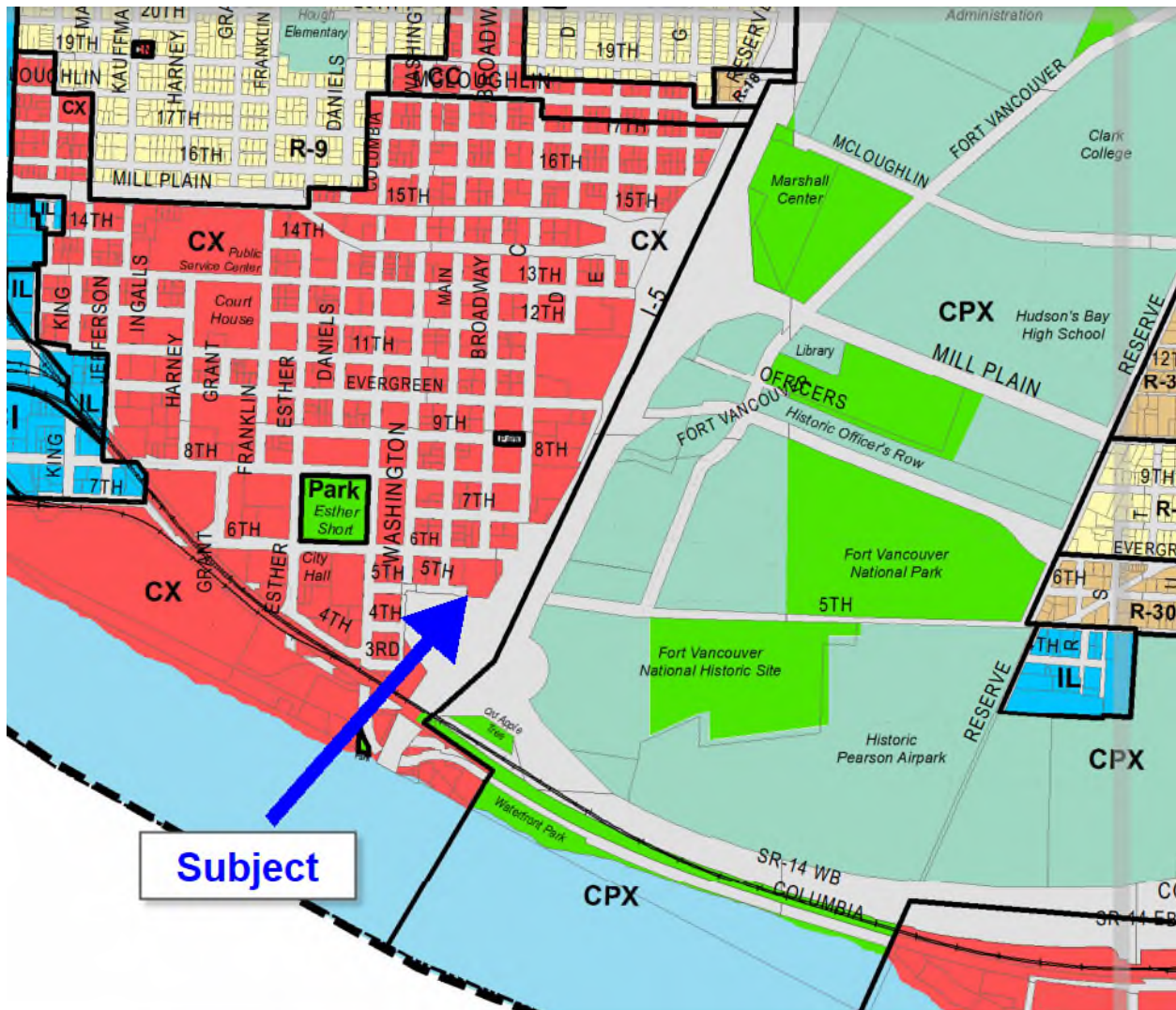
The subject site contains 33,128 square feet or 0.76 acres of City Center (CX) zoned land. The site is irregular in shape, generally level and has above average access to local and regional thoroughfares due to its location at the intersection of I-5 and SR-14.

Overall, the physical characteristics of the site and the availability of utilities result in functional utility suitable for a variety of uses including those permitted by zoning. Uses permitted by zoning include: A wide range of retail, office and residential uses.

PARCEL MAP



ZONING MAP



FLOOD MAP

500 BROADWAY ST, VANCOUVER, WA 98660-3321

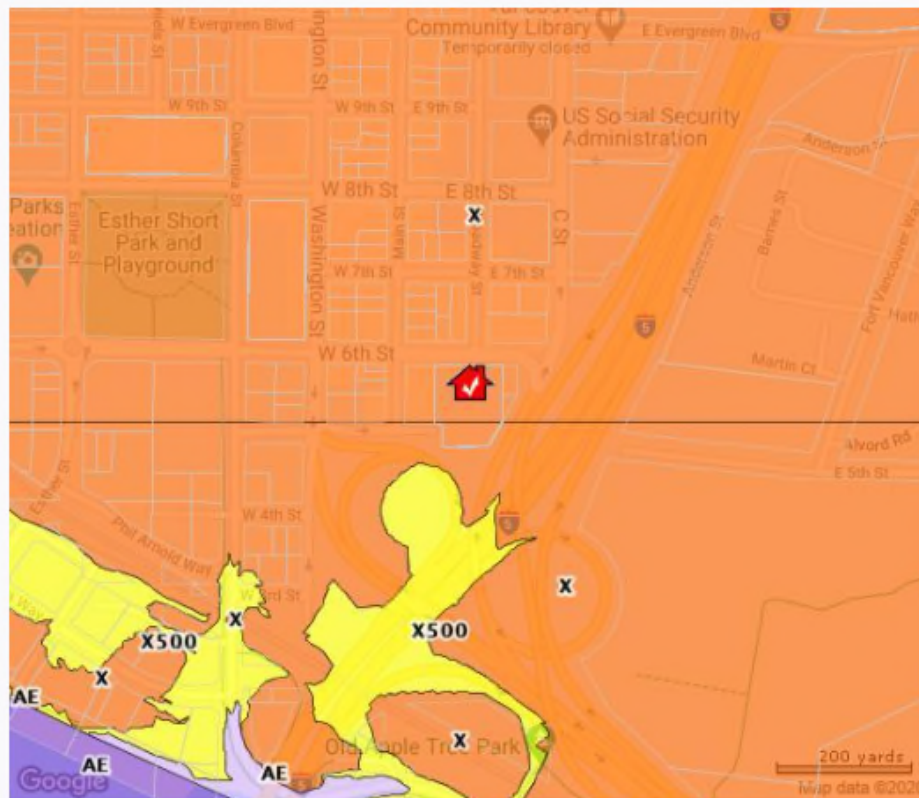
Report Date: 12/09/2020

County: CLARK, WA

Flood Zone Code	Flood Zone Panel	Panel Date
X	530027 - 53011C0481D	09/05/2012
Special Flood Hazard Area (SFHA) Within 250 ft. of multiple flood zones?		Community Name
Out	Yes (X,X500)	VANCOUVER

Flood Zone Description:

Zone X-An area that is determined to be outside the 100- and 500-year floodplains.



Flood Zones			
Coastal 100-year Floodway	100-year Floodway	Undetermined	500-year Floodplain ind. levee protected area
Coastal 100-year Floodplain	100-year Floodplain	Unknown or Area Not Included	Out of Special Flood Hazard Area

IMPROVEMENTS DESCRIPTION

The subject is a three-level parking structure totaling 64,407 square feet. The building was constructed in 2001 and consists of 233 striped parking spaces. The 233 parking stalls consists of 226 compact and standard stalls, 5 ADA stalls, and 2 motorcycle stalls. The site area is 33,128 square feet, or 0.76 acres.

GENERAL DESCRIPTION OVERVIEW

Address	500 Broadway Street, Parking Garage Condo Vancouver, Washington 98660
Property Description	Retail Building (Parking Structure) Three-Level Parking Garage
Year Built	2001
Number of Buildings	1
Number of Stories	3
Building Construction Class	B
Net Rentable Area	64,407 square feet
Gross Building Area	64,407 square feet
Floor-Area Ratio	1.94
Elevator(s)	1 serving all three levels
Land-to-Building Ratio	0.51 : 1
Ingress/Egress	One point of ingress/egress on the western edge
Total Parking Spaces	233
Parking Ratio	3.62 spaces per 1,000 SF of net building area.
ADA Compliance	The property is assumed to be fully ADA compliant.

CONSTRUCTION DETAIL

General Layout	The subject is a three-level, above-grade parking garage. The garage has 233 striped parking spaces. The property has one vehicular point of entry along the west side of the parcel. The parking garage is also connected on the ground and third floors with the adjacent mixed-use building to the north (500 Broadway).
Foundation	Concrete
Construction	Reinforced concrete
Floor Structure	Reinforced concrete
Exterior Walls	Concrete block
Roof Type	Flat; roof-top parking
Roof Cover	Concrete

INTERIOR DETAIL

Interior Walls	Concrete
Ceilings	Exposed concrete
Floor Coverings	Concrete
Restrooms	None

MECHANICAL DETAIL

Plumbing	Assumed to code and adequate
Electrical	Assumed to code and adequate
Fire Protection	No sprinkler system observed.

SITE IMPROVEMENTS

Landscaping	None
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PLANNED CAPITAL EXPENDITURES

Based upon our discussions with management and our physical inspection of the property, we have determined that the following near-term capital improvements are planned. The cost associated with these improvements estimated below is based upon the manager's budget.

CAPITAL EXPENDITURES	
Item	Amount
Painting and Restriping	\$25,000
Pipe Survey and Repair of Fire Life System	\$20,000
Elevator upgrades	\$150,000
Access Control System	\$75,000
Security Camera Install & Upgrade	\$50,000
TOTAL	\$320,000

CONCLUSION OF IMPROVEMENTS ANALYSIS

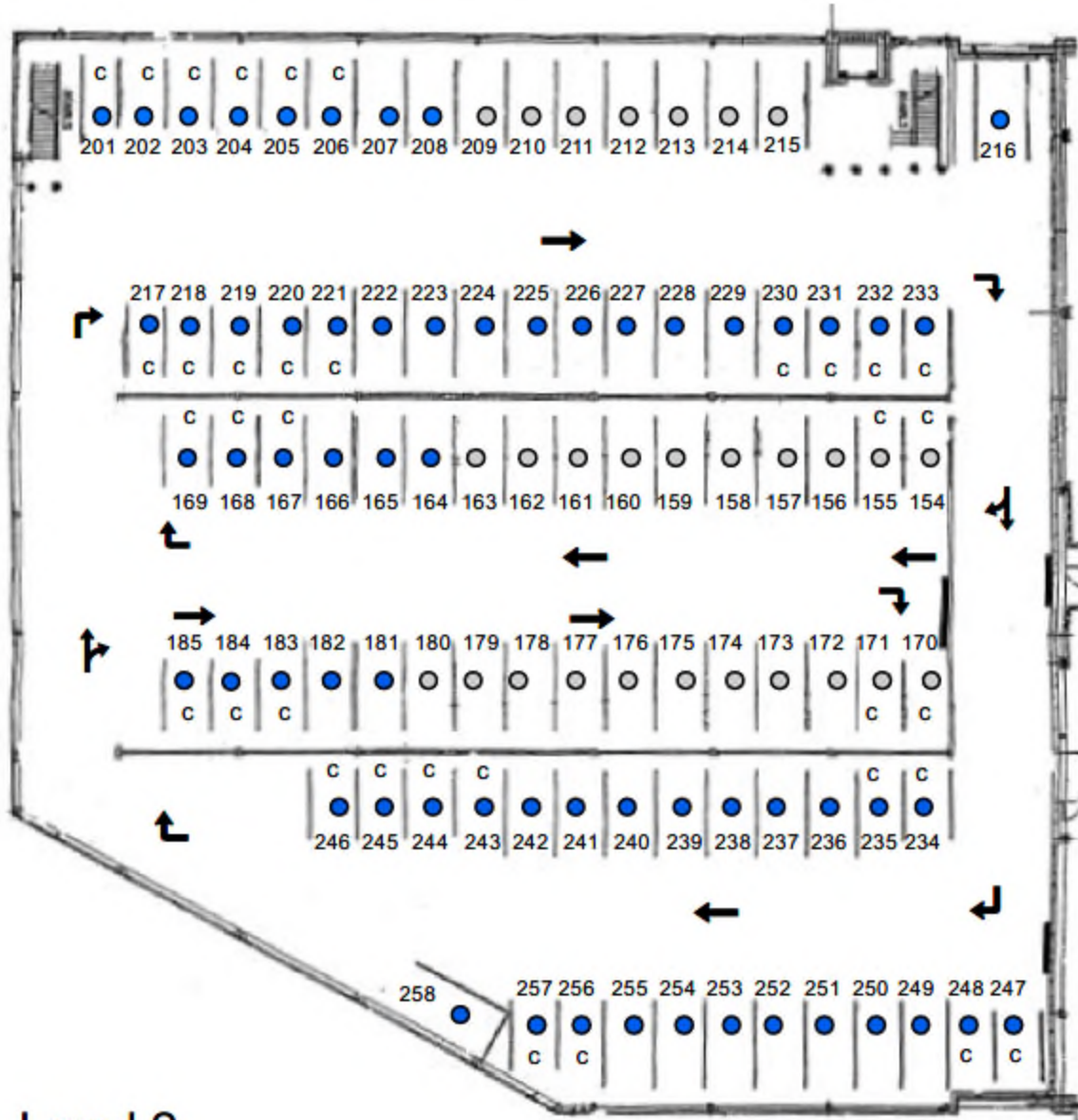
In comparison to other competitive properties in the region, the subject improvements are rated as average. Overall, the quality, condition, and functional utility of the improvements are average for their age and location.

SUMMARY

Building Condition	Average
Building Quality	Average
Design and Functionality	Average
Actual Age	19 years
Expected Economic Life	60 years
Effective Age	20 years
Remaining Economic Life	40 years

FLOOR PLAN





Level 2



Level 3

PROPERTY TAX ANALYSIS

The Clark County Assessor is required by law to appraise property at market value. Industrial, commercial, multifamily, and newly constructed residential properties are physically inspected and valued each year. Residential properties are physically inspected and valued once every six years, while the values of the remaining five-sixths are adjusted to market value based on sales information from the previous year.

All counties in the State of Washington establish values on January 1st of the assessment year. Market sales occurring in the previous year are used to establish the value as of January 1st for existing properties. This value is then used to calculate the following year's property taxes. For example, sales from 2013 were used to establish property values for January 1, 2014, which were used to compute 2015 taxes.

Property taxes in Clark County are calculated based on the current millage rate applied to the assessed value divided by \$1,000.

Real estate taxes and assessments for the current tax year are shown in the following table.

REAL ESTATE TAXES - 2021						
Tax ID	Assessor's Real Market Value			Taxes and Assessments		
	Land	Improvements	Total	Millage Rate	Assessed Value	Real Estate Taxes
38470004	\$1,656,400	\$3,364,950	\$5,021,350	\$ -	\$5,021,350	\$0
Totals	\$1,656,400	\$3,364,950	\$5,021,350		\$5,021,350	\$0

There has been no tax liability as the property is owned by the City of Vancouver. Therefore, we estimate real estate taxes as the most probable buyer is an investor who would owe this expense.

Our real estate tax estimate is summarized below.

PROJECTED TAXES		
Assessed Value (100% of market)		
Millage Rate		Taxes
\$10.23	\$2,600,000	\$26,599

It is noted that the current assessed value is not utilized. Based on previous discussions with Mark Rauchenstein, Commercial Appraisal Manager, Clark County, properties owned by the City are tax exempt. As a result, limited effort is made to 1) keep the assessed value current, and 2) to realistically appraise these properties at market value using the income approach (the most applicable approach to value).

Therefore, we estimate assessed value for this analysis. Assessed values that fall between 70% and 100% of market value are typical. However, considering the City owns the property and will have full knowledge of the purchase price, the most likely outcome would be that the City would utilize the purchase price as the assessed value. This is consistent with what the City has done historically, and a typical investor would assume the assessed value would be based on the purchase price. Therefore, for purposes of this analysis, we project the assessed value at 100% of the concluded market value. The millage rate is taken from the property tax bill of the adjacent office tower to the north (500 Broadway).

MARKET ANALYSIS

NATIONAL PARKING LOT AND GARAGE OVERVIEW

The following is taken from IBIS World's August 2020 (most recent available) Parking Lots and Garages in the US industry report. The full report is in the addenda.

EXECUTIVE SUMMARY

The sharp decline in economic activity in 2020 is expected to offset tepid growth occurring during the preceding years. In the years leading up to 2020, increased value of residential construction, particularly mixed-use developments, bolstered demand for industry services, such as management and valet. Additionally, favorable economic conditions, such as low interest rates and rising consumer incomes, encouraged development of central shopping districts, airports and stadiums. However, the drastic reversal of these trends due to the COVID-19 pandemic is expected to cause the industry to decline. IBISWorld expects industry revenue to decrease an annualized 1.3% to \$9.6 billion over the five years to 2020, including a forecast decline of 9.0% in 2020 alone.

Despite the effects of the coronavirus, the industry has benefitted from positive trends during the five-year period. Increased urbanization has been a key driver of demand for the industry. Over the past five years, development in fast-growing cities, such as Austin, TX, and Atlanta, has resulted in greater demand for largescale parking garages. Moreover, industry operators have increasingly incorporated such management contracts into their business models due to the low risk and steady income that is characteristic of large facility management contracts. As industry operators have turned to more conservative business models, industry profit exhibited positive growth in the years preceding the pandemic.

Over the five years to 2025, the industry is forecast to exhibit slow revenue growth as commercial development is projected to gradually reemerge in light of lower interest rates and declining investor uncertainty. Moreover, consumer sentiment is not expected to repeat the level of growth exhibited during the previous period; as growth in the consumer price index will likely outpace growth in per capita disposable income, consumers are anticipated to be more conservative with their spending. Overall, these factors are expected to hamper industry revenue growth over the next five years. IBISWorld expects industry revenue to increase at an annualized rate of 1.3% to \$10.2 billion over the five years to 2025.

Key Statistics

Industry Data

Year	Revenue	IVA	Estab.	Enterprises	Employment	Exports	Imports	Wages	Domestic Demand	Prime rate
	(\$m)	(\$m)	(Units)	(Units)	(Units)	(\$m)	(\$m)	(\$m)	(\$m)	(%)
2011	9,208	3,836	19,302	8,910	135,483	N/A	N/A	2,770	N/A	0.03
2012	8,842	3,975	18,698	9,070	139,252	N/A	N/A	2,862	N/A	0.03
2013	8,997	3,897	18,088	9,118	136,534	N/A	N/A	2,904	N/A	0.03
2014	9,492	4,301	19,126	9,490	143,638	N/A	N/A	3,098	N/A	0.03
2015	10,204	4,114	19,524	9,616	148,934	N/A	N/A	3,185	N/A	0.03
2016	9,987	4,349	18,823	9,384	151,514	N/A	N/A	3,246	N/A	0.04
2017	10,285	4,617	18,745	9,389	155,455	N/A	N/A	3,388	N/A	0.04
2018	10,363	4,878	18,849	9,454	156,569	N/A	N/A	3,519	N/A	0.05
2019	10,524	5,153	18,934	9,500	159,089	N/A	N/A	3,750	N/A	0.05
2020	9,577	4,459	18,277	9,210	150,014	N/A	N/A	3,511	N/A	0.03
2021	9,603	4,693	18,319	9,231	150,753	N/A	N/A	3,527	N/A	0.03
2022	9,899	4,801	18,479	9,300	154,020	N/A	N/A	3,609	N/A	0.04
2023	10,070	4,890	18,522	9,315	155,849	N/A	N/A	3,656	N/A	0.04
2024	10,145	4,924	18,552	9,328	156,733	N/A	N/A	3,678	N/A	0.04
2025	10,221	4,960	18,593	9,345	157,557	N/A	N/A	3,699	N/A	0.05

KEY EXTERNAL DRIVERS

NUMBER OF BUSINESSES

The number of businesses is a determinant of demand for commercial office space. Consequently, as the number of businesses increase, demand for parking lots and garages increases as more businesses rent out office space. The number of businesses is expected to decrease in 2020.

VALUE OF PRIVATE NONRESIDENTIAL CONSTRUCTION

The value of private nonresidential construction represents the dollar value of commercial and institutional developments under construction, including office buildings, sports stadiums and hospitals. As the value of private nonresidential construction increases, the number of parking lots and garages also increases as most nonresidential buildings require large parking structures. The value of private nonresidential construction is expected to decrease in 2020.

NATIONAL UNEMPLOYMENT RATE

Work commuters comprise a large portion of daily drivers. Consequently, a rise in unemployment decreases the number of drivers that commute to work, adversely affecting demand for parking services. Conversely, declining unemployment means people are returning to work, and therefore, commuters will likely require more parking-related services. The national unemployment rate is expected to increase in 2020, posing a potential threat to the industry.

WORLD PRICE OF CRUDE OIL

Gasoline is a key cost for private and commercial drivers. As the price of oil increases, gas prices increase and vehicle use declines. As a result, an increase in the world price of crude oil decreases demand for parking services. The world price of crude oil is expected to decline in 2020, representing a potential opportunity for the industry.

CURRENT PERFORMANCE

The Parking Lots and Garages industry comprises companies that provide temporary parking spaces on an hourly, daily, weekly or monthly basis.

The industry is highly fragmented, with most operators being small private companies that often operate as single-parking facilities. One-third of the industry's operators are sole proprietors or non-employers, despite representing an estimated 3.0% of industry revenue in 2020. Although most enterprises in the industry are local, there are several large companies operating on a national scale, accounting for larger portions of industry revenue.

In this industry, operators may own or lease parking facilities from which they collect revenue for parking services. More often, however, companies operate under management contracts or lease agreements, and receive a base monthly fee for managing a parking facility that is not their own. For example, industry leader SP Plus Corporation (SP Plus) operates over 80.0% of its locations under management contracts according to its most recent annual report.

Industry revenue has expanded in line with overall construction activity in the years leading up to 2020. However, severe declines in consumer activity due to COVID-19 (coronavirus) has caused demand for industry services to decline. As a result, IBISWorld expected industry revenue to decrease an annualized 1.3% to \$9.6 billion over the five years to 2020, including a decline of 9.0% in 2020 alone. Industry revenue is projected to decline in 2020 largely as a result of widespread business closures affecting parking lots and garages in central business districts.

INCREASED CONSTRUCTION AND MANAGEMENT CONTRACTS

Industry operators are increasingly relying on management contracts of parking garages as stable sources of revenue. Due to rising interest rates and increasing property values, long-term management contracts are becoming an attractive source of revenue. On average, management contracts are renewed on a seven- to 10-year basis and typically involve a fixed management fee for the corresponding time period.

Growth in nonresidential construction has bolstered the popularity of management contracts. In particular, the trend toward mixed-use developments in which a development serves as residential, retail and commercial space) has proven beneficial for the Parking Lots and Garages industry because such developments typically require large parking garages. Moreover, the principals behind such developments, typically large real estate magnates, seek to outsource ancillary services (i.e. parking garage management) associated with mixed-use developments to keep costs low and stable. The outsourcing of parking services has become an ever-prominent trend in the industry as a new and long-lasting source of revenue.

OIL PRICES AND REVENUE GROWTH

Demand for industry services was aided by low oil prices during the beginning of the five-year period. The world price of crude oil fell sharply in 2015 due to oversupply issues. Over the past five years, the Organization of Petroleum Exporting Countries, in addition to US shale operations, continued to produce at steady levels despite the recent decline in prices. This exacerbated the oversupply issue and put additional pressure on gas prices. In the years leading up to 2020, total vehicle miles driven in the United States, a measure of motorist activity, increased relative to historical trends. The rise in motor vehicle miles speaks to the increased demand for driving that comes with low gasoline prices. Moreover, the rise in total vehicle miles also corresponds to increased demand for industry services as more vehicles on the road require more parking spaces. Unsurprisingly, the industry experienced its strongest years of growth during the years of severe declines in the price of crude oil. However, the sharp decline in gas prices in 2020 has not caused increased driving due to social distancing guidelines issued to prevent further spread of the coronavirus.

INDUSTRY OPERATIONS

IBISWorld expects the number of industry operators to decline an annualized 0.9% to 9,210 enterprises over the five years to 2020. However, industry employment has experienced growth. The steady expansion of larger operators has resulted in an increase in industry employment. IBISWorld forecasts industry employment to grow an annualized 0.1% to 150,014 individuals over to five years to 2025.

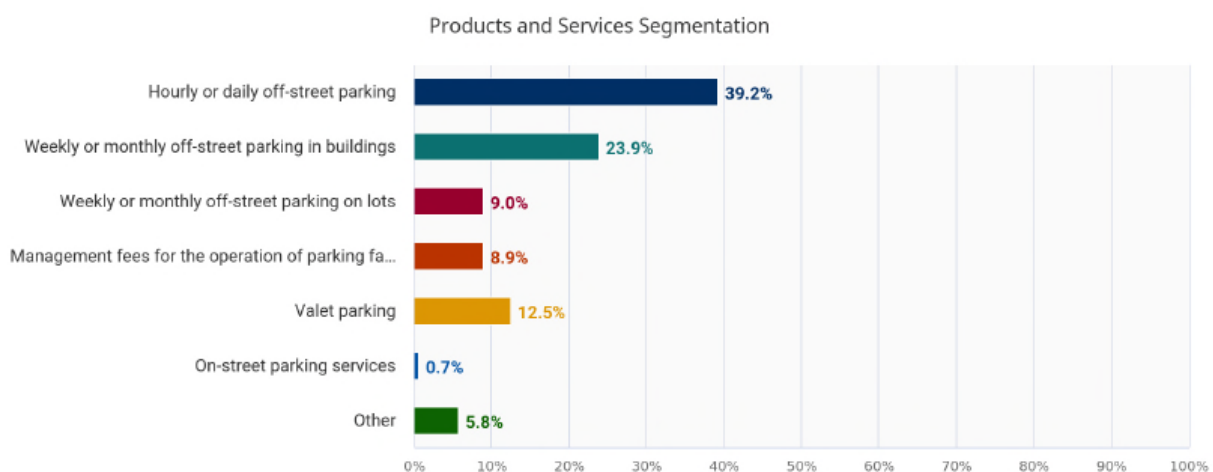
To maintain healthy profit, most industry players have raised their service rates during the period. Beyond that, operators have also expanded their services and lowered costs to boost profit. For example, SP Plus provides their service offerings at parking centers to include emergency repair, traffic report updates and audiobooks for monthly parkers. LAZ Parking Ltd. LLC, one of the largest parking companies in the United States, has made an effort to make its facilities more environmentally friendly by providing recycling facilities and electric vehicle charging stations. In doing so, the company appeals to growing eco-consciousness among consumers.

Historical Performance Data

Year	Revenue (\$m)	IVA (\$m)	Estab. (Units)	Enterprises (Units)	Employment (Units)	Exports (\$m)	Imports (\$m)	Wages (\$m)	Domestic Demand (\$m)	Prime rate (%)
2011	9,208	3,836	19,302	8,910	135,483	N/A	N/A	2,770	N/A	0.03
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2020	9,577	4,459	18,277	9,210	150,014	N/A	N/A	3,511	N/A	0.03

PRODUCTS AND MARKETS

The services provided by the Parking Lots and Garages industry can be broken down into several categories. The largest service rendered in this industry is off-street parking. Off-street parking refers to any site that offers parking services for automobiles, motorcycles and bicycles that are not curbside; this includes parking lots, garages and driveways. This classification of parking can be further segmented into facilities catering to consumers seeking daily parking or those seeking multiday parking spots. Moreover, these facilities can be operated under lease agreements, management contracts or by the owner directly. The remaining services offered in this industry include valet parking, on-street parking and other varied services.



2020 INDUSTRY REVENUE

\$9.6bnParking Lots & Garages
Source: IBISWorld

DEMAND DETERMINANTS

Demand for Parking Lots and Garages industry services is directly related to the transportation habits and demographic breakdown of the US population. Increased travel by car or plane leads to rising demand for parking services while the use of automotive substitutes, such as public transportation or bicycles, decreases demand for parking. Moreover, the total number of citizens in the United States directly affects demand for industry products. As the US population increases, demand for automobiles and automotive services (i.e. parking services) increases as well.

INDUSTRY OUTLOOK

Over the five years to 2025, revenue for the Parking Lots and Garages industry is expected to rebound slightly due to growth in the industry's key markets. In particular, consumer activity among central business districts is expected to gradually reemerge from lockdown, thus prompting demand for industry services. Additionally, construction of urban, mixed-used development is expected to return, also driving growth in demand for parking services over the next five years.

The industry's expected slowdown over the next five years is also attributable to an increasing share of revenue being derived from management contracts in which industry operators are paid a fixed fee over a predetermined period of time. In this case, industry operators are not expected to benefit from increases in parking rates, but will also likely no longer be exposed to the risk of decreased demand. In turn, IBISWorld expects industry revenue to grow an annualized 1.3% to \$10.2 billion over the five years to 2025.

CONSUMER OUTLOOK

Over the five years to 2025, IBISWorld anticipates consumer confidence levels to rebound from 2020 lows in the scenario of successful virus abatement. A rebound in consumer confidence levels is expected to drive the industry's return to growth as consumers resume shopping and entertainment activities that often involve parking facilities. However, the shift in consumer preferences towards online shopping and food delivery services that characterized consumer activity during the pandemic will continue to influence consumer behavior over the next five years. The effect will likely be a greater familiarity with e-commerce and delivery services and thus a loss of market share among brick and mortar businesses. Taking these factors into account, consumer demand for shopping centers is anticipated to return, but at a subdued level.

MOVING TOWARD SATURATION

Major players are expected to engage in mergers with other large operators as they continue to purchase smaller independent lots that are located in areas with high growth potential. Previously, capitalization of parking lots that would automate facilities and enable companies to employ fewer workers previously held promises of higher prices for industry operators. Recently, however, declining rates of capital expenditure have resulted in higher employment figures and rising wage costs. Industry employment is forecast to grow at an annualized rate of 1.0% to 157,557 individuals over the five years to 2025. Consequently, relatively unchanged prices for parking and slightly higher labor costs will likely constrict profit. However, these trends are expected to only marginally affect larger operators that can more easily continue automating facilities.

These changes will likely occur alongside emerging trends that are also expected to detract from average profit gains. The industry's barriers to entry are low and most operations are small sole proprietorships or partnerships. The number of industry operators is expected to increase at an annualized rate of 0.3% to 9,345 enterprises over the five years to 2025. Increasing leasing rates during the period will likely partially offset profit gains and elevate costs for many operators. As a result, parking service providers are expected to continue to focus on management contracts that pay them a fixed monthly fee. Many operators will also likely incur additional costs over the next five years as they install charging stations in their facilities in response to growing sales of electric vehicles.

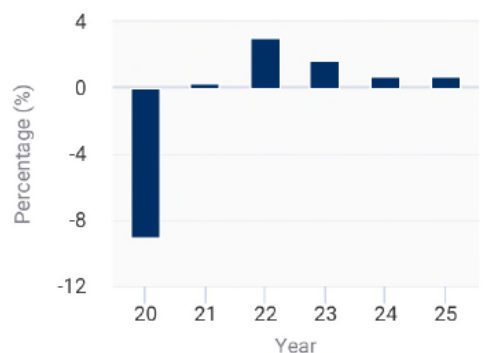
FUTURE OBSTACLES

Roads in many urban areas operate at capacity during peak hours. While this benefits parking operators, it also means that industry revenue growth is limited until thoroughfares can accommodate more cars. In major cities, the use of public transportation (IBISWorld report 48511) and ride-sharing companies, such as Uber Technologies Inc. and Lyft Inc., are expected to increase over the next five years, representing a potential threat to industry operators that derive the majority of their revenue through lot or garage ownership.

Additionally, bike lanes have been on the rise in major cities, and their network is expected to expand over the five years to 2025. Commuting by bike, carpooling and using public transit decreases demand for parking and is expected to be especially attractive to the growing number of consumers trying to reduce their carbon footprints over the

next five years. Ultimately, these trends are anticipated to gradually reduce the need for parking facilities moving forward.

Industry Outlook 2020-2025



Parking Lots & Garages
Source: IBISWorld

Performance Outlook Data

Year	Revenue	IVA	Estab.	Enterprises	Employment	Exports	Imports	Wages	Domestic Demand	Prime rate
	(\$m)	(\$m)	(Units)	(Units)	(Units)	(\$m)	(\$m)	(\$m)	(\$m)	(%)
2020	9,577	4,459	18,277	9,210	150,014	N/A	N/A	3,511	N/A	0.03
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2025	10,221	4,960	18,593	9,345	157,557	N/A	N/A	3,699	N/A	0.05

Industry Life Cycle

The life cycle stage of this industry is **⊖ Mature**

LIFE CYCLE REASONS

Major players continue to consolidate operations

The market is nearly saturated and industry growth depends on the economy's general health

Technological change has not been a major driver of industry growth

The industry provides a staple service

COVID-19 UPDATE

IBISWorld's analysts constantly monitor the industry impacts of current events in real-time – here is an update of how this industry is likely to be impacted as a result of the global COVID-19 pandemic:

- The Parking Lots and Garages industry is expected to contract slightly due to a stark drop in retail traffic and the cancellation of sporting events and other major gatherings.
- The effect on the industry is mitigated by continued demand for parking facilities in and around medical facilities.
- The industry is characterized by small- and mid-sized operators that will likely qualify for government assistance.

SUBMARKET ANALYSIS - DOWNTOWN VANCOUVER

SUPPLY

The downtown Vancouver parking market is dominated by the City of Vancouver. The City has historically constructed parking garages in downtown (usually in conjunction with an office or mixed-use developer) to facilitate downtown development and attract new businesses to downtown. This policy is no longer in effect and the City has divested itself of several facilities over recent years. Currently, the City owns eight downtown lots and garages, including the subject, that total 1,336 spaces. The City also controls all of the street meters in downtown Vancouver.

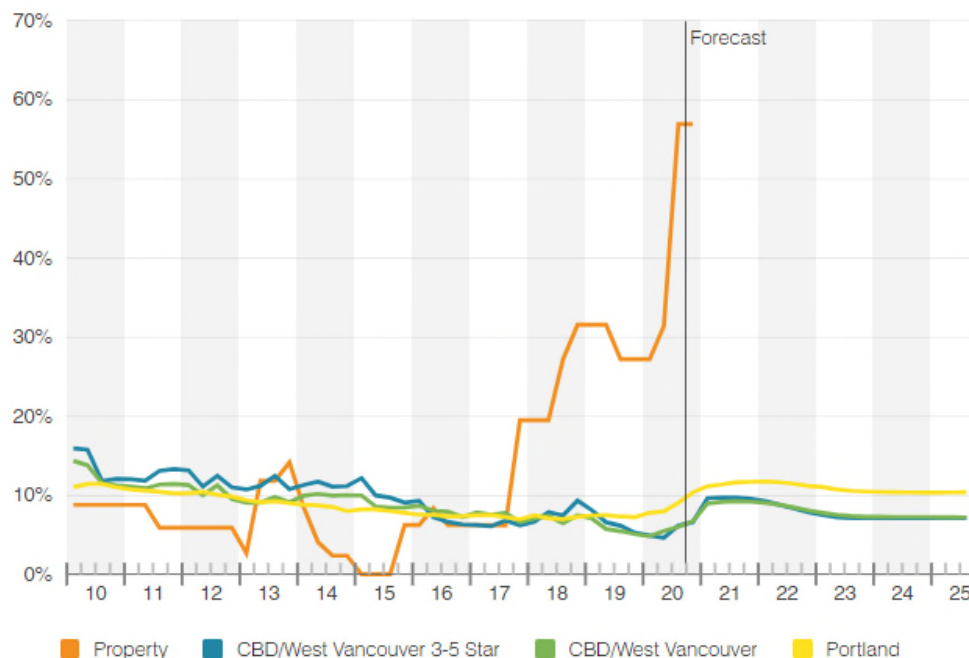
Garages of significance include The Bank of America Financial Center with 100 subterranean spaces managed by Starpark and the MJ Murdock Executive Plaza garage with approximately 500 spaces, managed by City Center Parking. Both of these garages are also unique in that they are the only garages in downtown Vancouver with on-site attendants. In addition, there is Vancouvercenter Garage with 809 spaces. There is also Main Place, with 203 spaces, and 1220 Main, with 40 spaces. The spaces at these two garages support the adjacent office buildings with no short-term parking available. Garage spaces not owned by the City are estimated to total approximately 850.

DEMAND

Due to the subject's location and hours from 6am to 6 pm, demand is mainly from nearby office users. The subject was developed as part of the mixed-use development adjacent to the north at 500 Broadway. This development is the primary demand generator for the subject. The top two floors are residential condos with parking spaces in the subterranean gated area, which are not a part of this appraisal. Thus, the primary demand driver for the subject is the office space at 500 Broadway and other nearby buildings.

The commercial portion of 500 Broadway consists of roughly 70,500 square feet. The property is 57% vacant. The table below from CoStar shows the property's historical vacancy. As shown, vacancy was generally stabilized until 2018 when it started to increase. High vacancy at this property negatively impacts the subject.

Vacancy Rate



The second largest demand driver for the subject is the office building adjacent to the west. The Hudson at 101 East 6th Street was constructed in 2016 and consists of 48,000 square feet on three floors. This property is leased to multiple tenants and is reported to be near 100% leased currently and over the past three years.

Market participants indicate that parking lots and facilities reach their highest occupancy levels during daily business use, as many office buildings in the downtown submarket do not have ample parking space for all tenants. Secondary traffic results from patrons attending events and tourism. There is also demand from nearby residents for consistent and constant parking.

The subject is in a dense downtown area nearby a high concentration of daytime office users, which drives demand. The subject has a good location adjacent to two large office buildings, and a convenient location at the intersection of I-5 and SR-14. The subject is also a couple blocks east of Esther Short Park, the home of the Vancouver Saturday Market as well as other seasonal events. Both are sources of demand for short-term parking. Another positive attribute of the subject is its direct/connected access to the tower at 500 Broadway.

Parking is available for office uses in several parking garages located throughout the downtown area. The parking lots and garages receive the highest traffic during normal business hours, as their lots are used by patrons who are not provided parking at their business/offices on-site. Per discussions with market participants, parking demand had increased over the past several years as a result of the improving economy and strengthening office fundamentals. This had generally translated into a higher pricing environment and higher revenue potential. As the local economy recovered and the office market strengthened, achievable rates have moved upward. The development of nearby lots has also had a positive impact as it has started to diminish supply. However, the COVID-19 pandemic has negatively impacted 2020 revenues due to shelter-in-place orders and employees working from home in larger amounts.

OFFICE MARKET CONDITIONS

We consider local office market conditions as this is the primary demand driver for the subject. The subject is located in the CBD/West Vancouver submarket.

Key indicators at a glance

	PRIOR QUARTER	CURRENT QUARTER	COMPARISON
Vacancy (%)	5.46%	5.97%	increased 51 Basis Points
Absorption (SF)	-20,230	-15,788	increased 4,442 SF
Quoted Rental Rates (\$/SF/Year)	\$24.50	\$24.31	decreased \$0.19 PSF
Inventory (SF)	3,095,707	3,095,707	no change
Net Deliveries (SF)	0	0	no change
Under Construction (SF)	52,800	52,800	no change
Overall Comparison	52,800 square feet, located on the waterfront, is under construction. No product has delivered recently. Vacancy increased slightly while rental rates decreased slightly over the past quarter due to the impact of the pandemic.		

CBD/WEST VANCOUVER OFFICE MARKET STATISTICS

PERIOD	EXISTING INVENTORY (SF)	VACANCY %	NET ABSORPTION (SF)	NET COMPLETIONS (SF)	UNDER CONST. (SF)	QUOTED RATES (\$/SF/YEAR)
2020 Q3	3,095,707	5.97%	-15,788	0	52,800	\$24.31
2020 Q2	3,095,707	5.46%	-20,230	0	52,800	\$24.50
2020 Q1	3,095,707	4.81%	47,190	41,795	52,800	\$24.09
2019 Q4	3,053,912	5.05%	11,758	0	94,595	\$23.88
2019	3,053,912	5.05%	73,077	0	94,595	\$23.88
2018	3,053,912	7.44%	40,945	72,275	41,795	\$23.04
2017	2,981,637	6.57%	16,229	-3,158	74,975	\$22.55
2016	2,984,795	7.22%	80,369	48,000	0	\$21.62
2015	2,936,795	8.44%	45,596	0	48,000	\$20.35
2014	2,936,795	9.99%	-25,586	0	0	\$19.80
2013	2,936,795	9.12%	11,201	0	0	\$19.31
2012	2,936,795	9.50%	73,326	20,000	0	\$19.49
2011	2,916,795	11.39%	-5,820	0	20,000	\$19.17

The CBD/West Vancouver Office market ended the third quarter with a vacancy rate of 5.97%. The vacancy rate increased over the previous quarter, with net absorption totaling -15,788 square feet in the third quarter. Rental rates decreased compared to the previous quarter, ending third quarter at \$24.31.

PARKING MARKET CONCLUSIONS

The subject's competitive area consists of covered parking garage facilities and surface parking lots in the downtown Vancouver submarket. The dynamics of parking in downtown Vancouver generally reflect a steady demand for nearby residents and daytime office users, as well as for nearby retail, civic and entertainment uses. However, office demand is the primary driver for the subject considering its location adjacent to two office buildings and its 6am to 6 pm hours (not overnight, which is required for residents).

The fee parking market in downtown Vancouver has been stable. The national parking data provided previously suggest that parking is and will continue to be in tight supply in central business districts throughout the country. However, the COVID-19 pandemic has created near-term uncertainty and has resulted in a decline in parking revenues for 2020. Many of the city-owned facilities operate below capacity due to phased construction that has not yet been completed. The business is not immune to economic downturns, but is resilient and offers reasonably strong inflation protection.

Availability of parking in Vancouver is rated as "good" and parking rates have increased over the past few years. The subject is one of two city-owned garages that feature short-term parking. The other is Vancouvercenter with 140 of these spaces.

The subject has a good location adjacent to two large office buildings, and a convenient location at the intersection of I-5 and SR-14. The subject is also a couple blocks east of Esther Short Park, the home of the Vancouver Saturday Market as well as other seasonal events. Both are sources of demand for short-term parking. Another positive attribute of the subject is its direct/connected access to the tower at 500 Broadway.

PARKING RATES

A survey of representative parking facilities is summarized in the following table.

PARKING GARAGE RENT SURVEY			
	Facility	Address	Monthly Rate Reserved
1	Murdock Plaza	E 8th St. & C St.	\$120
2	Smith Tower	5th & Washington	\$75
3	Academy	E Evergreen Blvd & C St.	\$85 \$125
4	Park & Go	W 6th & Columbia	\$110
5	Broadway lot	11th & Broadway	\$90
6	City Hall	6th & Esther	\$90
7	Evergreen Lot	Evergreen & Broadway	\$90
8	805 Broadway	805 Broadway	\$125 \$155
9	Main Place Building	1111 Main Street	\$125
	Minimum		\$75 \$125
	Maximum		\$125 \$155
	Average		\$101 \$140
	SUBJECT		\$125 \$167

The subject's demand stems primarily from nearby office users. The subject includes unreserved and reserved spaces. The garage is professionally managed, and rates are at market. The garage is open from 6 am to 6 pm. Based on the subject's location and connectivity to 500 Broadway, the subject's current rates at the high end of the range for downtown Vancouver is reasonable.

Parking rates have continued to increase over the past few years as the local economy burgeoned. Demand has grown and supply has decreased. Parking demand is anticipated to be stable in the near-term and increase in the

mid-to-long term. Demand for parking will ultimately mirror multifamily and office fundamentals, as this represents the primary demand driver within the submarket.

The monthly rate at the subject last increased in August 2019. The previous rate was \$98/monthly and \$145/reserved. In 2018 the monthly rate was \$88 (\$135/reserved). This further supports the assertion that parking rates have been increasing over the past several years.

Overall, the subject's current rates are strongly supported by the previous data. However, in the near-term, parking rates are generally anticipated to stabilize due to the current economic uncertainty.

PANDEMIC – COVID-19 IMPACT

Office Market

Current market conditions reflect abnormal market volatility due to the ongoing health crisis. As noted, while there is some demand from residential, retail and tourism users, demand for parking at the subject will largely mirror office fundamentals, as this represents the primary demand driver for the subject. It is noted that the COVID-19 crisis will likely impact the growth of this market in the near-term; however, in the Portland MSA, the mid-to-long term view of market participants is generally optimistic and most expect conditions to return to current levels relatively soon after the shelter-in-place ordinance has ended. However, in the short-term, investors are expecting the following:

- Vacancy to stabilize and/or increase
- Rental rates to stabilize and/or decrease
- Increases in credit loss
- Extended lease-up periods
- More concessions on new leases and rent relief for struggling tenants

Looking forward, the Vancouver and greater Portland MSA office markets are expected to weather the current health crisis and the associated economic impact better than most other real estate sectors and markets. This is due in part to the significant supply constraints and historically good demand for office space in the area.

In summary, despite the significant uncertainty in the current market, the mid- to long-term outlook for the office market remains positive, particularly for those projects leased to credit tenants and/or those occupied by tenants providing essential goods and services and those in the e-commerce sector. And while the current shelter-in-place mandate will almost certainly delay projects under construction or in advanced pre-construction, and the absorption period will be extended for projects currently in lease-up, the overall impact on office development is likely to be less pronounced as demand for office space is projected to remain strong, particularly in supply constrained markets like the subject's Vancouver and greater Portland MSA markets.

Downtown Vancouver Parking Market

While the current pandemic has impacted parking income in downtown Vancouver, most notably from transient and monthly office users, demand remains high with no near-term additions. The remaining impact of the current health crisis is expected to be relatively short lived for downtown parking garages. Overall, the downtown parking market is expected to weather current conditions well, ultimately having limited impact.

HIGHEST AND BEST USE

INTRODUCTION

The highest and best use is the reasonable, probable, and legal use of vacant land or an improved property that is physically possible, legally permissible, appropriately supported, financially feasible and that results in the highest value. These criteria are often considered sequentially. The tests of legal permissibility and physical possibility must be applied before the remaining tests of financial feasibility and maximal productivity. A financially feasible use is precluded if it is legally prohibited or physically impossible. If a reasonable possibility exists that one of the prior, unacceptable conditions can be changed, is it appropriate to proceed with the analysis with such an assumption.

HIGHEST AND BEST USE CRITERIA

The site's highest and best use is analyzed both as vacant and as improved, and if improvements are proposed then an as proposed analysis is required. In all cases, the property's highest and best use must meet four criteria: (1) legally permissible; (2) physically possible; (3) financially feasible; and (4) maximally productive.

HIGHEST AND BEST USE AS VACANT

LEGALLY PERMISSIBLE

Legal restrictions include deed restrictions, CC&R's, lease encumbrances, zoning requirements, building codes, historic district controls and environmental regulations, and were previously analyzed to determine legally permitted uses. Legally, the subject is zoned CX. Permitted uses include a wide variety of office, retail, commercial and multifamily uses. No other legal restrictions have been identified that would limit development of the property beyond the development standards stipulated by municipal code.

PHYSICALLY POSSIBLE

Size, shape, topography, soil condition, availability of utilities, transportation access, surrounding uses, and locational characteristics were previously analyzed to determine which legal land uses are physically possible and which are best to conform to the physical and locational aspects of the site and its setting with respect to the neighborhood and community. Overall, the physical site attributes result in adequate utility, and the property could be developed with a variety of legally-conforming uses. Given the surrounding uses and location, the site is best suited for commercial and multifamily property uses.

FINANCIALLY FEASIBLE

The financial feasibility of a specific property is market driven, and is influenced by surrounding land uses. Based on the subject's specific location and physical characteristics, development of the site with a multifamily use which is complimentary to the surrounding land uses would represent the most likely financially feasible option under stabilized market conditions. There is also demand for commercial space in the area; however, given the current uncertainty in the market, near-term commercial development is not likely.

MAXIMALLY PRODUCTIVE

The final test of highest and best use of the site as vacant is that the use be maximally productive, yielding the highest return to the land. In order to determine the maximally productive use, a comparison of rental rates, occupancy, operating expenses, and rates of return for the financially feasible uses have been made. Based on this analysis, multifamily use renders the highest residual land value; therefore, multifamily development on the subject's site is the maximally productive use of the subject as vacant.

HIGHEST AND BEST USE As Improved

PHYSICALLY POSSIBLE

The subject is currently improved with a three-level parking garage that conforms to its surrounding uses. Continued use of the improvements for parking garage use is physically possible.

LEGALLY PERMISSIBLE

The subject appears to be a legally nonconforming use in this zoning district.

Aside from zoning regulations, the development of the adjacent Columbia Bank Building requires the garage's operation, and several tenants have rights to use this garage associated with their leases. Change of use might therefore be legally difficult due to those agreements.

In addition, it is our understanding that the subject's parking garage use is intertwined with the original development permits on the property. Again, there may be legal restriction there from any change of use or redevelopment.

FINANCIALLY FEASIBLE

Financial feasibility as an income-producing investment is based on the amount of rental income it can generate net of the required operating expenses. If the resulting net operating income motivates continued operation, then the land is being put to a productive and financially feasible use. The subject is capable of producing positive net cash flow to an investor. The existing improvements provide contributory value to the site, and there is no alternate use that would result in a greater value. Therefore, utilization of the existing improvements is financially feasible.

MAXIMUM PRODUCTIVITY

The maximally productive use should conform to neighborhood trends and be consistent with existing nearby land uses. The single use that produces the greatest return on investment and usually the highest price and value is typically the highest and best use. As shown in the applicable valuation sections, properties like the subject have been acquired and continue to be used for parking garage use. None of the comparable properties were acquired for conversion to an alternative use. This provides evidence suggesting that the current parking garage use is maximally productive.

VALUATION PROCESS

Valuation in the appraisal process generally involves three techniques, including the Cost Approach, Sales Comparison Approach and the Income Capitalization Approach.

These three valuation methods are defined in the following table:

VALUATION METHODS	DEFINITION
Cost Approach	In this approach, value is based on adding the contributing value of any improvements (after deductions for accrued depreciation) to the value of the land as if it were vacant based on its highest and best use. If the interest appraised is other than fee simple, additional adjustments may be necessary for non-realty interest and/or the impact of existing leases or contracts. ¹
Sales Comparison Approach	In this approach, recent sales of similar properties in the marketplace are compared directly to the subject property. This comparison is typically accomplished by extracting "units of comparison", for example, price per square foot, and then analyzing these units of comparison for differences between each comparable and the subject. The reliability of an indication found by this method depends on the quality of the comparable data found in the marketplace.
Income Capitalization Approach	In this approach, a property is viewed through the eyes of a typical investor, whose primary objective is to earn a profit on the investment principally through the receipt of expected income generated from operations and the ultimate resale of the property at the end of a holding period.

VALUATION METHODS UTILIZED

This appraisal employs the Sales Comparison Approach and the Income Capitalization Approach. Based on our analysis and knowledge of the subject property type and relevant investor profiles, it is our opinion that these approaches would be considered applicable and/or necessary for market participants. The subject's age makes it difficult to accurately form an opinion of depreciation and tends to make the Cost Approach unreliable. Investors do not typically rely on the Cost Approach when purchasing a property such as the subject of this report. Therefore, we have not employed the Cost Approach to develop an opinion of market value.

The valuation process is concluded by analyzing each approach to value used in the appraisal. When more than one approach is used, each approach is judged based on its applicability, reliability, and the quantity and quality of its data. A final value opinion is chosen that either corresponds to one of the approaches to value, or is a correlation of all the approaches used in the appraisal.

INCOME CAPITALIZATION APPROACH

GENERAL PROCESS

In the Income Capitalization Approach, the appraiser concludes to a value indication for the subject by converting a projected net operating income into a single present value by using either the direct capitalization or yield capitalization method.

In direct capitalization, the estimated net operating income is divided by a market-driven capitalization rate to provide an indication of value. In yield capitalization, a series of income streams are discounted over a holding period to estimate a present value. The yield capitalization approach is referred to as a discounted cash flow analysis, and is most useful for properties that are not stabilized or expect to have large fluctuations in the income stream over a holding period.

The Income Capitalization Approach to value requires the following sequential steps:

Estimate Economic Gross Income	Estimate the economic gross income for the subject's space based on existing leases and market data.
Estimate Effective Gross Income	Estimate a proper vacancy and credit loss for the subject's market, then deduct this rent loss from the estimated economic gross income to arrive at an effective gross income.
Estimate the Net Operating Income	Calculate the net operating income by deducting the estimated operating expenses (fixed and variable) and a provision for replacement of short-lived building components from the estimated effective gross income.
Value Indication	Convert the net operating income into a value indication by using a market-derived capitalization rate in the case of direct capitalization and/or a market-derived discount rate in the yield capitalization analysis (discounted cash flow analysis). The yield capitalization approach also forecasts the anticipated future income streams and estimates a reversion price at the end of a presumed holding period. These future income streams are then discounted to a present value using a market-extracted discount rate based on investor expectations based on the risks associated with a property.

Given the economic characteristics of the property, as well as typical behavior of investors in this property type, we use only direct capitalization.

MARKET RENT

Vancouver is rated "fair" to "average" as a market for parking lots, with ample parking and recent upward pressure on parking rates. Demand is low compared to many metropolitan areas, partly due to good public transportation and a population that embraces alternatives to the car. In general, there are enough parking lots and garages to meet demand.

Rates for surface parking are slightly lower than superior interior parking. The subject parking garage is more attractive than most of its immediate competition with good weather protection and modern construction.

RENT ANALYSIS - PARKING GARAGE

Comparables pertinent to the subject's parking garage space is summarized in the table that follows.

PARKING GARAGE RENT SURVEY				
	Facility	Address	Monthly Rate	Reserved
1	Murdock Plaza	E 8th St. & C St.	\$120	
2	Smith Tower	5th & Washington	\$75	
3	Academy	E EvergreenBlvd & C St.	\$85	\$125
4	Park & Go	W 6th & Columbia	\$110	
5	Broadway lot	11th & Broadway	\$90	
6	City Hall	6th & Esther	\$90	
7	Evergreen Lot	Evergreen & Broadway	\$90	
8	805 Broadway	805 Broadway	\$125	\$155
9	Main Place Building	1111 Main Street	\$125	
Minimum			\$75	\$125
Maximum			\$125	\$155
Average			\$101	\$140
SUBJECT			\$125	\$167

The subject's demand stems primarily from nearby office users. The subject includes unreserved and reserved spaces. The garage is professionally managed, and rates are at market. The garage is open from 6 am to 6 pm. Based on the subject's location and connectivity to 500 Broadway, the subject's current rates at the high end of the range for downtown Vancouver is reasonable.

Parking rates have continued to increase over the past few years as the local economy burgeoned. Demand has grown and supply has decreased. Parking demand is anticipated to be stable in the near-term and increase in the mid-to-long term. Demand for parking will ultimately mirror multifamily and office fundamentals, as this represents the primary demand driver within the submarket.

The monthly rate at the subject last increased in August 2019. The previous rate was \$98/monthly and \$145/reserved. In 2018 the monthly rate was \$88 (\$135/reserved). This further supports the assertion that parking rates have been increasing over the past several years.

Overall, the subject's monthly rates are strongly supported by the previous data. However, in the near-term, parking rates are generally anticipated to stabilize due to the current economic uncertainty.

Short-Term Meters: As discussed, the short-term meters are operated by the City of Vancouver. Rates are consistent throughout downtown at \$0.50 per hour. The subject garage is a maximum of five hours. The subject's short-term rates are market-oriented and a private owner would likely retain the same rates in order to remain competitive with the City's supply.

In general, the existing subject rental structure is consistent with the market rates and represents market rent. After several years of parking rate increases, there are no current plans to increase rates in the near future at the subject. Parking revenue will therefore be based on the existing revenues being generated at the subject.

SUBJECT OPERATIONS

The subject consists of 233 striped parking spaces. The 233 parking stalls consists of 226 compact and standard stalls, 5 ADA stalls, and 2 motorcycle stalls. The City of Vancouver owns the garage and operates the short-term metered stalls.

The monthly stalls are licensed to Broadway Investors, which owns the adjacent mixed-use building to the north at 500 Broadway. It is noted that under the current license Broadway Investors owes the City a rent per stall; however, no consideration is given to this as this liability will cease to exist upon the sale of the property. Broadway Investors has entered into a Service Agreement with City Center Parking to operate the monthly stalls. The License Agreement and Service Agreement can be terminated by either party with 30 days notice. There are no other leases, other than short-term parking agreements with individuals and companies, at the property. There are no income restrictions and ownership is free to charge market rates.

Just prior to the pandemic, the 233 parking stalls consisted of 181 monthly, 5 ADA stalls, and 47 short-term metered (90 minute to 5 hours). Were the purchase option to be exercised, the City of Vancouver requires that at least 25 stalls are retained for short-term metered, public parking. Therefore, the maximum monthly stalls available would be 208. While the subject's monthly spaces earn more revenue per stall compared to the short-term metered stalls, some amount of short-term parking options are desirable for a private owner due to the subject's downtown location and proximity to Esther Park, surrounding retail and companies that rely on short-term visitors. In addition, the short-term spaces are desirable for office/commercial business visitors to adjacent properties. Therefore, the requirement to have at least 25 stalls available for short-term, public parkers is not considered a material detriment.

INCOME

Income is earned from (1) monthly parkers and (2) transient (short-term meters) parkers. We first project monthly income, followed by transient income.

POTENTIAL GROSS RENT - MONTHLY PARKING

The property is subject to an agreement with City Center Parking on a month-to-month basis to manage the subject's monthly stalls. City Center Parking operates the monthly stalls and collects revenue from monthly users.

The table below shows gross and net revenue from City Center Parking's operations from 2017 to year-to-date 2020 (through October 2020), which is annualized.

HISTORICAL AND PROJECTED REVENUE - MONTHLY PARKING					
	2017	2018	2019	10 Months Annualized 2020	BBG Projection
Gross Monthly Parking Income (prior to parking tax)	\$191,333	\$226,472	\$263,745	\$264,485	\$321,379
less Parking Tax (6.15%)	-\$11,767	-\$13,928	-\$16,220	-\$16,266	-\$19,765
Monthly Parking Income	\$179,566	\$212,544	\$247,525	\$248,219	\$301,614
less Credit Card Fees	-\$3,708	-\$4,633	-\$6,439	-\$8,922	-\$7,540
Net Monthly Parking Income	\$175,858	\$207,911	\$241,086	\$239,297	\$294,074
Year-Over-Year Change		18.2%	16.0%	-0.7%	22.9%

As shown, parking income increased dramatically over the past couple years up until the pandemic due to rising parking rates in downtown Vancouver.

It is noted that the reported Monthly Parking Income from City Center Parking is less parking taxes. The parking tax on gross income is 7.75%; however, this only applies to unreserved spaces. For reserved spaces, the respective tax code specifies the tax does not need to be paid if the spot is for 30 days or more and is an exclusive space. Based on recent historical operations (from the rent rolls provided), taxes paid by City Center Parking on gross income average

6.15%, which is utilized herein to calculate gross income. Therefore, the gross income figure is calculated by taking the reported Monthly Parking Income divided by .9385 ($1 - .0615 = .9385$).

We received monthly parking rent rolls from November 2019 through October 2020. The number of monthly parkers for each of these periods is shown below:

HISTORICAL OCCUPANCY & NET INCOME		
Period	Monthly Parkers	Net Income
Nov-19	184	\$22,123
Dec-19	183	\$21,848
Jan-20	185	\$22,204
Feb-20	185	\$22,039
Mar-20	184	\$21,989
Apr-20	180	\$21,394
May-20	176	\$20,465
Jun-20	176	\$20,881
Jul-20	162	\$19,381
Aug-20	143	\$16,942
Sep-20	146	\$17,061
Oct-20	145	\$17,059

As shown, monthly occupancy has been decreasing as a result of the pandemic.

As noted, parking rates were increased materially in August 2019. Based on the figures provided, the average monthly net income from August 2019 through February 2020 (prior to the pandemic) was \$22,350.

Net income from March 2020 through June 2020 was relatively consistent and averaged \$21,182. However, net income has dipped more dramatically in recent months from July through October 2020, averaging \$17,611 per month, which corresponds with the drop in occupancy shown in the table above.

Projection of Stabilized Monthly Income

The monthly parking stalls prior to the pandemic were essentially fully leased, averaging around 184 monthly parkers. Our stabilized monthly parking income projection places primary support on the historical operations prior to the pandemic.

As noted, parking rates were increased materially in August 2019. Therefore, primary consideration is given to data from this point on. Based on the rent rolls, the average monthly net income from August 2019 through February 2020 (prior to the pandemic) was \$22,350. **Utilizing this figure and 6.15% for parking taxes, gross income is estimated at \$285,775 ($\$22,350 \times 12 / .9385$).** Gross income equates to \$129 per stall.

In addition, and as previously discussed, **the amount of spaces available for monthly parking will increase to 208 upon the sale of property. Therefore, an additional 24 monthly spaces will become available upon purchase by a private investor (208 new monthly spaces minus the old average of 184 monthly spaces).**

Due to its location, monthly parking is more value than transient income. Therefore, the typical private owner would maximize the number of monthly parkers. Considering that the monthly parking spaces had been fully leased with a waitlist prior to the pandemic, even while the adjacent office building (500 Broadway) had significant vacancy, it is reasonable to assume that most of the additional parking spaces could be leased under stabilized market conditions and lease-up of 500 Broadway. **For purposes of this analysis, we assume that 23 of the additional 24 spaces will be leased to monthly users, which accounts for some typical downtime and rollover. Gross income for these 23 spaces**

is estimate at \$129 per stall, consistent with the other monthly spaces. Therefore, the additional gross income is estimated at \$35,604 ($\$129/\text{stall} * 23 \text{ new stalls} * 12 \text{ months}$).

Therefore, stabilized gross income is estimated at \$321,379 (\$285,775 + \$35,604), or roughly \$129 per stall. Parking taxes are estimated at 6.15%. Credit card fees are projected at 2.5%, consistent with historical operations. **Net Monthly Parking Income therefore equates to \$294,074.**

COVID-19 Impact

The previous projection is prior to considering the impact of COVID-19. The table below, which was also shown previously, summarizes the decline in *net income*, as reported by City Center Parking.

HISTORICAL OCCUPANCY & NET INCOME		
Period	Monthly Parkers	Net Income
Nov-19	184	\$22,123
Dec-19	183	\$21,848
Jan-20	185	\$22,204
Feb-20	185	\$22,039
Mar-20	184	\$21,989
Apr-20	180	\$21,394
May-20	176	\$20,465
Jun-20	176	\$20,881
Jul-20	162	\$19,381
Aug-20	143	\$16,942
Sep-20	146	\$17,061
Oct-20	145	\$17,059

Net income over the past three months has been roughly 25% below the average net income from August 2019 through February 2020 (prior to the pandemic) at \$22,350, as previously discussed.

Parking income is expected to return to more normalized levels as the restrictions are eased and most notably when vaccines are launched and become more readily available, which is projected to be by mid-2021. We also consider a 12 to 18-month lease-up period for the adjacent office building at 500 Broadway, as this is the primary demand driver for the subject.

As such, it is judgmentally concluded that net monthly parking income will decrease by 25% for the first six months of 2021, then decrease by 15% for the next six months, then returning to stabilized operations by January 1, 2022. Therefore, a lump sum Monthly Parking adjustment of -\$58,815 is applied to the stabilized value conclusion to follow. The adjustment applies to the net income as this represents the income received by a private investor.

POTENTIAL GROSS RENT – TRANSIENT (SHORT-TERM METER) PARKING

The City of Vancouver owns the garage and operates the short-term metered stalls. The table below summarizes historical income as reported by the City.

HISTORICAL AND PROJECTED REVENUE - TRANSIENT (SHORT-TERM) PARKING						
	2016	2017	2018	2019	10 Months Annualized 2020	BBG Projection
Gross Parking Revenue	\$22,683	\$25,467	\$31,723	\$24,362	\$9,102	\$26,000
less Parking Tax (7.75%)	n/a	n/a	n/a	n/a	n/a	-\$2,015
Transient Parking Income	\$22,683	\$25,467	\$31,723	\$24,362	\$9,102	\$23,985
less Credit Card Fees	\$0	\$0	\$0	\$0	\$0	-\$600
Net Transient Parking Income	\$22,683	\$25,467	\$31,723	\$24,362	\$9,102	\$23,385
Year-Over-Year Change		12.3%	24.6%	-23.2%	-71.3%	156.9%

Transient income has been dramatically reduced at the subject and CBD parking garages nationwide as a result of the pandemic. Primary reliance is placed on the figures from 2016 through 2019, which averaged roughly \$26,000. We also consider that upon sale the number of metered stalls will be decreasing from 47 to 25; however, transient demand is not high at the subject location and this decrease is not expected to have a material impact on transient income potential.

Overall, gross transient income is estimated at \$26,000. A private investor would incur the 7.75% parking tax. In addition, a private investor would install a credit card option at the meters and most payments would be received by credit card. Thus, the same 2.5% credit card fee is applied. **Stabilized Net Transient Parking Income therefore equates to \$23,385.**

COVID-19 Impact

The previous projection is prior to considering the impact of COVID-19. We did not receive detailed monthly statements from the City. Based on discussions with market participants and review of transient income figures during the pandemic at other CBD parking garages on the West Coast, it is judgmentally concluded that net transient parking income will decrease by 75% for the first six months of 2021, then decrease by 30% for the next six months, then returning to stabilized operations by January 1, 2022. **Therefore, a lump sum Transient Parking adjustment of -\$12,277 is applied to the stabilized value conclusion to follow.**

VACANCY AND COLLECTION LOSS

Recognizing that the subject projections and comparable properties inherently account for rent loss due to less than full capacity, no additional vacancy and collection loss is applied.

EXPENSES

The property is subject to an agreement with City Center Parking on a month-to-month basis to manage the subject's monthly stalls.

City Center Parking operates the monthly stalls and collects revenue from monthly users. From this revenue, City Center Parking subtracts its operating expenses, which includes: general/administrative, supervision, business taxes, liability insurance premiums, supplies & services, employee payroll and a management fee. City Center's operating expenses do not include general/administrative and management costs incurred by the City and Broadway Investors, which are also considered herein. In addition, it is noted that real estate taxes, building insurance, utilities, janitorial, and repairs/maintenance are the responsibility of the City of Vancouver, and are typical expenses that a private owner would incur.

We were provided with historical operating data for 2017-2019 and through the first 10 months of 2020, which was annualized. The operating data received was from the City of Vancouver and City Center Parking. This data is summarized below.

HISTORICAL OPERATING EXPENSE ANALYSIS								
	2018		2019		2020		Annualized 2020	
	Total	per Space	Total	per Space	Total	per Space	Total	per Space
EXPENSES								
Real Estate Taxes	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Insurance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
CAM	\$72,186	\$310	\$43,746	\$188	\$36,767	\$158	\$38,359	\$165
Administrative & General	\$9,351	\$40	\$9,508	\$41	\$10,542	\$45	\$10,663	\$46
Management	\$9,300	\$40	\$9,300	\$40	\$9,300	\$40	\$9,300	\$40
Replacement Reserves	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL EXPENSES	\$90,837	\$390	\$62,554	\$268	\$56,609	\$243	\$58,322	\$250

As noted, the expenses above do not include some general/administrative and management costs incurred by the City and Broadway Investors. **In addition, the City has not historically paid real estate taxes, which a private investor would incur. Lastly, the historical statements do not include property insurance. All of these additional expenses are considered in our estimate of operating expenses.**

COMPARABLE EXPENSE DATA

As additional support for our expense projections, we also consider expense comparables as summarized below.

COMPARABLE EXPENSE DATA						
COMP DATA						
Type	Comp 1	Comp 2	Comp 3	Comp 4	Comp 5	Comp 6
	Parking Garage	Parking Garage	Parking Garage	Parking Garage	Parking Garage	Parking Garage
Parking Spaces	410	330	528	250	316	143
Operating Data Type	Budget	Actual	Actual	Budget	Actual	Actual
PER SPACE						
	2020	2017	2018	2020	2020	2019
Effective Gross Income (EGI)	\$2,452	\$4,144	\$3,175	\$4,561	\$4,974	\$3,423
Real Estate Taxes	\$0	\$406	\$450	\$431	\$415	\$0
Insurance	\$0	\$0	\$21	\$125	\$44	\$0
CAM	\$55	\$0	\$216	\$153	\$184	\$552
Administrative & General	\$139	\$347	\$212	\$23	\$287	\$480
Management	\$35	\$0	\$60	\$0	\$0	\$113
Replacement Reserves	\$0	\$0	\$0	\$0	\$0	\$0
Total Expenses	\$229	\$753	\$959	\$732	\$930	\$1,145
Excluding Taxes	\$229	\$347	\$509	\$301	\$515	\$1,145
% OF NET INCOME						
Real Estate Taxes	0.0%	9.8%	14.2%	9.4%	8.3%	0.0%
Insurance	0.0%	0.0%	0.7%	2.7%	0.9%	0.0%
CAM	2.2%	0.0%	6.8%	3.4%	3.7%	16.1%
Administrative & General	5.7%	8.4%	6.7%	0.5%	5.8%	14.0%
Management	1.4%	0.0%	1.9%	0.0%	0.0%	3.3%
Replacement Reserves	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
% of EGI	9.3%	18.2%	30.2%	16.0%	18.7%	33.5%
Excluding Taxes	9.3%	8.4%	16.0%	6.6%	10.4%	33.5%

Like most parking garages, the comparables above reflect a variety of operating agreements, which dictate who is responsible for each expense. Due to the categorizing of expenses, primary reliance is placed on the total expense per stall as well as the percentage of net income. However, primary reliance is placed on the subject's historical operations as several expense items at the comparable properties ultimately could not be confirmed.

OPERATING EXPENSE ANALYSIS AND PROJECTIONS

The expense projections are discussed and analyzed below.

OPERATING EXPENSE COMPARISON AND CONCLUSION					
Expense Item	2018	2019	2020	Annualized 2020	BBG Forecast
Real Estate Taxes	\$0	\$0	\$0	\$0	\$114
	\$0	\$0	\$0	\$0	\$26,599
Insurance	\$0	\$0	\$0	\$0	\$86
	\$0	\$0	\$0	\$0	\$20,000
CAM	\$310	\$188	\$158	\$165	\$205
	\$72,186	\$43,746	\$36,767	\$38,359	\$47,765
Administrative & General	\$40	\$41	\$45	\$46	\$45
	\$9,351	\$9,508	\$10,542	\$10,663	\$10,485
Management	\$40	\$40	\$40	\$40	\$54
	\$9,300	\$9,300	\$9,300	\$9,300	\$12,698
Replacement Reserves	\$0	\$0	\$0	\$0	\$41
	\$0	\$0	\$0	\$0	\$9,661
Total Operating Expenses Per Stall	\$390	\$268	\$243	\$250	\$546
Total Operating Expenses	\$90,837	\$62,554	\$56,609	\$58,322	\$127,209

COMMENTS

Real Estate Taxes	Taxes were previously concluded in the tax section of this report.
Insurance	This category includes property and casualty insurance that is required or typical at the subject and similar properties. Broadway Investors provided a recent insurance quote of \$20,232, which is utilized herein.
CAM	Common Area Maintenance (CAM) includes a wide variety of expenses including repairs and maintenance, supplies, cleaning, security, grounds and utility expenses. Giving consideration to the comparables, a projection near the subject's historical average is well supported.
Administrative & General	This category includes wages and salaries for the minimal onsite personnel as well support staff and other office-related and miscellaneous expenses. Our projection is well supported by the subject's historical data.
Management	Parking garage management agreements vary depending on the services provided. Furthermore, the structures can also differ, with some agreements based on a flat fee, while others are only a percentage of EGI, with others a mix of the two. However, the most accurate way to compare is as a percentage of EGI. Typical management fees range from 2-5%. The management fee is projected at 4.0% of EGI.
Replacement Reserves	Based on typical broker and lender practices. Estimated at \$0.15 per square foot and considers the subject property type and age.

TOTAL OPERATING EXPENSES

Based on the foregoing, total operating expenses are estimated at \$127,209 or \$546 per space, and 40.1% of EGI. The comparables range from 9.3% - 33.5% of EGI, and \$229 - \$1,145 per stall. However, it is noted that several of the comparables were missing expenses such as taxes, insurance and management, and none included replacement reserves.

Excluding taxes, the comparable range is 6.6% to 33.5%. Projected expenses for the subject, excluding taxes, totals 31.7% of EGI.

Overall, our projection is supported by the subject's historical data and the comparable properties.

CAPITALIZATION RATE SELECTION

A capitalization rate is used to convert net income into an indication of value. Selection of an appropriate capitalization rate considers the future income pattern of the property and investment risk associated with ownership. We consider the following data in selecting a capitalization rate for the subject.

MARKET DERIVED CAPITALIZATION RATE SUMMARY					
No.	Property / Location	Date of Sale	Units	Sale Price Unit	Capitalization Rate
1	SW Salmon Parking Garage, Portland, OR	Nov-19	470	\$52,128	n/a
2	Webster Garage, Oakland, CA	Mar-19	693	\$25,541	5.60%
3	Pearl Garage - 1111 NW Davis St., Portland, OR	Aug-18	224	\$67,188	4.20%
4	Butler Garage, Seattle, WA	Dec-17	451	\$68,182	5.00%
5	The 88, San Jose, CA	Mar-16	339	\$10,547	6.27%
Supplemental Comps		Mar-16		\$31	
S1	711 Elm Street, Dallas, TX	Apr-18	137	\$27,007	5.00%
S2	Illinois St. Garage, Chicago, IL	Feb-20	1154	\$28,596	7.50%
S3	Sansome Garage, San Francisco, CA	Dec-19	180	\$72,361	4.20%
Low					4.20%
High					7.50%
Median					5.00%
Average					5.40%
Appraiser's Concluded Range					6.00% - 7.00%

The sales above indicate a wide range of capitalization rates from 4.20% - 7.50%, and average 5.40%. The median capitalization rate is 5.00%. It is noted that capitalization rates have declined since the older sales occurred. However, the subject's secondary downtown Vancouver location is inferior to all comparables. Overall, the comparables would suggest a cap rate between 6.00% and 7.00% for the subject, which is toward the high end of the comparable range.

INVESTOR SURVEYS

While dated, the following table illustrates a parking garage-specific investor survey. As confirmed with the source of the survey, this is the most recent published. Multiple attempts to locate more recent survey data was unsuccessful.

Parking Facility Capitalization Rates ¹		
	Seller	Buyer
National		
Range (%) ²	4.5 - 10.0	5.0 - 10.0
Average (%) ²	6.3	7.0
West Region		
Range (%) ²	4.5 - 8.5	5.0 - 9.0
Average (%) ²	6.4	6.9
Midwest Region		
Range (%) ²	5.0 - 10.0	5.5 - 10.0
Average (%) ²	6.7	7.2
South Region		
Range (%) ²	4.5 - 8.0	5.0 - 10.0
Average (%) ²	6.0	6.9
East Region		
Range (%) ²	5.0 - 8.0	5.0 - 10.0
Average (%) ²	6.1	6.9
¹ This survey was conducted in first half 2016 and reflects estimated capitalization rates for this period. ² Ranges and other data reflect the central tendencies of respondents: unusually high and low responses have been eliminated. Sources: Situs RERC, JNL Parking, Parking Property Advisors, 1H 2016.		

While recognizing that this data is several years old, it is noted that the survey data for the West Region indicates a range of 4.5% to 8.5%, with an average of 6.4%. Recognizing that market conditions have only improved since the time of this survey, the same survey today would likely suggest lower rates.

Given the subject's secondary downtown location in Vancouver, Washington, and considering the ongoing COVID-19 health crisis and current occupancy levels of nearby office buildings, in particular 500 Broadway, a cap rate in the middle of the range is reasonable for the subject.

VALUE INDICATION FROM DIRECT CAPITALIZATION

Following is a summary of the income and expense projections for the subject which is a summation of the preceding analysis.

PRO FORMA		FY 2021	
Income		\$	Per Stall
Monthly Parking Revenue		\$294,074	\$1,262
Transient Parking Revenue		\$23,385	\$100
Total Potential Gross Income		\$317,459	\$1,362
Less Vacancy and Collection Loss	0%	\$0	\$0
Effective Gross Income (EGI)		\$317,459	\$1,362
Expenses			
Real Estate Taxes		\$26,599	\$114
Insurance		\$20,000	\$86
CAM		\$47,765	\$205
Administrative & General		\$10,485	\$45
Management	4.0%	\$12,698	\$54
Replacement Reserves		\$9,661	\$41
Total Expenses	40.1%	\$127,209	\$546
NET OPERATING INCOME (NOI)		\$190,251	\$817

An opinion of market value is indicated by the Direct Capitalization Method by dividing the net operating income (NOI), derived earlier in this section by the appropriate capitalization rate. Our conclusion via the Direct Capitalization Method is as follows. As previously noted, lump sum deductions for the near-term impact of COVID-19 are applied. In addition, planned capital expenditures are also deducted to reach the As Is value.

DIRECT CAPITALIZATION METHOD VALUE CONCLUSION - AS IS		
NET OPERATING INCOME	\$190,251	\$817
Sensitivity Analysis (0.25% OAR Spread)	Value	\$/Stall
Based on Low-Range of 6.25%	\$3,044,011	\$13,064
Based on Most Probable Rate of 6.50%	\$2,926,934	\$12,562
Based on High-Range of 6.75%	\$2,818,529	\$12,097
Indicated Stabilized Value	\$2,926,934	
less Capital Expenditures/Deferred Maintenance	(320,000)	
less Near-Term Monthly Income loss	(58,815)	
less Near-Term Transient Income loss	(12,277)	
Indicated As Is Value	\$2,535,842	\$10,883
Rounded to nearest \$10,000	\$2,540,000	\$10,901

SALES COMPARISON APPROACH

METHODOLOGY

In the Sales Comparison Approach, we developed an opinion of value by comparing similar, recently sold properties in the surrounding or competing area to the subject property. In order to determine the value of the subject property, these comparable sales and/or listings are then evaluated and adjusted based on their differences when compared to the subject property. Inherent in this approach is the principle of substitution, which states that when a property is replaceable in the market, its value tends to be set at the cost of acquiring an equally desirable substitute property, assuming that no costly delay is encountered in making the substitution.

The Sales Comparison Approach to value requires the following sequential steps:

Unit of Comparison	A unit of comparison (i.e. price per square foot, price per dwelling unit) must be selected for comparable analysis of the sales and the subject. The selected unit of comparison must be consistent with market behavior.
Search for Sales	Research must be done to locate comparable sales, listings and contracts of properties that are similar to the subject. Similarities may include property type, size, physical condition, location and the date of the sale.
Confirmation	All sales must be confirmed to verify that the data used is accurate, and that all of the sales, listings or contracts represent arm's-length transactions.
Comparison	Each of the improved sales that are chosen for this valuation is considered generally similar to the subject. Therefore, each difference between the comparables and the subject must be identified, and then adjusted for the various differences. All adjustments are made to the comparables as they relate to the subject property.
Reconciliation	Once all of the comparables have been adjusted, a single-value must be concluded based on the indications produced from the analysis of the comparables.

UNITS OF COMPARISON

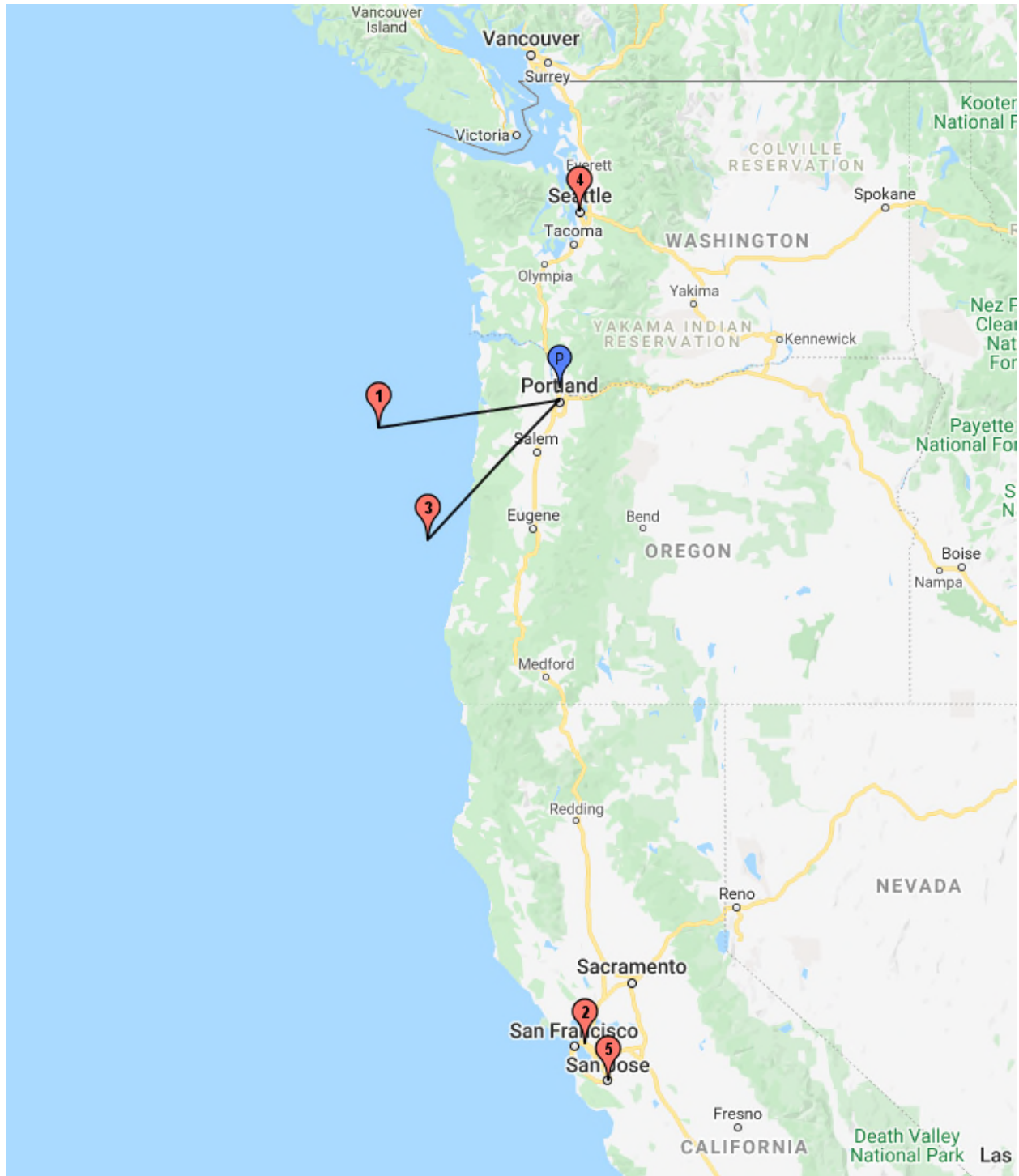
The price per space is utilized in this analysis. This is the unit of comparison most applicable to a commercial parking garage.

COMPARABLE IMPROVED SALES

On the following pages, we present a summary of the improved properties that we compared to the subject property. Note that sales of commercial parking garages occur infrequently, so our search was expanded to a national basis.

SUMMARY OF IMPROVED SALES							
Comp No.	Property / Location	Date of Sale	Transaction Status	Parking Spaces	Sale Price	Sale Price per Stall	Overall Rate
1	SW Salmon Parking Garage 515 Southwest Salmon Street Portland, OR	Nov-19	Closed	470	\$24,500,000	\$52,128	n/a
2	Webster Garage 2353 Webster Street Oakland, CA	Mar-19	Closed	693	\$17,700,000	\$25,541	5.60%
3	Pearl Garage - 1111 NW Davis St. 1111 Northwest Davis Street Portland, OR	Aug-18	Closed	224	\$15,050,000	\$67,188	4.20%
4	Butler Garage 601-611 2nd Avenue Seattle, WA	Dec-17	Closed	451	\$30,750,000	\$68,182	5.00%
5	The 88 88 East San Fernando St. San Jose, CA	Mar-16	Closed	339	\$3,575,000	\$10,546	6.27%
Subj.	Columbia Bank Parking Garage 500 Broadway Street, Parking Garage Condo Vancouver, Washington	-----	-----	233	-----	-----	6.50%

COMMENTS	
1 - Selling broker confirmed this 6-story parking garage sold for \$24.5 million. He was unable to share the cap rate due to an NDA. Since the parking garage is operated primarily by valet with minimal self-park, the stall count was somewhat fluid. During the marketing process the parking ratio was advertised as up to 1.8 / 1,000 SF (per SF of the adjacent office building) with the current valet model. Based on this ratio, the parking count is roughly 470; however, the actual striped parking amount is less and unknown. Based on the maximum valet capacity of 470 cars, the sale price equates to \$52,128 per stall. The ground floor features multiple retail tenants such as Jimmy Johns, Sprint, and Veggie Grill. The parking garage sold in conjunction with the adjacent office property.	
2 - Sale of a parking garage consisting of 693 parking spaces. Part of a multi-building sale that consisted of three Class A office buildings and a parking garage. Parking garage earns most of its income from parking agreements with nearby office users. The garage has not historically operated at max capacity. The allocated price for the this asset was \$17.7 million. Cap rate of roughly 5.6%.	
3 - Property was in contract in 7/2018 and recorded in early August 2018. NOI of \$631,984 uses Fiscal 2018-19 numbers. Operating expenses include 4% management fee but no reserves.	
4 - This is the sale of a 9-story, 451-stall parking garage with 2,900 SF of retail space materially renovated in 2001. Building was not master-leased to a parking garage operator; in-place income resulted in 5% cap rate. Building was in good condition with no deferred maintenance. True buyer is Unico Properties. Buyer also owns the Smith Tower high-rise which is catty-corner from this parking garage. Buyer representative stated that this was a strategic purchase and was at market price. Property reported to be on the market for one month.	
5 - City of San Jose sold The 88 parking garage to MVP REIT, Inc, who plans to master lease the garage to a local parking operator. The previous Safeway grocery validation agreement will not continue after COE, and the buyer was in negotiations to bring the agreement to market. A substantial majority of the property's revenues come from the validation agreement with Safeway. The cap rate is based on Year 1 NOI, with the validation agreement at a market level and taxes reset based on the purchase price.	



SW SALMON PARKING GARAGE



WEBSTER GARAGE



PEARL GARAGE - 1111 NW DAVIS ST.



BUTLER GARAGE



THE 88



COMPARABLE IMPROVED SALES ADJUSTMENT GRID

COMPARABLE SALE SUMMARIES AND ADJUSTMENTS						
	Subject	Comp 1	Comp 2	Comp 3	Comp 4	Comp 5
Property / Location	Columbia Bank Parking Garage 500 Broadway Street, Parking Garage Condo Vancouver, Washington	SW Salmon Parking Garage 515 Southwest Salmon Street Portland, OR	Webster Garage 2353 Webster Street Oakland, CA	Pearl Garage - 1111 NW Davis St. 1111 Northwest Davis Street Portland, OR	Butler Garage 601-611 2nd Avenue Seattle, WA	The 88 88 East San Fernando St. San Jose, CA
Transaction Status	-----	Closed	Closed	Closed	Closed	Closed
Date of Sale	-----	11/5/2019	3/12/2019	8/6/2018	12/1/2017	3/31/2016
Stalls	233	470	693	224	451	339
Sale Price	-----	\$24,500,000	\$17,700,000	\$15,050,000	\$30,750,000	\$3,575,000
Unadjusted Price Per Stall	-----	\$52,128	\$25,541	\$67,188	\$68,182	\$10,546
Transactional Adjustments						
Property Rights Conveyed						
Adjustment		None	None	None	None	None
Financing						
Adjustment		None	None	None	None	None
Terms/Conditions of Sale						
Adjustment		None	None	None	None	None
Expenditures After Sale						
Adjustment		None	None	None	None	None
Market Conditions		Superior	Similar	Inferior	Inferior	Inferior
Adjusted Price per SF (Net)						
Property Adjustments						
Location		Superior	Superior	Superior	Superior	Superior
Property Size (Stalls)		Similar	Similar	Similar	Similar	Similar
Condition		Similar	Similar	Similar	Similar	Similar
Quality		Superior	Similar	Similar	Superior	Similar
Economics / Tenancy		Superior	Similar	Similar	Similar	Similar
Overall Comparison		Superior	Superior	Superior	Superior	Inferior

Given the subjectivity of estimating these various adjustments, the sales comparison approach is provided as a general check of reasonableness for the income approach and qualitative adjustments are considered. The largest impact on value for parking garages is market conditions and location.

As shown, market conditions were superior for Sale 1, similar for Sale 2, and inferior for Sales 3-5. **All comparable sales have superior locations.** Sale 1 features some retail and its quality and tenancy is superior. Sale 1's and 4's aesthetic (quality) is also superior. It is also noted that Sale 1 is valet-only that adds more expense, which was considered in the Economics / Tenancy category.

The income approach, which considers the capital expenditures/deferred maintenance and near-term income loss, indicates a value of \$2.65 million. As illustrated below, an as is value of \$2,640,000 million, after considering these adjustments, results in a value of roughly \$11,330 per stall, which is at the low end of the range of the comparable sales and reasonable considering the subject's secondary location.

Our conclusion via the Sales Comparison Approach is as follows, as previously discussed.

SALES COMPARISON APPROACH VALUE CONCLUSION - AS IS	
Indicated Value per Stall	\$13,000
Stalls	x 233
Indicated Stabilized Value	\$3,029,000
less Capital Expenditures/Deferred Maintenance	(320,000)
less Near-Term Monthly Income loss	(58,815)
less Near-Term Transient Income loss	(12,277)
Indicated As Is Value	\$2,637,908
Rounded to nearest \$10,000	\$2,640,000
Per Stall	\$11,330

RECONCILIATION AND FINAL VALUE

SUMMARY OF VALUE INDICATIONS

The values rendered by the applicable approaches are summarized below.

VALUE INDICATIONS			
As Is as of December 2, 2020			
Sales Comparison Approach	\$2,640,000	\$11,330	Per Parking Space
Income Capitalization Approach			
Direct Capitalization	\$2,540,000	\$10,901	Per Parking Space
Approach Reliance	Direct Capitalization primarily; Sales Comparison secondarily		
Value Conclusion - As Is	\$2,600,000	\$11,159	Per Parking Space
Exposure Time	5-7 months		
Marketing Time	5-7 months		

MARKET VALUE - VALUATION RELIANCE

The Cost Approach is not relevant for valuation of the subject property because purchasers of this type of real estate typically do not consider the cost of constructing a substitute property when making purchase decisions. Furthermore, estimating accrued depreciation is problematic for a property of this age.

The Sales Comparison Approach is primarily used by owner-users in making purchase decisions. It is the secondary approach used by investors. Furthermore, accounting for differences in the comparables relative to the subject is difficult due to differences in location and overall quality and condition of the properties. This problem is exacerbated in this case because none of the comparables are in the subject's submarket. The inability to account accurately for these differences reduces the credibility of the Sales Comparison Approach. For these reasons, the Sales Comparison Approach was developed primarily as support for the Income Approach.

The Income Approach is the valuation method most commonly used by investors in making purchase decisions for properties like the subject and Direct Capitalization is the primary valuation method used by investors in sale transactions of properties similar to the subject. There was good quality data available for development of the appropriate rental and capitalization rates. An investor would likely capitalize the scheduled income for the subject property to derive a value based on a required return on investment. Therefore, the Direct Capitalization method provides the most credible indication of the price an investor would be willing to pay for the subject, and we rely primarily on this approach in our reconciliation.

Overall, a value conclusion in-between both approaches is reasonable.

FINAL OPINION OF VALUE

Based on the inspection of the property and the investigation and the analysis undertaken, we have developed the following value opinion.

MARKET VALUE CONCLUSION(S)			
Appraisal Premise	Interest Appraised	Date of Value	Value Conclusion
Fair Market Value - As Is	Leased Fee	December 2, 2020	\$2,600,000

MARKETING TIME AND EXPOSURE TIME

Exposure time is the amount of marketing time necessary in order for the subject to have sold on the effective date; therefore, exposure time is assumed to precede the current effective date. Marketing period is the amount of marketing time necessary in order for the subject property to sell at a price consistent with the concluded value. Unless a major shift is expected in market conditions, the marketing period will be similar to exposure time.

Based upon our review of comparable data and market trends, we estimate exposure time at 5-7 months. The marketing period is estimated at 5-7 months.

CERTIFICATION

We certify that, to the best of our knowledge and belief:

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are our personal, impartial, and unbiased professional analyses, opinions, and conclusions.
3. We have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved with this assignment.
4. We have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
5. Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
6. Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
7. This appraisal assignment was not based upon a requested minimum valuation, a specific valuation, or the approval of a loan.
8. Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice, as well as the requirements of the state of Washington.
9. The reported analyses, opinions, and Value Indications were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and the Standards of Professional Practice of the Appraisal Institute.
10. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
11. As of the date of this report, Owen Bartels, MAI has completed the continuing education program for Designated Members of the Appraisal Institute.
12. As of the date of this report, Chris Durek has completed the Standards and Ethics Education Requirements for Candidates of the Appraisal Institute.
13. Owen Bartels, MAI has not and Chris Durek has made a personal inspection of the property that is the subject of this report.
14. No one provided significant real property appraisal assistance to the person signing this certification.
15. Owen Bartels, MAI has not and Chris Durek has not provided services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding the agreement to perform this assignment.



Owen Bartels, MAI
WA Certified General Appraiser
License #: 1101723
503-478-1016
obartels@bbgres.com



Chris Durek
WA Certified General Appraiser
License #: 1102517
415-655-1228
cdurek@bbgres.com

STANDARD ASSUMPTIONS AND LIMITING CONDITIONS

This appraisal report has been made with the following general assumptions:

- 1) Notwithstanding that Appraiser may comment on, analyze or assume certain conditions in the appraisal, BBG, Inc. shall have no monetary liability or responsibility for alleged claims or damages pertaining to: (a) title defects, liens or encumbrances affecting the property; (b) the property's compliance with local, state or federal zoning, planning, building, disability access and environmental laws, regulations and standards; (c) building permits and planning approvals for improvements on the property; (d) structural or mechanical soundness or safety; (e) contamination, mold, pollution, storage tanks, animal infestations or other hazardous conditions affecting the property; and (f) other conditions and matters for which licensed real estate appraisers are not customarily deemed to have professional expertise. Accordingly:
 - a) The Appraiser has not conducted any engineering or architectural surveys in connection with this appraisal assignment. Information reported pertaining to dimensions, sizes, and areas is either based on measurements taken by the Appraiser or the Appraiser's staff or was obtained or taken from referenced sources and is considered reliable. The Appraiser and BBG, Inc. shall not be monetarily liable or responsible for or assume the costs of preparation or arrangement of geotechnical engineering, architectural, or other types of studies, surveys, or inspections that require the expertise of a qualified professional.
 - b) Unless otherwise stated in the report, only the real property is considered, so no consideration is given to the value of personal property or equipment located on the premises or the costs of moving or relocating such personal property or equipment. Further, unless otherwise stated, it is assumed that there are no subsurface oil, gas or other mineral deposits or subsurface rights of value involved in this appraisal, whether they are gas, liquid, or solid. Further, unless otherwise stated, it is assumed that there are no rights associated with extraction or exploration of such elements considered. Unless otherwise stated it is also assumed that there are no air or development rights of value that may be transferred.
 - c) Any legal description or plats reported in the appraisal are assumed to be accurate. Any sketches, surveys, plats, photographs, drawings or other exhibits are included only to assist the intended user to better understand and visualize the subject property, the environs, and the competitive data. BBG, Inc. has made no survey of the property and assumes no monetary liability or responsibility in connection with such matters.
 - d) Title is assumed to be good and marketable, and in fee simple, unless otherwise stated in the report. The property is considered to be free and clear of existing liens, easements, restrictions, and encumbrances, except as stated. Further, BBG, Inc. assumes there are no private deed restrictions affecting the property which would limit the use of the subject property in any way.
 - e) The appraisal report is based on the premise that there is full compliance with all applicable federal, state, and local environmental regulations and laws unless otherwise stated in the appraisal report; additionally, that all applicable zoning, building, and use regulations and restrictions of all types have been complied with unless otherwise stated in the appraisal report. Further, it is assumed that all required licenses, consents, permits, or other legislative or administrative authority, local, state, federal and/or private entity or organization have been or can be obtained or renewed for any use considered in the value opinion. Moreover, unless otherwise stated herein, it is assumed that there are no encroachments or violations of any zoning or other regulations affecting the subject property, that the utilization of the land and improvements is within the boundaries or property lines of the property described, and that there are no trespasses or encroachments.
 - f) The American Disabilities Act (ADA) became effective January 26, 1992. The Appraiser has not made a specific compliance survey or analysis of the property to determine whether or not it is in conformity

- with the various detailed requirements of ADA. It is possible that a compliance survey of the property and a detailed analysis of the requirements of the ADA would reveal that the property is not in compliance with one or more of the requirements of the Act. If so, this fact could have a negative impact upon the value of the property. Since the Appraiser has no direct evidence relating to this issue, possible noncompliance with the requirements of ADA was not considered in estimating the value of the property.
- g) No monetary liability or responsibility is assumed for conformity to specific governmental requirements, such as fire, building, safety, earthquake, or occupancy codes, except where specific professional or governmental inspections have been completed and reported in the appraisal report.
 - h) It is assumed the subject property is not adversely affected by the potential of floods; unless otherwise stated herein. Further, it is assumed all water and sewer facilities (existing and proposed) are or will be in good working order and are or will be of sufficient size to adequately serve any proposed buildings.
 - i) Unless otherwise stated within the appraisal report, the depiction of the physical condition of the improvements described therein is based on visual inspection. No monetary liability or responsibility is assumed for (a) the soundness of structural members since no engineering tests were conducted; (b) the condition of mechanical equipment, plumbing, or electrical components, as complete tests were not made; and (c) hidden, unapparent or masked property conditions or characteristics that were not clearly apparent during the Appraiser's inspection.
 - j) If building improvements are present on the site, it is assumed that no significant evidence of termite damage or infestation was observed during physical inspection, unless so stated in the appraisal report. Further, unless so stated in the appraisal report, no termite inspection report was available. No monetary liability or responsibility is assumed for hidden damages or infestation.
 - k) Unless subsoil opinions based upon engineering core borings were furnished, it is assumed there are no subsoil defects present, which would impair development of the land to its maximum permitted use or would render it more or less valuable. No monetary liability or responsibility is assumed for such conditions or for engineering which may be required to discover them.
 - l) BBG, Inc. is not an expert in determining the presence or absence of hazardous substances, defined as all hazardous or toxic materials, wastes, pollutants or contaminants (including, but not limited to, asbestos, PCB, UFFI, or other raw materials or chemicals) used in construction or otherwise present on the property. BBG, Inc. assumes no monetary liability or responsibility for the studies or analyses which would be required to determine the presence or absence of such substances or for loss as a result of the presence of such substances. Appraiser is not qualified to detect such substances. The Client is urged to retain an expert in this field; however, Client retains such expert at Client's own discretion, and any costs and/or expenses associated with such retention are the responsibility of Client.
 - m) BBG, Inc. is not an expert in determining the habitat for protected or endangered species, including, but not limited to, animal or plant life (such as bald eagles, gophers, tortoises, etc.) that may be present on the property. BBG, Inc. assumes no monetary liability or responsibility for the studies or analyses which would be required to determine the presence or absence of such species or for loss as a result of the presence of such species. The Appraiser hereby reserves the right to alter, amend, revise, or rescind any of the value opinions contained within the appraisal report based upon any subsequent endangered species impact studies, research, and investigation that may be provided. However, it is assumed that no environmental impact studies were either requested or made in conjunction with this analysis, unless otherwise stated within the appraisal report.
- 2) If the Client instructions to the Appraiser were to inspect only the exterior of the improvements in the appraisal process, the physical attributes of the property were observed from the street(s) as of the inspection date of the appraisal. Physical characteristics of the property were obtained from tax assessment records, available plans, if any, descriptive information, and interviewing the client and other knowledgeable persons. It is assumed the interior of the subject property is consistent with the exterior conditions as observed and that other information relied upon is accurate.

- 3) If provided, the estimated insurable value is included at the request of the Client and has not been performed by a qualified insurance agent or risk management underwriter. This cost estimate should not be solely relied upon for insurable value purposes. The Appraiser is not familiar with the definition of insurable value from the insurance provider, the local governmental underwriting regulations, or the types of insurance coverage available. These factors can impact cost estimates and are beyond the scope of the intended use of this appraisal. The Appraiser is not a cost expert in cost estimating for insurance purposes.
- 4) The dollar amount of any value opinion herein rendered is based upon the purchasing power and price of the United States Dollar as of the effective date of value. This appraisal is based on market conditions existing as of the date of this appraisal.
- 5) The value opinions reported herein apply to the entire property. Any proration or division of the total into fractional interests will invalidate the value opinions, unless such proration or division of interests is set forth in the report. Any division of the land and improvement values stated herein is applicable only under the program of utilization shown. These separate valuations are invalidated by any other application.
- 6) Any projections of income and expenses, including the reversion at time of resale, are not predictions of the future. Rather, they are BBG, Inc.'s best estimate of current market thinking of what future trends will be. No warranty or representation is made that such projections will materialize. The real estate market is constantly fluctuating and changing. It is not the task of an appraiser to estimate the conditions of a future real estate market, but rather to reflect what the investment community envisions for the future in terms of expectations of growth in rental rates, expenses, and supply and demand. The forecasts, projections, or operating estimates contained herein are based on current market conditions, anticipated short-term supply and demand factors, and a continued stable economy. These forecasts are, therefore, subject to changes with future conditions.
- 7) The Appraiser assumes no monetary liability or responsibility for any changes in economic or physical conditions which occur following the effective date of value within this report that would influence or potentially affect the analyses, opinions, or conclusions in the report. Any subsequent changes are beyond the scope of the report.
- 8) Any proposed or incomplete improvements included in the appraisal report are assumed to be satisfactorily completed in a workmanlike manner or will be thus completed within a reasonable length of time according to plans and specifications submitted.
- 9) If the appraisal report has been prepared in a so-called "public non-disclosure" state, real estate sales prices and other data, such as rents, prices, and financing, are not a matter of public record. If this is such a "non-disclosure" state, although extensive effort has been expended to verify pertinent data with buyers, sellers, brokers, lenders, lessors, lessees, and other sources considered reliable, it has not always been possible to independently verify all significant facts. In these instances, the Appraiser may have relied on verification obtained and reported by appraisers outside of our office. Also, as necessary, assumptions and adjustments have been made based on comparisons and analyses using data in the report and on interviews with market participants. The information furnished by others is believed to be reliable, but no warranty is given for its accuracy.
- 10) Although the Appraiser has made, insofar as is practical, every effort to verify as factual and true all information and data set forth in this report, no responsibility is assumed for the accuracy of any information furnished the Appraiser either by the Client or others. If for any reason, future investigations should prove any data to be in substantial variance with that presented in this report, the Appraiser reserves the right to alter or change any or all analyses, opinions, or conclusions and/or opinions of value.
- 11) The right is reserved by the Appraiser to make adjustments to the analyses, opinions, and conclusions set forth in the appraisal report as may be required by consideration of additional or more reliable data that may become available. No change of this report shall be made by anyone other than the Appraiser. The Appraiser shall have no monetary liability or responsibility for any unauthorized change(s) to the report.
- 12) The submission of the appraisal report constitutes completion of the services authorized and agreed upon. Such appraisal report is submitted on the condition the Client will provide reasonable notice and customary

compensation, including expert witness fees, relating to any subsequent required attendance at conferences, depositions, or judicial or administrative proceedings. In the event the Appraiser is subpoenaed for either an appearance or a request to produce documents, a best effort will be made to notify the Client immediately. The Client has the sole responsibility for obtaining a protective order, providing legal instruction not to appear with the appraisal report and related work files, and will answer all questions pertaining to the assignment, the preparation of the report, and the reasoning used to formulate the opinion of value. Unless paid in whole or in part by the party issuing the subpoena or by another party of interest in the matter, the Client is responsible for all unpaid fees resulting from the appearance or production of documents regardless of who orders the work.



Third-party reports by a true third party.

BBG OVERVIEW

BBG is one of the nation's largest real estate due diligence firms with more than 35 offices across the country serving more than 2,700 clients. We deliver best-in-class valuation, advisory and assessment services with a singular focus of meeting our clients' needs.

Our professional team offers broad industry expertise and deep market knowledge to help clients meet their objectives throughout the real estate life cycle.

BBG clients include commercial real estate professionals, investors, lenders, attorneys, accountants and corporations.

THE BBG DIFFERENCE

National Footprint. BBG is one of only two national firms offering in-house valuation and environmental and property condition assessment services for all commercial property types.

Customer-focused Growth. BBG is one of the largest national due diligence firms because we deliver best-in-class work product and provide excellent customer care.

Qualified Team. Over 50 percent of BBG appraisers are MAI designated and offer deep industry expertise gained through real-world experience.

Unbiased Independence. By focusing exclusively on due diligence services, BBG guarantees an independent perspective free from potential conflicts of interest.

Innovative Technology. BBG has made significant analytics and IT investments to continually improve our data and report quality.

SERVICES

Valuation

- + Single Asset Valuation
- + Portfolio Valuation
- + Institutional Asset Valuation
- + Appraisal Review
- + Appraisal Management
- + Lease and Cost Analysis
- + Insurance Valuation
- + Arbitration & Consulting
- + Feasibility Studies
- + Highest and Best Use Studies
- + Evaluation
- + Investment analysis
- + Tax appeals
- + Litigation Support

Advisory

- + ASC 805 Business combinations
- + ASC 840 Leases
- + Purchase Price Allocations
- + Portfolio Valuations for reporting net asset values (NAV)
- + Public and non-traded REIT valuations
- + Valuations for litigation and litigation support
- + Sale-leaseback valuation analysis
- + Valuations for bankruptcy/fresh start accounting
- + Cost segregation analysis

Assessment

- + Environmental due diligence
- + Property condition consulting
- + Small loan services
- + Energy consulting
- + Environmental consulting
- + Zoning
- + ALTA Surveys



VALUATION



ADVISORY



ASSESSMENT



ZONING

ADDENDA

Letter of Engagement	A
Appraiser Qualifications and Licenses.....	B
Moody's Analytics.....	C
IBIS World Lots and Garages Report	D

LETTER OF ENGAGEMENT



November 13, 2020

Mr. Lance Killian
Chief Visionary Officer
Broadway Investors, c/o Killian Pacific
1615 SE 3rd Avenue, Suite 100
Portland, OR 97214

Phone: 503.746.9171
Email: lance@killianpacific.com

RE: Appraisal Report of Columbia Bank Parking Garage (233 stall parking garage), Main and 6th Streets, Vancouver, WA

Dear Mr. Killian:

We are pleased to submit this proposal and our Terms and Conditions for the Appraisal Report of the above referenced real estate.

PROPOSAL SPECIFICATIONS

Valuation Premise:	Form an opinion of the Fair Market Value As Is
Property Rights Appraised:	Leased Fee Interest
Intended Use:	Asset Valuation relating to exercising a potential purchase option
Intended Users:	Broadway Investors, c/o Killian Pacific and the City of Vancouver
Scope of Work:	All Applicable Approaches, expected to include an income capitalization approach and at least elements of a sales comparison approach to arrive at a capitalization rate conclusion
Appraisal Standards:	Uniform Standards of Professional Appraisal Practice (USPAP), Financial Institution Reform, Recovery, and Enforcement Act (FIRREA), December 2010 Interagency Appraisal and Evaluation Guidelines and Code of Professional Ethics and the Standards of Professional Practice of the Appraisal Institute

PORTLAND

P + 503 478 1000

1220 SW MORRISON
+ STE 800
PORTLAND, OR 97205

BBGRES.COM

VALUATION + ADVISORY + ASSESSMENT + ZONING

Report Type:	Appraisal Report
Report Format:	Narrative
Fee:	\$4,500
Retainer:	None
Payment Terms:	Balance is due and payable upon delivery of the final report or within 30 days of your receipt of our draft report, whichever is sooner. If a draft report is requested, the fee is considered earned upon delivery of our draft report.
Report Copies:	1 Draft PDF and 1 Final PDF
Delivery Date:	4 weeks from acceptance and receipt of critical information
Report Delivery Recipients:	If any other person(s) are authorized to be included on delivery of the report, please include their information in the space below: Name(s): Email(s):
Acceptance Date:	Date of Execution
Property Information Request:	The following list of items will be needed within 2 days in order to meet the above referenced delivery date: [Pick an Entry] Do not provide Personally Identifiable Information (PII) to BBG, Inc. or any of its agents. PII is any piece of information meant to identify a specific individual. This includes data such as a Social Security number, driver's license number and financial account numbers.

The attached Terms and Conditions of the Engagement are deemed part of this Appraisal Services Agreement and are incorporated fully herein by reference and shall apply to any appraisal reports, contract or orders into which they are incorporated. In addition, with respect to any appraisal report, any use of or reliance on the appraisal by any party, regardless of whether the use or reliance is authorized or known by BBG, Inc. and its agents, servants, employees, principals, affiliated companies and all those in privity with them, constitutes acceptance of such Terms and Conditions of the Engagement, as well as acceptance of all other appraisal statements, limiting conditions and assumptions stated in the appraisal report. Use of this appraisal report constitutes acknowledgement and acceptance of the Terms and Conditions of the Engagement, special assumptions (if any), extraordinary assumptions (if any), and hypothetical conditions (if any) on which this estimate of market value is based. This appraisal report has been prepared for the exclusive benefit of the client. It may not be used or relied upon by any other party. Any other party who is not the identified client within this report who uses or relies upon any information in this report does so at their own risk.

November 13, 2020

Page 3 of 7

We appreciate this opportunity to be of service to you on this assignment. If you have additional questions, please contact us.



As Agent for BBG, Inc.

Broadway Investors, LLC

AGREED AND ACCEPTED



Client Signature

11/16/2020

Date

Columbia Bank Parking Garage (233 stall parking garage), Main and 6th Streets, Vancouver, WA

Terms and Limiting Conditions of the Engagement

The Terms and Conditions of the Engagement are deemed part of the attached Proposal Specifications and Appraisal Services Agreement and are incorporated fully therein, and shall apply to any appraisal reports, contract or orders into which they are incorporated.

A) Definitions. In the Terms and Conditions of the Engagement:

1. "BBG, Inc." means BBG, Inc. and its agents, successors, assigns, servants, employees, principals, affiliated companies and all those in privity with them.
2. "Appraiser" means the appraiser(s) performing part or all of the appraisal services and/or signing an appraisal report.
3. "Appraisal Services Agreement" means any written agreement with Client for performance of the appraisal services by Appraiser, including any agreement entered into electronically.
4. "Client" means any party identified expressly as a client in an Appraisal Services Agreement and also any party identified expressly as a client by the Appraiser in an appraisal report.
5. "Appraisal" means the appraisal or consulting report(s) prepared by BBG, Inc.

B) Venue and Jurisdiction

THIS APPRAISAL SERVICES AGREEMENT WILL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE DOMESTIC SUBSTANTIVE LAWS OF THE STATE OF TEXAS, WITHOUT GIVING EFFECT TO ANY CHOICE OR CONFLICT OF LAW PROVISION. IF ANY ACTION RELATING TO THIS APPRAISAL SERVICES AGREEMENT OR THE CONTEMPLATED TRANSACTIONS IS BROUGHT BY A PARTY HERETO AGAINST ANY OTHER PARTY HERETO, THE PREVAILING PARTY IN SUCH ACTION WILL BE ENTITLED TO RECOVER ALL REASONABLE EXPENSES RELATING THERETO (INCLUDING ATTORNEYS' FEES AND EXPENSES) FROM THE NON-PREVAILING PARTY.

Each party to this Appraisal Services Agreement (a) hereby irrevocably submits to the exclusive jurisdiction and venue of the state courts located in Dallas County, Texas (or, if but only if such court lacks jurisdiction, the United States District Court for the Northern District of Texas) for the purpose of any Action between any of the parties hereto arising in whole or in part under or in connection with this Appraisal Services Agreement, any Ancillary Agreement, or the Contemplated Transactions, (b) hereby waives and agrees not to assert any claim that he, she or it is not subject personally to the jurisdiction of the above-named courts or that any such Action brought in the above-named courts should be dismissed on grounds of forum non conveniens. Notwithstanding the foregoing, a party hereto may commence any Action in a court other than the above-named courts solely for the purpose of enforcing an order or judgment issued by the above-named courts.

C) Limitations of Liability

It is expressly agreed that in any action which may be brought against BBG, Inc., arising out of, relating to, or in any way pertaining to this engagement, this Appraisal Services Agreement, this Appraisal, or any information or opinions contained therein, BBG, Inc. shall not be responsible or liable for any incidental or consequential losses, unless the Appraisal was fraudulent or prepared with gross negligence. It is further agreed that the collective liability of BBG, Inc. in any such action shall not exceed the fees paid for the preparation of the respective Appraisal unless the Appraisal was fraudulent or prepared with gross negligence. Finally, it is agreed that the fees charged herein are in reliance upon the foregoing limitations of liability.

Client hereby agrees to indemnify, defend, protect and hold BBG, Inc. harmless from and against all claims, damages, losses and expenses, including attorneys' fees, expenses and costs, incurred upon investigating and defending any claim, action or proceeding arising from, or in any way connected to, relating to, or in any way pertaining to this engagement, this Appraisal Services Agreement, the Appraisal, or any information or opinions contained therein.

Further, you acknowledge that any opinions and conclusions expressed by professionals employed by BBG, Inc. related to the Appraisal are representations made by them as employees and not as individuals. BBG, Inc.'s responsibility is limited to you a Client, and use of BBG, Inc.'s product by third parties shall be solely at the risk of you and/or third parties. BBG, Inc. acknowledges that Client will be the end-user of, and can rely upon, the opinion and conclusions of BBG, Inc. for this Appraisal.

D) Confidentiality

The parties agree that (i) this Appraisal Services Agreement and the terms contained herein, (ii) valuation conclusions, (iii) the identity of the analyst or the firm and any reference to the professional organization of which the appraiser is affiliated or to the designations thereof, and (iv) all information regarding the Site of whatever nature made available to either party by the other (including BBG, Inc.'s final report and all prior drafts of same) and methods of each party revealed during the performance of the Services (altogether, collectively, the "Confidential Information") shall be treated as strictly confidential. Accordingly, neither party nor any employee, agent or affiliate thereof shall disclose the same to any third party without the written consent of other party and approval of Appraiser; provided, however, that, a party shall not hereby be precluded from disclosure of Confidential Information that may be compelled by legal requirements, or from disclosing this Appraisal Services Agreement (and the terms contained

Terms and Limiting Conditions of the Engagement

herein) to its attorneys, accountants, auditors, lenders, and other professionals who may be bound to that party by duties of confidence.

Do not provide Personally Identifiable Information (PII) to BBG, Inc. or any of its agents. PII is any piece of information meant to identify a specific individual. This includes data such as a Social Security number, driver's license number and financial account numbers.

E) General Assumptions and Limiting Conditions

This appraisal report has been made with the following general assumptions:

- 1) Notwithstanding that Appraiser may comment on, analyze or assume certain conditions in the appraisal, BBG, Inc. shall have no monetary liability or responsibility for alleged claims or damages pertaining to: (a) title defects, liens or encumbrances affecting the property; (b) the property's compliance with local, state or federal zoning, planning, building, disability access and environmental laws, regulations and standards; (c) building permits and planning approvals for improvements on the property; (d) structural or mechanical soundness or safety; (e) contamination, mold, pollution, storage tanks, animal infestations or other hazardous conditions affecting the property; and (f) other conditions and matters for which licensed real estate appraisers are not customarily deemed to have professional expertise. Accordingly:
 - a) The Appraiser has not conducted any engineering or architectural surveys in connection with this appraisal assignment. Information reported pertaining to dimensions, sizes, and areas is either based on measurements taken by the Appraiser or the Appraiser's staff or was obtained or taken from referenced sources and is considered reliable. The Appraiser and BBG, Inc. shall not be monetarily liable or responsible for or assume the costs of preparation or arrangement of geotechnical engineering, architectural, or other types of studies, surveys, or inspections that require the expertise of a qualified professional.
 - b) Unless otherwise stated in the report, only the real property is considered, so no consideration is given to the value of personal property or equipment located on the premises or the costs of moving or relocating such personal property or equipment. Further, unless otherwise stated, it is assumed that there are no subsurface oil, gas or other mineral deposits or subsurface rights of value involved in this appraisal, whether they are gas, liquid, or solid. Further, unless otherwise stated, it is assumed that there are no rights associated with extraction or exploration of such elements considered. Unless otherwise stated it is also assumed that there are no air or development rights of value that may be transferred.
 - c) Any legal description or plats reported in the appraisal are assumed to be accurate. Any sketches, surveys, plats, photographs, drawings or other exhibits are included only to assist the intended user to better understand and visualize the subject property, the environs, and the competitive data. BBG, Inc. has made no survey of the property and assumes no monetary liability or responsibility in connection with such matters.
 - d) Title is assumed to be good and marketable, and in fee simple, unless otherwise stated in the report. The property is considered to be free and clear of existing liens, easements, restrictions, and encumbrances, except as stated. Further, BBG, Inc. assumes there are no private deed restrictions affecting the property which would limit the use of the subject property in any way.
 - e) The appraisal report is based on the premise that there is full compliance with all applicable federal, state, and local environmental regulations and laws unless otherwise stated in the appraisal report; additionally, that all applicable zoning, building, and use regulations and restrictions of all types have been complied with unless otherwise stated in the appraisal report. Further, it is assumed that all required licenses, consents, permits, or other legislative or administrative authority, local, state, federal and/or private entity or organization have been or can be obtained or renewed for any use considered in the value opinion. Moreover, unless otherwise stated herein, it is assumed that there are no encroachments or violations of any zoning or other regulations affecting the subject property, that the utilization of the land and improvements is within the boundaries or property lines of the property described, and that there are no trespasses or encroachments.
 - f) The American Disabilities Act (ADA) became effective January 26, 1992. The Appraiser has not made a specific compliance survey or analysis of the property to determine whether or not it is in conformity with the various detailed requirements of ADA. It is possible that a compliance survey of the property and a detailed analysis of the requirements of the ADA would reveal that the property is not in compliance with one or more of the requirements of the Act. If so, this fact could have a negative impact upon the value of

Terms and Limiting Conditions of the Engagement

- the property. Since the Appraiser has no direct evidence relating to this issue, possible noncompliance with the requirements of ADA was not considered in estimating the value of the property.
- g) No monetary liability or responsibility is assumed for conformity to specific governmental requirements, such as fire, building, safety, earthquake, or occupancy codes, except where specific professional or governmental inspections have been completed and reported in the appraisal report.
 - h) It is assumed the subject property is not adversely affected by the potential of floods; unless otherwise stated herein. Further, it is assumed all water and sewer facilities (existing and proposed) are or will be in good working order and are or will be of sufficient size to adequately serve any proposed buildings.
 - i) Unless otherwise stated within the appraisal report, the depiction of the physical condition of the improvements described therein is based on visual inspection. No monetary liability or responsibility is assumed for (a) the soundness of structural members since no engineering tests were conducted; (b) the condition of mechanical equipment, plumbing, or electrical components, as complete tests were not made; and (c) hidden, unapparent or masked property conditions or characteristics that were not clearly apparent during the Appraiser's inspection.
 - j) If building improvements are present on the site, it is assumed that no significant evidence of termite damage or infestation was observed during physical inspection, unless so stated in the appraisal report. Further, unless so stated in the appraisal report, no termite inspection report was available. No monetary liability or responsibility is assumed for hidden damages or infestation.
 - k) Unless subsoil opinions based upon engineering core borings were furnished, it is assumed there are no subsoil defects present, which would impair development of the land to its maximum permitted use or would render it more or less valuable. No monetary liability or responsibility is assumed for such conditions or for engineering which may be required to discover them.
 - l) BBG, Inc. is not an expert in determining the presence or absence of hazardous substances, defined as all hazardous or toxic materials, wastes, pollutants or contaminants (including, but not limited to, asbestos, PCB, UFFI, or other raw materials or chemicals) used in construction or otherwise present on the property. BBG, Inc. assumes no monetary liability or responsibility for the studies or analyses which would be required to determine the presence or absence of such substances or for loss as a result of the presence of such substances. Appraiser is not qualified to detect such substances. The Client is urged to retain an expert in this field; however, Client retains such expert at Client's own discretion, and any costs and/or expenses associated with such retention are the responsibility of Client.
 - m) BBG, Inc. is not an expert in determining the habitat for protected or endangered species, including, but not limited to, animal or plant life (such as bald eagles, gophers, tortoises, etc.) that may be present on the property. BBG, Inc. assumes no monetary liability or responsibility for the studies or analyses which would be required to determine the presence or absence of such species or for loss as a result of the presence of such species. The Appraiser hereby reserves the right to alter, amend, revise, or rescind any of the value opinions contained within the appraisal report based upon any subsequent endangered species impact studies, research, and investigation that may be provided. However, it is assumed that no environmental impact studies were either requested or made in conjunction with this analysis, unless otherwise stated within the appraisal report.
- 2) If the Client instructions to the Appraiser were to inspect only the exterior of the improvements in the appraisal process, the physical attributes of the property were observed from the street(s) as of the inspection date of the appraisal. Physical characteristics of the property were obtained from tax assessment records, available plans, if any, descriptive information, and interviewing the client and other knowledgeable persons. It is assumed the interior of the subject property is consistent with the exterior conditions as observed and that other information relied upon is accurate.
- 3) If provided, the estimated insurable value is included at the request of the Client and has not been performed by a qualified insurance agent or risk management underwriter. This cost estimate should not be solely relied upon for insurable value purposes. The Appraiser is not familiar with the definition of insurable value from the insurance provider, the local governmental underwriting regulations, or the types of insurance coverage available. These factors can impact cost estimates and are beyond the scope of the intended use of this appraisal. The Appraiser is not a cost expert in cost estimating for insurance purposes.

Terms and Limiting Conditions of the Engagement

- 4) The dollar amount of any value opinion herein rendered is based upon the purchasing power and price of the United States Dollar as of the effective date of value. This appraisal is based on market conditions existing as of the date of this appraisal.
- 5) The value opinions reported herein apply to the entire property. Any proration or division of the total into fractional interests will invalidate the value opinions, unless such proration or division of interests is set forth in the report. Any division of the land and improvement values stated herein is applicable only under the program of utilization shown. These separate valuations are invalidated by any other application.
- 6) Any projections of income and expenses, including the reversion at time of resale, are not predictions of the future. Rather, they are BBG, Inc.'s best estimate of current market thinking of what future trends will be. No warranty or representation is made that such projections will materialize. The real estate market is constantly fluctuating and changing. It is not the task of an appraiser to estimate the conditions of a future real estate market, but rather to reflect what the investment community envisions for the future in terms of expectations of growth in rental rates, expenses, and supply and demand. The forecasts, projections, or operating estimates contained herein are based on current market conditions, anticipated short-term supply and demand factors, and a continued stable economy. These forecasts are, therefore, subject to changes with future conditions.
- 7) The Appraiser assumes no monetary liability or responsibility for any changes in economic or physical conditions which occur following the effective date of value within this report that would influence or potentially affect the analyses, opinions, or conclusions in the report. Any subsequent changes are beyond the scope of the report.
- 8) Any proposed or incomplete improvements included in the appraisal report are assumed to be satisfactorily completed in a workmanlike manner or will be thus completed within a reasonable length of time according to plans and specifications submitted.
- 9) If the appraisal report has been prepared in a so-called "public non-disclosure" state, real estate sales prices and other data, such as rents, prices, and financing, are not a matter of public record. If this is such a "non-disclosure" state, although extensive effort has been expended to verify pertinent data with buyers, sellers, brokers, lenders, lessors, lessees, and other sources considered reliable, it has not always been possible to independently verify all significant facts. In these instances, the Appraiser may have relied on verification obtained and reported by appraisers outside of our office. Also, as necessary, assumptions and adjustments have been made based on comparisons and analyses using data in the report and on interviews with market participants. The information furnished by others is believed to be reliable, but no warranty is given for its accuracy.
- 10) Although the Appraiser has made, insofar as is practical, every effort to verify as factual and true all information and data set forth in this report, no responsibility is assumed for the accuracy of any information furnished the Appraiser either by the Client or others. If for any reason, future investigations should prove any data to be in substantial variance with that presented in this report, the Appraiser reserves the right to alter or change any or all analyses, opinions, or conclusions and/or opinions of value.
- 11) The right is reserved by the Appraiser to make adjustments to the analyses, opinions, and conclusions set forth in the appraisal report as may be required by consideration of additional or more reliable data that may become available. No change of this report shall be made by anyone other than the Appraiser. The Appraiser shall have no monetary liability or responsibility for any unauthorized change(s) to the report.
- 12) The submission of the appraisal report constitutes completion of the services authorized and agreed upon. Such appraisal report is submitted on the condition the Client will provide reasonable notice and customary compensation, including expert witness fees, relating to any subsequent required attendance at conferences, depositions, or judicial or administrative proceedings. In the event the Appraiser is subpoenaed for either an appearance or a request to produce documents, a best effort will be made to notify the Client immediately. The Client has the sole responsibility for obtaining a protective order, providing legal instruction not to appear with the appraisal report and related work files, and will answer all questions pertaining to the assignment, the preparation of the report, and the reasoning used to formulate the opinion of value. Unless paid in whole or in part by the party issuing the subpoena or by another party of interest in the matter, the Client is responsible for all unpaid fees resulting from the appearance or production of documents regardless of who orders the work.

APPRAISER QUALIFICATIONS AND LICENSES

Profile

Owen Bartels is a Senior Managing Director with BBG in the Portland, Oregon office. He oversees strategic initiatives throughout Oregon and Southern Washington. He was the 2017 President of the Greater Oregon chapter of the Appraisal Institute. Owen began his commercial real estate career with the Tacoma, Washington, Kidder Mathews office in 2001 working as a researcher and financial analyst for industrial properties. He began his appraisal career in 2003 with the Vancouver, Washington, office of PGP Valuation (now Colliers), and became a Certified General Appraiser in both Oregon and Washington in 2006. He is a Member of the Appraisal Institute.

Owen has appraised properties in cities and towns throughout the Northwest, including southern Oregon, central Washington, the Puget Sound region, both the Oregon and Washington coasts and, of course, throughout the Portland metro area. Appraisal work includes industrial, retail, office, mixed use, both commercial and residential condominium conversions, subdivisions, partial acquisitions, corridors, and specialized consulting projects. Owen has recently expanded his work in Eminent Domain, including work for both public agencies and property owners. Clients include lenders, development companies, government agencies, and private parties.

Owen is involved in local professional organization leadership, serving as President of the Greater Oregon chapter of the Appraisal Institute after four years chairing the Government Affairs committee. He has also been one of the Greater Oregon Chapter's representatives in Washington DC for the Leadership Development Advisory Committee (LDAC). In 2014 he was awarded the Outstanding Service and Leadership Award by his local Appraisal Institute chapter. In 2015 he received the President's Service Award for contributions to the chapter.

In addition, Owen is a member of the Government Affairs committee of the Oregon Mortgage Bankers Association (OMBA) and of the International Right of Way Association's Beaver State Chapter (Chapter 3).

Professional Affiliations

Appraisal Institute, Member (MAI)
Greater Oregon Chapter President 2017
Member, International Right of Way Association Beaver State Chapter
Adjunct Professor, Portland State University, 2018

General Certified Appraiser
Oregon, Certified General, C000870
Washington, Certified General, 1101723

Education

University of Puget Sound: Bachelor's Degree in Economics, May 2003



VALUATION



ADVISORY



ASSESSMENT



ZONING



State of Washington
DEPARTMENT OF LICENSING
APPRAISER PROGRAM
PO Box 9021
Olympia, WA 98507-9021

OWEN EDWARD BARTELS
1220 SW Morrison St Suite 800
Portland OR



Profile

Christopher Durek is a Senior Appraiser at BBG. Mr. Durek's experience includes a wide variety of commercial appraisal assignments in California, Oregon and Washington. His experience includes research, valuation and consulting analysis. Clients on these assignments include banks and financial institutions, life insurance companies, pension funds and pension fund advisors, conduits, developers and investors, law and accounting firms, businesses/corporations and government. Mr. Durek's primary work is complex assignments for institutional clients, with a focus on large office, research and development, industrial, medical, and life science properties. Specialized services include portfolio valuations and institutional grade property valuations. He holds the Certified General Appraisal license from the states of California, Oregon, and Washington, and is in pursuit of the MAI designation.

Professional Affiliations

General Certified Appraiser

State of California (License #3004321)

State of Oregon (License #C001351)

State of Washington (License #1102517)

Education

Business Administration in Finance, University of Washington, Seattle WA

Juris Doctor, Seattle University School of Law, Seattle, WA

Numerous professional practice and real estate related courses.



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ASSESSMENT



ZONING



State of Washington
DEPARTMENT OF LICENSING
APPRAISER PROGRAM
PO Box 9021
Olympia, WA 98507-9021

Christopher Durek
8114 NE 229TH CT
VANCOUVER WA 98682

STATE OF WASHINGTON

CERTIFIED GENERAL REAL ESTATE APPRAISER

Christopher Durek
8114 NE 229TH CT
VANCOUVER WA 98682

1102517 2022-04-18

License Number Expiration Date

Teresa Berntsen
Teresa Berntsen, Director

STATE OF WASHINGTON

DEPARTMENT OF LICENSING – BUSINESS AND PROFESSIONS DIVISION

THIS CERTIFIES THAT THE PERSON OR BUSINESS NAMED BELOW IS AUTHORIZED AS A

CERTIFIED GENERAL REAL ESTATE APPRAISER

Christopher Durek
8114 NE 229TH CT
VANCOUVER WA 98682

1102517 2018-08-06 2022-04-18

License Number Issue Date Expiration Date

Teresa Berntsen
Teresa Berntsen, Director

MOODY'S ANALYTICS

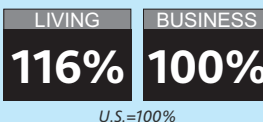
ECONOMIC DRIVERS



EMPLOYMENT GROWTH RANK



RELATIVE COSTS



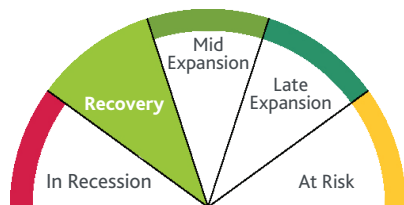
VITALITY



QUALITY



BUSINESS CYCLE STATUS



ANALYSIS

Recent Performance. Portland-Vancouver-Hillsboro has rebounded from its pandemic-related crash, but the economy is operating well below its potential. The sudden, sharp recession erased six years of job growth in March and April, sending POT's unemployment rate to 14.6%, higher than the 11.4% peak during the last financial crisis. Every industry has suffered, but lockdowns particularly battered leisure/hospitality, which comprised nearly 45% of lost jobs despite accounting for only about one-tenth of the pre-crisis workforce. Despite a boost from reopening, payroll employment remains almost 9% below that in February, in line with the West region and slightly higher than the U.S. Wage and salary income is down sharply because of a shorter workweek and loss of jobs; average hourly earnings are up but this is due to the compositional effect of far fewer low-wage jobs. Housing permits dipped in the spring, only partially recovering since.

is expected to be slow and remain fragile into 2021. Exports account for 13% of gross metro product, ranking in the top quintile of areas nationally. Firms that produce for a global market are now revising their plans and restructuring their operations given the worse outlook. Some of POT's largest employers are reducing headcount. Aerospace supplier Precision Castparts saw commercial aircraft demand collapse in the spring, and Nike will cut workers at its Beaverton headquarters beginning in October in response to poor sales. Dismissals by larger employers will hurt suppliers and other businesses in the economy. Until global markets can move past the pandemic, growth prospects for exporters will remain sluggish and factory payrolls will struggle.

High tech. High-tech employers will expand and help to offset weakness elsewhere. Tech's share of employment is 2.5 percentage points greater in POT than the nation. The pandemic is already pushing the economy toward a greater reliance on technology, as many firms have committed to telework into next summer, including Intel. Demand for better hardware and software should follow. As technology becomes further integrated with work, POT's tech firms will have opportunities to grow. Hiring is expected to accelerate next year, and this core part of the economy will make up recession losses by mid-2022.

Portland-Vancouver-Hillsboro will outperform in the short run and reach its pre-COVID-19 level of employment in early 2023. Tech firms will aid POT's recovery, but they cannot fully offset losses in consumer industries in the short run. In the long run, a highly educated workforce, attractive quality of life, and lucrative mix of high-skill industries will attract migrants and contribute to superior performance.

Erik Roos
August 2020

1-866-275-3266
help@economy.com

STRENGTHS & WEAKNESSES

STRENGTHS

- » Diversified economy and skilled workforce.
- » Favorable job mix; high incomes.
- » High quality of life; low poverty rate.
- » Low costs versus other tech hubs.

WEAKNESSES

- » Vulnerable to changes in terms of trade.
- » Exposure to volatile technology and resource manufacturing.
- » Weakening state and local tax revenues.

FORECAST RISKS

SHORT TERM LONG TERM

COVID-19 EXPOSURE JULY 2020: 177 (3rd quintile, Most=1, Least=403)

UPSIDE

- » Greater integration of technology following remote work boosts startup activity.
- » Housing market rebounds more quickly.

DOWNSIDE

- » Second wave of infections leads to more disruptions, sharper economic downturn.
- » Dollar appreciation reduces demand for U.S. exports, hurting POT's main drivers.
- » Retreat of fiscal support leads to decline in consumer spending.

MOODY'S RATING

Aaa

COUNTY
AS OF SEP 27, 2017

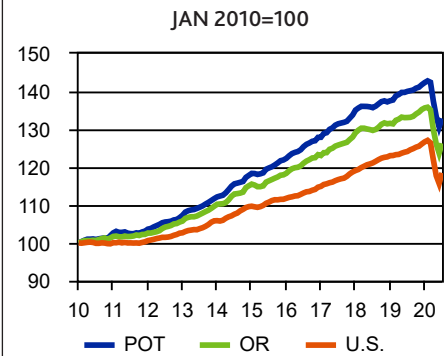
2014	2015	2016	2017	2018	2019	INDICATORS	2020	2021	2022	2023	2024	2025
123.6	130.6	137.3	143.3	149.3	154.0	Gross metro product (C12\$ bil)	147.6	151.2	160.5	168.1	173.6	178.7
3.8	5.6	5.1	4.4	4.2	3.2	% change	-4.2	2.5	6.1	4.8	3.3	2.9
1,076.7	1,112.8	1,146.2	1,175.9	1,199.8	1,221.8	Total employment (ths)	1,148.0	1,153.7	1,203.1	1,255.9	1,284.3	1,298.8
3.0	3.4	3.0	2.6	2.0	1.8	% change	-6.0	0.5	4.3	4.4	2.3	1.1
6.2	5.2	4.6	3.9	3.8	3.6	Unemployment rate (%)	8.4	8.7	7.5	5.9	5.6	5.5
7.6	7.8	4.9	5.8	6.5	5.3	Personal income growth (%)	6.5	-2.5	6.6	7.2	6.2	5.4
61.1	64.3	68.2	72.1	75.6	78.2	Median household income (\$ ths)	80.7	78.9	82.2	85.9	89.2	92.1
2,344.0	2,381.7	2,426.6	2,454.8	2,473.4	2,492.4	Population (ths)	2,523.7	2,548.0	2,569.6	2,591.6	2,614.1	2,635.9
1.4	1.6	1.9	1.2	0.8	0.8	% change	1.3	1.0	0.8	0.9	0.9	0.8
21.5	26.8	34.3	19.0	10.2	11.3	Net migration (ths)	22.6	14.9	12.4	13.1	14.0	13.6
5,462	7,102	7,397	6,211	6,869	7,688	Single-family permits (#)	7,107	10,412	14,197	14,082	13,612	13,298
6,894	6,865	7,332	9,772	7,311	9,127	Multifamily permits (#)	6,014	7,731	10,712	10,434	10,139	9,933
219.1	240.8	270.6	296.1	314.1	326.5	FHFA house price (1995Q1=100)	335.2	327.9	333.9	354.1	376.3	403.1

ECONOMIC HEALTH CHECK

3-MO MA	Feb 20	Mar 20	Apr 20	May 20	Jun 20	Jul 20
Employment, change, ths	1.5	0.6	-18.2	-35.9	-48.2	-23.9
Unemployment rate, %	3.2	3.3	7.1	10.8	13.5	12.3
Labor force participation rate, %	65.8	65.8	65.7	65.8	66.3	66.0
Average weekly hours, #	35.5	35.4	35.0	34.4	34.1	34.2
Industrial production, 2012=100	117.6	117.0	113.1	108.9	107.3	109.4
Residential permits, single-family, #	8,754	8,682	6,952	5,509	5,437	6,790
Residential permits, multifamily, #	6,182	8,439	8,894	8,920	5,264	4,427
Dec/Dec	Dec 14	Dec 15	Dec 16	Dec 17	Dec 18	Dec 19
Employment, change, ths	34.6	36.2	29.0	29.5	23.5	17.5
Better than prior 3-mo MA Unchanged from prior 3-mo MA Worse than prior 3-mo MA						

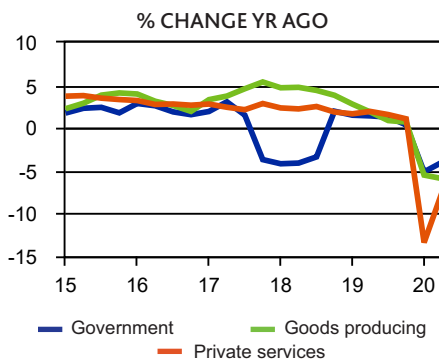
Sources: BLS, Census Bureau, Moody's Analytics

BUSINESS CYCLE INDEX



Source: Moody's Analytics

CURRENT EMPLOYMENT TRENDS

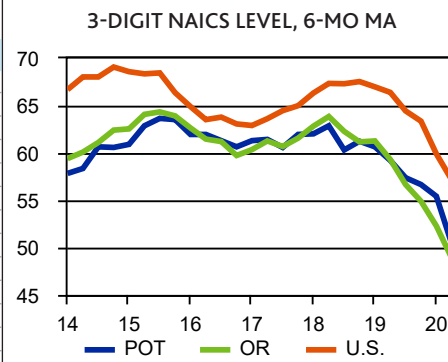


Sources: BLS, Moody's Analytics

	% CHANGE YR AGO, 3-MO MA		
	Jul 19	Jan 20	Jul 20
Total	1.8	1.2	-9.7
Mining	-7.2	-9.7	-7.9
Construction	4.2	2.2	-1.1
Manufacturing	1.6	-0.4	-7.8
Trade	-0.7	-0.2	-6.9
Trans/Utilities	11.2	3.5	-2.4
Information	4.7	6.4	-9.0
Financial Activities	1.2	2.1	-6.6
Prof & Business Svcs.	2.6	2.2	-5.2
Edu & Health Svcs.	1.4	2.0	-7.6
Leisure & Hospitality	1.4	0.3	-39.4
Other Services	0.3	0.0	-10.6
Government	1.6	0.8	-5.9

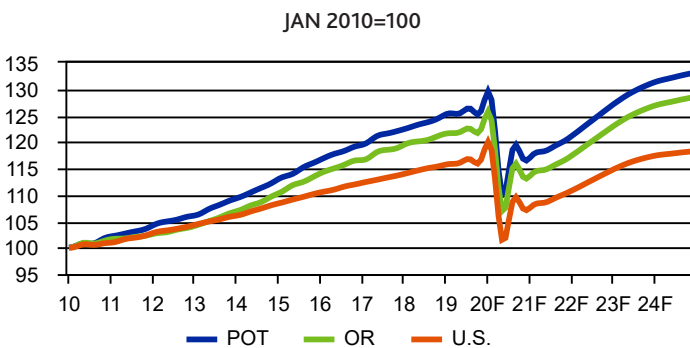
Sources: BLS, Moody's Analytics

DIFFUSION INDEX



Sources: BLS, Moody's Analytics

RELATIVE EMPLOYMENT PERFORMANCE

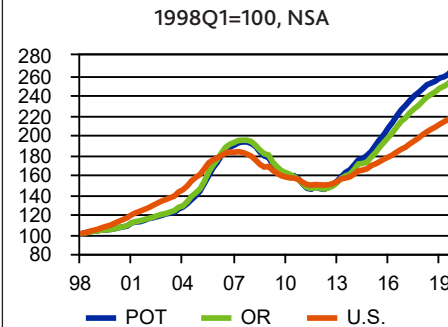


Sources: BLS, Moody's Analytics

FORECAST VS. 6 MO PRIOR

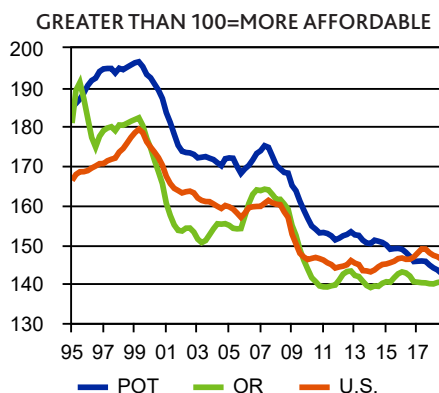
2-Yr	5-Yr
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HOUSE PRICE



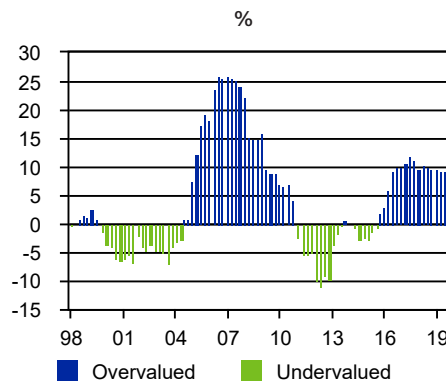
Sources: FHFA, Moody's Analytics

RENTAL AFFORDABILITY



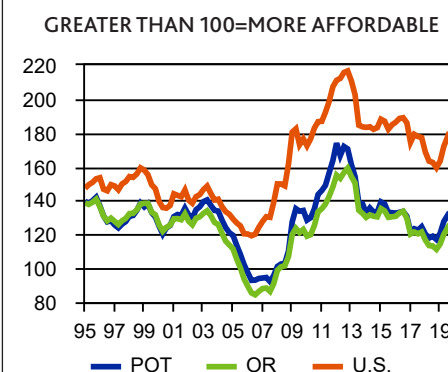
Sources: Census Bureau, BLS, Moody's Analytics

HOUSE PRICE TRENDS

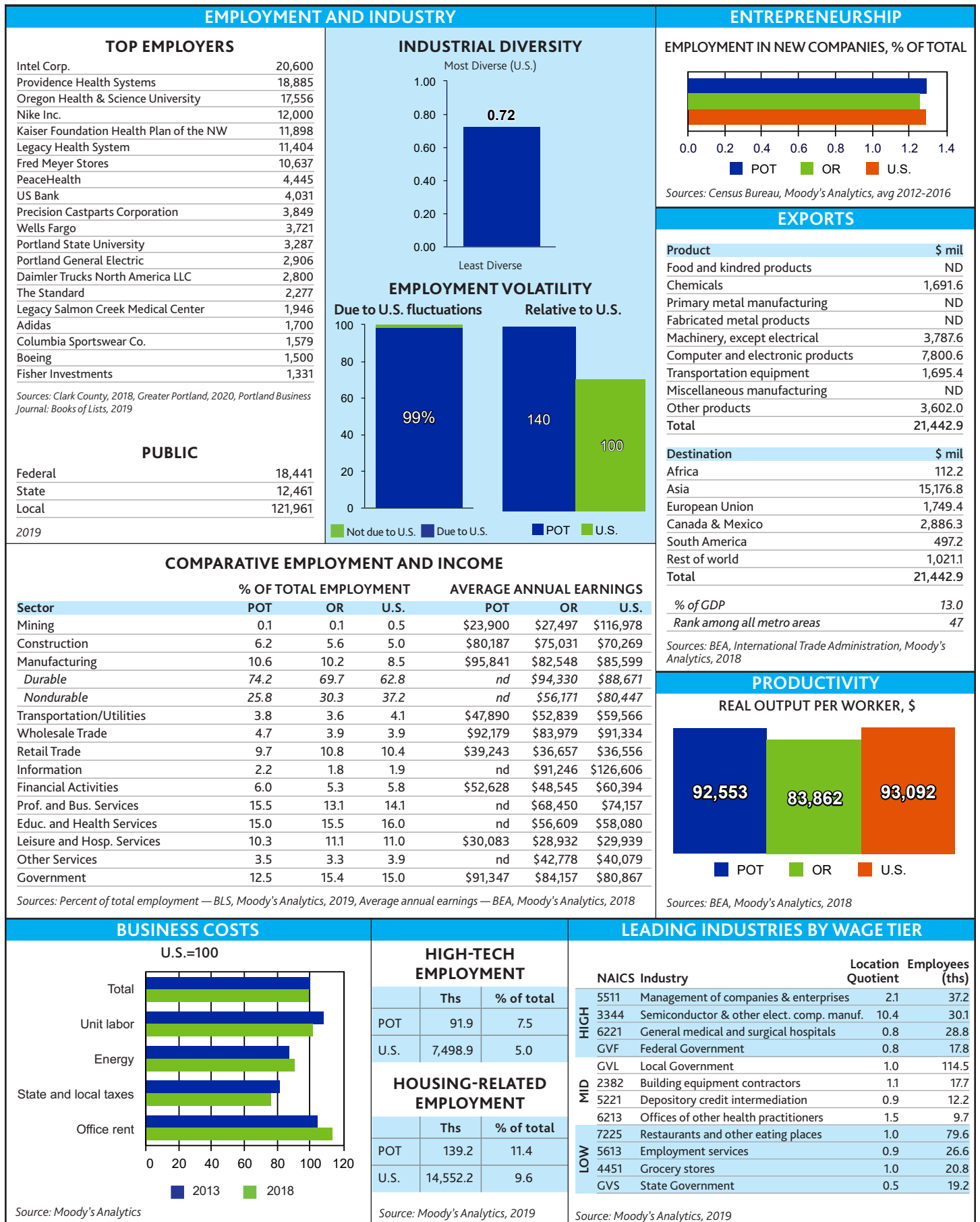


Sources: FHFA, Moody's Analytics

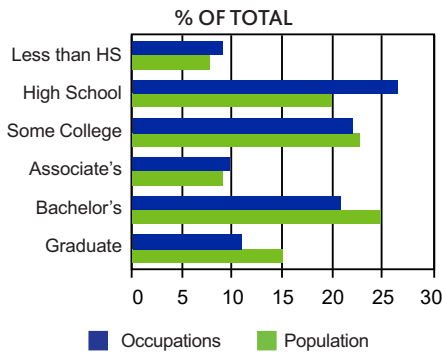
HOUSING AFFORDABILITY



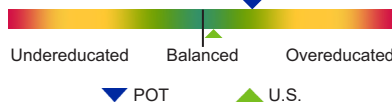
Sources: NAR, Moody's Analytics



SKILLS MISMATCH



Sources: Census Bureau, ACS, Moody's Analytics, 2018

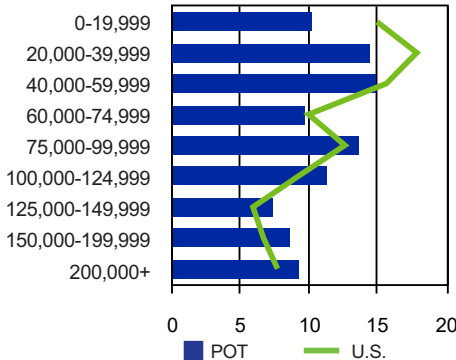


ECONOMIC DISENFRANCHISEMENT

Index	2018	Rank*
Gini coefficient	0.45	270
Palma ratio	3.0	237
Poverty rate	9.8%	340

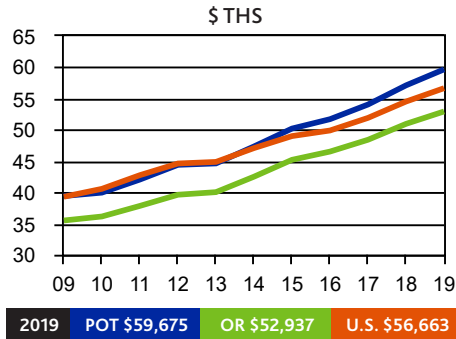
*Most unequal=1; Most equal=403

HOUSEHOLDS BY INCOME, %



Sources: Census Bureau, ACS, Moody's Analytics, 2018

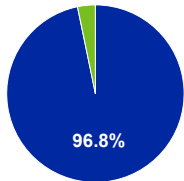
PER CAPITA INCOME



Sources: BEA, Moody's Analytics

COMMUTER FLOWS

RESIDENTS WHO WORK IN POT

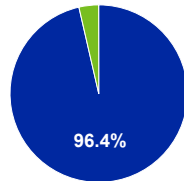


Top Five Outside Sources of Jobs

Portland OR	Share
Salem OR	1.3
Longview WA	0.5
Seattle WA	0.1
Eugene OR	0.1
Tacoma WA	0.0

Sources: Census Bureau, Moody's Analytics, avg 2011-2015

WORKERS WHO LIVE IN POT



Top Five Outside Sources of Workers

Portland OR	Share
Salem OR	1.8
Longview WA	0.5
Eugene OR	0.1
Seattle WA	0.1
Albany OR	0.1

MIGRATION FLOWS

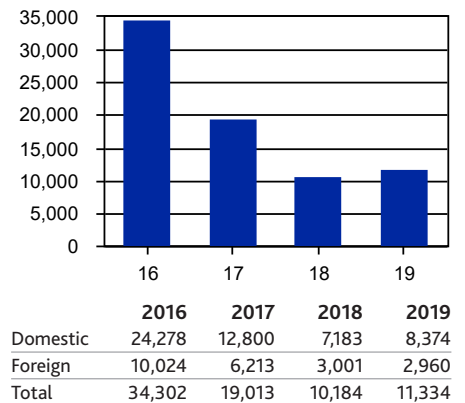
INTO PORTLAND OR

	Number of Migrants
Salem OR	4,632
Seattle WA	4,057
Los Angeles CA	3,086
Eugene OR	2,084
Phoenix AZ	1,864
Oakland CA	1,819
Longview WA	1,732
San Jose CA	1,678
San Diego CA	1,651
San Francisco CA	1,390
Total in-migration	81,242

FROM PORTLAND OR

	Number of Migrants
Salem OR	5,966
Seattle WA	3,747
Longview WA	3,151
Phoenix AZ	2,820
Bend OR	2,273
Eugene OR	1,678
Los Angeles CA	1,497
Boise City ID	1,321
Las Vegas NV	1,161
Tacoma WA	1,058
Total out-migration	75,716
Net migration	5,526

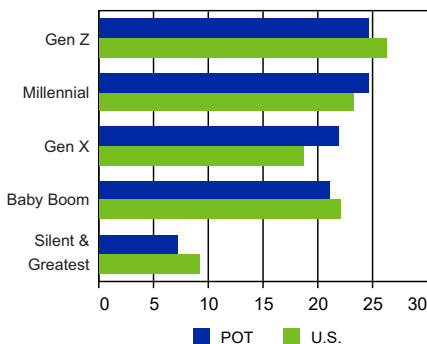
NET MIGRATION,



Sources: IRS (top), 2018, Census Bureau, Moody's Analytics

GENERATIONAL BREAKDOWN

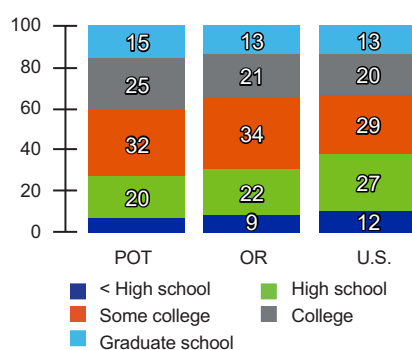
POPULATION BY GENERATION, %



Sources: Census Bureau, Moody's Analytics, 2018

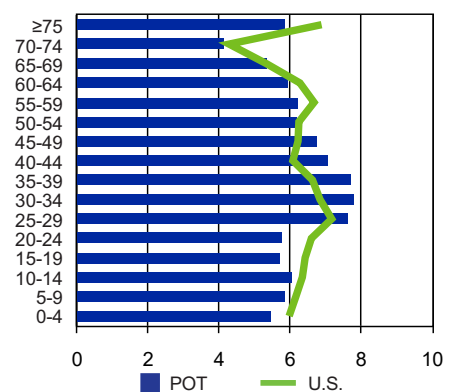
EDUCATIONAL ATTAINMENT

% OF ADULTS 25 AND OLDER



Sources: Census Bureau, ACS, Moody's Analytics, 2018

POPULATION BY AGE, %



Sources: Census Bureau, Moody's Analytics, 2019

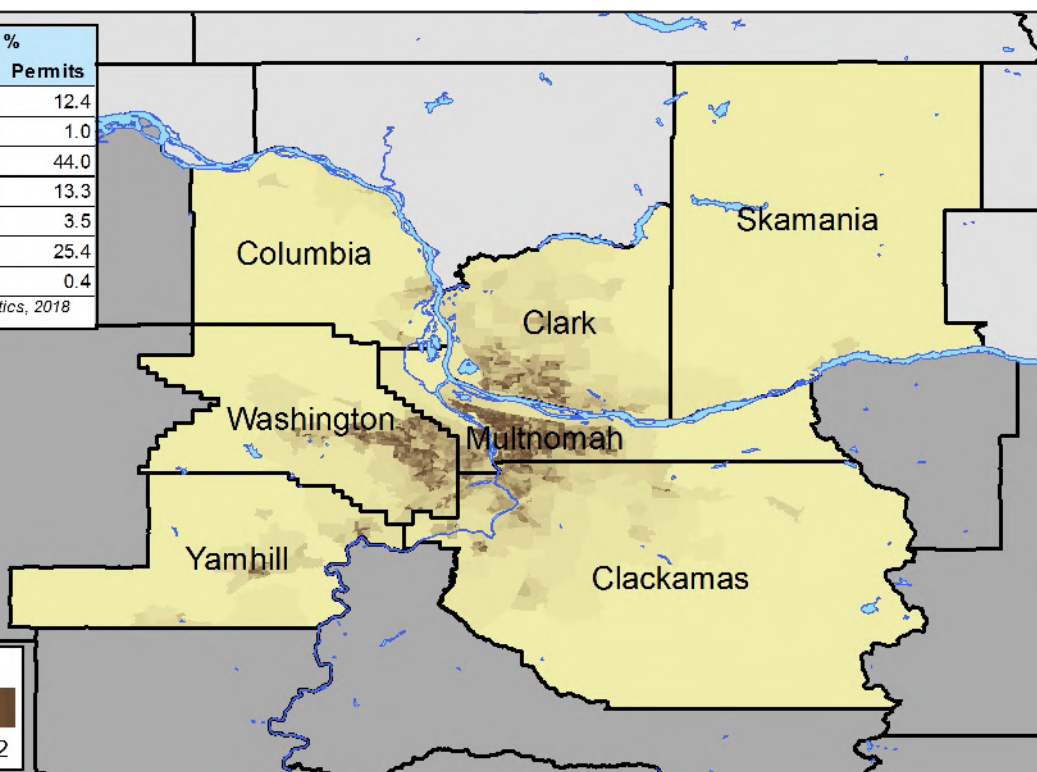
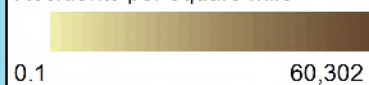
GEOGRAPHIC PROFILE

POPULATION DENSITY	
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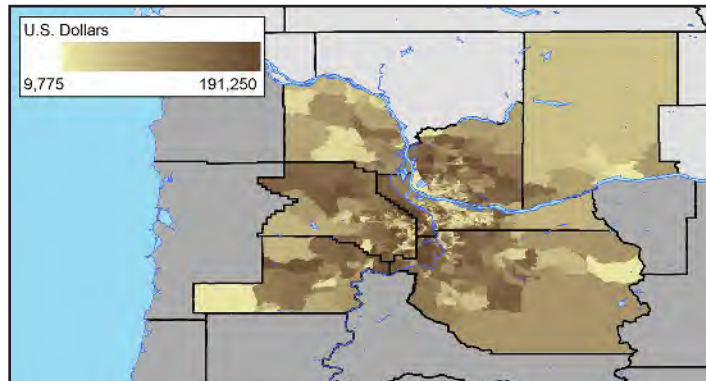
County	Distribution, %		
	Pop.	Emp.	Permits
Clackamas OR	16.8	14.0	12.4
Columbia OR	2.1	1.0	1.0
Multnomah OR	32.8	43.2	44.0
Washington OR	24.1	24.9	13.3
Yamhill OR	4.3	3.1	3.5
Clark WA	19.4	13.6	25.4
Skamania WA	0.5	0.2	0.4

Sources: Census Bureau, BLS, Moody's Analytics, 2018

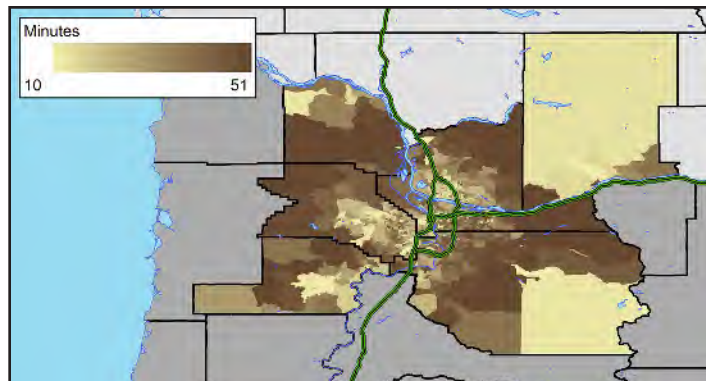
Sources: Census Bureau, BLS, Moody's Analytics, 2018



MEDIAN HOUSEHOLD INCOME	
2019	\$10,000
2020	\$10,000
2021	\$10,000
2022	\$10,000
2023	\$10,000
2024	\$10,000
2025	\$10,000
2026	\$10,000
2027	\$10,000
2028	\$10,000
2029	\$10,000
2030	\$10,000



MEDIAN COMMUTE TIME



POPULATION & HOUSING CHARACTERISTICS

	Units	Value	Rank*
Total area	sq mi	6,821.5	25
Total water area	sq mi	137.5	121
Total land area	sq mi	6,683.7	24
Land area - developable	sq mi	2,795.1	29
Land area - undevelopable	sq mi	3,888.8	33
Population density	pop. to developable land	843.2	61
Total population	ths	2,492.4	27
U.S. citizen at birth	% of population	85.7	318
Naturalized U.S. citizen	% of population	6.6	67
Not a U.S. citizen	% of population	6.5	95
Median age		38.4	206
Total housing units	ths	1,008.5	25
Owner occupied	% of total	59.1	169
Renter occupied	% of total	35.6	71
Vacant	% of total	5.3	383
1-unit; detached	% of total	61.3	294
1-unit; attached	% of total	5.0	147
Multifamily	% of total	29.7	63
Median year built		1981	

* Areas & pop. density, out of 410 metro areas/divisions, including metros in Puerto Rico; all others, out of 403 metros.

Sources: Census Bureau, Moody's Analytics. 2018 except land area 2010

Sources: ACS, Moody's Analytics

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IBIS WORLD LOTS AND GARAGES REPORT

|| US INDUSTRY (NAICS) REPORT 81293

Parking Lots & Garages in the US

Prized spot: Revenue will likely grow slowly as commercial development slows

Nick Masters | August 2020

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About IBISWorld

IBISWorld specializes in industry research with coverage on thousands of global industries. Our comprehensive data and in-depth analysis help businesses of all types gain quick and actionable insights on industries around the world. Busy professionals can spend less time researching and preparing for meetings, and more time focused on making strategic business decisions that benefit you, your company and your clients. We offer research on industries in the US, Canada, Australia, New Zealand, Germany, the UK, Ireland, China and Mexico, as well as industries that are truly global in nature.

Covid-19

Coronavirus Impact Update

IBISWorld's analysts constantly monitor the industry impacts of current events in real-time – here is an update of how this industry is likely to be impacted as a result of the global COVID-19 pandemic:

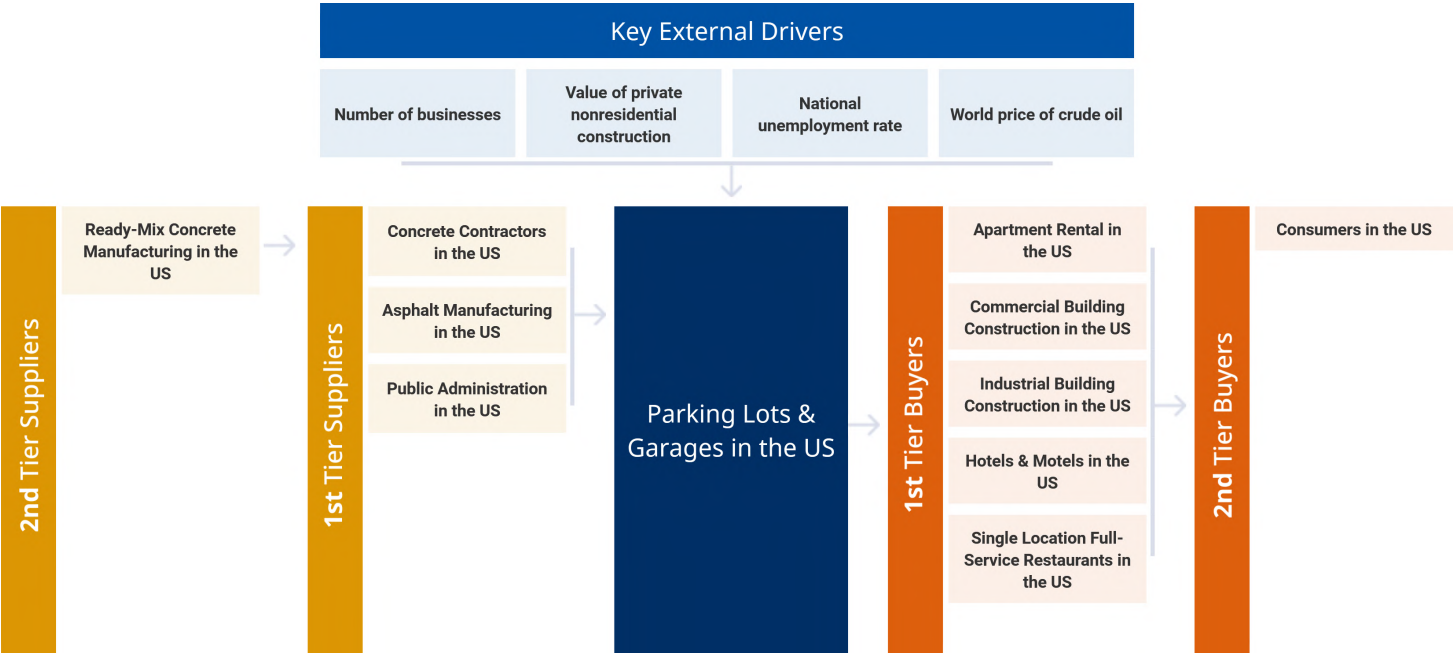
- The Parking Lots and Garages industry is expected to contract slightly due to a stark drop in retail traffic and the cancellation of sporting events and other major gatherings.
- The effect on the industry is mitigated by continued demand for parking facilities in and around medical facilities.
- The industry is characterized by small- and mid-sized operators that will likely qualify for government assistance.

Note: The content in this report is currently being updated to reflect the trends outlined above.

About This Industry

Industry Definition	This industry comprises operators that provide parking and valet service on an hourly, daily or monthly basis. The industry primarily operates via management contracts, lease agreements or property ownership. This industry excludes the storage of vehicles for an extended period of time.
Major Players	SP Plus Corporation LAZ Parking Ltd. LLC ABM Industries Inc.
Main Activities	The primary activities of this industry: Providing off-street parking services Providing on-street parking services Providing valet parking services The major products and services in this industry: Hourly or daily off-street parking Weekly or monthly off-street parking in buildings Weekly or monthly off-street parking on lots Management fees for the operation of parking facilities Valet parking On-street parking services Other

Supply Chain



SIMILAR INDUSTRIES

Automobile Towing in the US	Specialized Storage & Warehousing in the US	Commercial Building Construction in the US	Municipal Building Construction in the US
Complementor	Complementor	Complementor	Complementor

RELATED INTERNATIONAL INDUSTRIES

Parking Services in Australia	Parking Lots & Garages in Canada
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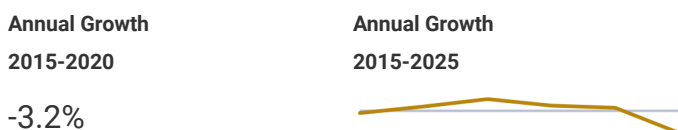
Industry at a Glance

Key Statistics

\$9.6bn
Revenue



\$641.6m
Profit



6.7%
Profit Margin



9,210
Businesses



150k
Employment



\$3.5bn
Wages



Key External Drivers

% = 2015-2020 Annual Growth

-5.6%
World price of crude oil
0.2%
Number of businesses

3.3%
National unemployment rate
-2.1%
Value of private nonresidential construction

Industry Structure



POSITIVE IMPACT

Capital Intensity Low	Concentration Low
Regulation Light	Technology Change Low
Globalization Low	



MIXED IMPACT

Life Cycle Mature	Revenue Volatility Medium
----------------------	------------------------------



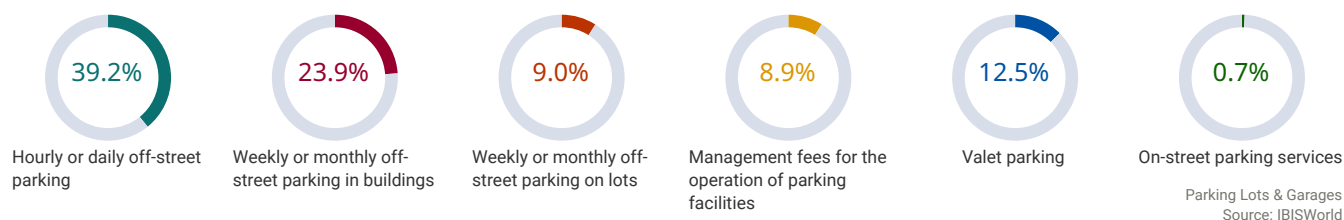
NEGATIVE IMPACT

Industry Assistance Low	Barriers to Entry Low
Competition High	

Key Trends

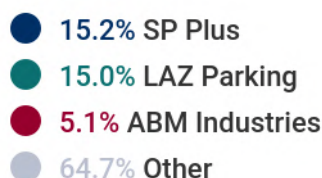
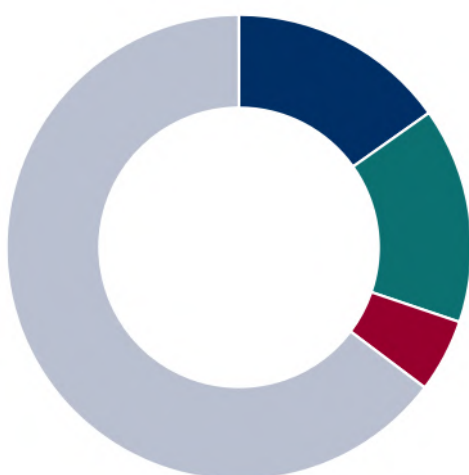
- Industry operators have increasingly relied on management contracts
- The rise in vehicle miles corresponds to increased demand for industry services
- The industry has benefited from the strengthening of consumer incomes
- Trends positively affecting consumer spending habits are anticipated to slow
- The desire for more locations will likely result in the consolidation of major companies
- Commuting by bike, carpooling and using public transit decreases demand for parking
- Development in fast-growing cities has resulted in greater demand for parking garages

Products & Services Segmentation



Major Players

% = share of industry revenue



Parking Lots & Garages
Source: IBISWorld

SWOT

S STRENGTHS

- Low Imports
- Low Customer Class Concentration
- Low Product/Service Concentration
- Low Capital Requirements

W WEAKNESSES

- Low & Steady Barriers to Entry
- Low & Steady Level of Assistance
- High Competition
- Low Profit vs. Sector Average
- Low Revenue per Employee

O OPPORTUNITIES

- High Revenue Growth (2020-2025)
- National unemployment rate

T THREATS

- Low Revenue Growth (2005-2020)
- Low Revenue Growth (2015-2020)
- Low Outlier Growth
- Low Performance Drivers
- Value of private nonresidential construction

Executive Summary

The Parking Lots and Garages industry is anticipated to contract over the five years to 2020.

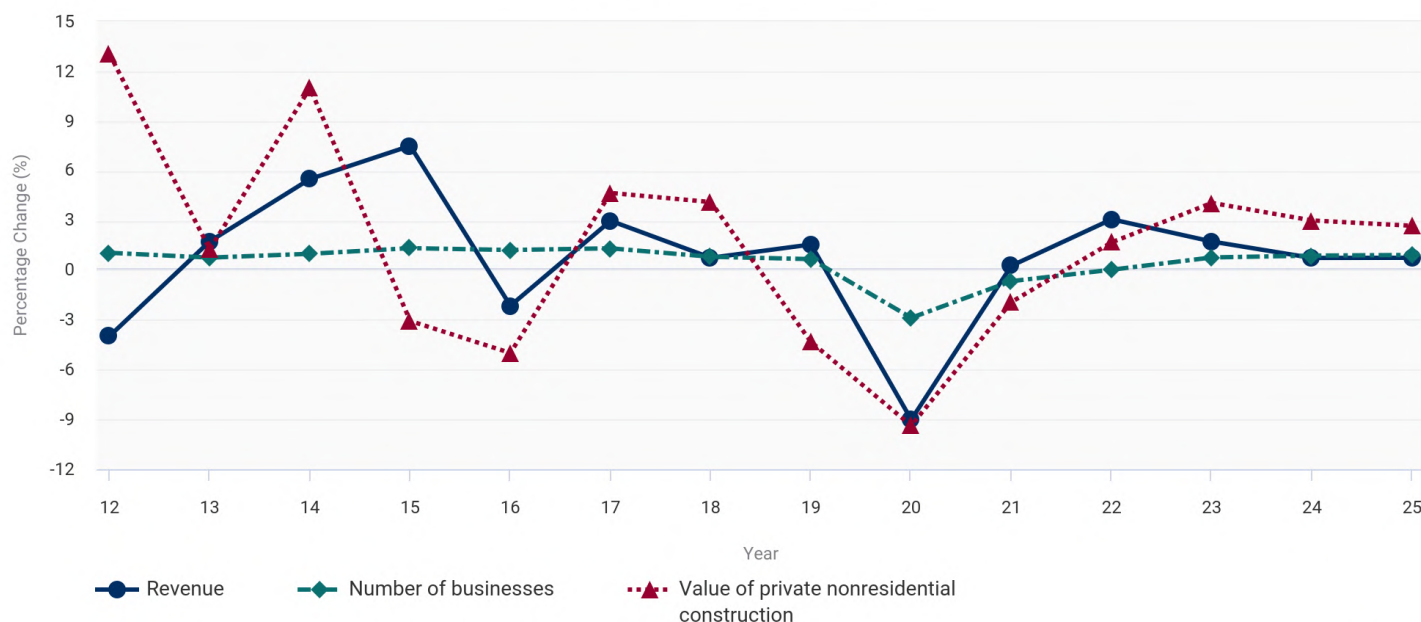
The sharp decline in economic activity in 2020 is expected to offset tepid growth occurring during the preceding years. In the years leading up to 2020, increased value of residential construction, particularly mixed-use developments, bolstered demand for industry services, such as management and valet. Additionally, favorable economic conditions, such as low interest rates and rising consumer incomes, encouraged development of central shopping districts, airports and stadiums. However, the drastic reversal of these trends due to the COVID-19 pandemic is expected to cause the industry to decline. IBISWorld expects industry revenue to decrease an annualized 1.3% to \$9.6 billion over the five years to 2020, including a forecast decline of 9.0% in 2020 alone.

Despite the effects of the coronavirus, the industry has benefitted from positive trends during the five-year period. Increased urbanization has been a key driver of demand for the industry. Over the past five years, development in fast-growing cities, such as Austin, TX, and Atlanta, has resulted in greater demand for large-scale parking garages. Moreover, industry operators have increasingly incorporated such management contracts into their business models due to the low risk and steady income that is characteristic of large facility management contracts. As industry operators have turned to more conservative business models, industry profit exhibited positive growth in the years preceding the pandemic.

Over the five years to 2025, the industry is forecast to exhibit slow revenue growth as commercial development is projected to gradually reemerge in light of lower interest rates and declining investor uncertainty. Moreover, consumer sentiment is not expected to repeat the level of growth exhibited during the previous period; as growth in the consumer price index will likely outpace growth in per capita disposable income, consumers are anticipated to be more conservative with their spending. Overall, these factors are expected to hamper industry revenue growth over the next five years. IBISWorld expects industry revenue to increase at an annualized rate of 1.3% to \$10.2 billion over the five years to 2025.

Industry Performance

Key External Drivers 2012–2025



Parking Lots & Garages
Source: IBISWorld

Key External Drivers

Number of businesses

The number of businesses is a determinant of demand for commercial office space. Consequently, as the number of businesses increase, demand for parking lots and garages increases as more businesses rent out office space. The number of businesses is expected to decrease in 2020.

Value of private nonresidential construction

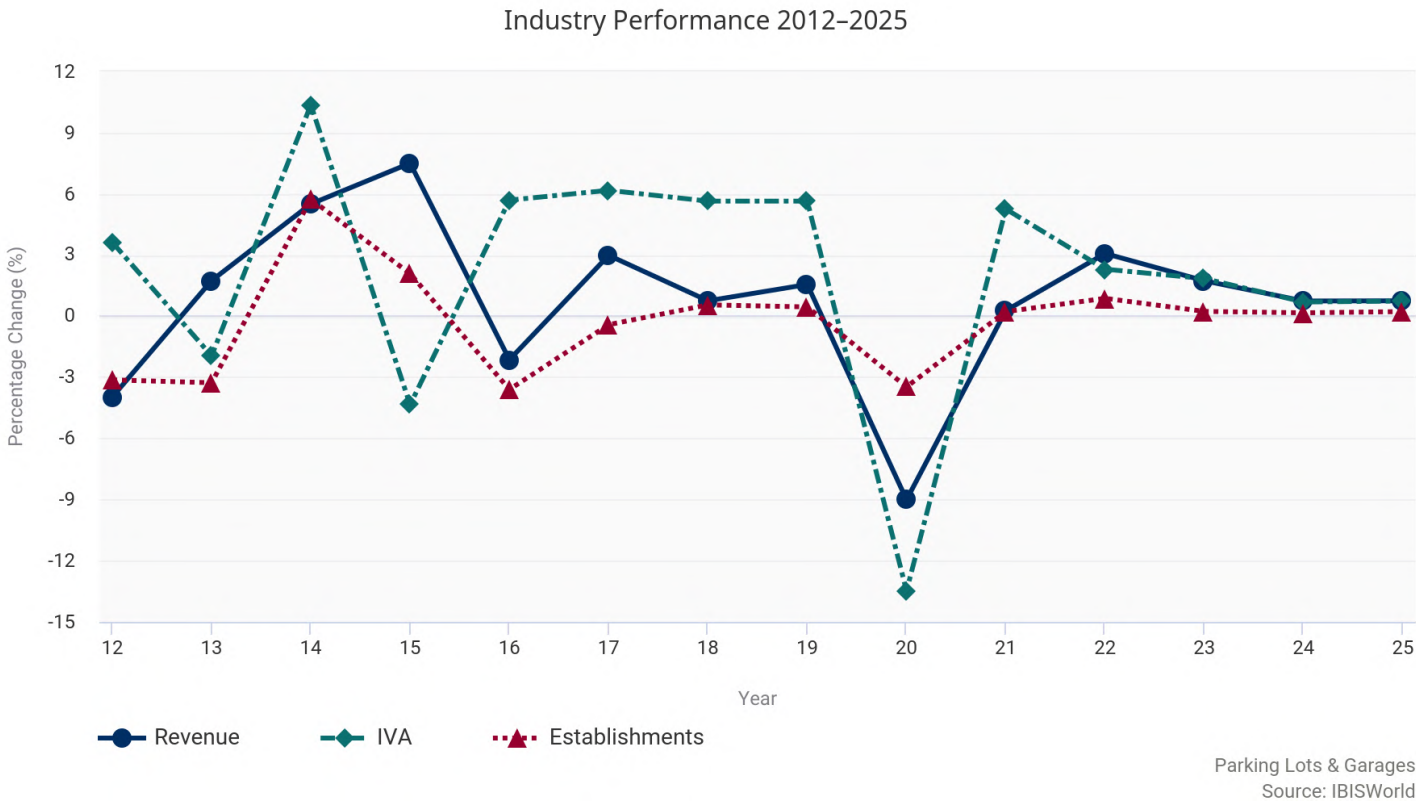
The value of private nonresidential construction represents the dollar value of commercial and institutional developments under construction, including office buildings, sports stadiums and hospitals. As the value of private nonresidential construction increases, the number of parking lots and garages also increases as most nonresidential buildings require large parking structures. The value of private nonresidential construction is expected to decrease in 2020.

National unemployment rate

Work commuters comprise a large portion of daily drivers. Consequently, a rise in unemployment decreases the number of drivers that commute to work, adversely affecting demand for parking services. Conversely, declining unemployment means people are returning to work, and therefore, commuters will likely require more parking-related services. The national unemployment rate is expected to increase in 2020, posing a potential threat to the industry.

World price of crude oil

Gasoline is a key cost for private and commercial drivers. As the price of oil increases, gas prices increase and vehicle use declines. As a result, an increase in the world price of crude oil decreases demand for parking services. The world price of crude oil is expected to decline in 2020, representing a potential opportunity for the industry.



Current Performance

The Parking Lots and Garages industry comprises companies that provide temporary parking spaces on an hourly, daily, weekly or monthly basis.

The industry is highly fragmented, with most operators being small private companies that often operate as single-parking facilities. One-third of the industry's operators are sole proprietors or nonemployers, despite representing an estimated 3.0% of industry revenue in 2020. Although most enterprises in the industry are local, there are several large companies operating on a national scale, accounting for larger portions of industry revenue.

In this industry, operators may own or lease parking facilities from which they collect revenue for parking services. More often, however, companies operate under management contracts or lease agreements, and receive a base monthly fee for managing a parking facility that is not their own. For example, industry leader SP

Plus Corporation (SP Plus) operates over 80.0% of its locations under management contracts according to its most recent annual report.

Industry revenue has expanded in line with overall construction activity in the years leading up to 2020. However, severe declines in consumer activity due to COVID-19 (coronavirus) has caused demand for industry services to decline. As a result, IBISWorld expected industry revenue to decrease an annualized 1.3% to \$9.6 billion over the five years to 2020, including a decline of 9.0% in 2020 alone. Industry revenue is projected to decline in 2020 largely as a result of widespread business closures affecting parking lots and garages in central business districts.

Increased construction and management contracts

Industry operators have increasingly relied on management contracts of parking garages as stable sources of revenue.

Due to rising interest rates and increasing property values, long-term management contracts have become an attractive source of revenue. On average, management contracts are renewed on a seven- to 10-year basis and typically involve a fixed management fee for the corresponding time period.

Growth in nonresidential construction has bolstered the popularity of management contracts. In particular, the trend toward mixed-use developments, in which a development serves as residential, retail and commercial space, has proven beneficial for the industry because such developments typically require large parking garages. Moreover, the principals behind such developments, typically large real estate magnates, seek to outsource ancillary services, such as parking garage management, in an effort to keep costs low and stable. The outsourcing of parking services has become an ever-prominent trend in the industry as a new and long-lasting source of revenue.

Oil prices and revenue growth

Demand for industry services was aided by low oil prices during the beginning of the period.

The world price of crude oil fell sharply in 2015 due to oversupply issues. Over the past five years, the Organization of Petroleum Exporting Countries, in addition to US shale operations, continued to produce at steady levels despite the recent decline in prices. This exacerbated the oversupply issue and put additional pressure on gas prices. In the years leading up to 2020, total vehicle miles driven in the United States, a measure of motorist activity, increased relative to historical trends. The rise in motor vehicle miles speaks to the increased demand for driving that comes with low gasoline prices. Moreover, the rise in total vehicle miles also corresponds to increased demand for industry services as more vehicles on the road require more parking spaces. Unsurprisingly, the industry experienced its strongest years of growth during the years of severe declines in the price of crude oil. However, the sharp decline in gas prices in 2020 has not caused increased driving due to social distancing guidelines issued to prevent further spread of the coronavirus.

Ancillary services

On average, industry operators' foray into value-added ancillary services has helped to maintain the industry's profitability.

However, with rising inflation and low unemployment, wages are expected to increase at a faster rate than revenue. As a result, industry profit has struggled to expand. Moreover, reduced activity in 2020 is anticipated to make overhead costs more burdensome, thus reducing the industry's profitability. IBISWorld estimates industry profit, measured as earnings before interest and taxes, to account for 6.7% of revenue in 2020.

Overall, companies have increasingly provided ancillary services under contracts with cities and airports, such as shuttle buses and valet parking. Additionally, technological advancements have enabled industry operators to gain a competitive edge. Most technological advancements involve automated payment systems, which reduce labor expenses. However, nonemploying operators are less likely to use automated services, and thus, are more likely to have higher wage costs and lower profit. Overall, the industry has benefited from recent development trends and the strengthening of consumer incomes.

Industry operations

The industry's slow revenue growth has deterred new entrants to the industry.

IBISWorld expects the number of industry operators to decline an annualized 0.9% to 9,210 enterprises over the five years to 2020. However, industry employment has experienced growth. The steady expansion of larger operators has resulted in an increase in industry employment. IBISWorld forecasts industry employment to grow an annualized 0.1% to 150,014 individuals over to five years to 2025.

To maintain healthy profit, most industry players have raised their service rates during the period. Beyond that, operators have also expanded their services and lowered costs to boost profit. For example, SP Plus provides their service offerings at parking centers to include emergency repair, traffic report updates and audiobooks for monthly parkers. LAZ Parking Ltd. LLC, one of the largest parking companies in the United States, has made an effort to make its facilities more environmentally friendly by providing recycling facilities and electric vehicle charging stations. In doing so, the company appeals to growing eco-consciousness among consumers.

Historical Performance Data

Year	Revenue	IVA	Estab.	Enterprises	Employment	Exports	Imports	Wages	Domestic Demand	Prime rate
	(\$m)	(\$m)	(Units)	(Units)	(Units)	(\$m)	(\$m)	(\$m)	(\$m)	(%)
2011	9,208	3,836	19,302	8,910	135,483	N/A	N/A	2,770	N/A	0.03
2012	8,842	3,975	18,698	9,070	139,252	N/A	N/A	2,862	N/A	0.03
2013	8,997	3,897	18,088	9,118	136,534	N/A	N/A	2,904	N/A	0.03
2014	9,492	4,301	19,126	9,490	143,638	N/A	N/A	3,098	N/A	0.03
2015	10,204	4,114	19,524	9,616	148,934	N/A	N/A	3,185	N/A	0.03

Year	Revenue	IVA	Estab.	Enterprises	Employment	Exports	Imports	Wages	Domestic Demand	Prime rate
	(\$m)	(\$m)	(Units)	(Units)	(Units)	(\$m)	(\$m)	(\$m)	(\$m)	(%)
2016	9,987	4,349	18,823	9,384	151,514	N/A	N/A	3,246	N/A	0.04
2017	10,285	4,617	18,745	9,389	155,455	N/A	N/A	3,388	N/A	0.04
2018	10,363	4,878	18,849	9,454	156,569	N/A	N/A	3,519	N/A	0.05
2019	10,524	5,153	18,934	9,500	159,089	N/A	N/A	3,750	N/A	0.05
2020	9,577	4,459	18,277	9,210	150,014	N/A	N/A	3,511	N/A	0.03

Industry Outlook

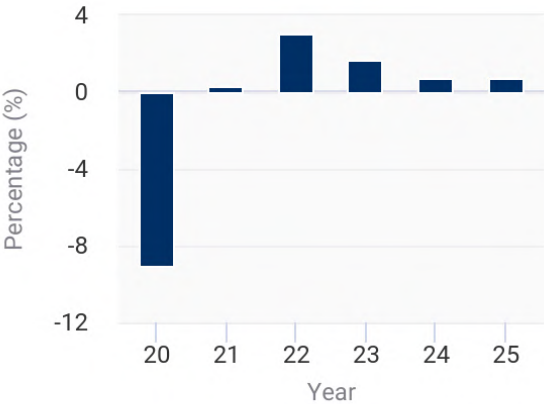
Outlook

Over the five years to 2025, revenue for the Parking Lots and Garages industry is expected to rebound slightly due to growth in the industry's key markets.

In particular, consumer activity among central business districts is expected to gradually reemerge from lockdown, thus prompting demand for industry services. Additionally, construction of urban, mixed-used development is expected to return, also driving growth in demand for parking services over the next five years.

The industry's expected slowdown over the next five years is also attributable to an increasing share of revenue being derived from management contracts in which industry operators are paid a fixed fee over a predetermined period of time. In this case, industry operators are not expected to benefit from increases in parking rates, but will also likely no longer be exposed to the risk of decreased demand. In turn, IBISWorld expects industry revenue to grow an annualized 1.3% to \$10.2 billion over the five years to 2025.

Industry Outlook
2020–2025



Parking Lots & Garages
Source: IBISWorld

Consumer outlook

The Parking Lots and Garages industry is highly dependent on consumer behaviors pertaining to shopping, travel and, to a lesser extent, dining.

Over the five years to 2025, IBISWorld anticipates consumer confidence levels to rebound from 2020 lows in the scenario of successful virus abatement. A rebound in consumer confidence levels is expected to drive the industry's return to growth as consumers resume shopping and entertainment activities that often involve parking facilities. However, the shift in consumer preferences towards online shopping and food delivery services that characterized consumer activity during the pandemic will continue to influence consumer behavior over the next five years. The effect will likely be a greater familiarity with e-commerce and delivery services and thus a loss of market share among brick and mortar businesses. Taking these factors into account, consumer demand for shopping centers is anticipated to return, but at a subdued level.

Moving toward saturation

The desire for more compact locations will likely result in the continued consolidation of major companies.

Major players are expected to engage in mergers with other large operators as they continue to purchase smaller independent lots that are located in areas with high growth potential. Previously, capitalization of parking lots that would automate facilities and enable companies to employ fewer workers previously held promises of higher prices for industry operators. Recently, however, declining rates of capital expenditure have resulted in higher employment figures and rising wage costs. Industry employment is forecast to grow at an annualized rate of 1.0% to 157,557 individuals over the five years to 2025. Consequently, relatively unchanged prices for parking and slightly higher labor costs will likely constrict profit. However, these trends are expected to only marginally affect larger operators that can more easily continue automating facilities.

These changes will likely occur alongside emerging trends that are also expected to detract from average profit gains. The industry's barriers to entry are low and most operations are small sole proprietorships or partnerships. The number of industry operators is expected to increase at an annualized rate of 0.3% to 9,345 enterprises over the five years to 2025. Increasing leasing rates during the period will likely partially offset profit gains and elevate costs for many operators. As a result, parking service providers are expected to continue to focus on management contracts that pay them a fixed monthly fee. Many operators will also likely incur additional costs over the next five years as they install charging stations in their facilities in response to growing sales of electric vehicles.

Future obstacles

Many issues that have limited industry revenue growth over the five years to 2020 will likely continue to threaten operators during the outlook period.

Roads in many urban areas operate at capacity during peak hours. While this benefits parking operators, it also means that industry revenue growth is limited until thoroughfares can accommodate more cars. In major cities, the use of public transportation (IBISWorld report 48511) and ride-sharing companies, such as Uber Technologies Inc. and Lyft Inc., are expected to increase over the next five years, representing a potential threat to industry operators that derive the majority of their revenue through lot or garage ownership.

Additionally, bike lanes have been on the rise in major cities, and their network is expected to expand over the five years to 2025. Commuting by bike, carpooling and using public transit decreases demand for parking and is expected to be especially attractive to the growing number of consumers trying to reduce their carbon footprints over the next five years. Ultimately, these trends are anticipated to gradually reduce the need for parking facilities moving forward.

Performance Outlook Data

Year	Revenue	IVA	Estab.	Enterprises	Employment	Exports	Imports	Wages	Domestic Demand	Prime rate
	(\$m)	(\$m)	(Units)	(Units)	(Units)	(\$m)	(\$m)	(\$m)	(\$m)	(%)
2020	9,577	4,459	18,277	9,210	150,014	N/A	N/A	3,511	N/A	0.03
2021	9,603	4,693	18,319	9,231	150,753	N/A	N/A	3,527	N/A	0.03
2022	9,899	4,801	18,479	9,300	154,020	N/A	N/A	3,609	N/A	0.04
2023	10,070	4,890	18,522	9,315	155,849	N/A	N/A	3,656	N/A	0.04
2024	10,145	4,924	18,552	9,328	156,733	N/A	N/A	3,678	N/A	0.04
2025	10,221	4,960	18,593	9,345	157,557	N/A	N/A	3,699	N/A	0.05

Industry Life Cycle

The life cycle stage of this industry is **⊖ Mature**

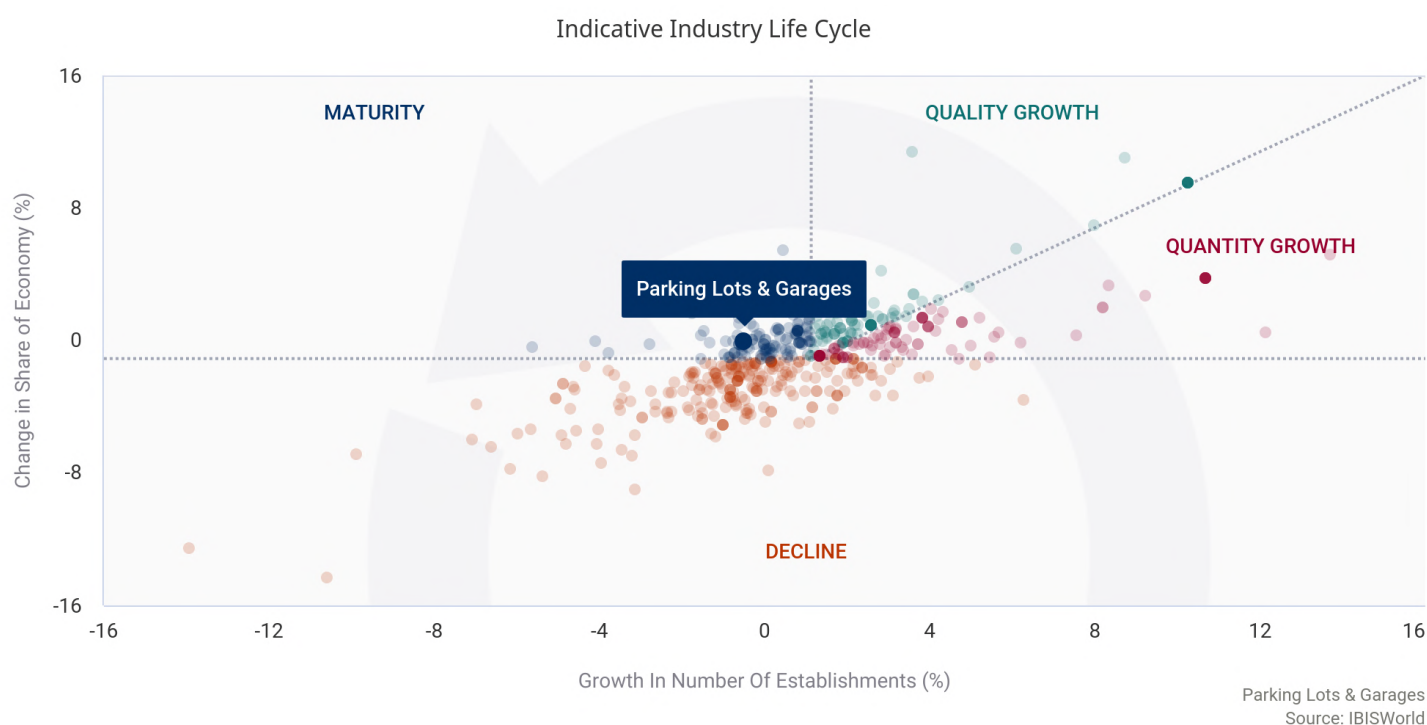
LIFE CYCLE REASONS

Major players continue to consolidate operations

The market is nearly saturated and industry growth depends on the economy's general health

Technological change has not been a major driver of industry growth

The industry provides a staple service



The Parking Lots and Garages industry is in the mature phase of its life cycle. Industry value added (IVA), which measures an industry's contribution to the overall economy, is projected to grow at an annualized rate of 1.9% over the 10 years to 2025. In comparison, US GDP is expected to grow at an annualized rate of 1.4%

during the same period. While IVA growth is expected to slightly outpace GDP growth, the number of companies in the industry is expected to decrease at an annualized rate of 0.3% over the 10 years to 2025. Overall, these industry dynamics are reflective of a mature industry.

During this time, merger and acquisition activity is expected to remain moderate, which is a key indicator of a mature industry. All three major players have grown their operations considerably through acquisitions over the five years to 2020. These companies are expected to continue expanding this way, and large regional players will likely attempt to reach a national market through a similar strategy. Since the industry provides staple services in a nation known for its driving culture, demand for its services is not expected to decline significantly in the near future. Yet, growth prospects for the industry remain relatively low, especially in light of the coronavirus pandemic, and industry revenue will likely depend largely on variables that reflect general economic health going forward. These include disposable income, consumer confidence and the unemployment rate, since these variables help determine automobile purchases and driving habits.

Products and Markets

Supply Chain

KEY BUYING INDUSTRIES

1st Tier

- Apartment Rental in the US
- Commercial Building Construction in the US
- Industrial Building Construction in the US
- Hotels & Motels in the US
- Single Location Full-Service Restaurants in the US

2nd Tier

- Consumers in the US

KEY SELLING INDUSTRIES

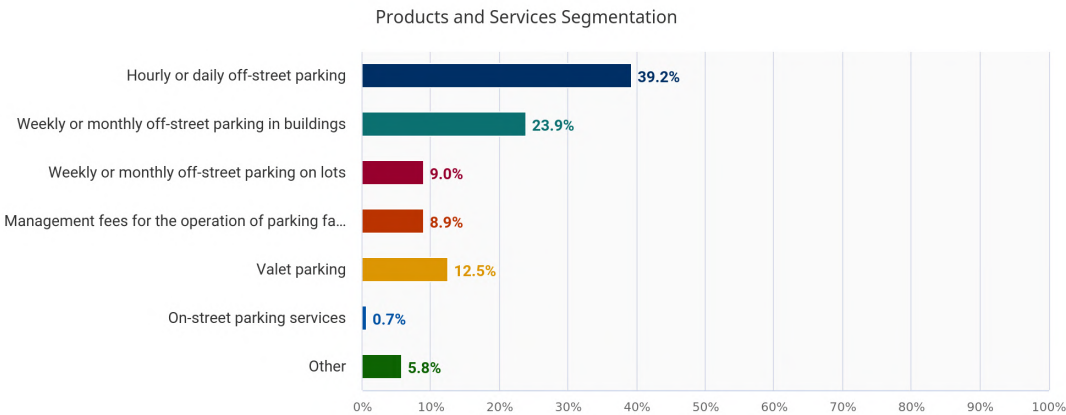
1st Tier

- Concrete Contractors in the US
- Asphalt Manufacturing in the US
- Public Administration in the US

2nd Tier

- Ready-Mix Concrete Manufacturing in the US

Products and Services



2020 INDUSTRY REVENUE

\$9.6bn

Parking Lots & Garages
Source: IBISWorld

The services provided by the Parking Lots and Garages industry can be broken down into several categories.

The largest service rendered in this industry is off-street parking. Off-street parking refers to any site that offers parking services for automobiles, motorcycles and bicycles that are not curbside, and this includes parking lots, garages and driveways. This classification of parking can be further segmented into facilities catering to consumers seeking daily parking or those seeking multiday parking spots. Moreover, these facilities can be operated under lease agreements, management contracts or by the owner directly. The remaining services offered in this industry include valet parking, on-street parking and other varied services.

Off-street parking

In 2020, the industry is estimated to generate a combined 72.1% of revenue through off-street parking facilities.

Off-street parking comprises three different groups, which include hourly or daily, in-building weekly and on-lot weekly. Of the three, hour and daily off-street parking accounts for an estimated 39.2% of industry revenue in 2020, making it the largest individual segment according to the US Census's latest information. Under this segment, customers typically pay operators an hourly rate to keep their vehicles in a lot for a maximum time of 24 hours. The second- and fourth-largest industry segments together comprise the weekly or monthly parking services segment, accounting for 23.9% of industry revenue in 2020. Weekly or monthly off-street parking on lots accounts for 9.0% of revenue in 2020. Overall, off-street parking has increased as a share of revenue over the five years to 2020.

Valet parking

Valet services refer to attendants that park and retrieve customers' automobiles for a fee and account for an estimated 12.5% of industry revenue in 2020.

These services are prevalent in restaurants, hotels, hospitals and medical centers and are generally considered an auxiliary service. This segment has been on the rise over the past five years as operators seek to expand their service offerings.

Management fees for the operation of parking facilities

In this industry, an estimated 8.9% of revenue is generated through fees from management contracts of parking facilities.

Under a management contract, industry operators do not own their own facilities, but rather, are paid a monthly base fee to manage and operate the facilities of their client. In addition to charging a monthly fee, operators may also receive an incentive fee for achieving performance objectives set by the client. Under this structure, wages, additional fees, taxes and other expenses are covered by the owner of the facility. The owner or facility is also responsible for maintenance and security. As a result, management contracts generally require the least amount of capital. Furthermore, management contracts tend to extend for seven to 10 years, making them less risky than their leasing counterpart. With less risk, there are also lower returns. Under management contracts, profit and revenue are limited by fixed fees. This segment has declined as a share of revenue over the past five years.

Other and on-street parking services

Collectively, the other services segment accounts for 5.8% of total industry revenue and includes meter collection and operation consultation, in addition to prepaid on-street parking services.

On-street parking accounts for 0.7% of industry revenue in 2020. These segments have grown as a share of revenue over the past five years and represent an

opportunity for parking operators as municipalities and businesses continue outsourcing parking services.

Demand Determinants

Demand for services provided by the Parking Lots and Garages industry is directly related to the transportation habits and demographic breakdown of the US population.

Increased travel by car or plane leads to rising demand for parking services while the use of automotive substitutes, such as public transportation or bicycles, decreases demand for parking. Moreover, the population directly affects demand for industry products. As the US population increases, demand for automobiles and automotive services, such as parking services, increases as well.

Vehicles on the road

An increase in the number of vehicles on the road causes demand for parking to rise.

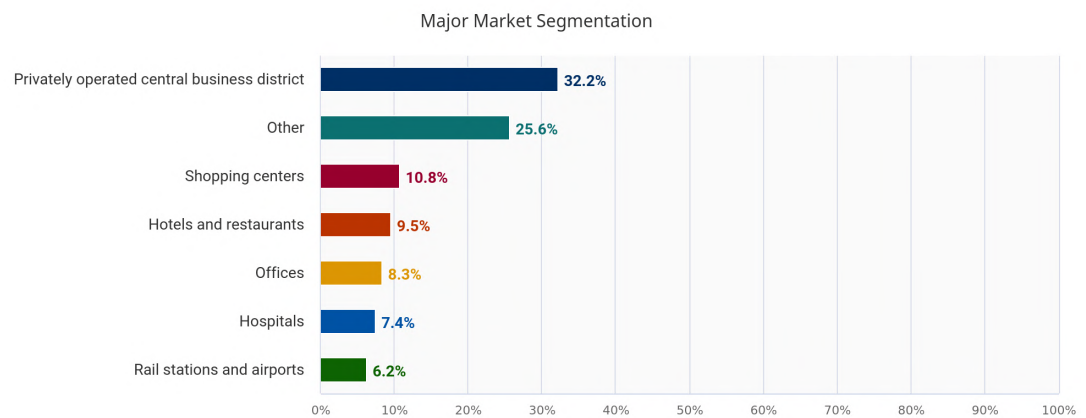
The number of motor vehicle registrations has increased at an annualized rate of 1.7% over the five years to 2020. This implies that a slowly increasing number of cars are in need of parking spots. In addition to the volume of cars on the road, the distance traveled by automobiles is equally important. As the number of miles traveled in a vehicle decreases, the probability of using alternative transportation increases. This means that as consumers choose to drive shorter distances, they become more agreeable to the idea of using a substitute for driving, such as biking, riding a bus or train. As this occurs, demand for parking also decreases. Total vehicle miles has decreased at an annualized rate of 0.3% over the five years to 2020.

Employment

As the unemployment rate has fallen in the United States, new jobs were created that require additional employees to travel to work.

Consequently, as the unemployment rate decreases, demand for parking services for work increases. Furthermore, lowered unemployment tends to imply higher levels of disposable income. An increase in per capita disposable income elevates demand for parking because people visit the locations served by parking operators with greater frequency. In particular, parking activity at locations visited for recreation and leisure increases. These locations include shopping centers, stadiums and hotels. However, the unemployment rate is expected to increase over the five years to 2020 due to the pandemic. In turn, demand for parking services is expected to decline.

Major Markets



2020 INDUSTRY REVENUE

\$9.6bn

Parking Lots & Garages
Source: IBISWorld

Privately operated central business district and shopping centers

Privately operated central business districts is the largest market served by the Parking Lots and Garages industry, accounting for an estimated 32.2% of industry revenue in 2020. This segment includes privately owned city parking and parking lots for offices, shopping centers and stadiums. Demand for parking garages in central business districts has increased as mixed-use developments have become increasingly popular in urban areas. As a result, privately operated central business districts' share of revenue has increased over the five years to 2020. Shopping centers account for an estimated 10.8% of industry revenue in 2020. This proportion is expected to decline in 2020 due to widespread business closures caused by the coronavirus pandemic.

Rail stations and airports

Rail stations and airports account for an estimated 6.2% of industry revenue in 2020. Parking at airports and railway stations have traditionally been a reliable market for the industry. Moreover, since travelers typically park their vehicles for days at a time, industry operators offer various ancillary services, such as valet, car washing and shuttle bus services. However, the rising prominence of ride-share services have increasingly drawn consumers away from airport parking facilities as fewer travelers choose to drive their own vehicles to the airport or rail station. Moreover, the effects of the pandemic have caused a sharp decline in air travel in 2020. As a result, this segment's share of revenue has decreased over the past five years.

Hotels and restaurants

IBISWorld estimates hotels and restaurants to account for an estimated 9.5% of industry revenue in 2020. The hospitality sector has also been a long-standing source of revenue for valet services in particular, as hotels and restaurants typically outsource valet services to parking companies in an effort to focus on their core business. The hospitality sector has exhibit strong growth over the past five years, resulting in this market's share of industry revenue increasing during the current period.

Hospitals

Hospitals are expected to generate 7.4% of industry revenue in 2020. Hospital parking operations require the industry's valet services and parking. Due to the central location of hospitals, large parking lots or garages are needed to accommodate employees and visitors. Similar to other markets, hospitals typically outsource the management of their parking facilities to industry operators. This segment's share of revenue has stagnated over the past five years.

Other

Other markets include municipalities and other various businesses and institutions, such as manufacturing facilities and universities. IBISWorld estimates other markets to account for 25.6% of industry revenue in 2020.

International Trade

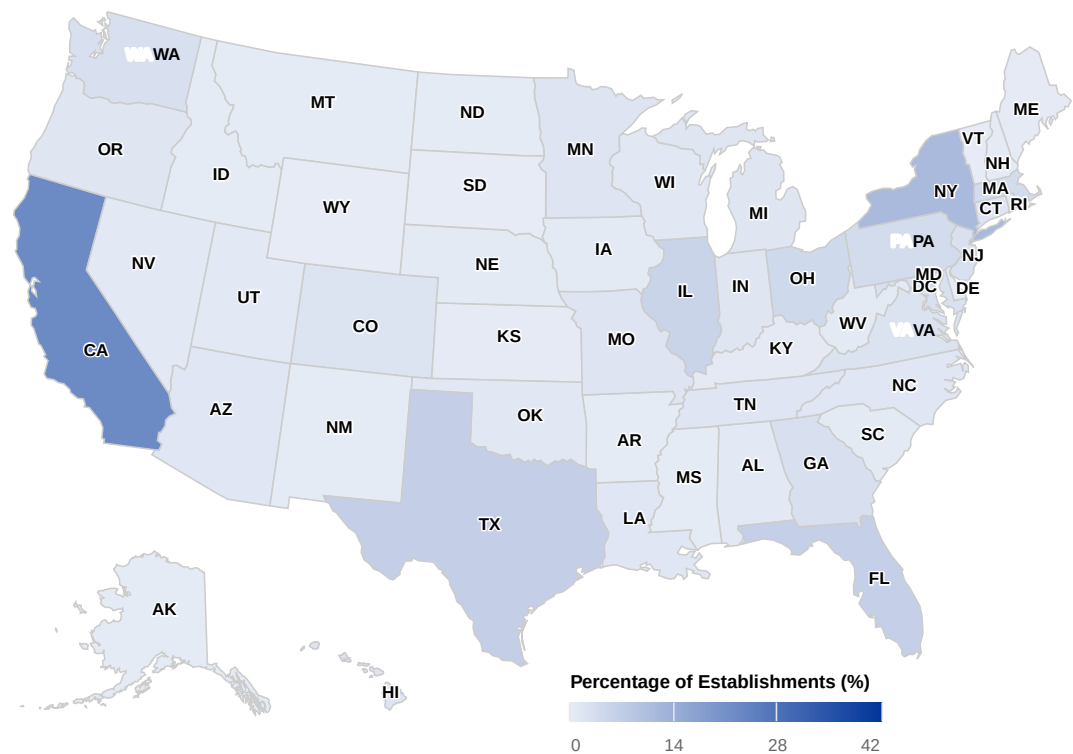
Exports in this industry are  **Low and Steady**

Imports in this industry are  **Low and Steady**

The Parking Lots and Garages industry in the United States only comprises operators that provide services to the domestic market. Consequently, there is no international trade recorded by the industry.

Business Locations

Business Concentration in the United States



Parking Lots & Garages in the US
Source: IBISWorld

The geographic distribution of establishments in Parking Lots and Garages industry mirrors both major population centers and motor vehicle distribution in the United States. Perhaps unsurprisingly, California and New York collectively account for 33.4% of industry establishments in 2020 due to their large consumer markets. In 2020, California accounts for 22.2% of establishments and New York accounts for 11.2% of establishments. According to US Census Bureau data, the top three regions for parking lots and garages are the West, Mid-Atlantic and Southeast. These are also the top three regions in the country in terms of population and automobile sales.

West

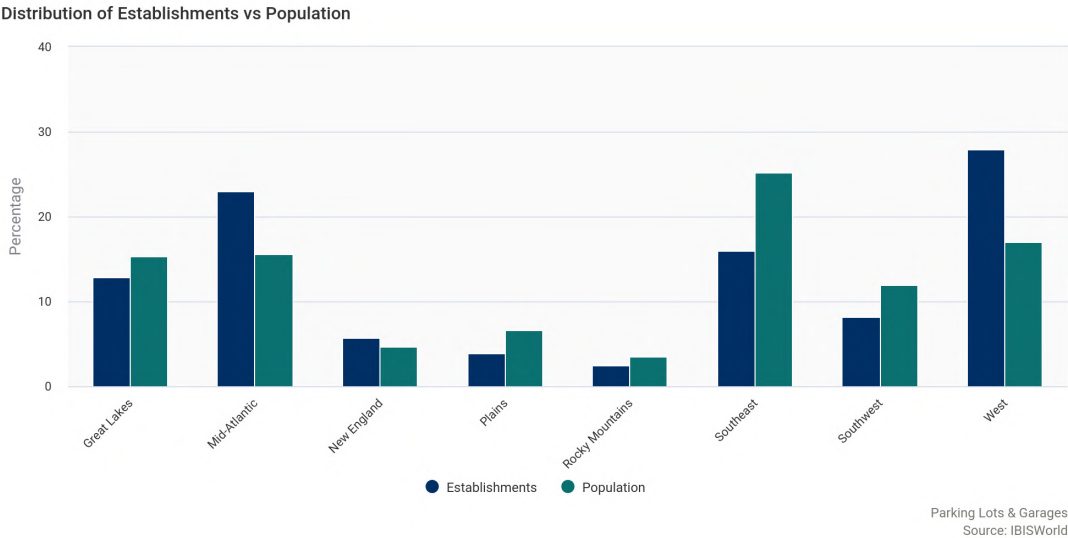
In 2020, the West accounts for 28.0% of industry establishments and 17.2% of the US population. This is largely due to California's high percentage of establishments. The largest city in the region, Los Angeles, is known for its residents' dependence on their cars. According to UCLA economics professor Donald Shoup, a 1.0-million square foot building in New York would be required to have an estimated 100 parking spots. In Los Angeles, the same building would be required to have 1,300 spots because of the difference in residents' transportation habits.

Mid-Atlantic

The Mid-Atlantic region is the most densely populated region in the United States and accounts for 22.9% of industry establishments in 2020. The abundance of densely populated urban centers in the region makes demand for parking particularly high. The region is home to 15.1% of the population in 2020.

Southeast

In 2020, an estimated 16.0% of parking lots and garages in the United States serve the drivers in the nation's most populous region, the Southeast. A reported 25.7% of the US population lives here as well in 2020. Moreover, more car sales happen in the Southeast than in any other region, with over one-fifth of automotive sales. Major metropolitan areas in the region include Miami, Atlanta and Tampa. Unlike the West and the Mid-Atlantic, however, this region is less densely populated, and as a result, requires fewer parking services.

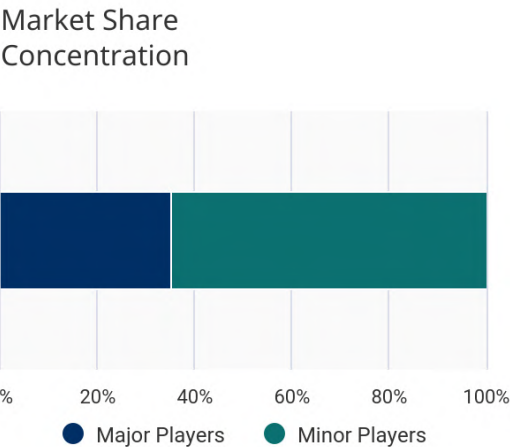


Competitive Landscape

Market Share Concentration

Concentration in this industry is ✔ Low

The Parking Lots and Garages industry exhibits a medium level of market share concentration, with the four largest operators accounting for an estimated 38.0% of industry revenue in 2020. The industry is characterized by its two distinct classes of operators, which include sole proprietors, which typically own and manage as little as one parking facility; and large corporations, which own or manage a national network of parking facilities while also offering ancillary services, such as valet parking.



Parking Lots & Garages
Source: IBISWorld

Due to the industry's relatively low barriers to entry, the industry is highly fragmented as represented by its large proportion of nonemployer operators. However, the industry's low barriers to entry are contingent upon the particular parking service offered. For example, parking lot management requires little up-front costs aside from qualified management and necessary purchase costs, such as maintenance equipment. In contrast, an industry operator that chooses to operate parking facilities under direct ownership will likely require significant upfront capital for the purchase or construction of parking facilities. Yet, on aggregate, the majority of industry operators have increasingly favored management contracts over direct ownership due to the increasing amount of commercial property managers outsourcing parking services. Despite representing an estimated one-third of all industry establishments, nonemployers are expected to account for only 3.0% of industry revenue in 2020.

Key Success Factors

IBISWorld identifies 250 Key Success Factors for a business. The most important for this industry are:

Proximity to key locations: Location is critical in this industry because consumers park as close as possible to their destinations. Desirable parking locations include business centers, transportation hubs and entertainment venues.

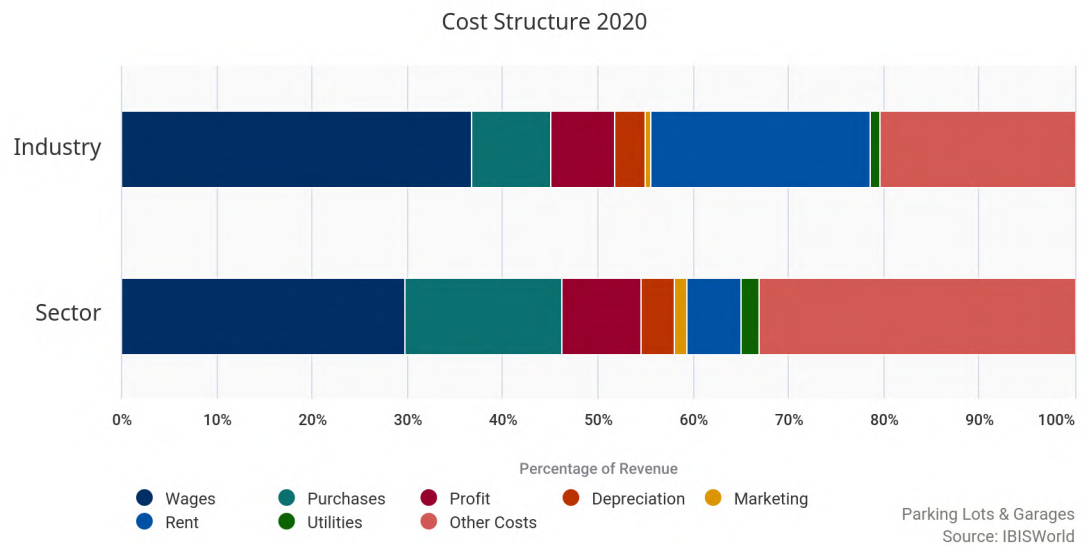
Ensuring pricing policy is appropriate: Competitive pricing is important in areas where parking services are widely available. Consumers parking to commute or go to work is less price sensitive than parking for leisure activities due to the necessity of employee parking.

Stable client relationships: Industry operators that compete for management contracts at public and private properties need to develop strong relationships with property owners to ensure the longevity of their operations.

Effective cost controls: Effective cost controls are critical in this industry since operators compete largely on the basis of price.

Having a loyal customer base: A parking lot's customer base is usually local and may consist of commuters, making repeat customers important to the lot's success.

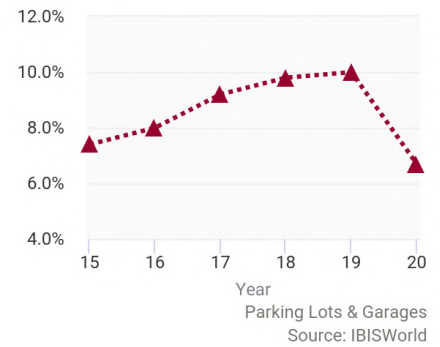
Cost Structure Benchmarks



Profit

Industry profit, measured as earnings before interest and taxes, is expected to account for 6.7% of industry revenue in 2020, representing a decrease from 7.4% of industry revenue in 2015. The industry's profitability is anticipated to decline in 2020 due to the effects of the coronavirus pandemic. Mandated social distancing and store closures are expected to result in less demand for parking and garages. In turn, overhead expenses are anticipated to be more of a burden in 2020. Overall, IBISWorld expects the industry's profitability to remain stable over the five years to 2025.

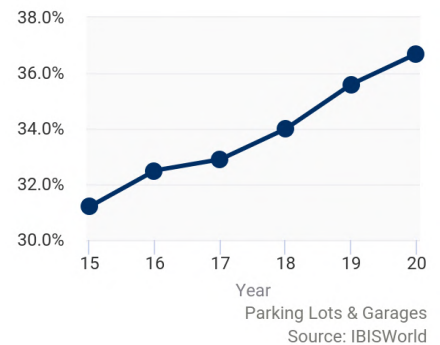
Profit as a Share of Revenue 2015-2020



Wages

Wage expenses are the single greatest cost for industry operators. IBISWorld estimates wage costs to account for 36.7% of industry revenue in 2020, representing a slight decrease from 31.2% of industry revenue in 2015. Wages' share of industry revenue is expected to increase over the coming years due to rising minimum wage requirements among several states, in addition to the industry's overall growth.

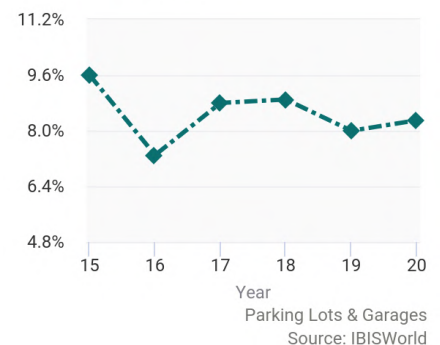
Wages as a Share of Revenue 2015-2020



Purchases

Purchase costs are expected to account for 8.3% of industry revenue in 2020. These costs include gasoline for company vehicles and cards that permit customers to pay for parking and cleaning supplies for the facilities. These expenses have remained fairly constant as a percentage of revenue over the five years to 2020.

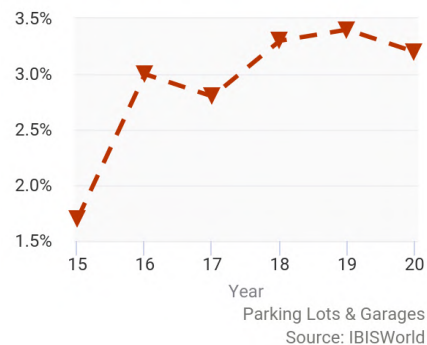
Purchases as a Share of Revenue 2015-2020



Depreciation

Depreciation expenses for the industry have historically accounted for less than 10.0% of industry revenue. In 2020, depreciation is expected to account for 3.2% of industry revenue, marking an increase from 1.7% of industry revenue in 2015. Overall, as industry operators increasingly favor management contracts, the industry's capital requirements and associated depreciation are expected to decline.

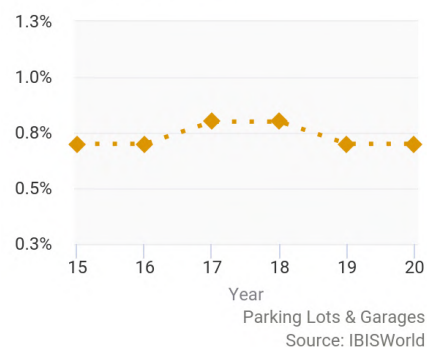
Depreciation as a Share of Revenue 2015-2020



Marketing

Marketing expenses have historically accounted for less than 1.0% of industry revenue, accounting for 0.7% of revenue in 2020. Given the ancillary nature of the industry's services, industry operators are not incentivized to advertise their services. IBISWorld expects marketing costs to remain minimal over the next five years.

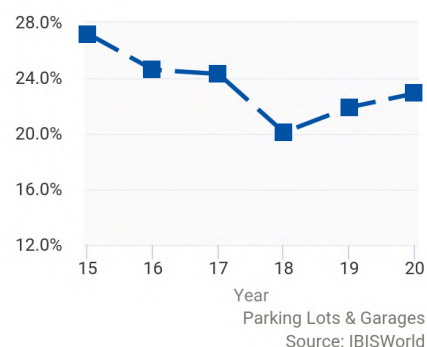
Marketing as a Share of Revenue 2015-2020



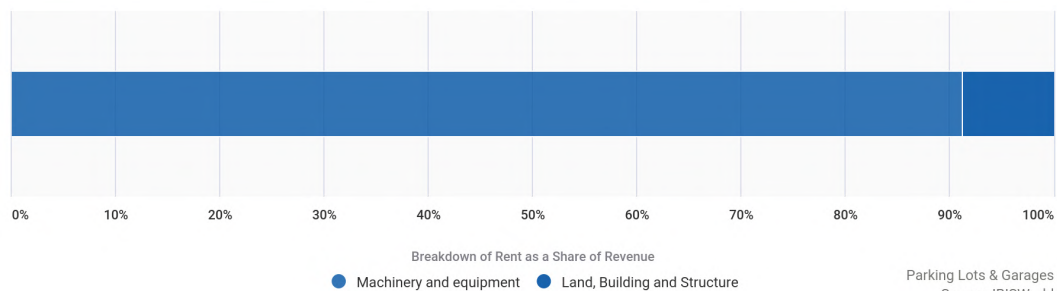
Rent

Rent costs are forecast to increase at a marginal pace over the five years to 2020. IBISWorld estimates rent costs to account for 22.9% of industry revenue in 2020, representing this industry's second-highest cost account. Rental costs accounted for 27.2% of industry revenue in 2015, yet have fluctuated during the period in line with commercial construction activity.

Rent as a Share of Revenue 2015-2020



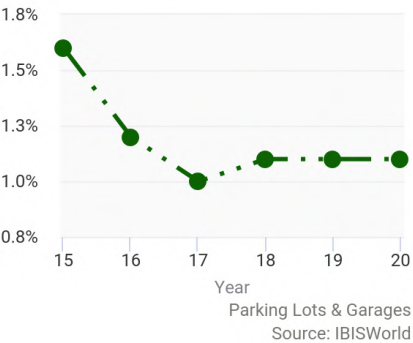
Rent Breakdown (% of Total Rent in 2020)



Utilities

Utilities represent costs associated with the use of electricity, fuel and water, among other variable costs. IBISWorld expects utility costs to increase marginally, accounting for an estimated 1.1% of industry revenue in 2020. Overall, utility costs have historically remained stable.

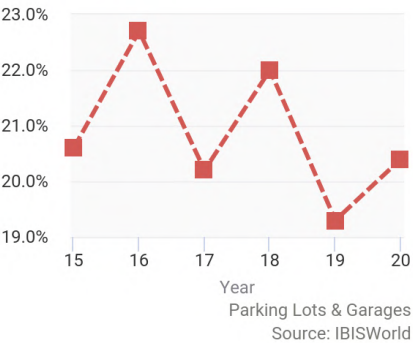
Utilities as a Share of Revenue 2015-2020



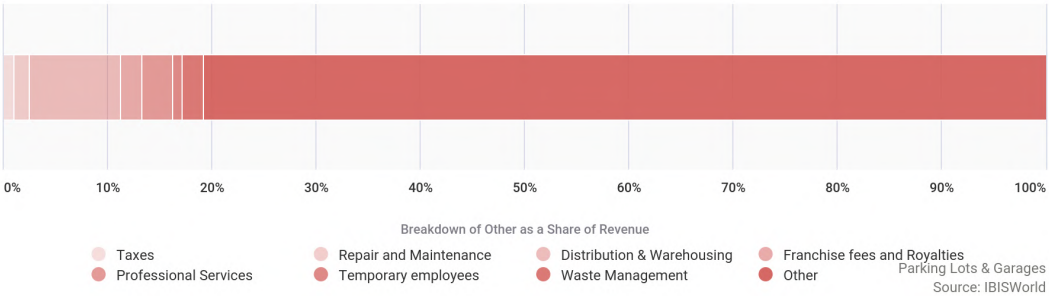
Other Costs

Other costs represent legal and accounting expenses, merger and acquisition fees and other one-off expenses. Other expenses are estimated to account for 20.4% of industry revenue in 2020.

Other Costs as a Share of Revenue 2015-2020



Other Breakdown (% of Total Other in 2020)



Basis of Competition

Competition in this industry is **High** and Steady

Operators in the Parking Lots and Garages industry experience a high level of competition mainly because of the high number of companies in the industry.

Furthermore, the fragmented nature of the industry means that the vast majority of operators in the industry account for a small portion of industry revenue. In addition to internal competition, parking service operators also experience external competition from developers and other institutions that manage their own parking facilities.

Internal competition

Industry operators compete with each other on the basis of price, location and range and quality of services.

Lower prices, more convenient locations and better services make a facility more attractive to customers. For operators competing for leased or owned operations, there is also competition for access to capital to secure the best location with the best equipment alongside qualified employees. Many industry operators provide their services under contracts with property owners. These contracts are obtained through competitive bidding or through long-standing relationships. As a result, developing a relationship with a client and earning a favorable reputation can be just as important as bidding low and controlling costs. The ability to offer multiple parking services, such as online or automated payment, valet, shuttle bus or car washing can increase a bidder's attractiveness. Bidding can involve a few large national parking companies in addition to smaller, locally owned and independent parking operators.

External competition

Industry operators experience external competition from real estate developers, property management companies, hotel operators and government entities that manage their own parking facilities.

Public transportation, ride-share services and bicycles also reduce the number of cars that require parking services.

Barriers to Entry

Barriers to entry in this industry are ⚠️ **Low** and **Steady**

The Parking Lots and Garages industry exhibits low barriers to entry. An operator running a parking facility through a management contract must secure the contract and secure qualified employees. Operating in this way requires minimal up-front capital and thereby low barriers to entry. Operators that lease or own their facilities experience higher barriers to entry as they must have access to the capital to rent or buy a facility that is in a desirable location.

Barriers to entry checklist

Competition	High	⚠️
Concentration	Low	✅
Life Cycle Stage	Mature	➖
Technology Change	Low	✅
Regulation & Policy	Light	✅
Industry Assistance	Low	⚠️

Access to productive locations can be difficult to acquire if an area is highly developed. One approach to this dilemma, used by LAZ Parking Ltd. LLC, is to buy underperforming urban land, use it for parking to encourage development and eventually sell it when the market dictates a more profitable use for it. All new entrants to the industry must pay for insurance and start-up costs associated with

the services they provide. The latter can involve buying vehicles, office equipment, automated pay stations, cameras and uniforms for employees.

Industry Globalization

Globalization in this industry **Low and Steady**

The Parking Lots and Garages industry has a low level of globalization. Industry operators are not incentivized to operate parking facilities overseas due to the increased barriers to entry in other developed regions.

Major Companies



Major Players

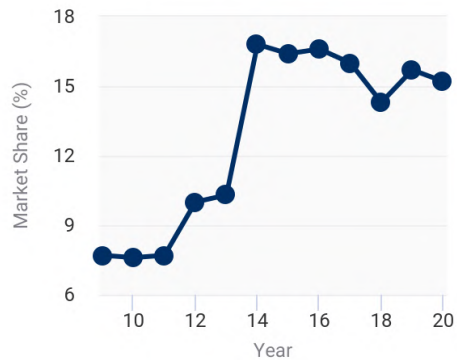
SP PLUS CORPORATION

Market Share: 15.2%

SP Plus Corporation (SP Plus) is a publicly held company founded in 1929 and headquartered in Chicago. The company manages nearly 3,500 surface level and multilevel parking facilities in the United States and Canada. This translates into more than 2.0 million parking spaces, making SP Plus the largest parking services company in the United States with over 23,900 employees. In 2019, the company recorded total revenue of \$1.7 billion across all of its segments (latest annual available).

In 2018, the company reported that an estimated 80.0% of its revenue was derived from facilities operated under management type contracts, while the remaining 20.0% was generated from facilities under a lease agreement (latest data available). The company operates under two segments which the company denotes as Segment One (Commercial and Institutional) and Segment Two (Aviation). Included in its two major operating segments is the company's revenue generated by other services, such as shuttles and valet services. Overall, SP Plus's parking and

SP Plus Corporation



shuttle bus operations serve hospitals, hotels, government and office buildings, retail centers, sports venues, universities and more than 70 airports, exemplifying the company's diversified operations. Moreover, SP Plus has continued its foray into value-added services for long-term customers. Some locations feature Ambiance in Parking customer programs, which offer free film, book and cruiser bike rentals for monthly parkers in addition to emergency repair services.

The company, similar to the other major players in the industry, pursues an expansion strategy that consists of establishing new markets via acquisitions, alliances or partnerships and expanding existing markets through additional management contracts. Over the five years to 2020, the company has undergone several transactions including a sale of the company's security business to an unspecified third-party in August 2015 and the acquisition of Baggage Airline Guest Services Inc. and Home Serv Delivery LLC in November 2018.

Financial performance

SP Plus's industry-relevant revenue is expected to decrease an annualized 1.0% to \$1.5 billion over the five years to 2020. During the period, the company has continued its growth strategy through acquisitions and joint ventures. Moreover, management cites an increased focus on profit-generating ancillary services, such as airport shuttle buses. In 2016 and 2017, the company made efforts to optimize operations by converting management contracts to lease contracts upon expiration resulted in increased profitability. However, due to the effects of the COVID-19 pandemic, the company's revenue is anticipated to decline in 2020. Mandated social distancing and store and food services establishment closures have greatly reduced demand for parking during the first half of 2020. In regard to the company's operating income, SP Plus cites the variability of parking rates among its leased facilities as being the ultimate driver of year-over-year profit fluctuations. In particular, gross profit from lease contracts has increased significantly in recent years primarily due to new locations and net gains on sale of assets. Nevertheless, the effects of the pandemic are expected to greatly temper company margins in 2020. Overall, IBISWorld estimates SP Plus's industry-specific operating income, measured as earnings before interest and taxes, to reach \$86.4 million in 2020.

SP Plus Corporation (US industry-specific segment) - financial performance*

Year	Revenue (\$m)	Growth (% change)	Operating Income (\$m)	Growth (% change)
2015	1534.9	N/C	37.9	N/C
2016	1531.6	-0.2	51.5	35.9
2017	1553.2	1.4	79.5	54.4
2018	1433.9	-7.7	73.3	-7.8
2019	1624.7	13.3	87.6	19.5
2020	1101.5	-32.2	-273.6	N/C

Source: Annual report and IBISWorld

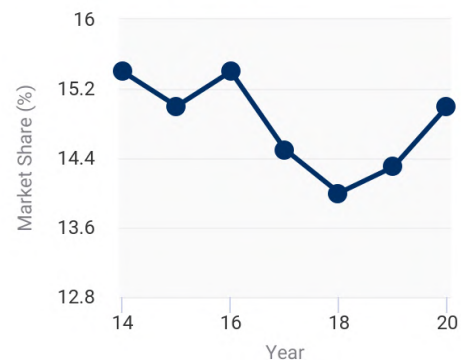
Note: *Estimates

LAZ PARKING LTD. LLC

Market Share: 15%

Founded in 1981, LAZ Parking Ltd. LLC (LAZ) is one of the leading parking services companies in the United States. Headquartered in Hartford, CT, the company operates over 1.2 million parking spaces in 33 states while employing 13,400 individuals. LAZ's parking services operate through management contracts, under which LAZ receives a base monthly fee from the facility owner for managing the parking garage or lot. The company also operates through leased arrangements and facilities it owns. Unlike other major players in the Parking Lots and Garages industry, LAZ's growth strategy includes purchasing properties and expanding operations. The company buys underperforming urban land to use for parking until market conditions dictate a better use.

LAZ Parking Ltd. LLC



With the financial backing of LAZ's parent company Indigo Group SAS, LAZ has been actively making acquisitions over the past five years to boost its market share. In 2017, the company acquired Alpha Park, a Denver-based parking operator. Additionally, part of LAZ's mission is to reduce the carbon footprint of its facilities, which helps it appeal to a growing group of consumers. LAZ facilities use energy-efficient lighting, provide electric charging stations for vehicles, use eco stations for waste disposal and have solar panels for garage roofs. Facilities also offer phone-payment technology.

Financial performance

Over the five years to 2020, LAZ has exhibited volatile revenue growth as a result of two factors, which include merger and acquisition activity and volatile oil prices. During the period, LAZ was involved in three major transactions, with the first being the acquisition of parent company Indigo by a French multinational parking corporation Infra Park SAS (Infra Park) just prior to the period. With the financial backing of Infra Park, LAZ acquired two parking companies in 2016 and 2017, which include California-based Valet Parking Services and Colorado-based Alpha Park, respectively. These acquisitions enabled LAZ to further expand its reach in regard to markets served. However, 2020 has been a challenging year for the company due to mandated closures of shops and restaurants. The 2020 pandemic has caused a steep decline in consumer activity during the first half of the year. Overall, LAZ is projected to continue growing at a steady pace as it continues to optimize its operations following its recent acquisitions, yet the company's growth will be tempered by the effects of the coronavirus. IBISWorld expects LAZ's industry-relevant revenue to grow an annualized 0.5% to \$1.4 billion over the five years to 2020, and the company's industry-relevant operating income is estimated to total \$75.9 million in 2020.

LAZ Parking Ltd. LLC (US industry-specific segment) - financial performance*

Year	Revenue (\$m)	Growth (% change)	Operating Income (\$m)	Growth (% change)
2015	1313.1	N/C	26.1	N/C
2016	1298.4	-1.1	28.7	10.0

LAZ Parking Ltd. LLC (US industry-specific segment) - financial performance*

Year	Revenue (\$m)	Growth (% change)	Operating Income (\$m)	Growth (% change)
2017	1362.3	4.9	47.6	65.9
2018	1400.0	2.8	50.9	6.9
2019	1400.0	0.0	70.9	39.3
2020	1161.5	-17.0	-139.5	N/C

Source: Annual report and IBISWorld

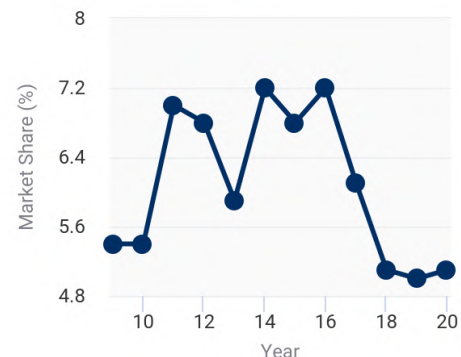
Note: *Estimates

ABM INDUSTRIES INC.

ABM Industries Inc.

Market Share: 5.1%

ABM Industries Inc. (ABM) is a publicly held building and facility services company based in New York City. ABM's parking segment was formed in 1966 and currently manages more than 1,800 parking operations in 39 states and the District of Columbia. The company employs over 140,000 people across all operating segments and generated \$6.5 billion in 2019 (latest data available).



ABM's operations include janitorial, security, engineering and parking services. The company's parking operations are estimated to account for 7.0% of total company revenue. ABM's parking division operates via subsidiaries, which include Ampco System Parking, Ampco System Airport Parking and Healthcare Parking Systems of America. ABM generates nearly half its parking segment revenue from locations operated under management contracts. The remaining revenue from parking is generated by operations it runs through leased location agreements and allowance arrangements. These arrangements are similar to management contracts, except that the parking provider is paid hourly rather than a monthly fee for services.

ABM's growth strategy relies on strategic acquisitions alongside organic development. The acquisitions extended and expanded ABM's parking business in major cities and increased ABM's presence at airports. ABM also develops its business through the increased use of technology. The company's proprietary revenue-control software connects its branches and aids in reporting. Its online-payment software offers customers a convenient way to pay for services.

Financial performance

ABM's industry-relevant revenue is expected to decline at an annualized rate of 5.2% to \$484.1 million over the five years to 2020. Recent declines in the company's revenue from parking services are due to a recent accounting standard change that now deducts rent expense from reported revenue from parking services in addition to the effects of the coronavirus pandemic. This accounting change notwithstanding, the company's revenue from parking services has grown at a similar rate to industry revenue. In addition, ABM's parking services are primarily focused on entertainment and sports venues in which ABM offers both facility

management and valet services. Given the company's ability to leverage its diverse service offerings, IBISWorld projects ABM's industry-relevant operating income, measured as earnings before interest and taxes, to total \$28.3 million in 2020.

ABM Industries Inc. (US industry-specific segment) - financial performance*				
Year	Revenue (\$m)	Growth (% change)	Operating Income (\$m)	Growth (% change)
2015	604.7	N/C	9.1	N/C
2016	627.2	3.7	6.7	-26.4
2017	673.8	7.4	12.6	88.1
2018	788.3	17.0	17.0	34.9
2019	812.0	3.0	38.5	126.5
2020	762.8	-6.1	6.3	-83.6

Source: Annual report and IBISWorld

Note: *Estimates

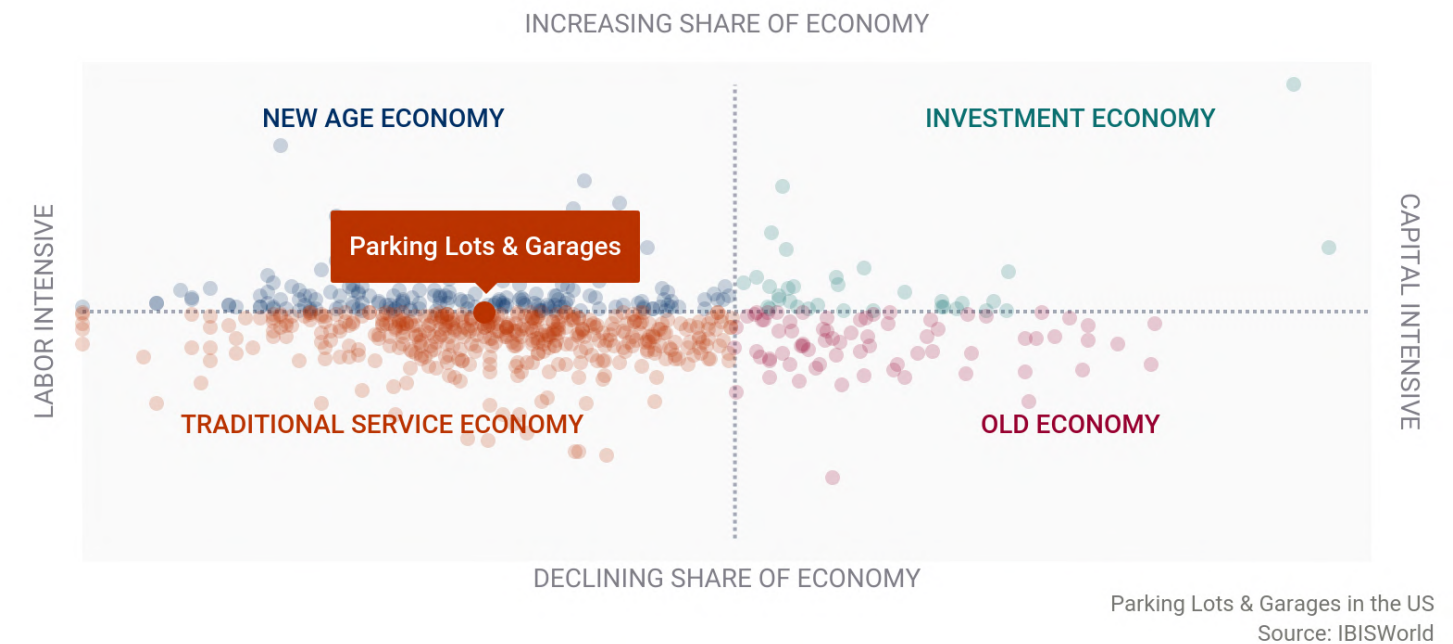
Other Players

ACE PARKING MANAGEMENT INC.

Ace Parking Management Inc. (Ace Parking) is a privately owned company based in San Diego, CA. Ace Parking employs an estimated 4,500 people and provides daily service to an estimated 350,000 customers. The company manages over 500 parking facilities at airports, hospitals, hotels, medical centers, office buildings and stadiums in eight states. Two of its most notable locations are Petco Park in San Diego and FC Dallas Stadium in Frisco, TX. In 2020, the company to generate \$274.6 million in industry-relevant revenue.

Operating Conditions

Costs of Growth: Targeting Capital vs. Labor



Capital Intensity

The level of capital intensity is ✔ Low

The Parking Lots and Garages industry has a low level of capital intensity. IBISWorld estimates that in 2020, industry operators will spend \$0.09 on capital for every \$1.00 spent on wages, representing an increase from \$0.05 in 2015. Industry operators spend a relatively small amount on capital because most parking services are run through management contracts. The vast majority of the remaining off-street parking offered by the industry is done through leasing a parking garage or lot. In both cases, the property owners and not the parking service providers, pay for most, if not all, of the capital expenditures.

Despite lower capital costs for management contracts, costs are significantly higher for a facility owned by a parking service provider. In these cases, industry operators provide their own maintenance equipment, computers, automated pay stations, cameras and traffic control devices. Larger companies serving airports frequently offer shuttle bus service in support of on-airport car rental locations and off-airport parking lots. These purchased buses are a significant capital expense for some companies.

Capital Intensity Ratios



Technology And Systems

Potential Disruptive Innovation: Factors Driving Threat of Change

Level	Factor	Disruption	Description
⚠ High	Ease of Entry	Likely	A qualitative measure of barriers to entry. Fewer barriers to entry increases the likelihood that new entrants can disrupt incumbents by putting new technologies to use.
⊖ Moderate	Rate of Entry	Potential	Annualized growth in the number of enterprises in the industry, ranked against all other industries. A greater intensity of companies entering an industry increases the pool of potential disruptors.
✔ Low	Rate of Innovation	Unlikely	A ranked measure for the number of patents assigned to an industry. A faster rate of new patent additions to the industry increases the likelihood of a disruptive innovation occurring.
✔ Low	Innovation Concentration	Unlikely	A measure for the mix of patent classes assigned to the industry. A greater concentration of patents in one area increases the likelihood of technological disruption of incumbent operators.

Level	Factor	Disruption	Description
 Very Low	Market Concentration	Very Unlikely	A ranked measure of the largest core market for the industry. Concentrated core markets present a low-end market or new market entry point for disruptive technologies to capture market share.

The industry is experiencing a low level of both the rate of new patents and the concentration of patents in the industry. This creates an environment where the threat of new technologies driving disruption is low.

The relative ease of entry is high, which can support the potential for external innovators to enter the industry with a disruptive trajectory. Despite this, the rate of entry of new companies is in line with the national average.

Major market segments for industry operators are relatively diversified. The spread of market segments suggests that there are limited entry points other than those already served by incumbent operators.

The Parking Lots and Garages industry does not contend with technological disruption.

Given the straightforward nature of industry services, technology does not have a significant impact on the core of the industry's services. Additionally, valet services in particular do not experience disruption due to their status as a complimentary service.

The level of technology change is  Low

Most technological advancements in the Parking Lots and Garages industry are associated with automating its services.

Automated services and technology are meant to enhance customer convenience, lower labor costs, improve cash management and increase overall productivity. The most common automated services are pay stations and entry systems. Other uses of technology noticeable to customers include automated vehicle identification through bar code decal technology and online reservations and payments. In addition, parking operators often use proprietary software that manages revenue and connects local offices across the country to corporate headquarters.

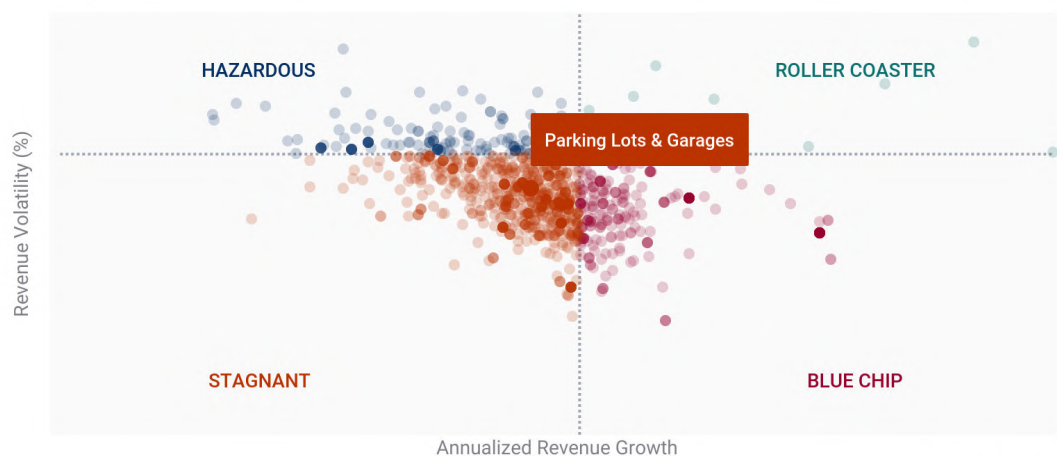
Mechanical parking structures have been increasingly built in the United States, though at a much slower rate than in Asian and European cities. The Automated & Mechanical Parking Association (AMPA) was formed in 2001 to advocate the use of these structures in densely populated areas of the United States. Intelligent Transportation Systems park systems incorporate various sensors to determine the current capacity of a parking garage. Using this data, industry operators can better determine usage statistics and adjust operations accordingly. Overall, technologically advanced parking structures boast a range of advantages over traditional parking garages and are expected to gain ground in the United States.

Traditional parking garages are also using technology to become greener, and in doing so, provide a more pleasant parking experience and cater to a growing niche market. Some of these advancements are simple and require little investment, such as retrofitted lighting for brighter, more energy-efficient operation and recycling stations. Others, such as solar panels on garage roofs and electric vehicle charging stations, require larger investments, but are done with long-term financial gains in mind. Many local parking service providers, such as LAZ Parking Ltd. LLC, have incorporated these changes in their facilities.

Revenue Volatility

The level of volatility is ☹ Medium

Volatility vs. Growth



Parking Lots & Garages
Source: IBISWorld

Note: Revenue growth and decline reflective of 5-year annualized trend. Y-axis is in logarithmic scale. Y-axis crosses at long-run GDP. X-axis crosses at high volatility threshold.

Revenue volatility in the Parking Lots and Garages industry has been moderate over the five years to 2020.

This low to moderate volatility is due to the inelastic demand for vehicle use, and this means that consumers have a relatively constant need for their vehicles, and therefore, almost always require industry services. This somewhat inelastic demand results in a relatively stable demand for parking. Moreover, the industry serves a variety of markets, which helps insulate it from adverse conditions that affect any individual market. Nonetheless, the industry's performance fluctuates slightly with economic cycles and suffers when unemployment increases or air travel drops.

Regulation & Policy

The level of regulation is 😊 Light and is Steady

| The Parking Lots and Garages industry is not heavily regulated.

Much of the regulation that applies to parking operators apply to all businesses that contend with real estate, employees and customer payments. Regulations from the US Department of Transportation and the Federal Aviation Administration (FAA) affect the industry more specifically.

The facilities used by industry operators must comply with federal, state and local laws concerning environmental regulations, transactions, employees and access. Owners and operators of buildings are liable for the costs associated with toxic substances found on their property and their removal. Industry operators are also subject to consumer credit laws and credit card industry rules, including the Fair and Accurate Credit Transactions Act and the Payment Card Data Security Standard. In addition, laws relating to wages and hours, employee benefits and discrimination apply to operators. The Americans with Disabilities Act of 1990 (ADA) requires parking facilities to include handicapped spaces, headroom for wheelchair vans, attendants' booths that accommodate wheelchairs and elevators that are operable by disabled persons.

Regulations specific to transportation services also apply to the industry. The US Department of Transportation and various state agencies control the licensing and authorizations, safety and insurance requirements of the industry's shuttle buses. The FAA generally prohibits parking within 300 feet of airport terminals during times of heightened alert, which can prevent industry operators from using several of their facilities.

Industry Assistance

The level of industry assistance is  **Low** and is **Steady**

| There is generally little government assistance provided to companies within the Parking Lots and Garages industry.

However, industry operators are often contracted to run the parking facilities at government buildings. These operations, which help generate city revenue, account for a marginal share of industry revenue. Also, the National Parking Association is the industry's main resource for education, networking, advocacy and industry research. The organization was founded in 1951 and has more than 800 member-companies and 2,500 members.

Key Statistics

Industry Data

Year	Revenue	IVA	Estab.	Enterprises	Employment	Exports	Imports	Wages	Domestic Demand	Prime rate
	(\$m)	(\$m)	(Units)	(Units)	(Units)	(\$m)	(\$m)	(\$m)	(\$m)	(%)
2011	9,208	3,836	19,302	8,910	135,483	N/A	N/A	2,770	N/A	0.03
2012	8,842	3,975	18,698	9,070	139,252	N/A	N/A	2,862	N/A	0.03
2013	8,997	3,897	18,088	9,118	136,534	N/A	N/A	2,904	N/A	0.03
2014	9,492	4,301	19,126	9,490	143,638	N/A	N/A	3,098	N/A	0.03
2015	10,204	4,114	19,524	9,616	148,934	N/A	N/A	3,185	N/A	0.03
2016	9,987	4,349	18,823	9,384	151,514	N/A	N/A	3,246	N/A	0.04
2017	10,285	4,617	18,745	9,389	155,455	N/A	N/A	3,388	N/A	0.04
2018	10,363	4,878	18,849	9,454	156,569	N/A	N/A	3,519	N/A	0.05
2019	10,524	5,153	18,934	9,500	159,089	N/A	N/A	3,750	N/A	0.05
2020	9,577	4,459	18,277	9,210	150,014	N/A	N/A	3,511	N/A	0.03
2021	9,603	4,693	18,319	9,231	150,753	N/A	N/A	3,527	N/A	0.03
2022	9,899	4,801	18,479	9,300	154,020	N/A	N/A	3,609	N/A	0.04
2023	10,070	4,890	18,522	9,315	155,849	N/A	N/A	3,656	N/A	0.04
2024	10,145	4,924	18,552	9,328	156,733	N/A	N/A	3,678	N/A	0.04
2025	10,221	4,960	18,593	9,345	157,557	N/A	N/A	3,699	N/A	0.05

Annual Change

Year	Revenue	IVA	Estab.	Enterprises	Employment	Exports	Imports	Wages	Domestic Demand	Prime rate
	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)
2011	0.53	0.53	6	8	1	N/A	N/A	4.14	N/A	0.00
2012	-3.97	3.62	-3	2	3	N/A	N/A	3.35	N/A	0.00
2013	1.74	-1.95	-3	1	-2	N/A	N/A	1.46	N/A	0.00
2014	5.50	10.4	6	4	5	N/A	N/A	6.65	N/A	0.00
2015	7.50	-4.35	2	1	4	N/A	N/A	2.83	N/A	0.00
2016	-2.14	5.69	-4	-2	2	N/A	N/A	1.92	N/A	33.3
2017	2.98	6.17	-0	0	3	N/A	N/A	4.35	N/A	0.00
2018	0.75	5.64	1	1	1	N/A	N/A	3.87	N/A	25.0
2019	1.55	5.64	0	0	2	N/A	N/A	6.54	N/A	0.00
2020	-9.01	-13.5	-3	-3	-6	N/A	N/A	-6.37	N/A	-40.0
2021	0.27	5.25	0	0	0	N/A	N/A	0.45	N/A	0.00
2022	3.07	2.30	1	1	2	N/A	N/A	2.34	N/A	33.3
2023	1.73	1.84	0	0	1	N/A	N/A	1.29	N/A	0.00
2024	0.74	0.69	0	0	1	N/A	N/A	0.60	N/A	0.00
2025	0.75	0.74	0	0	1	N/A	N/A	0.57	N/A	25.0

Key Ratios

Year	IVA/Revenue	Imports/Demand	Exports/Revenue	Revenue per Employee	Wages/Revenue	Employees per estab.	Average Wage
	(%)	(%)	(%)	(\$'000)	(%)		
2011	41.7	N/A	N/A	68.0	30.1	7.02	20,442
2012	44.9	N/A	N/A	63.5	32.4	7.45	20,556
2013	43.3	N/A	N/A	65.9	32.3	7.55	21,271
2014	45.3	N/A	N/A	66.1	32.6	7.51	21,565
2015	40.3	N/A	N/A	68.5	31.2	7.63	21,387
2016	43.5	N/A	N/A	65.9	32.5	8.05	21,427
2017	44.9	N/A	N/A	66.2	32.9	8.29	21,793
2018	47.1	N/A	N/A	66.2	34.0	8.31	22,476
2019	49.0	N/A	N/A	66.2	35.6	8.40	23,569
2020	46.6	N/A	N/A	63.8	36.7	8.21	23,403
2021	48.9	N/A	N/A	63.7	36.7	8.23	23,393
2022	48.5	N/A	N/A	64.3	36.5	8.33	23,435
2023	48.6	N/A	N/A	64.6	36.3	8.41	23,460
2024	48.5	N/A	N/A	64.7	36.3	8.45	23,468
2025	48.5	N/A	N/A	64.9	36.2	8.47	23,479

Industry Financial Ratios

Liquidity Ratios	April 2018 - March 2019 by company revenue						
	April 2015 - March 2016	April 2016 - March 2017	April 2017 - March 2018	April 2018 - March 2019	Small (< \$10m)	Medium (\$10m-50m)	Large (> \$50m)
Current Ratio	1.3	1.1	1.1	1.0	1.2	1.2	
Quick Ratio	1.0	1.1	1.0	0.8	0.8	1.2	
Sales / Receivables (Trade Receivables Turnover)	108.1	88.0	16.8	116.7	999.9	19.0	
Days' Receivables	3.4	4.1	21.7	3.1	0.4	19.2	
Cost of Sales / Inventory (Inventory Turnover)							
Days' Inventory							
Cost of Sales / Payables (Payables Turnover)							
Days' Payables							
Sales / Working Capital	24.3	27.1	73.0	207.0	999.9	27.7	
Coverage Ratios							
Earnings Before Interest & Taxes (EBIT) / Interest	6.3	4.2	4.3	2.7	2.8		
Net Profit + Dep., Depletion, Amort. / Current Maturities LT Debt							
Leverage Ratios							
Fixed Assets / Net Worth	1.3	2.0	3.1	3.0	14.6	1.0	
Debt / Net Worth	1.7	2.1	11.8	7.9	14.7	2.9	
Tangible Net Worth	31.1	34.9	10.9	9.3	2.1	24.0	
Operating Ratios							
Profit before Taxes / Net Worth, %	32.8	10.0	14.8	13.8	11.9	7.1	
Profit before Taxes / Total Assets, %	9.3	4.0	4.3	5.0	5.4	0.6	
Sales / Net Fixed Assets	1.5	0.5	1.0	0.9	0.3	13.5	
Sales / Total Assets (Asset Turnover)	0.6	0.3	0.6	0.3	0.2	2.4	
Cash Flow & Debt Service Ratios (% of sales)							
Cash from Trading							
Cash after Operations	17.3	34.3	31.7	33.6	42.3		
Net Cash after Operations	14.3	39.0	22.0	17.5	42.3		
Cash after Debt Amortization	3.6	11.1	2.9	3.5	7.2		
Debt Service P&I Coverage	3.1	1.8	1.8	1.9	1.6		
Interest Coverage (Operating Cash)	6.2	5.5	4.2	3.8	3.9		
Assets, %							
Cash & Equivalents	21.3	17.0	15.7	17.2	10.6	33.2	
Trade Receivables (net)	6.8	6.5	13.7	6.6	1.8	12.4	
Inventory	0.4	0.0	0.0	1.3	2.0	0.2	
All Other Current Assets	2.9	3.4	4.8	6.5	5.9	5.5	
Total Current Assets	31.4	26.9	34.2	31.6	20.3	51.2	
Fixed Assets (net)	46.7	56.6	46.4	49.2	60.8	28.1	
Intangibles (net)	3.9	3.6	6.8	11.7	15.9	1.9	
All Other Non-Current Assets	18.1	12.8	12.7	7.5	3.0	18.8	
Total Assets	100.0	100.0	100.0	100.0	100.0	100.0	
Total Assets (\$m)	1,082.2	972.1	1,312.9	1,304.7	283.3	611.9	409.6
Liabilities, %							
Notes Payable-Short Term	3.2	2.8	4.7	1.2	0.4	1.9	
Current Maturities L/T/D	2.9	3.3	3.5	2.8	3.6	1.4	
Trade Payables	6.4	6.3	6.9	7.4	4.0	10.9	
Income Taxes Payable	0.2	0.2	0.3	0.3	0.2	0.5	
All Other Current Liabilities	14.4	9.3	12.4	20.1	12.2	36.5	
Total Current Liabilities	27.1	21.9	27.8	31.8	20.4	51.2	
Long Term Debt	33.5	37.3	49.1	42.8	57.9	16.3	
Deferred Taxes	0.6	0.6	0.1	0.0	0.0	0.0	
All Other Non-Current Liabilities	3.9	1.7	5.3	4.4	3.8	6.6	
Net Worth	35.0	38.5	17.7	21.0	18.0	25.9	
Total Liabilities & Net Worth (\$m)	1,082.2	972.1	1,312.9	1,304.7	283.3	611.9	409.6
Maximum No. of Statements Used	51.0	43.0	42.0	43.0	26.0	12.0	5.0

Source: RMA Annual Statement Studies, rmahq.org. RMA data for all industries is derived directly from more than 260,000 statements of member financial institution's borrowers and prospects.



Additional Resources

Additional Resources

US Department of Transportation

<http://www.transportation.gov>

US Census Bureau

<http://www.census.gov>

Victoria Transport Policy Institute

<http://www.vtpi.org>

National Parking Association

<http://www.npapark.org>

Industry Jargon

LEASED OPERATION

An arrangement where a service provider rents the property their business is on and is not responsible for major maintenance or capital expenditures on the property or real estate taxes.

MANAGEMENT CONTRACT

An agreement where a facility is managed for a fixed fee while the landowner or contracting business receives all payments and covers maintenance and rental or mortgage costs.

MECHANICAL PARKING STRUCTURE

A fully or semi-automated parking system that minimizes the area needed to park cars through mechanical lifts.

Glossary Terms

BARRIERS TO ENTRY

High barriers to entry mean that new companies struggle to enter an industry, while low barriers mean it is easy for new companies to enter an industry.

CAPITAL INTENSITY

Compares the amount of money spent on capital (plant, machinery and equipment) with that spent on labor. IBISWorld uses the ratio of depreciation to wages as a proxy for capital intensity. High capital intensity is more than \$0.333 of capital to \$1 of labor; medium is \$0.125 to \$0.333 of capital to \$1 of labor; low is less than \$0.125 of capital for every \$1 of labor.

CONSTANT PRICES

The dollar figures in the Key Statistics table, including forecasts, are adjusted for inflation using the current year (i.e. year published) as the base year. This removes the impact of changes in the purchasing power of the dollar, leaving only the "real" growth or decline in industry metrics. The inflation adjustments in IBISWorld's reports are made using the US Bureau of Economic Analysis' implicit GDP price deflator.

DOMESTIC DEMAND

Spending on industry goods and services within the United States, regardless of their country of origin. It is derived by adding imports to industry revenue, and then subtracting exports.

EMPLOYMENT

The number of permanent, part-time, temporary and seasonal employees, working proprietors, partners, managers and executives within the industry.

ENTERPRISE

A division that is separately managed and keeps management accounts. Each enterprise consists of one or more establishments that are under common ownership or control.

ESTABLISHMENT

The smallest type of accounting unit within an enterprise, an establishment is a single physical location where business is conducted or where services or industrial operations are performed. Multiple establishments under common control make up an enterprise.

EXPORTS

Total value of industry goods and services sold by US companies to customers abroad.

IMPORTS

Total value of industry goods and services brought in from foreign countries to be sold in the United States.

INDUSTRY CONCENTRATION

An indicator of the dominance of the top four players in an industry. Concentration is considered high if the top players account for more than 70% of industry revenue. Medium is 40% to 70% of industry revenue. Low is less than 40%.

INDUSTRY REVENUE

The total sales of industry goods and services (exclusive of excise and sales tax); subsidies on production; all other operating income from outside the firm (such as commission income, repair and service income, and rent, leasing and hiring income); and capital work done by rental or lease. Receipts from interest royalties, dividends and the sale of fixed tangible assets are excluded.

INDUSTRY VALUE ADDED (IVA)

The market value of goods and services produced by the industry minus the cost of goods and services used in production. IVA is also described as the industry's contribution to GDP, or profit plus wages and depreciation.

INTERNATIONAL TRADE

The level of international trade is determined by ratios of exports to revenue and imports to domestic demand. For exports/revenue: low is less than 5%, medium is 5% to 20%, and high is more than 20%. Imports/domestic demand: low is less than 5%, medium is 5% to 35%, and high is more than 35%.

LIFE CYCLE

All industries go through periods of growth, maturity and decline. IBISWorld determines an industry's life cycle by considering its growth rate (measured by IVA) compared with GDP; the growth rate of the number of establishments; the amount of change the industry's products are undergoing; the rate of technological change; and the level of customer acceptance of industry products and services.

NONEMPLOYING ESTABLISHMENT

Businesses with no paid employment or payroll, also known as nonemployers. These are mostly set up by self-employed individuals.

PROFIT

IBISWorld uses earnings before interest and tax (EBIT) as an indicator of a company's profitability. It is calculated as revenue minus expenses, excluding interest and tax.

REGIONS

West | CA, NV, OR, WA, HI, AK

Great Lakes | OH, IN, IL, WI, MI

Mid-Atlantic | NY, NJ, PA, DE, MD

New England | ME, NH, VT, MA, CT, RI

Plains | MN, IA, MO, KS, NE, SD, ND

Rocky Mountains | CO, UT, WY, ID, MT

Southeast | VA, WV, KY, TN, AR, LA, MS, AL, GA, FL, SC, NC

Southwest | OK, TX, NM, AZ

VOLATILITY

The level of volatility is determined by averaging the absolute change in revenue in each of the past five years. Volatility levels: very high is more than $\pm 20\%$; high volatility is $\pm 10\%$ to $\pm 20\%$; moderate volatility is $\pm 3\%$ to $\pm 10\%$; and low volatility is less than $\pm 3\%$.

WAGES

The gross total wages and salaries of all employees in the industry.

IBISWorld helps you find the industry information you need – fast

With our trusted research covering thousands of global industries, you'll get a quick and intelligent overview of any industry so you can get up to speed in minutes. In every report, you'll find actionable insights, comprehensive data and in-depth analysis to help you make smarter, faster business decisions. If you're not yet a member of IBISWorld, contact us at +1-800-330-3772 or info@IBISWorld.com to learn more.

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Staff Report 094-21

TO: Mayor and City Council

FROM: Eric Holmes, City Manager

DATE: 6/28/2021

SUBJECT Partial Defeasance of 2012C Taxable Limited Tax Refunding Bonds

Key Points

- If Council authorizes the sale of the Columbia Bank parking garage, approximately \$1.2 million of the proceeds will be used to pay off (defease) a portion of the outstanding 2012C LTGO Refunding bonds associated with the garage.
- The resolution delegates to the Chief Financial Officer to perform the requirements needed to defease the bonds.

Strategic Plan Alignment

Goal 9: Build the strongest, most resilient economy in the region.

Present Situation

Broadway Investors, LLC notified the City they intend to exercise their option to purchase the Columbia Bank building parking garage as defined in the development agreement, pending Council approval. This parking garage currently has \$1,140,000 outstanding bonds associated with the parking garage.

Limited Tax General Obligation bonds were originally issued in 2000 to construct two public parking garages as part of larger developments – VancouverCenter and West Coast Bank parking garages. In 2013 Columbia Bank acquired West Coast Bank, which changed the name of the parking garage to Columbia Bank parking garage. In 2002, the 2000 LTGO bonds were partially refunded, and then in 2012, as part of a larger refunding, the City refunded the parking portion of the outstanding 2002 bonds and issued taxable LTGO Refunding bonds. The 2012C bonds have an average interest rate of 2.6%. The final maturity is 12/1/2025, but the bonds are callable 12/1/2022.

If Council authorizes the sale of the Columbia Bank parking garage, staff recommends Council

provide authorization to set aside a portion of the proceeds of the sale of the garage, and pay off \$1,140,000 of outstanding bonds associated with the garage, pay accrued interest associated with the garage debt, plus pay the professional service fees associated with the defeasance. These professional service fees are estimated to be less than \$10,000.

The bond resolution allows the ability to defease up to \$1.2 million to provide flexibility for reinvestment rates associated with purchasing securities to place in escrow. Part of the proceeds from the sale of the garage will be transferred to an escrow agent to pay the outstanding debt service payments through the call date of 12/1/2022. The resolution also delegates authority to the Chief Financial Officer to perform the requirements to defease the bonds.

Advantage(s)

If Council authorizes the sale of the parking garage, the defeasance will remove the outstanding debt associated with a structure the City no longer owns and reduce the outstanding debt liability of the City and its parking fund.

Disadvantage(s)

None

Budget Impact

The budget appropriation for the cost of defeasing a portion of the 2012C outstanding bonds as well as the professional service costs associated with the defeasance will be included in the 2021 Second Supplemental.

Prior Council Review

- 2000 LTGO Bond Ordinance and public hearing - August 7, 2000.
- 2002 LTGO Refunding Bond Ordinance and public hearing - October 7, 2002.
- 2012 LTGO Refunding Bond Ordinance and public hearing - November 5, 2012.
- Council briefing under City Manager Communications - June 21, 2021

Action Requested

On Monday June 28, 2021, adopt a resolution authorizing the partial defeasance of the 2012C Taxable LTGO Refunding bonds.

Carrie Lewellen, Treasurer 360-487-8482

ATTACHMENTS:

- ▢ Resolution

06/28/21

RESOLUTION NO. _____

A RESOLUTION OF THE CITY OF VANCOUVER, WASHINGTON, APPROVING THE DEFEASANCE OF A PORTION OF THE CITY'S OUTSTANDING LIMITED TAX GENERAL OBLIGATION REFUNDING BONDS, 2012C (TAXABLE) IN THE AMOUNT OF NOT TO EXCEED \$1,200,000 AND AUTHORIZING THE CHIEF FINANCIAL OFFICER OF THE CITY TO PERFORM THE REQUIREMENTS NECESSARY ON BEHALF OF THE CITY TO DEFEASE SUCH BONDS INCLUDING THE SUBMISSION OF ANY DOCUMENTATION RELATING THERETO.

WHEREAS, the City of Vancouver, Washington (the "City"), by Ordinance No. M-4027 (the "2012 Ordinance"), authorized the issuance of its Limited Tax General Obligation Refunding Bonds, 2012C (Taxable) in the aggregate principal amount of \$7,340,000 (the "2012C Bonds"); and

WHEREAS, the 2012C Bonds currently mature in principal amounts and bear interest on unpaid principal, as follows:

<u>Year (December 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2021	\$ 985,000	2.326%
2022	1,010,000	2.426
2023	1,025,000	2.626
2024	1,055,000	2.786
2025	1,085,000	2.886

WHEREAS, Section 11 of the 2012C Ordinance authorizes the defeasance of the 2012C Bonds in whole or in part; and

WHEREAS, a portion of the 2012C Bonds (22%) was allocable to the financing of a parking garage then known as the West Coast parking garage (now known as the Columbia Bank parking garage); and

WHEREAS, the City is considering the sale of the Columbia Bank parking garage; and

WHEREAS, the current outstanding balance of the 2012C Bonds allocable to the Columbia Bank parking garage is \$1,140,000; and

WHEREAS, if the City Council approves the sale of the Columbia Bank parking garage, the City Council also intends to set aside a portion of the proceeds of sale to establish an escrow account for the defeasance of the outstanding 2012C Bonds allocable to the Columbia Bank parking garage (the “Defeased Bonds”); and

WHEREAS, the City Council intends to authorize the Chief Financial Officer of the City (the “Chief Financial Officer”) to perform the requirements necessary to accomplish such defeasance including the authority to enter into any agreements or complete such forms required by U.S. Bank National Association, as registrar for the 2012C Bonds (the “Registrar”);

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF VANCOUVER, WASHINGTON, as follows:

Section 1. Defeasance of the Defeased Bonds; General Authorization to the Chief Financial Officer. If the City Council approves the sale of the Columbia Bank parking garage, the City Council hereby directs that sufficient funds from the proceeds of sale shall be used to defease the Defeased Bonds.

The City Council hereby authorizes and directs the Chief Financial Officer to arrange for the defeasance of the Defeased Bonds in accordance with the provisions of the 2012C Ordinance providing for the defeasance of the Defeased Bonds and to provide notice of such defeasance to the Registrar. The Chief Financial Officer is authorized to select an escrow agent, a verification agent, if necessary, and enter into any agreements with an escrow agent to establish the defeasance escrow and further provide for the submission of information in regard to the Defeased Bonds as requested by the Registrar.

The Registrar is hereby authorized and directed to provide for the timely giving of notice of defeasance of the Defeased Bonds in accordance with the applicable provisions of the 2012C Ordinance. The Chief Financial Officer is authorized and requested to provide whatever assistance is necessary to accomplish such defeasance and the giving of notice therefor. The costs of publication of such notice shall be an expense of the City.

The Chief Financial Officer will take such actions as are found necessary to see that all necessary and proper fees, compensation and expenses to accomplish the defeasance of the Defeased Bonds shall be paid when due.

Section 2. Effective Date. This resolution shall become effective immediately upon final adoption.

ADOPTED at a Regular Meeting of the Vancouver City Council this 28th day of June, 2021.

CITY OF VANCOUVER, WASHINGTON

Anne McEnemy-Ogle, Mayor

Attest:

Approved as to form:

Natasha Ramras, City Clerk

Jonathan Young, City Attorney

CERTIFICATE

I, the undersigned, City Clerk of the City Council, of the City of Vancouver, Washington (the “City”) and keeper of the records of the City Council (the “City Council”), DO HEREBY CERTIFY:

1. That the attached Resolution is a true and correct copy of Resolution No. _____ of the City Council (the “Resolution”), duly adopted at a regular meeting thereof held on the 28th day of June, 2021.

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 legal quorum was present throughout the meeting and a legally sufficient number of members of the City Council voted in the proper manner for the adoption of the Resolution; that all other requirements and proceedings incident to the proper adoption of the Resolution have been duly fulfilled, carried out and otherwise observed; and that I am authorized to execute this certificate.

IN WITNESS WHEREOF, I have hereunto set my hand this 28th day of June, 2021.

City Clerk

VOUCHER APPROVAL

We, the undersigned council members of the City of Vancouver, Clark County, Washington, do hereby certify that the merchandise or services hereinafter specified have been received and that the vouchers listed below are approved for payment in the amount of:

\$ 3,967,745.64 this 28th day of June 2021.

MAYOR



AUDITING OFFICER

COUNCILMEMBER

COUNCILMEMBER

DATE	INCLUSIVE CHECK NUMBERS	CHECK TOTAL
June 15, 2021 - June 21, 2021	Accounts Payable Checks (see attached)	\$ 3,959,746.98
June 15, 2021 - June 21, 2021	Hansen City Payments (see attached)	\$ 4,892.88
June 15, 2021 - June 21, 2021	Visa Refunds (see attached)	\$ 3,105.78
June 15, 2021 - June 21, 2021	Payroll Checks (see attached)	\$ -
TOTAL		\$ 3,967,745.64

INVOICE PAYMENTS REPORT

<u>Payment Category</u>	<u>Payment Type</u>	<u>Check Number</u>	<u>Payment Date</u>	<u>Payment Amount</u>	<u>Payment Payee</u>	<u>Payment Memo if applicable</u>				
Supplier Payment	Manual Wire	No Reference	6/2/2021	111,593.56	Bank of America NA					
Supplier Payment	Manual Wire	No Reference	6/14/2021	31,985.40	Gallagher Bassett Services Inc					
Supplier Payment	Manual Wire	No Reference	6/16/2021	676,755.82	Clark County - Remit-To: Clark County - Treasurer Vancouver					
Supplier Payment	Manual Wire	No Reference	6/17/2021	1,428.00	State of Washington Department of Licensing - Remit-To: DOL - Seattle Remit					
Supplier Payment	Manual Wire	No Reference	6/18/2021	41,078.21	Gallagher Bassett Services Inc					
Expense Payment	Direct Deposit	EFT-00105019	6/17/2021	85.00	Lorne Silvis	Employee Reimbursement				
Expense Payment	Direct Deposit	EFT-00105020	6/17/2021	46.25	Emery Oldham	Employee Reimbursement				
Expense Payment	Direct Deposit	EFT-00105021	6/17/2021	95.00	Josh Honomichi	Employee Reimbursement				
Expense Payment	Direct Deposit	EFT-00105022	6/17/2021	580.58	Ryan Starbuck	Employee Reimbursement				
Expense Payment	Direct Deposit	EFT-00105023	6/17/2021	767.40	Brian Viles	Employee Reimbursement				
Expense Payment	Direct Deposit	EFT-00105024	6/17/2021	15.75	Tyler Chavers	Employee Reimbursement				
Expense Payment	Direct Deposit	EFT-00105025	6/17/2021	57.00	Robin Brown	Employee Reimbursement				
Expense Payment	Direct Deposit	EFT-00105026	6/17/2021	195.29	Edward Kuhn	Employee Reimbursement				
Cash Advance Payment	Direct Deposit	EFT-00105046	6/17/2021	114.00	Lee Gelsinger	Travel Advance				
Cash Advance Payment	Direct Deposit	EFT-00105047	6/17/2021	65.00	James Porter	Travel Advance				
Cash Advance Payment	Direct Deposit	EFT-00105048	6/18/2021	549.00	Bryan Benes	Travel Advance				
Cash Advance Payment	Direct Deposit	EFT-00105049	6/18/2021	196.00	Gunnar Skollingsberg	Travel Advance				
Cash Advance Payment	Direct Deposit	EFT-00105050	6/18/2021	357.50	Zachary Ripp	Travel Advance				
Supplier Payment	EFT	EFT-00105036	6/16/2021	387,120.00	Cat Works LLC					
Supplier Payment	EFT	EFT-00105027	6/17/2021	95.00	T2 Systems Inc - Remit-To: T2- Atlanta					
Supplier Payment	EFT	EFT-00105028	6/17/2021	2,427.70	Net Transcripts Inc					
Supplier Payment	EFT	EFT-00105029	6/17/2021	720.00	Rotschy Inc					
Supplier Payment	EFT	EFT-00105030	6/17/2021	6,000.00	Arbutus Consulting LLC					
Supplier Payment	EFT	EFT-00105031	6/17/2021	14,230.67	Otak Inc					
Supplier Payment	EFT	EFT-00105032	6/17/2021	4,803.44	Picard Corp					
Supplier Payment	EFT	EFT-00105033	6/17/2021	1,483.24	State of Washington Consolidated Technology Services					
Supplier Payment	EFT	EFT-00105034	6/17/2021	210,782.75	Community Roots Collaborative					
Supplier Payment	EFT	EFT-00105035	6/17/2021	1,732.72	RELX Inc.					
Supplier Payment	EFT	EFT-00105037	6/17/2021	1,935.75	Rapid Response Bio Clean					
Supplier Payment	EFT	EFT-00105038	6/17/2021	46,495.41	State of Washington Auditor's Office					
Supplier Payment	EFT	EFT-00105039	6/17/2021	214,328.36	Lee Contractors LLC					
Supplier Payment	EFT	EFT-00105040	6/17/2021	3,835.52	Fire Systems West					
Supplier Payment	EFT	EFT-00105041	6/17/2021	9,331.75	Salazar Architect Inc					
Supplier Payment	EFT	EFT-00105042	6/17/2021	5,322.46	Boys and Girls Clubs of Southwest Washington					
Supplier Payment	EFT	EFT-00105043	6/17/2021	65,112.90	Clark County - Remit-To: Clark County - Treasurer Vancouver					
Supplier Payment	EFT	EFT-00105044	6/17/2021	236,700.62	Halme Excavating Inc					
Supplier Payment	EFT	EFT-00105045	6/17/2021	3,316.68	Metereaders LLC					
Customer Refund	Check	23017	6/16/2021	330.00	ADAM STITES	Refund for overpayment on account				
Ad Hoc Payment	Check	23018	6/16/2021	25.83	Ana Murphy	Utility Refunds: 0161007660-03				
Ad Hoc Payment	Check	23019	6/16/2021	74.35	Carla Thoreson	MPE-301180				

*Please contact Procurement Services if you would like to review the justification for EMERGENCY procurement.

INVOICE PAYMENTS REPORT

<u>Payment Category</u>	<u>Payment Type</u>	<u>Check Number</u>	<u>Payment Date</u>	<u>Payment Amount</u>	<u>Payment Payee</u>	<u>Payment Memo if applicable</u>				
Ad Hoc Payment	Check	23020	6/16/2021	2,765.00	Carla Thoreson	SWR-301178				
Ad Hoc Payment	Check	23021	6/16/2021	2,495.00	Carla Thoreson	WTR-301177				
Ad Hoc Payment	Check	23022	6/16/2021	35.00	Christenson Electric Inc	Refund Citation Ovrpytm 7202904322				
Ad Hoc Payment	Check	23023	6/16/2021	112.43	Craig D Koblitz	Utility Refunds: 0118010248-13				
Ad Hoc Payment	Check	23024	6/16/2021	59.51	CTM Electric Inc.	MPE-301220				
Ad Hoc Payment	Check	23025	6/16/2021	23.83	Daniel Stockton and Francesca Wignes	Utility Refunds: 0124035218-03				
Ad Hoc Payment	Check	23026	6/16/2021	47.42	Dannel J Fischer	Refund Permit COV09804				
Ad Hoc Payment	Check	23027	6/16/2021	3,580.50	Earthworks Excavating Services Inc	SCIP - Inv WA52-21 - 1200 NE 129th Ave - Stovall				
Ad Hoc Payment	Check	23028	6/16/2021	29.04	Glenda Justice	Utility Refunds: 0069074700-02				
Ad Hoc Payment	Check	23029	6/16/2021	1,729.11	Heather A Derenne	Utility Refunds: 0124000472-02				
Ad Hoc Payment	Check	23030	6/16/2021	108.22	Heather J Sockwell	Utility Refunds: 0063032700-11 Consolidated refund created from multiple refunds				
Ad Hoc Payment	Check	23031	6/16/2021	20.00	Howard Sonnes / Christine Baker	Refund Alarm Billing Acct 21100 Inv 99398923				
Ad Hoc Payment	Check	23032	6/16/2021	59.51	JC Electric Inc.	MPE-298582				
Ad Hoc Payment	Check	23033	6/16/2021	59.51	Joe Camp/ALL FUEL INSTALLATION/SERV LLC	MPE-302189				
Ad Hoc Payment	Check	23034	6/16/2021	161.66	Joseph R Annett	Utility Refunds: 0093044901-16				
Ad Hoc Payment	Check	23035	6/16/2021	250.00	Kate Fernald	NUSA Conference Reimbursement 2021				
Ad Hoc Payment	Check	23036	6/16/2021	156.22	Kevin McGranahan	Utility Refunds: 0117054400-02				
Ad Hoc Payment	Check	23037	6/16/2021	127.82	Laura A Hanna	Utility Refunds: 0121001944-02				
Ad Hoc Payment	Check	23038	6/16/2021	142.00	LUCY POZDINA	VOUCHER 2008327.030				
Ad Hoc Payment	Check	23039	6/16/2021	49.00	Lynnette Harley	RES-299434				
Ad Hoc Payment	Check	23040	6/16/2021	54.17	Marvin and Meredith Flaming	Utility Refunds: 0140012024-03				
Ad Hoc Payment	Check	23041	6/16/2021	250.00	Mary Elkin	NUSA Conference Reimbursement 2021				
Ad Hoc Payment	Check	23042	6/16/2021	40.00	PCS	Refund Alarm Billing Acct 3325 Inv 99422104 and 99428900 Doubletree				
Ad Hoc Payment	Check	23043	6/16/2021	50.00	PCS	Refund 7202501304 Patricia Olney				
Ad Hoc Payment	Check	23044	6/16/2021	87.00	Premier Property Management	Refund CivicGov Acct 747344 Inv 77031834				
Ad Hoc Payment	Check	23045	6/16/2021	20.00	Punk's Muffler	Refund Alarm Billing Acct 9579 Inv 99434896				
Ad Hoc Payment	Check	23046	6/16/2021	130.00	Randy and Laura Ayers	Utility Refunds: 0061067500-01				
Ad Hoc Payment	Check	23047	6/16/2021	135.62	Robert and Laurice Brown	Utility Refunds: 0064054961-02				
Ad Hoc Payment	Check	23048	6/16/2021	14.57	Ruth E Vela and Carlos R Farje	Utility Refunds: 0088080610-06				
Ad Hoc Payment	Check	23049	6/16/2021	130.02	Sandra Topalovic	Utility Refunds: 0000007386-02				

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Ad Hoc Payment	Check	23050	6/16/2021	6,622.07	Shaffer, Inc	Cont Reimb - SCIP - 910 SE 118th Crt - Inv 2021-216 - Ryan				
Ad Hoc Payment	Check	23051	6/16/2021	122.30	Stephen G Zahm and Eva Kay Gold	Utility Refunds: 0008005100-02				
Ad Hoc Payment	Check	23052	6/16/2021	500.00	TAMI MCDONALD	VOUCHER 2008377.058				
Ad Hoc Payment	Check	23053	6/16/2021	46.22	The Management Group	Utility Refunds: 0066042600-10				
Ad Hoc Payment	Check	23054	6/16/2021	153.62	Thomas R Trotter and Peggy Whelan	Utility Refunds: 0005017600-18				
Ad Hoc Payment	Check	23055	6/16/2021	1,044.00	Timothy Rice	PIR-81459				
Ad Hoc Payment	Check	23056	6/16/2021	90.00	Underbar LLC	Refund Covid-19 Surcharge Bus Lic Fee				
Ad Hoc Payment	Check	23057	6/16/2021	60.51	Victoria Bradbury/Industrial Commercial Elect Co.	MPE-300486				
Supplier Payment	Check	23058	6/16/2021	1,520.74	A-Check America Inc					
Supplier Payment	Check	23059	6/16/2021	5,739.44	Allegiance Benefit Plan Management Inc					
Supplier Payment	Check	23060	6/16/2021	141.57	Aramark Uniform & Career Apparel LLC - Remit-To: Aramark - Pasadena					
Supplier Payment	Check	23061	6/16/2021	17,243.36	Arborscape Ltd Inc					
Supplier Payment	Check	23062	6/16/2021	220.69	AT & T Mobility II LLC					
Supplier Payment	Check	23063	6/16/2021	953.50	Bacon Collision					
Supplier Payment	Check	23065	6/16/2021	34,398.28	Brightview Holdings Inc					
Supplier Payment	Check	23066	6/16/2021	45,606.05	Bud Clary Chevrolet, Cadillac Inc					
Supplier Payment	Check	23067	6/16/2021	1,746.66	Cadman Materials - Remit-To: Cadman - Chicago					
Supplier Payment	Check	23068	6/16/2021	39,728.00	Capitol Asset & Pavement Services Inc					
Supplier Payment	Check	23069	6/16/2021	2,047.32	Cascade Centers Inc					
Supplier Payment	Check	23070	6/16/2021	12,896.02	CECO Inc					
Supplier Payment	Check	23071	6/16/2021	8,281.02	CH2M Hill Engineers Inc					
Supplier Payment	Check	23072	6/16/2021	12,389.72	CH2M Hill Inc					
Supplier Payment	Check	23073	6/16/2021	77,584.32	City of Portland - Remit-To: City of Portland - General AR					
Supplier Payment	Check	23074	6/16/2021	266.00	City of Vancouver - Remit-To: COV Main					
Supplier Payment	Check	23075	6/16/2021	780.00	Clark County Fire District 5					
Supplier Payment	Check	23076	6/16/2021	1,645.08	Code Publishing Co					
Supplier Payment	Check	23077	6/16/2021	39,014.24	Columbia Ford Inc					
Supplier Payment	Check	23078	6/16/2021	109.92	Comcast Holdings Corporation - Remit-To: Comcast Business - City of Industry					
Supplier Payment	Check	23079	6/16/2021	241.11	Comcast Holdings Corporation - Remit-To: Comcast Business - City of Industry					
Supplier Payment	Check	23080	6/16/2021	109.92	Comcast Holdings Corporation - Remit-To: Comcast Business - City of Industry					

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<u>Payment Category</u>	<u>Payment Type</u>	<u>Check Number</u>	<u>Payment Date</u>	<u>Payment Amount</u>	<u>Payment Payee</u>	<u>Payment Memo if applicable</u>				
Supplier Payment	Check	23081	6/16/2021	114.92	Comcast Holdings Corporation - Remit-To: Comcast Business - City of Industry					
Supplier Payment	Check	23082	6/16/2021	24.79	Comcast Holdings Corporation - Remit-To: Comcast Business - City of Industry					
Supplier Payment	Check	23083	6/16/2021	114.92	Comcast Holdings Corporation - Remit-To: Comcast Business - City of Industry					
Supplier Payment	Check	23084	6/16/2021	17,580.15	Comcast Holdings Corporation - Remit-To: Comcast Holdings Corporation - Philadelphia					
Supplier Payment	Check	23085	6/16/2021	22,383.55	Contech Engineered Solutions LLC					
Supplier Payment	Check	23086	6/16/2021	1,534.23	Distinctive Landscape LLC					
Supplier Payment	Check	23087	6/16/2021	275.00	ERF Company Inc					
Supplier Payment	Check	23088	6/16/2021	850.00	Examworks Inc					
Supplier Payment	Check	23089	6/16/2021	22,398.10	Exeltech Consulting					
Supplier Payment	Check	23090	6/16/2021	1,108.06	Ferguson Enterprises - Remit-To: Ferguson - Dallas					
Supplier Payment	Check	23091	6/16/2021	125.00	Flowing Solutions LLC					
Supplier Payment	Check	23092	6/16/2021	45,766.40	Gordon Truck Centers					
Supplier Payment	Check	23093	6/16/2021	10,199.00	H&H Wood Recyclers					
Supplier Payment	Check	23094	6/16/2021	572.50	Harper Houf Peterson Righellis Inc					
Supplier Payment	Check	23095	6/16/2021	165,270.76	HCI Industrial & Marine Coatings Inc					
Supplier Payment	Check	23096	6/16/2021	13,443.00	HDR Engineering Inc					
Supplier Payment	Check	23097	6/16/2021	7,780.47	Herrera Environmental Consultants Inc					
Supplier Payment	Check	23098	6/16/2021	1,218.73	Interior Office Solutions					
Supplier Payment	Check	23099	6/16/2021	5,307.26	International Business Machines					
Supplier Payment	Check	23100	6/16/2021	1,985.57	Inventus Media LLC					
Supplier Payment	Check	23101	6/16/2021	728.57	Iron Mountain Inc - Remit-To: Iron Mountain - New York					
Supplier Payment	Check	23102	6/16/2021	156,653.26	Jacobs Engineering Group Inc					
Supplier Payment	Check	23103	6/16/2021	7,068.28	Janus Youth Programs Inc					
Supplier Payment	Check	23104	6/16/2021	4,987.50	Kearns & West Inc					
Supplier Payment	Check	23105	6/16/2021	2,087.54	Keiths Sporting Goods Inc					
Supplier Payment	Check	23106	6/16/2021	1,085.00	Kurita America Inc - Remit-To: US Water - Minneapolis					
Supplier Payment	Check	23107	6/16/2021	35,507.71	L.N. Curtis & Sons					
Supplier Payment	Check	23108	6/16/2021	568,303.24	Lakeside Industries Inc					
Supplier Payment	Check	23109	6/16/2021	11,241.81	Lakeside Industries Inc - Remit-To: Lakeside - LB Seattle					
Supplier Payment	Check	23110	6/16/2021	12,697.81	Mackenzie Engineering Inc					
Supplier Payment	Check	23111	6/16/2021	146.48	Mark IV Enterprises Inc					
Supplier Payment	Check	23112	6/16/2021	337.50	Marquam Group LTD					

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Supplier Payment	Check	23113	6/16/2021	2,118.16	McFarlanes Bark Inc					
Supplier Payment	Check	23114	6/16/2021	240.00	Michael Vernon Tom					
Supplier Payment	Check	23115	6/16/2021	90.00	Mighty Mens Gear Inc					
Supplier Payment	Check	23116	6/16/2021	466.55	Municipal Emergency Services Inc - Remit-To: Municipal Emergency Services - Chicago					
Supplier Payment	Check	23117	6/16/2021	1,916.75	Murray Smith Inc					
Supplier Payment	Check	23118	6/16/2021	11,881.27	Northeast Electric LLC					
Supplier Payment	Check	23119	6/16/2021	63.88	Northwest Cascade Inc					
Supplier Payment	Check	23120	6/16/2021	743.50	Northwest Natural Gas Company - Remit-To: NW Natural - Portland					
Supplier Payment	Check	23121	6/16/2021	6,360.13	Northwest Staffing Resources Inc - Remit-To: NW Staffing - Portland					
Supplier Payment	Check	23122	6/16/2021	1,408.33	Oldcastle Precast Inc					
Supplier Payment	Check	23123	6/16/2021	1,667.06	One Call Concepts Inc					
Supplier Payment	Check	23124	6/16/2021	9,104.40	Parkeon					
Supplier Payment	Check	23125	6/16/2021	3,984.29	Passport Labs Inc. - Remit-To: Passport Labs Inc					
Supplier Payment	Check	23126	6/16/2021	29,551.45	PBS Engineering and Environmental Inc					
Supplier Payment	Check	23127	6/16/2021	1,445.02	Physio-Control Inc - Remit-To: Stryker Medical					
Supplier Payment	Check	23128	6/16/2021	6,750.00	Plan-it GEO LLC					
Supplier Payment	Check	23129	6/16/2021	545.70	Porter W Yett Company					
Supplier Payment	Check	23130	6/16/2021	330.00	Portland Adventist Medical Center					
Supplier Payment	Check	23131	6/16/2021	45,079.46	PPC Solutions Inc					
Supplier Payment	Check	23132	6/16/2021	1,756.00	Professional Service Industries					
Supplier Payment	Check	23133	6/16/2021	290.00	Public Safety Testing Inc					
Supplier Payment	Check	23134	6/16/2021	928.35	Purple Communications Inc					
Supplier Payment	Check	23135	6/16/2021	453.48	Qwest Corp - Remit-To: Qwest Corp- Seattle					
Supplier Payment	Check	23136	6/16/2021	387.88	Rentokil North America Inc					
Supplier Payment	Check	23137	6/16/2021	2,485.34	Roth Staffing Companies LP - Remit-To: Ultimate Staffing Services					
Supplier Payment	Check	23138	6/16/2021	5.21	Shred It USA LLC					
Supplier Payment	Check	23139	6/16/2021	4,939.09	Software House International SHI - Remit-To: SHI - Dallas					
Supplier Payment	Check	23140	6/16/2021	42,170.00	Southwest Washington Humane Society					
Supplier Payment	Check	23141	6/16/2021	119.35	Speed's Towing of Vancouver					
Supplier Payment	Check	23142	6/16/2021	127.43	State of Washington Department of Licensing - Remit-To: DOL - Seattle Remit					
Supplier Payment	Check	23143	6/16/2021	2,566.25	State of Washington State Patrol					
Supplier Payment	Check	23144	6/16/2021	74.15	Stericycle Inc					
Supplier Payment	Check	23145	6/16/2021	3,522.25	Sun Badge Company					

INVOICE PAYMENTS REPORT

<u>Payment Category</u>	<u>Payment Type</u>	<u>Check Number</u>	<u>Payment Date</u>	<u>Payment Amount</u>	<u>Payment Payee</u>	<u>Payment Memo if applicable</u>				
Supplier Payment	Check	23146	6/16/2021	3,479.63	Systems Source, Inc					
Supplier Payment	Check	23147	6/16/2021	8,046.00	Tara Magnuson					
Supplier Payment	Check	23148	6/16/2021	12,045.24	Targetsolutions Learning LLC					
Supplier Payment	Check	23149	6/16/2021	2,625.82	The Salvation Army					
Supplier Payment	Check	23150	6/16/2021	434.00	Towing & Recovering Services Inc					
Supplier Payment	Check	23151	6/16/2021	1,095.00	Triangle Resources Inc					
Supplier Payment	Check	23152	6/16/2021	2,255.73	Triple J Enterprises					
Supplier Payment	Check	23153	6/16/2021	140,391.44	TV Etc ESD 112					
					United States Postal Service - Remit-To: United States Postal Service Caples					
Supplier Payment	Check	23154	6/16/2021	500.00						
Supplier Payment	Check	23155	6/16/2021	28.00	Vancouver Aire LLC					
Supplier Payment	Check	23156	6/16/2021	1,171.88	Walter E Nelson Company					
					Washington State Criminal Justice Training Commission - Remit-To: Criminal Justice Training Commission - Olympia					
Supplier Payment	Check	23157	6/16/2021	100.00						
Supplier Payment	Check	23158	6/16/2021	100.00	Washington State Tactical Officer's Association					
					Waste Connections of Washington - Remit-To: Waste Connections - Vancouver					
Supplier Payment	Check	23159	6/16/2021	25,772.31						
					Waste Management - Remit-To: Waste Management Los Angeles					
Supplier Payment	Check	23160	6/16/2021	1,240.56						
Supplier Payment	Check	23161	6/16/2021	12,977.16	Wilson Oil Inc					
					XPO Logistics Enterprise Services, Inc - Remit-To: XPO - Portland					
Supplier Payment	Check	23162	6/16/2021	110.49						
					Zayo Group Holding Inc - Remit-To: Zayo Group Holding Inc					
Supplier Payment	Check	23163	6/16/2021	2,282.68						
Supplier Payment	Check	23164	6/16/2021	40.73	Ziply Fiber					
Supplier Payment	Check	23165	6/16/2021	34,483.48	Life Insurance Company of North America					
					State of Washington Department of Retirement System (PERS)					
Supplier Payment	Check	23166	6/16/2021	705.24						
					United States Postal Service - Remit-To: United States Postal Service Caples					
Supplier Payment	Check	23167	6/16/2021	1,000.00						
			SUBTOTAL	3,959,746.98						
Hansen			6/21/2021	4,892.88	City Payments	Posted 06-15-thru 06-21-21				
			SUBTOTAL	4,892.88						
Visa			6/21/2021	1350.78	Miscellaneous	Parks Class Refunds - FCC 06-15-thru 06-21-21				
Visa			6/21/2021	1755.00	Miscellaneous	Parks Class Refunds - MCC 06-15-thru 06-21-21				
Visa			6/21/2021	0.00	Miscellaneous	Parks Class Refunds - Special Events 06-15-thru 06-21-21				

INVOICE PAYMENTS REPORT

<u>Payment Category</u>	<u>Payment Type</u>	<u>Check Number</u>	<u>Payment Date</u>	<u>Payment Amount</u>	<u>Payment Payee</u>	<u>Payment Memo if applicable</u>				
Visa			6/21/2021	0.00	Miscellaneous	Parks Class Refunds - WREC 06-15-thru 06-21-21				
			SUBTOTAL	3105.78						
			TOTAL	3,967,745.64						

City of Vancouver
Payroll Council Report
June 15, 2021 - June 21, 2021

Check No.	Date	Explanation	Amount
		No Payroll this period	

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