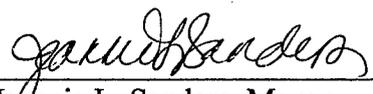


AGREEMENT TO MAKE CONTRIBUTION IN LIEU OF TAXES BETWEEN
THE CITY OF OTHELLO AND OTHELLO HOUSING ASSOCIATES, LP
REGARDING LEARY SHORT PLAT

1. **Preamble.** This agreement is made and entered into the 23RD day of September, 2003, by and between the City of Othello, Washington, a code city, duly organized and operating under and by virtue of the laws of the State of Washington ("City"), and Othello Housing Associates, LP, a Washington limited partnership ("Owner").
2. **Recitals.**
 - 2.1 Owner is a Limited Partnership and has caused to be platted within the City the Leary Short Plat which is intended to be the location of affordable rental housing for low income families pursuant to regulations of the Washington State Housing Finance Commission and the Washington State Housing Trust Fund.
 - 2.2 Due to its structure and the nature of its use of the property as affordable housing, Owner is not required to make payments of real property taxes upon this project.
 - 2.3 Owner acknowledges it will receive police, fire and general governmental services from the City on the same basis as all other property owners located within the City despite the fact that Owner will not pay real property tax which would benefit the City in the form of revenue. The City acknowledges that it is responsible to provide police, fire and general governmental services to the project on the same basis as all other property owners located within the City.
 - 2.4 Owner desires to voluntarily make contributions in lieu of taxes to the City as a gesture of good will.
3. **Agreement.** Owner will pay to the City the sum of Three Thousand Five Hundred Dollars (\$3,500.00) on or before each April 1st beginning with the year 2004.
4. **Applicable Law.** This agreement shall be governed by and construed in accordance with the laws of the State of Washington.
5. **Venue.** Venue of any action to enforce the provisions of this agreement shall lie in Adams County, Washington.
6. **Invalidity.** Any provision of this agreement which shall prove to be invalid, void or illegal shall in no way affect, impair or invalidate any of the other provisions hereof and such other provisions shall remain in full force and effect despite such invalidity or illegality.

7. **Modification.** No changes or additions to this agreement shall be valid or binding upon either party unless such change or addition be in writing, executed by both parties.
8. **Duration.** This agreement shall be in force and effect on the date first written above and shall remain in effect until December 31, 2024, subject to Paragraph 9 below.
9. **Termination.** Either party may terminate this Agreement without a statement of cause by giving at least 90 days written notice of intent to terminate.
10. **Entire Agreement.** This agreement constitutes the entire agreement of the parties and supersedes all prior agreements, contracts, and understanding, written or oral. The parties agree that there are no other understandings, oral or otherwise, regarding the subject matter of this agreement. Any and all previous agreements, understandings, and the like, oral or otherwise, are hereby revoked.

<p>OTHELLO HOUSING ASSOCIATES, LP, a Washington limited partnership</p> <p>By its Managing General Partner, Catholic Housing Services of Eastern Washington,</p> <p>By its President:</p> <p> Donna M. Hanson</p>	<p>CITY OF OTHELLO</p> <p>By  Jeannie L. Sanders, Mayor</p>
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MODIFY 2003 OTHELLO HOUSING ASSOCIATES AGREEMENT TO MAKE CONTRIBUTIONS IN LIEU OF TAXES

Finance Officer Mike Bailey reported that the City received a request from the Othello Housing Associates to forgo the \$3500 annual contribution because they started paying property taxes. After research, he found that the City receives a portion of the property tax, approximately \$2600. He recommended modification to the agreement to provide that if the amount of property taxes that the City receives is less than \$3500, then the Othello Housing Associates would pay the difference. If the amount of property taxes that the City receives is more than \$3500, then we would forgo the annual contribution.

Council carried a motion to modify the agreement to make contribution in lieu of taxes between the City of Othello and Othello Housing Associates, LP regarding Leary Short Plat, as set forth in the staff recommendation. M/S Garcia/Johnson. Councilmember Dorow cast an opposing vote.