

RESOLUTION NO. 16-01

A RESOLUTION OF THE BOARD OF TRUSTEES OF THE SPOKANE COUNTY LIBRARY DISTRICT, SPOKANE COUNTY, WASHINGTON, APPROVING AMENDMENT NO. 1 TO THE COMMUNITY REVITALIZATION FINANCING AND TAX INCREMENT AREA AGREEMENT; AUTHORIZING THE EXECUTION OF SUCH AMENDMENT NO. 1; APPROVING A CONSENT AGREEMENT FOR TAX INCREMENT FINANCING; AUTHORIZING THE EXECUTION OF SUCH CONSENT AGREEMENT; AND PROVIDING FOR OTHER MATTERS PROPERLY RELATED THERETO.

**SPOKANE COUNTY LIBRARY DISTRICT
Spokane County, Washington**

BE IT RESOLVED BY THE BOARD OF TRUSTEES OF THE SPOKANE COUNTY LIBRARY DISTRICT, SPOKANE COUNTY, WASHINGTON, as follows:

WHEREAS, the Spokane County Library District, Spokane County, Washington (the "Library District"), is a rural county library district duly organized and existing under and by virtue of the Constitution and the laws of the state of Washington;

WHEREAS, Spokane County, Washington (the "County") has created an increment area known as Spokane County Increment Area No. 2006-01 ("IA No. 2006-01") to acquire, construct and install certain public improvements within the boundaries of IA No. 2006-01;

WHEREAS, pursuant to RCW 27.12.212, the Library District entered into a Community Revitalization Financing and Tax Increment Area Agreement (the "Agreement") with the County, dated on or about July 18, 2006, in connection with IA No. 2006-01;

WHEREAS, the Board of Trustees of the Library District (the "Board") has agreed with the County to extend the term of the Agreement and to execute and deliver an amendment to the Agreement to memorialize the foregoing; and

WHEREAS, the Library District and Spokane Fire District No. 3 have negotiated a Consent Agreement for Tax Increment Financing, with the owner of the property comprising IA No. 2006-01, establishing certain conditions required by the Library District as a condition of its consent to the extension of the term of the Agreement;

NOW, THEREFORE, IT IS HEREBY FOUND, DETERMINED AND ORDERED as follows:

Section 1: Approval of Amendment No. 1 to the Agreement

The Amendment No. 1 to Community Revitalization Financing and Tax Increment Area Agreement attached hereto as Exhibit "A" ("Amendment No. 1") is hereby approved.

Section 2: Approval of Consent Agreement

The Consent Agreement for Tax Increment Financing attached hereto as Exhibit "B" (the "Consent Agreement") is hereby approved.

Section 3: Execution

The Executive Director of the Library District is authorized to execute Amendment No. 1 and the Consent Agreement on behalf of the Library District.

Section 4: Miscellaneous

The Chair of the Board and the Executive Director of the Library District are each further authorized to execute such other documents and take such actions as are necessary to further accomplish the purposes of Amendment No. 1 and the Consent Agreement.

Section 5: Repealer

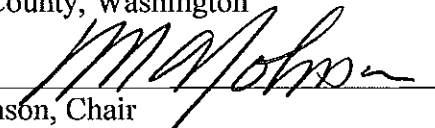
All resolutions or parts thereof in conflict herewith are, to the extent of such conflict, repealed, and shall have no further force or effect.

Section 5: Effective Date

This Resolution shall be effective immediately upon its adoption.

ADOPTED by the Board of Trustees of Spokane County Library District, Spokane County, Washington, at a regular meeting thereof, held this 19th day of January 2016.

SPOKANE COUNTY LIBRARY DISTRICT
Spokane County, Washington



Mark Johnson, Chair

ATTEST



Nancy Ledebor, Executive Director and
Secretary to the Board of Trustees

(S E A L)

CERTIFICATION

I, Nancy Ledeboer, the acting Secretary of the Board of Trustees of Spokane County Library District, Spokane County, Washington, hereby certify that the foregoing resolution is a full, true and correct copy of a resolution duly passed and adopted at a regular meeting of the Board of Trustees of Spokane County Library District, duly held at the Airway Heights Library Public Meeting Room on January 19, 2016, of which all meeting members of such Board had due notice, and at which a majority thereof were present; and that at such meeting such resolution was adopted by the following vote:

AYES, and in favor thereof, Trustees: Mark Johnson, John Craig, Sonja Carlson, Wesley Teterud, and Kristin Thompson.

NAYS, Trustees:

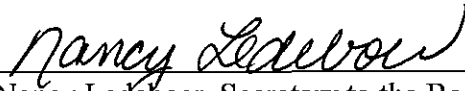
ABSENT, Trustees:

ABSTAIN, Trustees:

I further certify that I have carefully compared the same with the original resolution on file and of record in my office; that such resolution is a full, true and correct copy of the original resolution adopted at such meeting; and that such resolution has not been amended, modified, or rescinded since the date of its adoption, and is now in full force and effect.

IN WITNESS WHEREOF, I have set my hand on this 19th day of January 2016.

SPOKANE COUNTY LIBRARY DISTRICT
Spokane County, Washington



Nancy Ledeboer, Secretary to the Board of
Trustees

(S E A L)

**AMENDMENT NO. 1 TO COMMUNITY REVITALIZATION FINANCING
AND
TAX INCREMENT AREA AGREEMENT**

THIS AMENDMENT NO. 1 TO COMMUNITY REVITALIZATION FINANCING AND TAX INCREMENT AREA AGREEMENT (this “Amendment No. 1”), dated as of _____, 2016, is entered into by and between the Spokane County Library District, Spokane County, Washington (the “Library District”) and Spokane County, Washington (the “County”).

WITNESSETH :

WHEREAS, the Library District and the County have previously entered into the Community Revitalization Financing And Tax Increment Area Agreement dated on or about July 18, 2006 (the “Agreement”); and

WHEREAS, the Library District and the County have agreed to extend the term of the Agreement and to execute and deliver this Amendment No. 1 to memorialize the foregoing.

NOW, THEREFORE, in consideration of the foregoing and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, each of the Library District and the County agree as follows:

Section 1. Definitions

All capitalized terms used herein and not defined shall have the meaning assigned to such terms in the Agreement.

Section 2. Amendment to Section 1 of the Agreement

Section 1 of the Agreement is hereby amended as follows (stricken words denote deletions and double-underlined words denote additions):

“*Section 1.* The term of this Agreement (the “Term”) shall be for a period of ~~20~~ 30 years from the date the tax allocation revenues generated from the Increment Area are first collected.”

Section 3. Full Force and Effect

The Agreement is hereby amended to the extent provided in this Amendment No. 1 and, except as specifically provided herein, the Agreement shall remain in full force and effect in accordance with its terms.

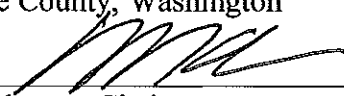
Section 4. Counterparts

This Amendment No. 1 may be executed in any number of counterparts, each of which, when so executed and delivered, shall be an original, but such counterparts shall together constitute one Amendment No. 1.

Section 5. This Amendment No. 1 will be effective only when signed by each of the Library District and the County, and then only as of the last date of execution.

IN WITNESS WHEREOF, the Spokane County Library District and Spokane County have each executed this Amendment No. 1 as of the date(s) set forth below.

SPOKANE COUNTY LIBRARY DISTRICT
Spokane County, Washington



Mark Johnson, Chair

ATTEST



Nancy Ledebor, Executive Director and
Secretary to the Board of Trustees

(S E A L)

Dated: January 19, 2016.

SPOKANE COUNTY, WASHINGTON

Shelly O'Quinn, Chair

Al French, Vice Chair

Todd Mielke, Commissioner

Date: _____, 2016.

ATTEST:

Ginna Vasquez, Clerk of
the Board of County Commissioners

(S E A L)

When Recorded Return to:

Roy J. Koegen
Kutak Rock LLP
510 West Riverside Avenue, Suite 800
Spokane, WA 99201

Document Title: Consent Agreement for Tax Increment Financing

Reference Numbers(s) of Related Documents: None

Grantor(s)/Fire District and Library District: Spokane County Fire Protection District
No. 3 and Spokane County Library District

Grantee(s)/Developer: Big Cigar, LLC

Legal Description: See attached as Exhibit C.

Assessor's Property Tax Parcel or Account Number: 24052.9062; 24052.9024; 24052.9017;
24052.0215; 24052.0201; 24052.0223; 24052.0221; 24052.9063; 24052.9064; 24052.9019; and
24052.9020

**CONSENT AGREEMENT
FOR TAX INCREMENT FINANCING**

This Consent Agreement for Tax Increment Financing (this "Agreement") is by and among SPOKANE COUNTY FIRE PROTECTION DISTRICT NO. 3, Spokane County, Washington (the "Fire District"), SPOKANE COUNTY LIBRARY DISTRICT, Spokane County, Washington (the "Library District"), and BIG CIGAR, LLC (the "Developer").

WHEREAS, the Board of County Commissioners (the "Board") of Spokane County (the "County"), by the adoption of Resolution No. 6-0629, adopted by the Board on July 18, 2006, as amended by Resolution No. 6-0910, adopted by the Board on October 31, 2006, as further amended by Resolution No.7-0873, adopted by the Board on October 16, 2007, and as further

amended by Resolution No. 8-0715, adopted by the Board on July 22, 2008, and as further amended by Resolution No. 11-0581, adopted by the Board on June 28, 2011, (as so amended, "Resolution No. 6-0629"), created an increment area known as Spokane County Increment Area No. 2006-01 ("IA No. 2006-01") to acquire, construct and install certain public improvements within the boundaries of IA No. 2006-01;

WHEREAS, the Fire District provides fire protection and emergency medical services to persons and property located within an area of the County that is located within the boundaries of IA No. 2006-01;

WHEREAS, RCW 39.89.050 requires that fire protection districts consent to the formation of a tax increment area within their boundaries;

WHEREAS, pursuant to RCW 52.12.036, the Fire District entered into a Community Revitalization Financing and Tax Increment Area Agreement (the "2006 Fire District TIF Agreement") with the County, dated on or about July 18, 2006, in connection with IA No. 2006-01;

WHEREAS, the Library District provides library services to persons located within an area of the County that is located within the boundaries of IA No. 2006-01;

WHEREAS, pursuant to RCW 27.12.212, the Library District entered into a Community Revitalization Financing and Tax Increment Area Agreement (the "2006 Library District TIF Agreement") with the County, dated on or about July 18, 2006, in connection with IA No. 2006-01;

WHEREAS, the Developer owns property within IA No. 2006-01, and proposes to facilitate and/or participate in the construction of public improvements within IA No. 2006-01, which may be financed in whole or in part from the apportionment of regular property taxes pursuant to chapter 39.89 RCW ("Tax Increment Financing");

WHEREAS, the Board anticipates amending Resolution No. 6-0629 to provide that the estimate of the time during which regular property taxes are to be apportioned to pay for the costs of public improvements to be made within IA No. 2006-01 shall not exceed 30 years (Resolution No. 6-0629 and the form of such amending resolution are attached to this Agreement as Exhibit A, and together are defined as the "County Resolution");

WHEREAS, the Fire District has agreed with the County to extend the term of the 2006 Fire District TIF Agreement to 30 years and to execute and deliver Amendment No. 1 to Community Revitalization Financing and Tax Increment Area Agreement (such Amendment No. 1 and the 2006 Fire District TIF Agreement are attached to this Agreement as Exhibit B-1, and together are defined as the "Fire District TIF Agreement");

WHEREAS, the Library District has agreed with the County to extend the term of the 2006 Library District TIF Agreement to 30 years and to execute and deliver Amendment No. 1 to Community Revitalization Financing and Tax Increment Area Agreement (such Amendment No.

1 and the 2006 Library District TIF Agreement are attached to this Agreement as Exhibit B-2 and together are defined as the “Library District TIF Agreement”); and

WHEREAS, as consideration for consenting to the extension of the term of the 2006 Fire District TIF Agreement and the term of the 2006 Library District TIF Agreement, the Developer will agree not to consent to annexation or to petition for or sign a covenant consenting to annexation or to amend the water service area for the purpose of receiving water from the City of Spokane;

NOW, THEREFORE, the Fire District, the Library District and the Developer agree as follows:

1. Definitions. Words and terms which are not defined herein or in the County Resolution shall have the meanings set forth in chapter 39.89 RCW, as amended.

2. Consent to Extension of Term of the 2006 Fire District TIF Agreement. The Fire District hereby consents to amending the term of the 2006 Fire District TIF Agreement from 20 years from the date the Tax Allocation Revenue generated from IA No. 2006-01 is first collected, to 30 years from such date. It is further agreed that, consistent with the Fire District TIF Agreement, Tax Allocation Revenue apportionment, as set forth in RCW 39.89.070, shall be modified to provide that regular property taxes levied by the Fire District shall not be subject to Tax Revenue Allocation as set forth in the County Resolution. It is the intent of this paragraph that regular property taxes which are levied by the Fire District shall not be part of Tax Increment Financing. Pursuant to RCW 39.89.020(6) the Tax Increment Financing does not affect the Fire District’s excess tax levies.

3. Consent to Extension of Term of the 2006 Library District TIF Agreement. The Library District hereby consents to amending the term of the 2006 Library District TIF Agreement from 20 years from the date the Tax Allocation Revenue generated from IA No. 2006-01 is first collected, to 30 years from such date.

4. Covenant by the Developer. In consideration for the Fire District consenting to the extension of the term of the 2006 Fire District TIF Agreement as set forth in Section 2 and for the Library District consenting to the extension of the term of the 2006 Library District TIF Agreement as set forth in Section 3, the Developer hereby agrees and covenants that during the period beginning on the date of this Agreement and ending on January 1, 2047 (the “Term”), the Developer will not, for the property described on Exhibit C (the “Property”), consent to annexation, petition for annexation, nor sign a covenant consenting to annexation of the Property by the City of Spokane, Washington (the “City”). This Agreement shall bind purchasers, successors and assigns of the Property, or any part thereof. The Developer further represents that it will not: (a) seek to amend the water service area under the Coordinated Water Services Act for the purpose of receiving City water or (b) request the extension of water or sewer utilities from the City for the Property.

5. Default and Injunction. The Fire District, the Library District and the Developer understand and agree that a material and substantial part of the consideration for this Agreement is the promise and warranty of the Developer and its successors and assigns that during the Term,

it will not petition the City to annex the Property, nor will it support any action by third parties to do so. Any breach of that promise and warranty shall be deemed a default of this Agreement, and the Fire District or the Library District may seek specific performance, injunctive relief and/or damages. The Developer stipulates that its consent to annexation by the City during the Term shall be null and void and without legal authority. The waiver of this right is part of the consideration herein.

6. Attorney Fees and Costs. In the event of a breach of this Agreement or a dispute regarding the terms of the Agreement, in addition to the remedies stated in Section 5, the nonbreaching or prevailing party shall be entitled to recover its costs including but not limited to court costs, attorneys' fees and other expenses.

7. Covenant. This Agreement constitutes a covenant running with the Property and shall be binding upon the heirs, successors and assigns of each of the Developer, the Fire District and the Library District and may be recorded with the County Auditor by the Developer, the Fire District or the Library District.

8. Severability. If any section, sentence, clause or phrase of this Agreement should be held to be invalid or unconstitutional by a court of competent jurisdiction, such invalidity or unconstitutionality shall not affect the validity or constitutionality of any other section, sentence, clause or phrase of this Agreement.

EFFECTIVE: January ____, 2016.

SPOKANE COUNTY FIRE PROTECTION
DISTRICT NO. 3, Spokane County, Washington

Chair

ATTEST:

Debra Arnold, District Secretary

State of Washington)
: ss.
County of Spokane)

I certify that I know or have satisfactory evidence that _____ is the person who appeared before me, and said person acknowledged that (he/she) signed this instrument, on oath stated that (he/she) was authorized to execute the instrument and

DEVELOPER: BIG CIGAR, LLC

By: _____

Name: Richard S. Edwards

Title: Member

State of Washington)

: ss.

County of Spokane)

I certify that I know or have satisfactory evidence that _____ is the person who appeared before me, and said person acknowledged that (he/she) signed this instrument, on oath stated that (he/she) was authorized to execute the instrument and acknowledged it as the _____ of Big Cigar, LLC, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: January _____, 2016.

Name: _____

Notary Public in and for the State of
Washington, residing at Spokane.

Expires: _____

EXHIBIT C

Legal Description

24052.9062: 05 24 42 L12 OF N1/2 EXC E620' & VAC 5' STP LYG ADJ FROM THOMAS MALLEEN RD; **and**

24052.9024: 05-24-42 PTN OF E 620 FT GOVT LT 12 DAF: BEG AT THE SW COR OF SD NW1/4; TH N 01DEG05MIN10SEC W ALG THE W LN OF SD NW1/4 723.38 FT TO A PT ON THE CL OF GEIGER BLVD; TH N 57DEG26MIN30SEC E ALG SD CL1616.6 FT; TH N32DEG33MIN30 SEC W 30 FT TO THE TPOB BEING A PT ON THE NWLY ROW OF GEIGER BLVD; TH CONT N32DEG33MIN30SEC W 317.67 FT; TH N57DEG26MIN30SEC E 154.17 FT TO A PT ON THE E LN OF SD GOVT LT12; TH N00DEG52MIN53SEC W ALG SD E LN 842.54 FT TO THE NE COR OF SD GOVT LT 12; TH S87DEG36MIN04SEC W ALG THE N LN OF SD GOVT LT 12 620.22 FT TO THE NW COR OF SD E 620 FT OF GOVT LT 12; TH S00DEG52MIN53SEC E ALG W LN OF SD E 620 FT 1370.41 FT TO THE SW COR OF SD E 620 FT; TH N 86DEG57MIN33SEC E ALG THE S LN OF SD GOVT LT 12 365.45 FT TO A PT ON SD NWLY ROW LN OF GEIGER BLVD THE N57DEG26MIN30SEC E ALG SD NWLY ROW LN 341.27 FT TO THE TPOB & PTN VAC HOLLY RD LYG ELY & ADJ; **and**

24052.9017: 05 24 42 PT L11 OF N1/2; BEG AT NWCOR OF LT TH E100FT THS59FT TH W100FT TH N65FT TO POB; **and**

24052.0215: JAMIESON PARK LT20 BLK4 & INC PTN VAC HOLLY AVE LYG WLY & ADJ & INC PTN VAC 49TH AVE LYG NLY & ADJ; **and**

24052.0201: JAMIESON PARK LT1 BLK4 & INC PTN VAC 49TH AVE LYG N OF & ADJ & INC PTN VAC SPRING AVE LYG E OF & ADJ; **and**

24052.0223: JAMIESON PARK ALL OF LTS 2-4 BLK 4 TOG W/ PTN LTS 17-19 BLK 4 AND LTS 5, 15, & 16 BLK 4 AND PTN OF VACATED ROW FOR SPRING ROSD AND TEH VACATED ROW OF HOLLY RD ADJ SD LTS DAF: BEG AT SW COR OF SDNW1/4 ; TH N01DEG05FMIN10SEC W ALG THE W LN OF SD NW1/4 723.38 FT TO A PT ON THE CL OF GEIGER BLVD; TH 57DEG26MIN30SEC E ALG SD CL1616.60 FT; TH N32DEG33MIN30SEC W 347.67 FT; TH N 57DEG26MIN30SEC E154.17 FT TO THE TPOB BEING A PT ON THE W LN OF SD GOVT LT 11; TH N00DEG52MIN53SEC W ALG SD W LN 603.15 FT TO A PT ON THE EXT N LN OF SD LT 19; TH N86DEG06MIN20SEC E ALG THE N LN OF LTS 19 AND 2 ANDSD LN EXT 672.22 FT TO A PT ON THE CL OF VACATED SPRING RD; TH S00DEG40MIN33SEC E ALG SD CL 383.75 FT TO A PT ON THE EXT S LN OF SD LT 4; TH S86DEG08MIN20SEC W ALG SD EXT S LN 281.15 FT; TH S57DEG26MIN30SEC W 457.27 FT TO THE TPOB; **and**

24052.0221: JAMIESON PARK PTN OF LTS 15 & 16 AND LTS 5-8 AND LTS 12-16 BLK 4 DAF: BEG AT THE SW COR OF SD NW1/4; TH N01DEG05MIN10SEC W ALG THE W LN OF SD NW1/4 723.38 FT TO A PT ON THE CL OF GEIGER BLVD; THN57DEG26MIN30SEC E ALG SD CL 1616.60 FT; TH N32DEG33MIN30SEC W 30 FT TO THE TPOB, BEG A PT ON THE NWLY ROW LN OF GEIGER BLVD; TH CONT N32DEG33MIN30SEC W 317.67 FT; TH N57DEG26MIN30SEC E 611.44 FT TOA PT ON THE N LN OF SD LT 5 BLK 4; TH N86DEG08MIN20SEC E ALG SD N LN AND SD

N LON EXT 279.66 FT TO A PT ON A 435 FT RADUS NONTANGENT CURVE TO THE LEFT THE CENTER OF CIRCLE OF WHICH BEARSN72DEG33MIN03SEC E; TH SELY ALG THE ARC OF SD CURVE THROUGH A CENTRAL ANGLE OF 15DEG06MIN33SEC 114.71 FT TO THE PT OF TANGENT; TH S32DEG33MIN30SEC E 70 FT TO A PT ON SD NWLY ROW LN OF GEIGER BLVD; THS57DEG26MIN30SEC W ALG SD NWLY ROW LN 841.71 FT TO THE TPOB INC VAC HOLLY & SPRING AVES LYG WITHIN ABOVE LAND DESC; **and**

24052.9063: 05 24 42 E620' OF L13 NLY OF PSH #11 EXC CO RD.; **and**

24052.9064: 05 24 42 L13 OF N1/2 LYG N OF PSH #11 EXC BEG AT INT OF E L OF MALLON RD WITH NL OF PSH #11 TH NELY ALG HWY600' FOR TRUE POB TH NWLY AT R/A TO HWY200' TH NELY PAR WITH HWY204' TH SELY200' TH SWLY204' TO TRUE POB & EXC E620' AND EXC CO RD & INC VAC 5' STP FROM THOMAS MALLEN ROW; **and**

24052.9019: 05 24 42 PT L13 OF N1/2; BEG AT INT OF EL OF MALLON RD&NL OFPSH11 TH NELY ALG HWY 700FT FOR TRUE POB TH AT R/A TO SDHWY 200FT TH NELY 104FT PAR WITH HWY TH SELY 200FT TO SD HWYTH S WLY 104FT TO TRUE POB; **and**

24052.9020: 05 24 42 PT L13 OF N1/2; BEG AT INT OF EL OF MALLON RD&NL OFPSH11 TH NELY ALG HWY 700FT FOR TRUE POB TH AT R/A TO SDHWY 200FT TH NELY 104FT PAR WITH HWY TH SELY 200FT TO SD HWYTH S WLY 104FT TO TRUE POB