

Downtown Redevelopment Authority Agenda – July 20, 2023

In accordance with the Open Public Meetings Act (OPMA), the Downtown Redevelopment Authority meeting will be open to in-person attendance. Options for viewing/participating in the meeting remotely will also be accommodated as detailed below.

MEETING ACCESS INFORMATION

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Meeting ID: 293 846 728 939

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[+1 347-941-5324,670369857#](tel:+13479415324670369857) United States

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MEETING AGENDA

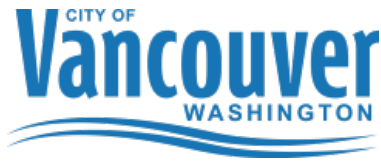
11:00 AM

#	ITEM	PAGE #	ACTION TO BE TAKEN	
1.	Call to Order (Board President) <ul style="list-style-type: none"> • Roll Call • Excusal of absence, if needed 			Jan Robertson, Board President Krista Liles, Staff
2.	Approval of Minutes April 20, 2023	2	Approval	Jan Robertson, Board President
3.	Claims and Administrative Expenses	4	Approval	Natasha Ramras, Executive Director
4.	Review June 2023 Financials	13	Update	Natasha Ramras, Executive Director
5.	Capital Expenses	20	Approval/ Update	Natasha Ramras, Executive Director
6.	Other Business			Natasha Ramras, Executive Director
	a. 2023 Audit Status	72	Update	
	b. Hilton Lobby Remodel	95	Update	
	c. Other		Update	
7.	Asset Manager Report	97	Update	Bob Hayward, CHM Warnick
8.	Hotel Manager's Report		Update	Mike McLeod, Hotel General Manager
9.	Executive Session, if needed			Taylor Hallvik, Assistant City Attorney

Next Board Meeting: Thursday, September 14th 2023

Community Communications: Commentary will be accepted no later than 24 hours prior to the meeting date. Please send all comments to Krista Liles at <mailto:krista.liles@cityofvancouver.us>.

Anyone needing language interpretation services or accommodations with a disability may contact Amanda Delapena at (360)487-6815 (Voice/TTY 487-8602). Every attempt at reasonable accommodation will be made. To request this agenda in another format, please also contact the phone numbers listed above.



DOWNTOWN REDEVELOPMENT AUTHORITY MEETING MINUTES

Vancouver City Hall – Council Chambers – 415 W. 6th Street
PO Box 1995 – Vancouver, Washington 98668-1995

www.cityofvancouver.us

Marc Fazio • Debi Ewing • Brad Hutton • David Copenhaver • Jan Robertson • Kathleen Kee

REGULAR MEETING – 4-20-23

ITEM 1: CALL TO ORDER AND ROLL CALL

The April 20, 2023 meeting of the Downtown Redevelopment Authority was called to order at 11:04 am.

Present: Marc Fazio, Kathleen Kee, Brad Hutton, David Copenhaver, Debi Ewing

Absent: Jan Robertson

Motion by Kee, seconded by Ewing, to excuse the absence of Jan Robertson for today’s meeting. Approved.

Motion to nominate Marc Fazio as temporary board chair for today’s meeting by Ewing, Fazio accepted nomination. Unanimously approved.

ITEM 2: APPROVAL OF MINUTES

Motion by Ewing, seconded by Kee, and carried unanimously to approve the minutes from the February 16, 2023 meeting. Approved.

ITEM 3: MARCH/APRIL Q1 2023 FINANCIALS - UPDATE

Item Summary - Ramras provided overview of Financials as provided in the packet.

ITEM 4: CLAIMS AND ADMINISTRATIVE EXPENSES - APPROVED

Item Summary – Ramras provided overview of normal Claims and Vouchers for April in the amounts of **\$2,978,237.24** and **\$27,743.68**.

Motion to approve Claims and Administrative expenses as presented, by Hutton, seconded by Ewing. Approved.

ITEM 5: CAPITAL EXPENSES - APPROVED

Item Summary – Ramras provided explanation of Capital expense payment approval requests for March and April totaling **\$603,541.40**.

- *Copenhaver asked for clarification on whether the change order totals are coming out of contingency. Ramras explained that there is no contingency line item for CSG, which is why the \$227k is part of the request to be added to the contract as presented in Item 6c: SR 04-20-23-01 Capital Budget Amendment*
- *Follow up question by Copenhaver – asked for exact % of contingency vs. change order totals. Ramras will provide an explanation as outlined in Item 6b: Change Order Review and detailed in Item 6c: SR 04-20-23-01*

Motion to approve all Capital expenses as presented, by Hutton, seconded by Kee. Approved.

ITEM 6A: OTHER BUSINESS – HOTEL REMODEL - UPDATE

Item Summary - Ramras provided an update of the remodel project including an update on new issues, as presented in the packet on page 63.

ITEM 6B: OTHER BUSINESS – CHANGE ORDER REVIEW - UPDATE

Item Summary – Ramras provided an overview of the most current Change Orders as presented on page 64 and how they are impacting the overall schedule.

ITEM 6C: OTHER BUSINESS – CAPITAL BUDGET AMENDMENT – SR 04-20-23-01 - APPROVED

Item Summary - Ramras provided an overview of the Staff Report requesting to amend and increase the 2023 Capital Budget by \$250,000, due to unforeseen issues like the ongoing water penetration mitigation and inflation impacting the cost components of the project.

- *Fazio asked what the estimated date of completion for the remodel is and Ramras confirmed late June.*

Ewing moved to approve SR 04-20-23-01 as presented, Kee seconded. Approved.

ITEM 6D: RFQ FOR ON-CALL ARCHITECTURAL AND ENGINEERING SERVICES - UPDATE

Item Summary – Ramras provided overview of the draft RFQ to solicit architectural and engineering services to address ongoing work related to urgent or cyclical repair, as outlined in the attachment.

- *Ewing asked if an audit of the water resolutions is scheduled and Ramras said at this time no, but she recommends future discussion and securing a contractor, which requires the RFP process*

ITEM 7: ASSET MANAGER/HOTEL MANAGER REPORT

Item Summary – Mike McLeod gave an overview of the CHM Warnick Asset Manager report for March, as well as operational updates for the hotel.

ITEM 9: Executive Session – N/A

ADJOURNMENT - Meeting adjourned at 11:47 AM.

Approved by:

Date:

Jan Robertson, President



To request other formats, please contact:

City Manager’s Office (360) 487-8600 | WA Relay: 711 | Amanda.Delapena@cityofvancouver.us

**VANCOUVER DOWNTOWN REDEVELOPMENT AUTHORITY VOUCHER AND
ADMINISTRATIVE EXPENSE APPROVAL**

Ratification of Claims Paid by Trustee

We, the undersigned members of the Board of Directors of the Downtown Redevelopment Authority, do hereby certify that the merchandise or services hereinafter specified have been received and the vouchers listed below are hereby approved in the amounts of **\$4,646,184.60** this 20th day of July, 2023.

Approval of New Administrative Expenses

Additionally, we, the undersigned members of the Board of Directors of the Downtown Redevelopment Authority, do hereby approve for payment Administrative Expense Fund expenses in the amount of **\$31,823.22** this 20th day of July, 2023.

PRESIDENT

SECRETARY/TREASURER

Natasha Ramras, EXECUTIVE DIRECTOR

BOARDMEMBER

DOWNTOWN REDEVELOPMENT AUTHORITY

Claims Paid April - June 2023

Date	Supplier	Amount	Description	
30-Apr-2023	CHM Warnick	11,833.38	Asset Mgmt Fees and Travel Expenses - March 2023	
30-Apr-2023	City of Vancouver	10,000.00	April 2023 Administrative Services	
30-Apr-2023	City of Vancouver	5,089.72	April 2023 - Lot 24 Parking	
30-Apr-2023	TDJ, CPA	820.58	Accounting Assistance SAO 2022 Report	
03-Apr-2023	Hilton Hotels	42,921.95	Hilton Base Management Fee - April 2023 (Inv. #11578-1213947)	
10-Apr-2023		262,542.92	OPCA 2280 - Payroll	
10-Apr-2023		270,530.86	OPCA 2281 - AP	
13-Apr-2023		48,055.38	OPCA 2283 - AP	
18-Apr-2023		112,376.54	OPCA 2282 - Intercompany	
20-Apr-2023		104,914.80	OPCA 2284 - AP	
27-Apr-2023		182,509.27	OPCA 2285 - Sales & Use Tax True Up	
30-Apr-2023		104,317.26	OPCA 2286 - AP	
30-Apr-2023		268,080.96	OPCA 2287 - Payroll	
30-Apr-2023		21,885.99	OPCA 2288 - Month End True Up	
31-May-2023		CHM Warnick	11,000.00	Asset Mgmt Fees and Travel Expenses - April 2023
31-May-2023	City of Vancouver	10,000.00	May 2023 Administrative Services	
31-May-2023	City of Vancouver	5,089.72	May 2023 - Lot 24 Parking	
31-May-2023	US Bank	17,093.78	Annual Analysis Charge 2023	
31-May-2023	US Bank	1,900.00	Quartely Fees - Q1 2023	
02-May-2023	Hilton Hotels	42,921.95	Hilton Base Management Fee - May 2023 (Inv. #11578-1217545)	
08-May-2023		58,814.92	OPCA 2289 - AP	
08-May-2023		289,307.79	OPCA 2290 - Payroll	
15-May-2023		167,815.59	OPCA 2292 - AP	
18-May-2023		139,458.95	OPCA 2291 - Intercompany	
19-May-2023		153,161.04	OPCA 2293 - AP	
19-May-2023		299,091.16	OPCA 2294 - Payroll	
26-May-2023		155,891.96	OPCA 2295 - Sales & Use Tax True Up	
30-May-2023		50,544.44	OPCA 2296 - AP	
31-May-2023		17,163.93	OPCA 2299 - Month End True Up	
30-Jun-2023		CHM Warnick	11,000.00	Asset Mgmt Fees and Travel Expenses - May 2023
30-Jun-2023	City of Vancouver	10,000.00	June 2023 Administrative Services	
30-Jun-2023	City of Vancouver	5,089.72	June 2023 - Lot 24 Parking	
01-Jun-2023	Hilton Hotels	42,921.95	Hilton Base Management Fee - June 2023 (Inv. #11578-1220947)	
05-Jun-2023		69,483.90	OPCA 2297 - AP	
05-Jun-2023		270,575.26	OPCA 2298 - Payroll	
12-Jun-2023		118,850.45	OPCA 2300 - AP	
20-Jun-2023		157,485.89	OPCA 2302 - AP	
20-Jun-2023		283,467.51	OPCA 2304 - Payroll	
21-Jun-2023		173,364.45	OPCA 2301 - Intercompany	
26-Jun-2023		24,367.20	OPCA 2305 - AP	
27-Jun-2023		179,755.02	OPCA 2303 - Sales & Use Tax True Up	
30-Jun-2023		110,784.54	OPCA 2306 - AP	
30-Jun-2023		304,556.20	OPCA 2307 - Payroll	
30-Jun-2023		19,347.67	OPCA 2299 - Month End True Up	
Total		4,646,184.60		

FORM OF ADMINISTRATIVE EXPENSE FUND REQUISITION

ADMINISTRATIVE EXPENSE FUND (156002)

(204969002)

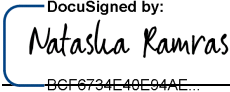
REQUEST NO. **250**

This request is being delivered to U.S. Bank National Association, as trustee (the “Trustee”) under the Amended and Restated Trust Indenture, dated as of June 1, 2013 and effective June 27, 2013, amending and restating the Trust Indenture, dated as of December 1, 2003 (collectively, the “Indenture”), between the Downtown Redevelopment Authority (the “Authority”) and the Trustee pursuant to Section [6(a)] of the Cash Management and Lockbox Agreement (the “Cash Management Agreement”) among the Depository Bank, the Trustee, the Authority and Hilton Management, LLC (the “Manager”). The Trustee is hereby directed to take the action described herein. Capitalized terms used herein and not otherwise defined shall have the meanings ascribed to them in the Indenture or the Cash Management Agreement.

Pursuant to Section [6(a)] of the Cash Management Agreement and Section 5.15 of the Indenture, you are hereby authorized and directed to disburse from the Administrative Fee Fund the amounts set forth in Exhibit A attached hereto to the persons named therein in payment of administrative expenses and fees related to the administration of Bonds and the Project, including fees and expenses of any Consultant and the expenses of the Authority. The Authority hereby certifies that (1) such amounts are for the purposes set forth in Exhibit A, (2) each such amount constitutes a proper charge against said fund, and (3) no part of any such amounts shall be applied to any item which has been previously paid from said fund. The total amount to be disbursed pursuant to this request is **\$31,823.22**

Date: June 30, 2023

DOWNTOWN REDEVELOPMENT AUTHORITY

By:  _____
BCF6734E40E94AE...

Name: Natasha Ramras

Title: Auditing Officer

Exhibit A

Supplier	Invoice #	Amount	Description of Services
CHM Warnick	14053	11,000.00	Asset Mgmt Fees and Travel Expenses - June 2023
SAO	L155196	4,483.50	FY21-22 Accountability Audit and Financial Audit - May 2023
City of Vancouver	00034827	10,000.00	Administrative Services - July 2023
City of Vancouver	00034828	5,089.72	Lot 24 Parking - July 2023
BLX Group LLC	41612-13414/072522	1,250.00	Interim Arbitrage Rebate Report - Period Ending 6/26/2022
	Total	31,823.22	

Invoice Voucher

Remit To: State Auditor's Office
PO Box 40021
Olympia, WA 98504-0021
Federal ID No. 91-6001098



Page: 1 of 1
Invoice No.: L155196
Invoice Date: 06/12/2023
MCAG No.: 1271
County: Clark

Downtown Redevelopment Authority
 Attn: Natasha Ramras, City of Vancouver CFO
 PO Box 1995
 Vancouver, WA 98668-1995

Now accepting electronic payments
 Send to: Washington State Auditor's Office
 Routing: 123000848 Account: 153911801147
 Account type: Checking
 Please include invoice number



(Return this portion with your payment)

State Auditor's Office

(Detach and retain for your records)

Entity Name: Downtown Redevelopment Authority
Invoice No.: L155196
Invoice Date: 06/12/2023

Audit No.: 50851

Audit Period: 21 - 22

Purchase Order:

<i>Month/Year</i>	<i>Work Performed</i>	<i>Bill Rate</i>	<i>Hrs</i>	<i>Amount</i>	<i>Travel/Other Expenses</i>	<i>Total</i>
05/23	Accountability Audit	\$128.10	9.5	\$1,216.95	\$0.00	\$1,216.95
05/23	Financial Audit	\$128.10	25.5	\$3,266.55	\$0.00	\$3,266.55
Sub Total:			35.0	\$4,483.50	\$0.00	\$4,483.50

Total Due This Invoice: 35.0 \$4,483.50 \$0.00 \$4,483.50
 (Hrs rounded to nearest tenth)

I hereby certify the amount listed herein is a proper charge for services rendered:

JV Number: 230604

**FULL PAYMENT DUE
 IN 30 DAYS**

By: Janel M. Roper, Director of Administrative Services

For questions, please call (564) 999-0933 or (564) 999-0941 fax (360) 586-3105 or e-mail accreceivable@sao.wa.gov



For correspondence mail to:
 City of Vancouver
 P.O. Box 8995
 Vancouver, WA 98668-8995

For payment mail to:
 P.O. Box 24987
 Seattle, WA 98124-0987

INVOICE

BILL TO:
 DOWNTOWN REDEVELOPMENT AUTHORITY
 ATTN: NATASHA RAMRAS
 PO BOX 8995
 VANCOUVER, WA 98668-8995

Due Date	Invoice Date	Customer Number
7/31/23	7/1/23	30790

Terms	PO Number	Invoice Number
Net 30	July 2023 billing	00034827

Item #	Description	Qty	Unit Price	Extended Amount
1	Monthly Administrative Costs	1.00	\$10,000.00	\$10,000.00

Special Instructions	Subtotal	Invoice Tax	Shipping	TOTAL
	\$10,000.00	\$0.00		\$10,000.00

1 of 1

A penalty may be assessed if payment is received after the due date.
Payments accepted at Customer Service: 415 W. 6th Street
 Call 360-487-8454 option 5 to pay by credit card
 Call 360-487-8410 if you have questions regarding this invoice

Please detach and return this portion with your payment.

BILL TO:
 DOWNTOWN REDEVELOPMENT AUTHORITY
 ATTN: NATASHA RAMRAS
 PO BOX 8995
 VANCOUVER, WA 98668-8995

Customer Number: 30790
Due Date: 7/31/23
Invoice Number: 00034827
Invoice Amount: **\$10,000.00**

*For a mailing address change,
 please contact phone number above*

Make Check Payable To: City of Vancouver



For correspondence mail to:
 City of Vancouver
 P.O. Box 8995
 Vancouver, WA 98668-8995

For payment mail to:
 P.O. Box 24987
 Seattle, WA 98124-0987

INVOICE

BILL TO:
 DOWNTOWN REDEVELOPMENT AUTHORITY
 ATTN: NATASHA RAMRAS
 PO BOX 8995
 VANCOUVER, WA 98668-8995

Due Date	Invoice Date	Customer Number
7/31/23	7/1/23	30790

Terms	PO Number	Invoice Number
Net 30	Lot 24 Parking - July 2023	00034828

Item #	Description	Qty	Unit Price	Extended Amount
1	DRA/Hilton lot 24 parking lot. Parking spaces \$93.97 + 12.84% tax (48 spaces) for a total of \$5,089.72	48.00	\$93.97	\$4,510.56

Special Instructions	Subtotal	Invoice Tax	Shipping	TOTAL
	\$4,510.56	\$579.16		\$5,089.72

1 of 1

A penalty may be assessed if payment is received after the due date.
Payments accepted at Customer Service: 415 W. 6th Street
 Call 360-487-8454 option 5 to pay by credit card
 Call 360-487-8410 if you have questions regarding this invoice

Please detach and return this portion with your payment.

BILL TO:
 DOWNTOWN REDEVELOPMENT AUTHORITY
 ATTN: NATASHA RAMRAS
 PO BOX 8995
 VANCOUVER, WA 98668-8995

Customer Number: 30790
Due Date: 7/31/23
Invoice Number: 00034828
Invoice Amount: **\$5,089.72**

*For a mailing address change,
 please contact phone number above*

Make Check Payable To: City of Vancouver



PLEASE NOTE NEW REMITTANCE ADDRESS

PLEASE REMIT TO:
BLX Group LLC

P.O. Box 848066
Los Angeles, CA 90084-8066

QUESTIONS? 213.612.2484
amarquez@blxgroup.com

EIN: 51-0404065

**PLEASE REMIT COPY OF
INVOICE WITH PAYMENT**

City of Vancouver
415 West 6th Street
Vancouver, WA 98668
Attn: Carrie Lewellen

DATE:	July 25, 2022
INVOICE NO:	41612-13414/072522

<u>Wire Instructions:</u> Wells Fargo, San Francisco Branch Account of BLX Group LLC Account No. 4943357772 ABA No. 121000248
--

Re: \$18,045,000
City of Vancouver
Downtown Redevelopment Authority
Conference Center Project (Sales Tax and Lodging Tax)
Refunding Revenue Bonds, Series 2013

For Services Rendered: Interim Arbitrage Rebate Report

For Period Ending: 06/26/2022

Report Fee: \$1,250.00

Total Due: **\$1,250.00**

Downtown Redevelopment Authority

Narrative Overview of June 2023

Financial Statements

STATEMENT OF NET POSITION

- The DRA's net position has increased by approximately \$2.1 million from year end 2022. This is due in large part to the following:
 - Total assets decreased by \$82k largely due to cash outlay to pay for the January 1st bond payments, and the PFD loan payment.
 - Total liabilities have decreased by \$2.2 million from year end reflecting a \$2.35 million reduction in bond principal, and \$1.04 million reduction in the PFD loan.
- As of June 30th, overall debt to the Clark County PFD totals \$2.89 million, representing a decrease of \$83k from year end 2022.

STATEMENT OF REVENUES EXPENSES AND CHANGES IN NET POSITION

Operations in June resulted in operating income of \$1.02 million; a decrease over the budgeted Operating Income of \$441k.

- Depreciation, an Operating Expense which has no effect on cash, totaled \$1.09 million in June 2023.
- Year-over-year investment earnings are up \$262k. This increase is attributed to higher cash balances earning interest at increasing rates.

STATEMENT OF CASH FLOWS

Overall cash reflects a decrease of \$1.15 million compared to year end 2022.

- Notable sources of cash for the year included \$9.9 million from operating activities and \$2.9 million in tax receipts from the City and County PFD.
- Notable uses of cash included \$7.5 million for goods and services related to operating activities and debt service payments of \$4.4 million.

TAX REVENUE COLLECTIONS

- Through June 2023, tax revenue collections are at 102.4% of the Tax Cap compared to 96.1% for the prior year.
- All tax revenues received from this point forward will be applied toward the outstanding balance on the County PFD Loan.
 - As of June 2023, overall tax collections are up \$248k compared to June 2022. Receipts of City Lodging Tax, City PFD STC and County PTD STC are up 30.4%, 3.5%, and 2.3%, respectively.

FLOW OF FUNDS

- On July 1st \$582k of cash was transferred from the Lockbox Fund to the Project Revenue Bond. These transfers resulted from cash flows in excess of operating expenses during the month of June.
 - As of June 30th, the DRA had \$2.3 million reserved in the Project Revenue Debt Service Fund. This was sufficient to fully fund the Project Revenue Bond debt service (interest) payment totaling \$789k, paid July 1, 2023. This is also sufficient to fully fund the principal + interest payment totaling \$1.86 million, due January 1, 2024.
 - As of June 30th, the DRA has \$2.8 million reserved in the Tax Revenue Debt Service Fund. This amount was sufficient to fully fund the Tax Revenue Bond debt service (interest) payment totaling \$212k, paid July 1, 2023. This is also sufficient to fully fund the principal + interest payment totaling \$1.67 million, due January 1, 2024.

Vancouver Downtown Redevelopment Authority Condensed Report on Financial Activity through June 2023

	Year to Date							
	June 2023 Actual	June 2022 Actual	Actual \$ Change (2022-2023)	Actual % Change (2022-2023)	Budget through June 2023	Actual-Budget Comparison	2023 Annual Budget	Actual as % of Annual Budget
Revenue & Expense								
Total Operating Revenue	\$ 9,486,842	\$ 9,351,207	\$ 135,635	1.5%	\$ 10,163,636	\$ (676,794)	\$ 23,612,477	40.2%
Total Operating Expense	(8,463,318)	(7,855,722)	(607,596)	7.7%	(8,699,237)	235,919	(18,474,079)	45.8%
Net Operating Income	1,023,524	1,495,485	(471,961)	-31.6%	1,464,399	(440,875)	5,138,398	19.9%
Non-Operating/Special/Prior Period Adj (*)	1,032,521	409,064	623,457	152.4%	244,868	787,653	2,938,416	35.1%
Change in Net Position	\$ 2,056,045	\$ 1,904,549	\$ 151,496	8.0%	\$ 1,709,267	\$ 346,778	\$ 8,076,814	25.5%
Depreciation (In Operating Expense)	\$ 734,591	\$ 1,093,187	\$ (358,596)	-32.8%	\$ 1,150,000	\$ (415,409)	\$ 2,300,000	31.9%

(*)

Refers to items not directly associated with operations. These items include interest earned, city tax collections, excise tax payments and interest accrued. Items are separately listed under "Non-operating revenues/expenses and special items in the DRA's operating statement.

	Year to Date			
	June 2023 Actual	June 2022 Actual	Actual \$ Change (2022-2023)	Actual % Change
Dedicated Taxes				
City Lodging Tax (2%)	\$ 803,070	\$ 615,805	\$ 187,265	30.4%
City Sales Tax Credit	1,142,522	1,103,712	38,810	3.5%
County Sales Tax Credit	947,675	926,221	21,454	2.3%
Total Tax Revenue	\$ 2,893,267	\$ 2,645,738	\$ 247,529	9.4%
Annual Tax Revenue Cap	\$ 2,826,000	\$ 2,753,000	\$ 73,000	2.7%
% of Cap	102.4%	96.1%		

	Year to Date	
	June 2023 Actual	2023 Budgeted
Capital Projects		
Capital Project Expenses	\$ 2,017,367	\$ 2,392,428

	Year to Date							
	June 2023 Actual	Flow of Funds 7/1/2023	Cash Balances after Flow of Funds	June 2022 Actual	Actual \$ Change (2022-2023)	Actual % Change (2022-2023)	Required Amounts (7/1/2023)	% of Required Amounts (7/31/2023)
Cash Balance Reconciliation								
Operating Petty Cash	\$ 459,340	\$ -	\$ 459,340	\$ 45,904	413,436	900.6%	\$ -	NA
Lockbox/Available Revenue Fund	1,209,075	(666,153)	542,922	500,000	42,922	8.6%	500,000	108.6%
Taxes & Insurance Fund	90,424	20,000	110,424	77,000	33,424	43.4%	85,000	129.9%
Administrative Expense Fund	68,006	63,817	131,823	112,526	19,297	17.1%	110,000	119.8%
Project Revenue Debt Service Fund	2,260,201	582,336	2,842,537	2,240,131	602,406	26.9%	789,306	360.1%
Tax Revenue Debt Service Fund	2,826,000	-	2,826,000	2,399,813	426,187	17.8%	212,425	1330.4%
Primary R & R Fund	-	-	-	959,855	(959,855)	-100.0%	-	N/A
Contingency Fund	1,709,512	-	1,709,512	1,546,563	162,949	10.5%	-	N/A
Management Fee Fund	-	-	-	30	(30)	-100.0%	-	N/A
Subordinate R & R Fund	-	-	-	393,897	(393,897)	-100.0%	-	N/A
Cash Trap Fund	2,500,000	-	2,500,000	2,319,360	180,640	7.8%	-	N/A
Authority Reserve Fund - Excess	3,330,593	-	3,330,593	2,284,633	1,045,960	45.8%	-	N/A
Authority Reserve Fund - Restricted	500,000	-	500,000	500,000	-	0.0%	-	N/A
Total Escrow Fund Cash Balances	\$ 14,953,152		\$ 14,953,152	\$ 13,379,713	\$ 1,573,440	11.8%	\$ 1,696,731	
County PFD Fund - Loan Balance	(2,885,304)			(4,659,448)	1,774,144	-38.1%		

Downtown Redevelopment Authority
(A Component Unit of the City of Vancouver)

Statement of Net Position

Substantially all Disclosures Required by GAAP are omitted.

As of June 30, 2023 and December 31, 2022

	6/30/2023	*unaudited 12/31/2022	Change from Prior Year End	% Change
ASSETS				
Current assets				
Cash and cash equivalents	92,027	91,217	810	0.9%
Restricted cash with fiscal/escrow agent	14,537,812	15,683,146	(1,145,334)	(7.3%)
Receivables (net)				
Taxes	1,423,424	1,423,424	(0)	(0.0%)
Accounts	1,313,233	1,386,951	(73,718)	(5.3%)
Interest	52,738	48,235	4,503	9.3%
Inventory	53,729	43,407	10,322	23.8%
Prepaid expenses	110,975	272,182	(161,207)	(59.2%)
Total current assets	17,583,938	18,948,562	(1,364,624)	(7.2%)
Noncurrent assets				
Capital assets				
Buildings and equipment	61,781,438	59,764,071	2,017,367	3.4%
Accumulated depreciation	(29,831,921)	(29,097,331)	(734,590)	2.5%
Total noncurrent assets	31,949,517	30,666,740	1,282,777	4.2%
TOTAL ASSETS	49,533,455	49,615,302	(81,847)	(0.2%)
DEFERRED OUTFLOWS OF RESOURCES				
Unamortized deferred amount on refunding	730,194	764,965	(34,771)	(4.5%)
LIABILITIES				
Current liabilities				
Accounts payable	197,256	80,059	117,197	146.4%
Accrued interest payable	1,001,731	1,060,606	(58,875)	(5.6%)
Accrued liabilities	1,198,825	1,231,359	(32,534)	(2.6%)
Subordinate fee amortization	0	53,096	(53,096)	(100.0%)
Unearned revenue	1,059,484	742,623	316,861	42.7%
Bonds, notes and leases payable	2,525,000	2,355,000	170,000	7.2%
Total current liabilities	5,982,296	5,469,647	459,553	8.4%
Noncurrent liabilities				
Bonds, notes and leases payable from restricted assets	45,031,709	47,571,361	(2,539,652)	(5.3%)
Due to other governments	3,392,638	3,484,420	(91,782)	(2.6%)
Total noncurrent liabilities	48,424,347	51,109,687	(2,631,434)	(0.3%)
TOTAL LIABILITIES	54,406,643	56,579,334	(2,171,880)	(3.8%)
NET POSITION				
Net investment in capital assets	(14,876,998)	(18,494,656)	3,617,658	(19.6%)
Restricted for capital purposes	-	945,428	(945,428)	(100.0%)
Restricted for debt service	5,086,201	6,945,345	(1,859,144)	(26.8%)
Unrestricted	5,647,803	4,404,816	1,242,987	28.2%
TOTAL NET POSITION	(4,142,994)	(6,199,067)	2,056,073	(33.2%)

Downtown Redevelopment Authority
(A Component Unit of the City of Vancouver)

Statement of Revenues Expenses and Changes in Net Position
Substantially all Disclosures Required by GAAP are omitted.
For the months ended June 30, 2023 and 2022

	Actuals				Budget		
	Six months ending June 30, 2023	Six months ending June 30, 2022	\$ Change	% Change	YTD Budget	Variance to Budget Favorable/ (Unfavorable)	%
OPERATING REVENUES							
Charges for services	9,486,842	9,351,207	135,635	1.5%	10,163,636	(676,794)	-6.7%
Miscellaneous	-	-	-		-	-	
Total operating revenues	9,486,842	9,351,207	135,635	1.5%	10,163,636	(676,794)	-6.7%
OPERATING EXPENSES							
Supplies and contractual services	7,728,727	6,762,535	966,192	14.3%	7,549,237	(179,490)	-2.4%
Depreciation	734,591	1,093,187	(358,596)	-32.8%	1,150,000	415,409	36.1%
Total operating expenses	8,463,318	7,855,722	607,596	7.7%	8,699,237	235,919	2.7%
Operating income (loss)	1,023,524	1,495,485	(471,961)		1,464,399	(440,875)	30.1%
NONOPERATING REVENUES (EXPENSES)							
Interest earnings	278,646	16,796	261,850	1559.0%	22,500	256,146	1138.4%
Intergovernmental contributions	1,945,593	1,719,517	226,076	13.1%	1,413,000	532,593	37.7%
Excise Tax	(150,003)	(128,825)	(21,178)	16.4%	(123,370)	(26,633)	21.6%
Interest and fiscal charges	(1,095,621)	(1,198,424)	102,803	8.6%	(1,121,169)	25,548	-2.3%
Total nonoperating revenues (expenses)	978,615	409,064	569,551	-139.2%	190,961	787,654	-412.5%
SPECIAL ITEMS							
Gain on extinguishment of Debt	53,906	53,906	-		53,907	(1)	
Claims Settlement	-	-	-		-	-	
Total special items	53,906	53,906	-		53,907	(1)	
Change in net position	2,056,045	1,958,455	97,590	-5.0%	1,709,266	346,779	-20.3%
TOTAL NET ASSETS - BEGINNING	(6,199,041)	(11,542,862)	5,343,821	46.3%			
Prior Period Adjustment		-	-				
TOTAL NET ASSETS - ENDING	(4,142,996)	(9,584,408)	5,441,412	56.8%			

Downtown Redevelopment Authority
(A Component Unit of the City of Vancouver)
STATEMENT OF CASH FLOWS
For the month ended June 30, 2023

CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from operating activities	\$ 9,877,421
Cash payments for goods and services	<u>(7,493,152)</u>
Net cash provided (used) by operating activities	<u>2,384,269</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Receipts from other governments	2,893,267
Payments to other governments	<u>(217,271)</u>
Net cash provided (used) by noncapital financing activities	<u>2,675,996</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Principal paid on capital debt	(3,400,960)
Interest paid on capital debt	(1,060,606)
Purchase of capital assets	<u>(2,017,367)</u>
Net cash provided (used) by capital and related financing activities	<u>(6,478,933)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Receipt of interest	<u>274,143</u>
Net cash provided (used) by investing activities	<u>274,143</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(1,144,525)
CASH AND CASH EQUIVALENTS - BEGINNING	15,774,363
CASH AND CASH EQUIVALENTS - ENDING	<u>\$ <u>14,629,838</u></u>
Reconciliation of operating income (loss) to net cash used by operating activities:	
Net operating income (loss)	\$ 1,023,524
Adjustments to reconcile net operating income (loss) to net cash provided by operations:	
Depreciation expense	734,591
(Increase) Decrease in receivables	73,743
(Increase) Decrease in inventories	(10,322)
(Increase) Decrease in prepaid items	161,207
Increase (Decrease) in current payables	84,664
Increase (Decrease) in unearned revenue	<u>316,861</u>
Total adjustments	<u>1,360,743</u>
Net cash provided (used) by operating activities	<u>\$ 2,384,267</u>

Flow of Funds and Operating Cash Pursuant to Trust Indenture
Financial Statement Period June 2023

	Account name	Beginning Balances (6/1/2023)	Ending Balances (6/30/2023)	July 1st, flow of funds deposits, use of Cash Trap, and management fee payment	Cash balances after monthly flow of funds	Amounts Required 1/1 through 6/30/2023	Excess/(Deficit) through 6/30/2023	Amounts Required 7/1 through 12/31/2023	Excess/(Deficit) through 12/31/2022	Requirement Description
1	Operating Petty Cash Account	46,038	459,340	-	459,340	-	459,340	-	459,340	Remaining balance intended to cover automatically deducted banking/merchant charges. <i>There are 2-pending OPCA Requests not yet withdrawn from this account as of 6/30/2023 totaling \$415,340.74.</i>
2	Available Revenue Account & Lockbox Account	882,922	1,209,075	(666,153)	542,922	500,000	42,922	500,000	-	Must have \$500,000 balance as of 1st business day. <i>Amount in cash balance after flow of funds includes Hilton management fee of \$42,921.95 which is withdrawn the 1st of every month separately.</i>
3	Taxes and Insurance Fund	90,424	90,424	20,000	110,424	85,000	25,424	205,000	(94,576)	Sufficient cash to pay July renewal. Cash to be moved as needed to meet next required payment in October. No payments expected to be made until July 2023.
4	Administrative Expense Fund	94,096	68,006	63,817	131,823	100,000	31,823	100,000	-	Amounts required represent known and budgeted Administrative Expenses remaining (not yet paid) for the next six months. Current balance will be applied to future administrative expenses.
5	Project Revenue Debt Service Fund	2,260,201	2,260,201	582,336	2,842,537	789,306	2,053,231	1,859,306	193,925	Amounts required represent debt service payments scheduled for January 1st, 2024 . Excess amount includes interest payment deducted July 3rd, 2023
6	Tax Revenue Debt Service Fund	2,365,276	2,826,000	-	2,826,000	212,425	2,613,575	1,667,425	946,150	Amounts required represent debt service payments scheduled for January 1st, 2024 . Excess amount includes interest payment deducted July 3rd, 2023
7	Renewal and Replacement Fund	-	-	-	-	-	-	-	-	Monthly calculation of 4% of gross operating revenues. Funds flow annual only to the extent that there is combined excess of Funds in #5 and #6 above. Funds are transferred from Contingency as needed.
8	Contingency Fund	1,958,375	1,709,512	-	1,709,512	-	1,709,512	-	-	Amounts flow annually into this Fund, up to the requirement only and only to the extent there is excess available beyond the requirements of Funds #5 through #7, above. Once requirement is met amounts flow below this point.
9	Management Fee Fund	-	-	-	-	-	-	-	-	Beginning in calendar year 2016, pursuant to the Amended and Restated Project Operating agreement, the subordinate component of the management fee becomes due on the first of every month.
10	Subordinate Renewal and Replacement Fund	295,028	-	-	-	-	-	-	-	Monthly calculation of 1% of gross operating revenues. Funds flow annual to satisfy the deficit calculation only and only to the extent that there is combined excess in Funds described in #5 through #9, above. Once the requirement is met amounts flow below this point. Funds are transferred from Contingency as needed.
11	Cash Trap Fund	2,500,000	2,500,000	-	2,500,000	-	-	-	-	Funds flow annual only to the extent that there is combined excess in Funds described in #5 through #10, above. Once the requirement is met amounts flow below this point.
12	Authority Revenue Fund	3,330,593	3,330,593	-	3,330,593	-	-	-	-	Funds flow annual only to the extent that there is combined excess in Funds described in #5 through #11, above. Once the requirement is met amounts flow below this point.
13a	Authority Revenue Fund - RESTRICTED	500,000	500,000	-	500,000	-	-	-	-	Funds flow annual only to the extent that there is combined excess in Funds described in #5 through #12, above. Amounts in the Excess Revenue Fund in each calendar year shall be applied as follows: (i) 50% of such amounts shall be deposited in the Authority Reserve Fund; and (ii) 50% of such amounts shall be paid by the Trustee to the County PFD in accordance with the County Interlocal Agreement.
	Totals	14,322,953	14,953,152	(0)	14,953,152	1,686,731	6,935,828		1,504,839	
13b	County PFD Fund	-	-	-	-	-	-	-	-	Funds flow annual only to the extent that there is combined excess in Funds described in #5 through #12, above. Amounts in the Excess Revenue Fund in each calendar year shall be applied as follows: (i) 50% of such amounts shall be deposited in the Authority Reserve Fund; and (ii) 50% of such amounts shall be paid by the Trustee to the County PFD in accordance with the County Interlocal Agreement.
	County PFD Loan, Outstanding Principal Balance	(2,723,168)	(2,885,304)	-	(2,885,304)					Represents the outstanding loan balance owed to the Clark County PFD as of month end.

Notes to Accompany Bank Balances

<p>The Operating Petty Cash Account is the account from which the Project Manager, Hilton, deposits the funds withdrawn from the Lockbox solely for the purpose of paying Operating Expenses, Pursuant to Section 3.07 of the Amended and Restated Operating Agreement.</p>	<p>Tax Revenue Debt Service Fund is maintained to meet the debt service requirements of the Conference Center Project Refunding Revenue Bonds Series 2013B, which is the portion of the bond offering secured by the tax revenue flow, without regard to revenue generated by operations of the Hotel and Convention Center Project. Total debt issued \$18,045,000. Full maturity of the debt - January 1, 2034. A complete schedule of interest and principal payments from the Bond offering Official Statement is attached.</p>	<p>The Authority Reserve Fund was established pursuant to Appendix A of the Amended and Restated Trust Indenture - the Authority Reserve Fund Requirement is an amount equal to \$500,000. Funds can be used to meet an obligation of the DRA when shortfalls exist in other accounts otherwise designated to pay that obligation but only after the Contingency fund is fully depleted.</p>
<p>The Available Revenue Fund was established pursuant to Section 5.03 of the Indenture. The Lockbox accounts is maintained pursuant to Section 5.05 of the Indenture and established pursuant to Section 2 of the Amended and Restated Cash Management and Lockbox agreement. At the beginning of each month the Lockbox is required to have the Operating Cost Set Aside Amount, which Pursuant to Appendix A of the Amended and Restated Trust Indenture - the Operating Cost Set Aside Amount means \$500,000.</p>	<p>The Renewal and Replacement Fund is the account for which capital projects are funded. The amount required to be deposited is calculated at 4% of the Monthly Gross Operating Revenue. The deficit is calculated on a cumulative basis from the beginning of the project, less cumulative deposits from the beginning of the project. The ending cash balance represents cumulative deposits from the beginning of the project, less cumulative expenditures from the beginning of the project. The amounts to fund the deficit flow into this account annually. The 4% Subordinate Renewal and Replacement Set Aside Amount requirement is Pursuant to Appendix A of the Amended and Restated Trust Indenture.</p>	<p>The Cash Trap Fund was established pursuant to Appendix A of the Amended and Restated Trust Indenture - the Cash Trap Fund Requirement means the amount of \$2,500,000. Funds can be used to meet an obligation of the DRA when shortfalls exist in other accounts otherwise designated to pay that obligation but only after the Contingency fund and Authority Reserve Fund are fully depleted.</p>
<p>The Taxes and Insurance Fund is maintained to ensure significant fund for annual insurance premiums when due. There is no requirement to maintain a minimum balance. Established pursuant to Section 5.03 of the Indenture.</p>	<p>The Contingency Fund holds an amount Pursuant to Appendix A of the Amended and Restated Trust Indenture - the Contingency Requirement means an amount equal to \$2,000,000. These funds can be used to meet an obligation of the DRA when shortfalls exist in other accounts otherwise designated to pay that obligation.</p>	<p>The Authority Revenue Fund - additional holds amounts used to repay ACA Note Payable Pursuant to the Financing Agreement between ACA and the Authority. ACA was the Authority's bond issuer for the 2003 debt series. Principal amount is \$1,430,554.61 with 4.42% interest, bringing the total amount due to \$3,123,161. Maturity Date is January 1, 2044. Principal and Interest Payment are scheduled to commence on January 1, 2033. Funds flow annual only to the extent that there is combined excess in Funds described in #5 through #12, above. Amounts in the Excess Revenue Fund in each calendar year shall be applied as follows: (i) 50% of such amounts shall be deposited in the Authority Reserve Fund; and (ii) 50% of such amounts shall be paid by the Trustee to the County PFD in accordance with the County Interlocal Agreement. In addition, per the Indenture, the DRA may use amounts in the fund for other purposes. Planned uses include payments to the City of Vancouver per the Lot 24 Parking License Agreement and costs related to major renovation projects planned for 2020-2022.</p>
<p>The Administrative Expense Fund is maintained to ensure monthly administrative obligations are funded when due. There is no stated minimum amount required to be maintained. Established pursuant to Section 5.03 of the Indenture.</p>	<p>The Management Fee Fund is the account that will accumulate the funds that the Authority is obligated to pay, in arrears, subject to the availability of amounts in this fund the subordinate component of the management fee. The obligation to accrue the amount monthly becomes effective in calendar year 2016. The 2021 annual obligation is \$139,055. See Section 8 of the First Amendment to the Management Agreement outlines the on-going obligation.</p>	<p>The County PFD Fund holds amounts used to repay liability to County PFD. This balance increases monthly with flow of County Sales Tax Credit Revenue. Established pursuant to Section 5.03 of the Indenture. Amounts are applied to interest first. Interest rate is 5.63%. Amounts in the Excess Revenue Fund in each calendar year shall be applied as follows: (i) 50% of such amounts shall be deposited in the Authority Reserve Fund; and (ii) 50% of such amounts shall be paid by the Trustee to the County PFD in accordance with the County Interlocal Agreement.</p>
<p>The Project Debt Service Fund is maintained to meet the debt service requirements of the Conference Center Project Refunding Revenue Bonds Series 2013A, which is the portion of the bond offering secured by the revenue flow of the Hotel and Convention Center Project. Total debt issued - \$41,185,000. Full maturity of the debt - January 1, 2044. A complete schedule of interest and principal payments from the Bond offering Official Statement is attached.</p>	<p>The Subordinate Renewal and Replacement Fund is the second available account for which capital projects are funded. The amount required to be deposited is calculated at 1% of Monthly Gross Operating Revenue. The deficit is calculated on a cumulative basis from the beginning of the project, less deposits made into the account less cumulative deposits from the beginning of the project. The ending cash balance represents cumulative deposits from the beginning of the project, less cumulative expenditures from the beginning of the project. The amounts to fund the deficit flow into this account annually. The 1% Subordinate Renewal and Replacement Set Aside Amount requirement is Pursuant to Appendix A of the Amended and Restated Trust Indenture.</p>	
<p>NOTE: City of Vancouver Commitment to Downtown Redevelopment Authority (DRA), with respect to the Vancouver Conference Center: The City signed an agreement on December 1, 2003, to participate in the construction and operation of the Vancouver Conference Center, using tourism funds. In June 2013, the DRA refinanced the debt associated with the construction of the Vancouver Conference Center. As a part of the refinancing, the City agreed that, if, prior to each Interest Payment Date or Principal Payment Date, the amounts on deposit per the Trust Indenture are insufficient to pay the principal and interest due on the 2013 Project Revenue Bonds, upon notice of such deficiency from the Trustee, the City shall pay to the Trustee an amount equal to the deficiency; the maximum obligation on that payment date being the debt service amount of the 2013 Project Revenue Bonds due on such date. Any payment by the City of this conditional payment amount shall constitute a loan by the City to the DRA, with interest payable on such amounts at the rate or rates on the 2013 Project Revenue bonds. If a payment obligation is made and a loan created, the obligation for repayment become subordinate to the obligation of the Authority Revenue Fund and the County PFD Fund.</p>		

Emergency Capital Requests and Ratification Item(s)

HILTON VANCOUVER WASHINGTON								
2023 CAPITAL PROJECTS								
PREPARED BY: Krista Liles			DATE: July 12, 2023					

Contractor	Description of work	Project	Amount	Invoice Date	Invoice Number	Request #	Project #	Project type
Sun Glow, Inc.	Purchase and installation of AC Unit for Fitness Center	Emergency Capital	\$ 16,103.91	6/22/2023	61263780	60120234		Emergency repair- capital
Sun Glow, Inc.	Purchase and installation of 7th Floor AC unit	Emergency Capital	\$ 8,463.38	5/24/2023	60113093	60120234		Emergency repair- capital
Hilton (Video Only)	Lobby TV Purchase	Capital	\$ 2,933.81	6/9/2023	4966848	60120235	221072	Lobby Remodel
Total			\$ 27,501.10					

EXHIBIT E

FORM OF RENEWAL & REPLACEMENT FUND REQUEST

(204969006)

**RENEWAL & REPLACEMENT FUND
REQUEST NO. 060120234**

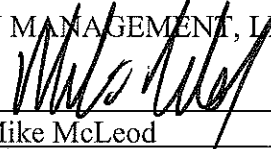
This request is being delivered to U.S. Bank National Association, as trustee (the "Trustee") under the Amended and Restated Trust Indenture, dated as of June 1, 2013 and effective June 27, 2013, amending and restating the Trust Indenture, dated as of December 1, 2003 (collectively, the "Indenture"), between the Downtown Redevelopment Authority (the "Authority") and the Trustee pursuant to Section [6(b)] of the Amended and Restated Cash Management and Lockbox Agreement (the "Cash Management Agreement") among the Depository Bank, the Trustee, the Authority and Hilton Management, L (the "Manager"). The Trustee is hereby directed to take the action described herein. Capitalized terms used herein and not otherwise defined shall have the meanings ascribed to them in the Indenture or the Cash Management Agreement.

Pursuant to Section [6(b)] of the Cash Management Agreement and Section 5.11 of the Indenture, you are hereby authorized and directed to disburse from the Renewal and Replacement Fund the amounts set forth in Appendix I attached hereto to the persons named therein in payment of Hotel expenditures permitted to be paid from the Renewal and Replacement Fund under Section [6(b)] of the Cash Management Agreement and Section 5.11 of the Indenture. The total amount to be disbursed pursuant to this Request from the Renewal and Replacement Fund is **\$24,567.29**.

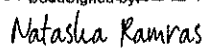
The Manager hereby certifies that (1) the statements made herein are accurate, (2) each such amount constitutes a proper charge against the Renewal and Replacement Fund, (3) no part of any such amounts shall be applied to any item which has been previously paid from the Renewal and Replacement Fund or any other Fund or Account, (4) all conditions precedent to such disbursements have been complied with and satisfied and (5) all consents, if any, required in connection with the submission hereof have been obtained and are attached hereto. The Manager further certifies that no Event of Default (as defined in the Management Agreement) by the Manager has occurred and is continuing nor has the Management Agreement been terminated.

Dated: 06/23/2023

HILTON MANAGEMENT, LLC, as Manager

By: 
Name: Mike McLeod
Title: General Manager

DOWNTOWN REDEVELOPMENT AUTHORITY

By: 
Name: Natasha Ramras
Title: Auditing Officer



Memo

To: Natasha Ramras
From: Robert Hayward
Date: May 22, 2023
Tel: (602) 386-3402
Subject: Hilton Vancouver Washington – Emergency Capital Project Approvals

Hilton has requested approval to move forward with the following capital projects.

Fitness Room AC Replacement - \$16,103.91

Hilton is requesting approval to procure an indoor/outdoor AC unit for the Fitness Room (see the attached memo); this issue has, and continues to, adversely impact the guest experience for those utilizing the fitness facilities.

The estimated cost of the project is \$16,103.91. The project was not anticipated so it was not included in the approved 2023 capital plan; the expenditure will be funded by savings from other 2023 capital budget items. CHMWarnick recommends that the DRA Board approve this project.



Date: May 19, 2023

To: Bob Hayward
CHMWarnick

From: Mike McLeod
Hilton Vancouver Washington

Subject: **Emergency Capital Request**
Fitness Room AC Replacement
Amount of this Request: \$16,103.91

The Fitness Room AC has struggled to maintain a reasonable temperature on warm days for some time and now essentially does not work at all. The HVAC system has been serviced by two vendors over the last year and is still not functioning as it should. This request is for a new ductless outdoor/indoor AC unit that is large enough to cool the room on its own or used to supplement the existing unit if when or if we are able to fix it.

The total cost of this request includes installation, labor and parts and will be funded from savings on other 2023 Capital Budget items.

Carrier 24K BTU Ductless System	\$14,815.00
8.7% Sales Tax	\$1,288.91
Total	\$16,103.91

Please let me know if you have any questions.



Billing Address
 Hilton Hotels
 301 West 6th Street
 Vancouver, WA 98660 USA

Sun Glow, Inc
 2428 SE 105th Ave
 Portland, OR 97216
 503.253.7789
 accounting@sunglowinc.com

Invoice 61263780
Invoice Date 6/22/2023
Completed Date 6/22/2023
Technician Leon
Customer PO
Payment Term Due Upon Receipt
Due Date 6/22/2023
Job Address
 Hilton Hotels
 301 West 6th Street
 Vancouver, WA 98660 USA

Description of Work

Task #	Description	Quantity	Your Price	Your Total
General Service	General Service: Install new single zone Carrier 24k BTU Ductless	1.00	\$14,815.00	\$14,815.00
	* Install Carrier outdoor unit on eastside of fitness center * Install Carrier indoor unit on eastside wall above television * Install new refrigerant lines * Install new electrical service to outdoor and indoor unit * Permits * Start-up of system with factory warranties put into place * 1 year parts and labor warranty * All labor and materials			

Sub-Total \$14,815.00
Tax \$1,288.91
Total Due \$16,103.91

Balance Due \$16,103.91

Thank you for choosing Sun Glow!



Memo

To: Natasha Ramras
From: Robert Hayward
Date: May 10, 2023
Tel: (602) 386-3402
Subject: Hilton Vancouver Washington – Emergency Capital Project Approval

Hilton has requested approval to move forward with the following emergency capital project.

7th Floor Elevator Room AC Replacement - \$8,463.38

Hilton is requesting approval to replace the AC for the 7th floor elevator room (see the attached memo); the existing unit failed and needs to be replaced.

The estimated cost of the project is \$8,463.38. The project was not anticipated so it was not included in the approved 2023 capital plan; the expenditure will be funded by the contingency. CHMWarnick recommends that the DRA Board approve this project.



Date: May 9, 2023
To: Bob Hayward
CHMWarnick
From: Mike McLeod
Hilton Vancouver Washington
Subject: **Emergency Capital Request**
7th Floor Elevator Room AC Replacement
Amount of this Request: \$8,463.38

The AC unit for the 7th floor elevator room failed and needs to be replaced. The vendor completing the replacement was able to install the unit immediately and came in under the quote we got from our HVAC maintenance vendor who was not able to complete the work as soon

This unit is one of two that was part of our 20-Year Plan for 2025.

The total cost of this request includes installation, labor and parts and will be funded by our Contingency Budget.

Carrier Ductless HVAC System	\$7,786.00
8.7% Sales Tax	\$677.38
<u>Total</u>	<u>\$8,463.38</u>

Please let me know if you have any questions.



Billing Address
 Hilton Hotels
 301 West 6th Street
 Vancouver, WA 98660 USA

Sun Glow, Inc
 2428 SE 105th Ave
 Portland, OR 97216
 503.253.7789
 accounting@sunglowinc.com

Invoice 60113093
Invoice Date 5/24/2023
Completed Date 5/24/2023
Technician Leon
Customer PO
Payment Term Due Upon Receipt
Due Date 5/24/2023
Job Address
 Hilton Hotels
 301 West 6th Street
 Vancouver, WA 98660 USA

Description of Work

Task #	Description	Quantity	Your Price	Your Total
General Service	General Service: Progressive billing for HVAC - 100% complete	1.00	\$7,786.00	\$7,786.00

- Replace Waste Line
- Replace Carrier Indoor unit with like Carrier
 - Replace Carrier Outdoor Unit with like Carrier
 - Remove existing equipment
 - Reconnect to existing refrigeration lines
 - Acid wash existing refrigeration lines
 - Charge new Carrier system to manufacturer specifications
 - Reconnect to existing low voltage
 - Reconnect to existing electrical
 - Mechanical & Electrical Permits

Sub-Total	\$7,786.00
Tax	\$677.38
Total Due	\$8,463.38
Balance Due	\$8,463.38

Thank you for choosing Sun Glow!

CONTINGENCY FUND REQUISITION
(FROM CONTINGENCY FUND TO R&R FUND)

CONTINGENCY FUND (156007)
(204969007)

RENEWAL & REPLACEMENT FUND
(204969006)

REQUEST NO. 060120235

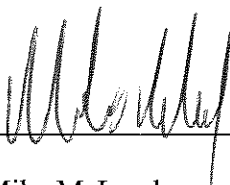
This request is being delivered to U.S. Bank National Association, as trustee (the "Trustee") under the Amended and Restated Trust Indenture, dated as of June 1, 2013 and effective June 27, 2013, amending and restating the Trust Indenture, dated as of December 1, 2003 (collectively, the "Indenture"), between the Downtown Redevelopment Authority (the "Authority") and the Trustee pursuant to Section [6(c)] of the Amended and Restated Cash Management and Lockbox Agreement (the "Cash Management Agreement") among the Depository Bank, the Trustee, the Authority and Hilton Management, LLC (the "Manager"). The Trustee is hereby directed to take the action described herein. Capitalized terms used herein and not otherwise defined shall have the meanings ascribed to them in the Indenture or the Cash Management Agreement.

Pursuant to Section [6(c)] of the Cash Management Agreement and Section 5.10 of the Indenture, you are hereby authorized and directed to disburse from the Contingency Fund the amounts set forth in Appendix I attached hereto to the persons named therein in payment of expenditures permitted to be paid from the Contingency Fund under Section [6(c)] of the Cash Management Agreement and Section 5.10 of the Indenture. The total amount to be disbursed pursuant to this request is \$ 2,933.81

The Manager hereby certifies that (1) the statements made herein are accurate, (2) each such amount constitutes a proper charge against the Contingency Fund, (3) no part of any such amounts shall be applied to any item which has been previously paid from the Contingency Fund or any other Fund or Account, (4) all conditions precedent to such disbursements have been complied with and satisfied and (5) all consents, if any, required in connection with the submission hereof have been obtained and are attached hereto. The Manager further certifies that no Event of Default (as defined in the Management Agreement) by the Manager has occurred and is continuing nor has the Management Agreement been terminated.

Dated: July 14, 2023

HILTON MANAGEMENT, LLC, as Manager

By:  _____

Name: Mike McLeod

Title: General Manager

EXHIBIT E

FORM OF RENEWAL & REPLACEMENT FUND REQUEST

(204969006)

**RENEWAL & REPLACEMENT FUND
REQUEST NO. 060120235**

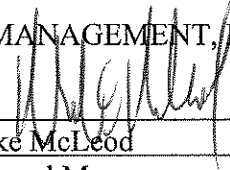
This request is being delivered to U.S. Bank National Association, as trustee (the "Trustee") under the Amended and Restated Trust Indenture, dated as of June 1, 2013 and effective June 27, 2013, amending and restating the Trust Indenture, dated as of December 1, 2003 (collectively, the "Indenture"), between the Downtown Redevelopment Authority (the "Authority") and the Trustee pursuant to Section [6(b)] of the Amended and Restated Cash Management and Lockbox Agreement (the "Cash Management Agreement") among the Depository Bank, the Trustee, the Authority and Hilton Management, L (the "Manager"). The Trustee is hereby directed to take the action described herein. Capitalized terms used herein and not otherwise defined shall have the meanings ascribed to them in the Indenture or the Cash Management Agreement.

Pursuant to Section [6(b)] of the Cash Management Agreement and Section 5.11 of the Indenture, you are hereby authorized and directed to disburse from the Renewal and Replacement Fund the amounts set forth in Appendix I attached hereto to the persons named therein in payment of Hotel expenditures permitted to be paid from the Renewal and Replacement Fund under Section [6(b)] of the Cash Management Agreement and Section 5.11 of the Indenture. The total amount to be disbursed pursuant to this Request from the Renewal and Replacement Fund is **\$2,933.81**

The Manager hereby certifies that (1) the statements made herein are accurate, (2) each such amount constitutes a proper charge against the Renewal and Replacement Fund, (3) no part of any such amounts shall be applied to any item which has been previously paid from the Renewal and Replacement Fund or any other Fund or Account, (4) all conditions precedent to such disbursements have been complied with and satisfied and (5) all consents, if any, required in connection with the submission hereof have been obtained and are attached hereto. The Manager further certifies that no Event of Default (as defined in the Management Agreement) by the Manager has occurred and is continuing nor has the Management Agreement been terminated.

Dated: 7/14/2023

HILTON MANAGEMENT, LLC, as Manager

By: 
Name: Mike McLeod
Title: General Manager

DOWNTOWN REDEVELOPMENT AUTHORITY

By: Natasha Ramras
Name: Natasha Ramras
Title: Auditing Officer



Date: June 5, 2023
To: Bob Hayward
CHMWarnick
From: Mike McLeod
Hilton Vancouver Washington
Subject: **Capital Request**
75" Samsung Frame TV
Amount of this Request: \$2,933.81

The original lobby renovation design had a TV Wall (4 TV's) that could display art, news, area information, etc. It was determined that a TV Wall may be too difficult to operate and a 75" Samsung Frame, a TV made for this type of use would be more practical and cost effective.

Funding for this request will be covered by the hotel Capital Budget although it was not part of the original Capital Budget. The quote is based on the Samsung website pricing that is consistent with in-store pricing.

(2) Time Clocks w/biometric verification	\$2,699.00
<u>8.7% Sales Tax</u>	<u>\$234.81</u>
Total	\$2,933.81

Please let me know if you have any questions.

4966848

VIDEO ONLY

SALES INVOICE

2211 ANTZEN BEACH
1300 N MEYDEN ISLAND DRIVE
PORTLAND, OR 97211
(503) 283-3400

R REGULAR SALE 2012-448121
06-09-12 11:30 Register #2919
0958 Cashier #0958
MARE BELLEFUE

SOLD TO:

000201
MIKE MCLEOD
223 PHOENIX WAY
VANDOVER, WA
(360) 335-5580

90668

DELIVER TO:

MIKE MCLEOD
223 PHOENIX WAY
VANDOVER, WA
(360) 335-5580

90668

Salesperson	Qty.	Make	Model	Description	Unit Price	Total Price
0958	1	SONY	DW75L6030	240 QD MP BOX	5093.99	5093.99
0958	1	SONY	SURF201R	SCREEN CLEAN	9.99	9.99

30 DAY REFUND POLICY

1. If for any reason you are unhappy with the equipment you purchase from VIDEO ONLY, you may return it for FULL REFUND or exchange within 30 days of purchase/delivery. Units must be factory sealed.
2. "Opened-box" units may be returned for exchange credit only, providing they are in "as-new" condition with all original packing and accessories.
3. A no-charge exchange on units with manufacturer's defects may be made within 30 days, providing the units are in "as-new" condition with all original packing and accessories. Exchange units are then eligible for exchange or exchange credit only.
4. To qualify for the above privileges, you must present your original VIDEO ONLY Sales Invoice!
5. Units with damage other than manufacturer's defects or units without original packing and accessories are not eligible for return or exchange.

Thank You For Shopping At



Please do not accept this invoice if the above listed goods are incomplete or incorrect.

I agree the above items are correct:

X *[Signature]*
CUSTOMER SIGNATURE

Keep this invoice. It is necessary for warranty and return privileges.

Subtotal 2109.98
Tax (9.7/0%) 6.00
Total Due 2109.98
Amount Recvd 2109.98
Change 0.00

AMERICAN EXPRESS 2109.98
1004 AM
Exp 11/26 App

4966848

VIDEO ONLY 201
12365 N STARLIGHT AVE
PORTLAND, OR. 97217-8107
503-283-3400

VIDEO ONLY

SALES INVOICE

SALE

0201 JANTZEN BEACH
1900 N HAYDEN ISLAND DRIVE
PORTLAND, OR 97211
503) 283-3400

A REGULAR PRICE
06-09-23 11:36
9255
MARC BELLEFUE

2012-440121
Register #2012
Cashier #0758

REF#: 00000002

Batch #: 485
06/09/23 11:36:29

APPR CODE: 822648

Trace: 2

AMEX Chip
*****1004 ***

AMOUNT \$2,109.98

DELIVER TO:

MIKE MCLEOD
223 PHOENIX WAY
VANCOUVER, WA
(360) 335-3584

98668

APPROVED



AMERICAN EXPRESS
AID: A000000025010801
TVR: 00 00 00 80 00
TS: E8 00

THANK YOU

CUSTOMER COPY

Qty	Model	Description	Unit Price	Total Price
1	DNTEL5026	246 CD OR BOX	2099.99	2099.99
	9URF014	SCREEN CLEAN	9.99	9.99

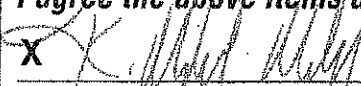
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Thank You For Shopping At

VIDEO ONLY

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X 

CUSTOMER SIGNATURE

Keep this invoice. It is necessary for warranty and return privileges.

Subtotal 2109.98
Tax (07/0%) 0.00
Total Due 2109.98
Amount Recvd 2109.98
Change 0.00

AMERICAN EXPRESS 2109.98
1004
Exp 11/25

CAPITAL EXPENSE SUMMARY 7.20.23

HILTON VANCOUVER WASHINGTON	
2023 CAPITAL PROJECTS	
PREPARED BY: Krista Liles	DATE: July 20, 2023

Contractor	Description of work	Project	Amount	Invoice Date	Invoice Number	Request #	Project #	Project type
Livermore	Contractor Fees - April	Lobby	\$ 6,550.00	4/30/2023	6303 & 6304	50920231	221072	Lobby Remodel
Construction Services Group LLC	Construction Services	Lobby	\$ 644,263.95	4/30/2023	Estimate #7	50120232	221072	Lobby Remodel
Source	FF&E Billing #2	Lobby	\$ 31,358.94	4/13/2023	27497	50120235	221072	Lobby Remodel
Source	FF&E Billing #3	Lobby	\$ 57,849.85	5/1/2023	27513	50120236	221072	Lobby Remodel
Livermore	Contractor Fees - May	Lobby	\$ 4,912.05	5/31/2023	6346 & 6347	50120237	221072	Lobby Remodel
CSG	Construction Services - May	Lobby	\$ 498,033.84	5/31/2023	Estimate #8	60120232	221072	Lobby Remodel
Source	FF&E Billing #4	Lobby	\$ 5,475.79	6/1/2023	27568	60120233	221072	Lobby Remodel
Total			\$ 1,248,444.42					

EXHIBIT E

FORM OF RENEWAL & REPLACEMENT FUND REQUEST

(204969006)

**RENEWAL & REPLACEMENT FUND
REQUEST NO. 050920231**

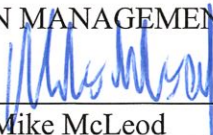
This request is being delivered to U.S. Bank National Association, as trustee (the "Trustee") under the Amended and Restated Trust Indenture, dated as of June 1, 2013 and effective June 27, 2013, amending and restating the Trust Indenture, dated as of December 1, 2003 (collectively, the "Indenture"), between the Downtown Redevelopment Authority (the "Authority") and the Trustee pursuant to Section [6(b)] of the Amended and Restated Cash Management and Lockbox Agreement (the "Cash Management Agreement") among the Depository Bank, the Trustee, the Authority and Hilton Management, L (the "Manager"). The Trustee is hereby directed to take the action described herein. Capitalized terms used herein and not otherwise defined shall have the meanings ascribed to them in the Indenture or the Cash Management Agreement.

Pursuant to Section [6(b)] of the Cash Management Agreement and Section 5.11 of the Indenture, you are hereby authorized and directed to disburse from the Renewal and Replacement Fund the amounts set forth in Appendix I attached hereto to the persons named therein in payment of Hotel expenditures permitted to be paid from the Renewal and Replacement Fund under Section [6(b)] of the Cash Management Agreement and Section 5.11 of the Indenture. The total amount to be disbursed pursuant to this Request from the Renewal and Replacement Fund is **\$6,550.00**.


The Manager hereby certifies that (1) the statements made herein are accurate, (2) each such amount constitutes a proper charge against the Renewal and Replacement Fund, (3) no part of any such amounts shall be applied to any item which has been previously paid from the Renewal and Replacement Fund or any other Fund or Account, (4) all conditions precedent to such disbursements have been complied with and satisfied and (5) all consents, if any, required in connection with the submission hereof have been obtained and are attached hereto. The Manager further certifies that no Event of Default (as defined in the Management Agreement) by the Manager has occurred and is continuing nor has the Management Agreement been terminated.

Dated: 05/09/2023

HILTON MANAGEMENT, LLC, as Manager

By: 
Name: Mike McLeod
Title: General Manager

~~DOWNTOWN~~ REDEVELOPMENT AUTHORITY

By: 
Name: Natasha Ramras
Title: Auditing Officer



1500 SW First Avenue
Suite 240
Portland, OR 97201
503-892-3002

Downtown Redevelopment Authority
Krista Liles
PO Box 1995
Vancouver, WA 98668

Invoice number 6303
Date 04/30/2023

Project **221072.00 VANCOUVER HILTON LOBBY
AND POOL AREA REMODEL**

Description	Contract Amount	Percent Complete	Total Billed	Current Billed
Design Document Review and Preliminary Estimate	8,015.20	100.00	8,015.20	0.00
Supplemental Construction Documents	28,000.00	100.00	28,000.00	0.00
Building Permit Process	6,750.00	100.00	6,750.00	0.00
Bidding Assistance	8,000.00	100.00	8,000.00	0.00
Construction Administration	20,750.00	70.00	14,525.00	4,150.00
Total	71,515.20	91.30	65,290.20	4,150.00

Invoice total **4,150.00**

Approved by:

Elaine Edgar
Office Manager



1500 SW First Avenue
Suite 240
Portland, OR 97201
503-892-3002

Downtown Redevelopment Authority
Krista Liles
PO Box 1995
Vancouver, WA 98668

Invoice number 6304
Date 04/30/2023

Project **221072.02 VANCOUVER HILTON -
ADDITIONAL SERVICES**

Description	Contract Amount	Percent Complete	Total Billed	Current Billed
Project Management Services	10,000.00	70.00	7,000.00	2,000.00
Construction Administration Services	2,000.00	70.00	1,400.00	400.00
Total	12,000.00	70.00	8,400.00	2,400.00

Invoice total **2,400.00**

Approved by:

Elaine Edgar
Office Manager

EXHIBIT E

FORM OF RENEWAL & REPLACEMENT FUND REQUEST

(204969006)

**RENEWAL & REPLACEMENT FUND
REQUEST NO. 050120232**

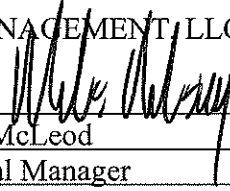
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Pursuant to Section [6(b)] of the Cash Management Agreement and Section 5.11 of the Indenture, you are hereby authorized and directed to disburse from the Renewal and Replacement Fund the amounts set forth in Appendix I attached hereto to the persons named therein in payment of Hotel expenditures permitted to be paid from the Renewal and Replacement Fund under Section [6(b)] of the Cash Management Agreement and Section 5.11 of the Indenture. The total amount to be disbursed pursuant to this Request from the Renewal and Replacement Fund is **\$644,263.95**.

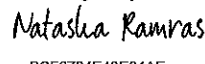
The Manager hereby certifies that (1) the statements made herein are accurate, (2) each such amount constitutes a proper charge against the Renewal and Replacement Fund, (3) no part of any such amounts shall be applied to any item which has been previously paid from the Renewal and Replacement Fund or any other Fund or Account, (4) all conditions precedent to such disbursements have been complied with and satisfied and (5) all consents, if any, required in connection with the submission hereof have been obtained and are attached hereto. The Manager further certifies that no Event of Default (as defined in the Management Agreement) by the Manager has occurred and is continuing nor has the Management Agreement been terminated.

Dated: 05/12/2023

HILTON MANAGEMENT LLC, as Manager

By: 
Name: Mike McLeod
Title: General Manager

DOWNTOWN REDEVELOPMENT AUTHORITY

By: 
Name: Natasha Ramras
Title: Auditing Officer

Estimate Number: 7


Project: Lobby Tenant Improvements for Hilton Vancouver Washington

Labor and Materials as of: 4/30/2023
 Bid Number: DRA22-1

Original Bid Amount:	\$ 1,897,870.07	Revised Contract Amount:	\$ 2,107,820.42
Original Completion Date:	160 Working Days	Estimated Completion:	70%
Revised Completion Date:			

	Previous to Date	This Estimate	To Date
Subtotal	\$ 800,569.70	\$ 621,276.71	\$ 1,421,846.41
Sales Tax 8.7%	\$ 68,534.56	\$ 54,051.07	\$ 122,585.63
Total Amount Earned	\$ 869,104.26	\$ 675,327.78	\$ 1,544,432.04
Less Retainage	\$ 40,028.49	\$ 31,063.84	\$ 71,092.32
Total Amount Due	\$ 829,075.78	\$ 644,263.95	\$ 1,473,339.72

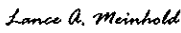
I, having examined the attached estimate, certify that it is true and correct, that the work was actually performed and material furnished as therein charged in accordance with the contract, and that the same or any part therein has not been paid. The prevailing rate of wages has been paid to all workmen, laborers, and mechanics employed by myself and all subcontractors in the performance of this contract in accordance with the provision of Chapter 39.12 RCW.


DocuSigned by:

 Contractor

Construction Services Group
 5706 NE 112th Avenue
 Vancouver WA 98682

Construction Services Group LLC President
 For
 5/2/2023
 Date

I certify the attached to be based upon the actual measurements, and to be true and correct.

DocuSigned by:

 Project Architect

DocuSigned by:

 Project Manager

5/3/2023
 Date

5/4/2023
 Date

Subs	
Harlens	Market Contracting
Cosco	Breckenridge Storefront
Accurate	Roedel Tile
Dan's Top Notch	
Pro Classic	

APPLICATION AND CERTIFICATE FOR PAYMENT

TO OWNER: PROJECT: APPLICATION # 7
 City of Vancouver -DRA Lobby Tenant Improvement for Hilton APPLICATION DATE 04/28/23
 415 W. 6th Street 301 W. 6th Street
 Vancouver, WA 98660 Vancouver, WA 98660

FROM CONTRACTOR VIA ARCHITECT PERIOD FROM: 04/01/23
 Construction Services Group LLC Livermore Architecture and Engineering 04/30/23
 5706 NE 112th Ave 1500 SW First Ave. Suite #240
 Vancouver, WA 98682 Portland, OR 97201

CONTRACT FOR: PROJECT # 326
 Tenant Improvements CONTRACT DATE 10/03/22
 JOB # 326

CONTRACTORS APPLICATION FOR PAYMENT

Application is made for payment as shown below, in connection with the contract Continuation sheet is attached

1 ORIGINAL CONTRACT SUM	\$ 1,749,189.00	CONTRACTOR
2 Net change by Change Orders	\$ 227,438.25	
3 CONTRACT SUM TO DATE	\$ 1,976,627.25	
3 SALES TAX 8.60%	\$ 169,989.94	
4 CONTRACT SUM WITH SALES TAX	\$ 2,146,617.19	
5 TOTAL COMPLETE AND STORED TO DATE	\$ 1,421,846.44	
6 SALES TAX ON COMPLETED AND STORED	\$ 122,278.79	
7 TOTAL PLUS SALES TAX (item 5 + 6)	\$ 1,544,125.23	
8 RETAINAGE (5% item 7)	\$ 77,206.26	
9 TOTAL EARNED LESS RETAINAGE (item 7 - 6)	\$ 1,466,918.97	
10 LESS PREVIOUS CERTIFICATES FOR PAYMENT	\$ 825,187.25	
11 CURRENT PAYMENT DUE	\$ 641,731.72	OWNER
12 BALANCE TO FINISH, INCL. RETAINAGE & WSST	\$ 679,698.22	BY:

The undersigned Contractor certifies that to the best of the contractors knowledge, information and the belief the Work covered by this Application for Payment has been completed in accordance with the Contract Documents, that all amounts have been paid by the Contractor for Work for which previous Certificates for Payment were issued and payments received from the Owner, and that current payment shown herein is now due.



By: **Construction Services Group LLC** Date **4/28/23**
 State Of: WA County of: CLARK

Subscribed and sworn to before me this:

This certificate is not negotiable. The AMOUNT CERTIFIED is payable only to the Contractor named herein. Insurance, payment and acceptance of payment are without prejudice to any rights of Owner or Contractor under this agreement.

Date:

Lobby Tenant Improvement for Hilton

APPLICATION # 7
 APPLICATION DATE 04/28/23
 PERIOD TO: 04/30/23
 PROJECT # 326

Change Orders

A		B			C	D	E	F	G		H	I
ITEM NO.	CO	DESCRIPTION OF WORK	SCHEDULED VALUE	ORK COMPLETED FROM PREV (D+E)	THIS PERIOD	MATERIALS CURR STORED	TOTAL COMPL AND STORED TOT DATE	% G/C	BALANCE TO FINISH	RETAINAGE		
#1	#1	Stop Work Order	\$ 9,456.49	\$ 9,456.49	\$ -	\$ -	\$ 9,456.49	100%	\$ -	\$ -	\$ 472.82	
#1	#3	Air Monitoring	\$ 1,279.56	\$ 1,279.56	\$ -	\$ -	\$ 1,279.56	100%	\$ -	\$ -	\$ 63.98	
#1	#4	Temp Floor at Coffee Shop	\$ 3,106.11	\$ 3,106.11	\$ -	\$ -	\$ 3,106.11	100%	\$ -	\$ -	\$ 155.31	
#1	#8	Additional Panel at Balcony	\$ 27,539.18	\$ -	\$ 22,500.00	\$ -	\$ 22,500.00	82%	\$ 5,039.18	\$ -	\$ 1,125.00	
#1	#9	Sundries Casework	\$ 5,352.55	\$ -	\$ 3,500.00	\$ -	\$ 3,500.00	65%	\$ 1,852.55	\$ -	\$ 175.00	
#1	#11	Wall Covering at Banquette Seating	\$ 1,009.50	\$ -	\$ -	\$ -	\$ -	0%	\$ 1,009.50	\$ -	\$ -	
#1	#12	Coffee Bar Floor System	\$ 11,701.42	\$ 3,000.00	\$ -	\$ -	\$ 3,000.00	26%	\$ 8,701.42	\$ -	\$ 150.00	
#1	#13	ASI #4- temp barrier at coffee bar	\$ 9,163.28	\$ 9,163.28	\$ -	\$ -	\$ 9,163.28	100%	\$ -	\$ -	\$ 458.16	
#1	#14	Storefront Water infiltration test	\$ 10,057.61	\$ 10,057.61	\$ -	\$ -	\$ 10,057.61	100%	\$ -	\$ -	\$ 1,005.76	
#1	#15	Framing Balcony Soffit	\$ 4,584.84	\$ 4,584.84	\$ -	\$ -	\$ 4,584.84	100%	\$ -	\$ -	\$ 458.48	
#2	#6	Power to (3) Vestibule Heaters	\$ 11,159.71	\$ 10,000.00	\$ 1,159.71	\$ -	\$ 11,159.71	100%	\$ -	\$ -	\$ 1,115.97	
#2	#10	Custom Doors 106A and 109A	\$ 6,672.65	\$ -	\$ 3,250.00	\$ -	\$ 3,250.00	49%	\$ 3,422.65	\$ -	\$ 325.00	
#2	#17	Replace all Recessed Lighting	\$ 54,431.45	\$ 51,500.00	\$ 2,931.45	\$ -	\$ 54,431.45	100%	\$ -	\$ -	\$ 5,443.15	
#2	#18	Credit to Relocation Power Runs from 2nd Floor to 1st Floor	\$ (5,228.77)	\$ (5,228.77)	\$ -	\$ -	\$ (5,228.77)	100%	\$ -	\$ -	\$ (522.88)	
#2	#19	CE #031 -- ASI #5, item #2, Storefront Doors and Sidelights	\$ 41,013.60	\$ -	\$ -	\$ -	\$ -	0%	\$ 41,013.60	\$ -	\$ -	
#2	#20	Demo Bell Casework/Relocate EC Devices	\$ 2,203.45	\$ 2,203.45	\$ -	\$ -	\$ 2,203.45	100%	\$ -	\$ -	\$ 220.35	
#3	#22	Vestibule Heaters Alternation to 208V	\$ 650.44	\$ 650.44	\$ -	\$ -	\$ 650.44	100%	\$ -	\$ -	\$ 65.04	
#3	#23	Trapeze at Ductwork - per RFI #77	\$ 711.39	\$ 711.39	\$ -	\$ -	\$ 711.39	100%	\$ -	\$ -	\$ 71.14	
#3	#24	Repairs to Exterior Wall and Columns	\$ 7,845.28	\$ 3,000.00	\$ 4,845.28	\$ -	\$ 7,845.28	100%	\$ -	\$ -	\$ 784.53	
#3	#25	Wall Covering Behind Gray's Sign	\$ 621.27	\$ 500.00	\$ 121.27	\$ -	\$ 621.27	100%	\$ -	\$ -	\$ 62.13	
#3	#27	Water Infiltration Professional Services Credit	\$ (2,059.12)	\$ (2,059.12)	\$ -	\$ -	\$ (2,059.12)	100%	\$ -	\$ -	\$ (102.96)	
#3	#32	Drapery at Exterior storefront	\$ 10,964.60	\$ -	\$ -	\$ -	\$ -	0%	\$ 10,964.60	\$ -	\$ -	
#3	#33	Mold Discovery Eastside of Entry Doors	\$ 7,551.63	\$ 7,551.63	\$ -	\$ -	\$ 7,551.63	100%	\$ -	\$ -	\$ 377.58	
#3	#34	Additional Mold Abatement Westside (Grays)	\$ 7,650.13	\$ 7,650.16	\$ -	\$ -	\$ 7,650.16	100%	\$ (0.03)	\$ -	\$ 382.51	
			\$ -	\$ -	\$ -	\$ -	\$ -	#DIV/0!	\$ -	\$ -	\$ -	
			\$ -	\$ -	\$ -	\$ -	\$ -	#DIV/0!	\$ -	\$ -	\$ -	
		TOTAL	\$ 227,438.25	\$ 117,127.07	\$ 38,307.71	\$ -	\$ 155,434.78		\$ 72,003.47	\$ -	\$ 12,286.07	

EXHIBIT E

FORM OF RENEWAL & REPLACEMENT FUND REQUEST

(204969006)

**RENEWAL & REPLACEMENT FUND
REQUEST NO. 050120235**


This request is being delivered to U.S. Bank National Association, as trustee (the "Trustee") under the Amended and Restated Trust Indenture, dated as of June 1, 2013 and effective June 27, 2013, amending and restating the Trust Indenture, dated as of December 1, 2003 (collectively, the "Indenture"), between the Downtown Redevelopment Authority (the "Authority") and the Trustee pursuant to Section [6(b)] of the Amended and Restated Cash Management and Lockbox Agreement (the "Cash Management Agreement") among the Depository Bank, the Trustee, the Authority and Hilton Management, L (the "Manager"). The Trustee is hereby directed to take the action described herein. Capitalized terms used herein and not otherwise defined shall have the meanings ascribed to them in the Indenture or the Cash Management Agreement.

Pursuant to Section [6(b)] of the Cash Management Agreement and Section 5.11 of the Indenture, you are hereby authorized and directed to disburse from the Renewal and Replacement Fund the amounts set forth in Appendix I attached hereto to the persons named therein in payment of Hotel expenditures permitted to be paid from the Renewal and Replacement Fund under Section [6(b)] of the Cash Management Agreement and Section 5.11 of the Indenture. The total amount to be disbursed pursuant to this Request from the Renewal and Replacement Fund is **\$31,358.94**

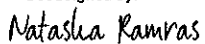
The Manager hereby certifies that (1) the statements made herein are accurate, (2) each such amount constitutes a proper charge against the Renewal and Replacement Fund, (3) no part of any such amounts shall be applied to any item which has been previously paid from the Renewal and Replacement Fund or any other Fund or Account, (4) all conditions precedent to such disbursements have been complied with and satisfied and (5) all consents, if any, required in connection with the submission hereof have been obtained and are attached hereto. The Manager further certifies that no Event of Default (as defined in the Management Agreement) by the Manager has occurred and is continuing nor has the Management Agreement been terminated.

Dated: 05/23/2023

HILTON MANAGEMENT, LLC, as Manager

By: 
Name: Mike McLeod
Title: General Manager

DOWNTOWN REDEVELOPMENT AUTHORITY

By: 
Name: Natasha Ramras
Title: Auditing Officer

Source



921 SW Washington St, Suite 518
 Portland, OR 97205 US
 +1 9712716905
 sales@tothesource.com
 www.tothesource.com

INVOICE

BILL TO
 City of Vancouver Downtown Redevelopment Authority
 415 W 6th Street
 Vancouver, WA 98660

SHIP TO
 Hilton Vancouver
 301 W 6th Street
 Vancouver, WA 98660

INVOICE 27497
DATE 04/13/2023
TERMS Net 15
DUE DATE 04/28/2023

PRODUCT	DESCRIPTION	QTY	RATE	AMOUNT
Deposit Due from Customer	Cash flow billing #2	1	28,849.07	28,849.07T
Sales Tax	Sales Tax calculated by AvaTax on Thu 13 Apr 21:08:29 UTC 2023	1	2,509.87	2,509.87

Thank you for your business!

Please remit payment to:

CHECKS - MAILING ADDRESS
 921 SW Washington St., Suite 518
 Portland, OR 97205

ACH - ELECTRONIC PAYMENT
 Bank Name: Umpqua Bank
 Routing Number: 123205054
 Account Number: 4868330251
 Account Name: Krowdsourced, Inc., DBA Source
 Bank Address: 750 SW Yamhill St,
 Portland, OR 97205

CREDIT CARD PAYMENTS
 2.9% processing fee applies
 To pay by credit card please reach out to
 accounting@tothesource.com to facilitate payment.

SUBTOTAL	31,358.94
TAX	0.00
TOTAL	31,358.94
BALANCE DUE	\$31,358.94

EXHIBIT E

FORM OF RENEWAL & REPLACEMENT FUND REQUEST

(204969006)

**RENEWAL & REPLACEMENT FUND
REQUEST NO. 050120236**

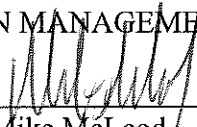
This request is being delivered to U.S. Bank National Association, as trustee (the "Trustee") under the Amended and Restated Trust Indenture, dated as of June 1, 2013 and effective June 27, 2013, amending and restating the Trust Indenture, dated as of December 1, 2003 (collectively, the "Indenture"), between the Downtown Redevelopment Authority (the "Authority") and the Trustee pursuant to Section [6(b)] of the Amended and Restated Cash Management and Lockbox Agreement (the "Cash Management Agreement") among the Depository Bank, the Trustee, the Authority and Hilton Management, L (the "Manager"). The Trustee is hereby directed to take the action described herein. Capitalized terms used herein and not otherwise defined shall have the meanings ascribed to them in the Indenture or the Cash Management Agreement.

Pursuant to Section [6(b)] of the Cash Management Agreement and Section 5.11 of the Indenture, you are hereby authorized and directed to disburse from the Renewal and Replacement Fund the amounts set forth in Appendix I attached hereto to the persons named therein in payment of Hotel expenditures permitted to be paid from the Renewal and Replacement Fund under Section [6(b)] of the Cash Management Agreement and Section 5.11 of the Indenture. The total amount to be disbursed pursuant to this Request from the Renewal and Replacement Fund is **\$57,849.85**.

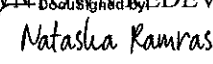
The Manager hereby certifies that (1) the statements made herein are accurate, (2) each such amount constitutes a proper charge against the Renewal and Replacement Fund, (3) no part of any such amounts shall be applied to any item which has been previously paid from the Renewal and Replacement Fund or any other Fund or Account, (4) all conditions precedent to such disbursements have been complied with and satisfied and (5) all consents, if any, required in connection with the submission hereof have been obtained and are attached hereto. The Manager further certifies that no Event of Default (as defined in the Management Agreement) by the Manager has occurred and is continuing nor has the Management Agreement been terminated.

Dated: 05/23/2023

HILTON MANAGEMENT, LLC, as Manager

By: 
Name: Mike McLeod
Title: General Manager

DOWNTOWN REDEVELOPMENT AUTHORITY

By: 
Name: Natasha Ramras
Title: Auditing Officer



Source

921 SW Washington St, Suite 518
 Portland, OR 97205 US
 +1 9712716905
 sales@tothesource.com
 www.tothesource.com

INVOICE

BILL TO	SHIP TO	INVOICE	27513
City of Vancouver Downtown Redevelopment Authority	City of Vancouver Downtown Redevelopment Authority	DATE	05/01/2023
415 W 6th Street	301 W 6TH ST	TERMS	Net 15
Vancouver, WA 98660	VANCOUVER, WA 98660-3109 US	DUE DATE	05/10/2023

PRODUCT	DESCRIPTION	QTY	RATE	AMOUNT
Deposit Due from Customer	Cash Flow Billing #3	1	53,219.74	53,219.74T
Sales Tax	Sales Tax calculated by AvaTax on Wed 26 Apr 01:52:16 UTC 2023	1	4,630.11	4,630.11

Thank you for your business!

Please remit payment to:

CHECKS - MAILING ADDRESS
 921 SW Washington St., Suite 518
 Portland, OR 97205

ACH - ELECTRONIC PAYMENT
 Bank Name: Umpqua Bank
 Routing Number: 123205054
 Account Number: 4868330251
 Account Name: Krowdsourced, Inc., DBA Source
 Bank Address: 750 SW Yamhill St,
 Portland, OR 97205

CREDIT CARD PAYMENTS
 2.9% processing fee applies
 To pay by credit card please reach out to
 accounting@tothesource.com to facilitate payment.

SUBTOTAL	57,849.85
TAX	0.00
TOTAL	57,849.85
<hr/>	
BALANCE DUE	\$57,849.85

EXHIBIT E

FORM OF RENEWAL & REPLACEMENT FUND REQUEST

(204969006)


**RENEWAL & REPLACEMENT FUND
REQUEST NO. 050120237**

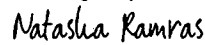
This request is being delivered to U.S. Bank National Association, as trustee (the "Trustee") under the Amended and Restated Trust Indenture, dated as of June 1, 2013 and effective June 27, 2013, amending and restating the Trust Indenture, dated as of December 1, 2003 (collectively, the "Indenture"), between the Downtown Redevelopment Authority (the "Authority") and the Trustee pursuant to Section [6(b)] of the Amended and Restated Cash Management and Lockbox Agreement (the "Cash Management Agreement") among the Depository Bank, the Trustee, the Authority and Hilton Management, L (the "Manager"). The Trustee is hereby directed to take the action described herein. Capitalized terms used herein and not otherwise defined shall have the meanings ascribed to them in the Indenture or the Cash Management Agreement.

Pursuant to Section [6(b)] of the Cash Management Agreement and Section 5.11 of the Indenture, you are hereby authorized and directed to disburse from the Renewal and Replacement Fund the amounts set forth in Appendix I attached hereto to the persons named therein in payment of Hotel expenditures permitted to be paid from the Renewal and Replacement Fund under Section [6(b)] of the Cash Management Agreement and Section 5.11 of the Indenture. The total amount to be disbursed pursuant to this Request from the Renewal and Replacement Fund is **\$4,912.05**.

The Manager hereby certifies that (1) the statements made herein are accurate, (2) each such amount constitutes a proper charge against the Renewal and Replacement Fund, (3) no part of any such amounts shall be applied to any item which has been previously paid from the Renewal and Replacement Fund or any other Fund or Account, (4) all conditions precedent to such disbursements have been complied with and satisfied and (5) all consents, if any, required in connection with the submission hereof have been obtained and are attached hereto. The Manager further certifies that no Event of Default (as defined in the Management Agreement) by the Manager has occurred and is continuing nor has the Management Agreement been terminated.

Dated: 05/31/2023

HILTON MANAGEMENT, LLC, as Manager
By: 
Name: Mike McLeod
Title: General Manager

DOWNTOWN REDEVELOPMENT AUTHORITY
By: 
Name: Natasha Ramras
Title: Auditing Officer

HILTON VANCOUVER WASHINGTON	
2023 CAPITAL PROJECTS	
PREPARED BY: Krista Liles	DATE: June 6, 2023

Contractor	Description of work	Project	Amount	Invoice Date	Invoice Number	Request #	Project #	Project type
Livermore	Contractor Fees	Lobby	\$ 3,112.05	5/31/2023	6346	50120237	221072	Lobby Remodel
Livermore	Construction Admin services	Lobby	\$ 1,800.00	5/31/2023	6347	50120237	221072	Lobby Remodel
Total			\$ 4,912.05					



1500 SW First Avenue
Suite 240
Portland, OR 97201
503-892-3002

Downtown Redevelopment Authority
Krista Liles
PO Box 1995
Vancouver, WA 98668

Invoice number 6346
Date 05/31/2023

Project **221072.00 VANCOUVER HILTON LOBBY
AND POOL AREA REMODEL**

Description	Contract Amount	Percent Complete	Total Billed	Current Billed
Design Document Review and Preliminary Estimate	8,015.20	100.00	8,015.20	0.00
Supplemental Construction Documents	28,000.00	100.00	28,000.00	0.00
Building Permit Process	6,750.00	100.00	6,750.00	0.00
Bidding Assistance	8,000.00	100.00	8,000.00	0.00
Construction Administration	20,750.00	85.00	17,637.50	3,112.50
Total	71,515.20	95.65	68,402.70	3,112.50

Invoice total **3,112.50**

Approved by:

Elaine Edgar
Office Manager



1500 SW First Avenue
Suite 240
Portland, OR 97201
503-892-3002

Downtown Redevelopment Authority
Krista Liles
PO Box 1995
Vancouver, WA 98668

Invoice number 6347
Date 05/31/2023

Project **221072.02 VANCOUVER HILTON -
ADDITIONAL SERVICES**

Description	Contract Amount	Percent Complete	Total Billed	Current Billed
Project Management Services	10,000.00	85.00	8,500.00	1,500.00
Construction Administration Services	2,000.00	85.00	1,700.00	300.00
Total	12,000.00	85.00	10,200.00	1,800.00

Invoice total **1,800.00**

Approved by:

Elaine Edgar
Office Manager

30699 (06/19)



06/07/2023

110223513

93-38
929

Wealth Management & Investment Services
Questions Call 1-866-252-4360

RTSP PYMT OF INV 6346

PAY THREE THOUSAND ONE HUNDRED TWELVE DOLLARS AND 05/100

Issued by: U.S. Bank National Association, Minneapolis, MN 55480

\$ 3,112.05

Drawer: U.S. Bank

TO THE ORDER OF LIVERMORE ARCHITECTURE & ENGINEERING

AUTHORIZED SIGNATURE

⑈ 110223513 ⑆ 092900383 ⑆ 15008023513 ⑈

ZC 108
CT JW TFMMUNI
0000
CT

000003

110223513

06/07/2023

3,112.05

MISCELLANEOUS DISBURSEMENT

RTSP PYMT OF INV 6346
CONTRACTOR FEE

VANCOUVER DRA 2013 SUB RNWL & RPL FD

Wealth Management & Investment Services
Questions Call 1-866-252-4360

LIVERMORE ARCHITECTURE & ENGINEERING
1500 SW FIRST AVE
SUITE 240
PORTLAND OR 97201



06/07/2023

110223512

93-38
929

Wealth Management & Investment Services
Questions Call 1-866-252-4360

RTSP PYMT OF INV 6347

PAY ONE THOUSAND EIGHT HUNDRED DOLLARS AND 00/100

Issued by: U.S. Bank National Association, Minneapolis, MN 55480

\$ 1,800.00

Drawer: U.S. Bank

TO THE ORDER OF LIVERMORE ARCHITECTURE & ENGINEERING

AUTHORIZED SIGNATURE

⑈ 1 10 2 23 5 1 2 ⑈ ⑆ 09 29 00 38 3 ⑆ 1 50 08 0 23 5 1 3 1 ⑈

ZC 108
CT JW TFMMUNI
0000
CT

000001

110223512
06/07/2023
1,800.00

MISCELLANEOUS DISBURSEMENT

RTSP PYMT OF INV 6347
CONSTRUCTION ADMIN SERVICES

VANCOUVER DRA 2013 SUB RNWL & RPL FD

Wealth Management & Investment Services
Questions Call 1-866-252-4360

LIVERMORE ARCHITECTURE & ENGINEERING
1500 SW FIRST AVE
SUITE 240
PORTLAND OR 97201

EXHIBIT E

FORM OF SUBORDINATE RENEWAL & REPLACEMENT FUND REQUEST

(204969009)

**SUBORDINATE RENEWAL & REPLACEMENT FUND
REQUEST NO. 060120232**


This request is being delivered to U.S. Bank National Association, as trustee (the "Trustee") under the Amended and Restated Trust Indenture, dated as of June 1, 2013 and effective June 27, 2013, amending and restating the Trust Indenture, dated as of December 1, 2003 (collectively, the "Indenture"), between the Downtown Redevelopment Authority (the "Authority") and the Trustee pursuant to Section [6(b)] of the Amended and Restated Cash Management and Lockbox Agreement (the "Cash Management Agreement") among the Depository Bank, the Trustee, the Authority and Hilton Management, L (the "Manager"). The Trustee is hereby directed to take the action described herein. Capitalized terms used herein and not otherwise defined shall have the meanings ascribed to them in the Indenture or the Cash Management Agreement.

Pursuant to Section [6(b)] of the Cash Management Agreement and Section 5.11 of the Indenture, you are hereby authorized and directed to disburse from the Renewal and Replacement Fund the amounts set forth in Appendix I attached hereto to the persons named therein in payment of Hotel expenditures permitted to be paid from the Renewal and Replacement Fund under Section [6(b)] of the Cash Management Agreement and Section 5.11 of the Indenture. The total amount to be disbursed pursuant to this Request from the Renewal and Replacement Fund is **\$498,033.84**.

The Manager hereby certifies that (1) the statements made herein are accurate, (2) each such amount constitutes a proper charge against the Renewal and Replacement Fund, (3) no part of any such amounts shall be applied to any item which has been previously paid from the Renewal and Replacement Fund or any other Fund or Account, (4) all conditions precedent to such disbursements have been complied with and satisfied and (5) all consents, if any, required in connection with the submission hereof have been obtained and are attached hereto. The Manager further certifies that no Event of Default (as defined in the Management Agreement) by the Manager has occurred and is continuing nor has the Management Agreement been terminated.

Dated: 06/09/2023

HILTON MANAGEMENT, LLC, as Manager

By: 
Name: Mike McLeod
Title: General Manager

DOWNTOWN REDEVELOPMENT AUTHORITY

DocuSigned by:
By: Natasha Ramras
Name: Natasha Ramras
Title: Auditing Officer

HILTON VANCOUVER WASHINGTON	
2023 CAPITAL PROJECTS	
PREPARED BY: Krista Liles	DATE: June 9, 2023

Contractor	Description of work	Project	Amount	Invoice Date	Invoice Number	Request #	Project #	Project type
CSG	Construction Services - May	Lobby	\$ 498,033.84	5/31/2023	Estimate #8	60120232	221072	Lobby Remodel
Total			\$ 498,033.84					

30699 (06/19)



06/13/2023

110227910

93-38
929

Wealth Management & Investment Services
Questions Call 1-866-252-4360

RTSP ESTIMATE 8 PROJECT 221072

PAY FOUR HUNDRED NINETY EIGHT THOUSAND THIRTY THREE DOLLARS AND 84/100

Issued by: U.S. Bank National Association, Minneapolis, MN 55480

\$ 498,033.84

Drawer: U.S. Bank

TO THE ORDER OF CONSTRUCTION SERVICES GROUP LLC

AUTHORIZED SIGNATURE

⑈ 110227910⑈ ⑆092900383⑆ 150080235131⑈

ZC 202 000001
CT JW TFMMUNI
0000
CT

110227910
06/13/2023
498,033.84

MISCELLANEOUS DISBURSEMENT

RTSP ESTIMATE 8 PROJECT 221072
CONSTRUCTION SERVICES MAY

VANCOUVER DRA 2013 SUB RNWL & RPL FD

Wealth Management & Investment Services
Questions Call 1-866-252-4360

CONSTRUCTION SERVICES GROUP LLC
5706 NE 112TH AVE
VANCOUVER, WA 98682

Estimate Number: 8

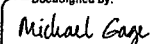
Project: Lobby Tenant Improvements for Hilton Vancouver Washington

Labor and Materials as of: 5/31/2023
 Bid Number: DRA22-1

Original Bid Amount:	\$ 1,897,870.07	Revised Contract Amount:	\$ 2,107,820.42
Original Completion Date:	160 Working Days	Estimated Completion:	94%
Revised Completion Date:			

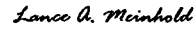
	Previous to Date	This Estimate	To Date
Subtotal	\$ 1,421,846.41	\$ 480,264.07	\$ 1,902,110.48
Sales Tax 8.7%	\$ 122,585.63	\$ 41,782.97	\$ 164,368.60
Total Amount Earned	\$ 1,544,432.04	\$ 522,047.04	\$ 2,066,479.08
Less Retainage	\$ 71,092.32	\$ 24,013.20	\$ 95,105.52
Total Amount Due	\$ 1,473,339.72	\$ 498,033.84	\$ 1,971,373.56


I, having examined the attached estimate, certify that it is true and correct, that the work was actually performed and material furnished as therein charged in accordance with the contract, and that the same or any part therein has not been paid. The prevailing rate of wages has been paid to all workmen, laborers, and mechanics employed by myself and all subcontractors in the performance of this contract in accordance with the provision of Chapter 39.12 RCW.

DocuSigned by:

 Contractor
 Construction Services Group LLC President
 For
 6/9/2023
 Date

Construction Services Group
 5706 NE 112th Avenue
 Vancouver WA 98682

I certify the attached to be based upon the actual measurements, and to be true and correct.

DocuSigned by:

 Project Architect
 6/9/2023
 Date

DocuSigned by:

 Project Manager
 6/9/2023
 Date

Subs	
Skyline	Dan's Top Notch
Accurate	Cosco Fire
Harlens	
Roedel	
Market	

APPLICATION AND CERTIFICATE FOR PAYMENT

TO OWNER:

City of Vancouver -DRA
415 W. 6th Street
Vancouver, WA 98660

PROJECT:

Lobby Tenant Improvement for Hilton
301 W. 6th Street
Vancouver, WA 98660

APPLICATION # 8
APPLICATION DATE 06/01/23

FROM CONTRACTOR

Construction Services Group LLC
5706 NE 112th Ave
Vancouver, WA 98682

VIA ARCHITECT

Livermore Architecture and Engineering
1500 SW First Ave. Suite #240
Portland, OR 97201

PERIOD FROM: 05/01/23
PERIOD TO: 05/31/23

CONTRACT FOR:

Tenant Improvements

PROJECT # 326
CONTRACT DATE 10/03/22
JOB # 326

CONTRACTORS APPLICATION FOR PAYMENT

Application is made for payment as shown below, in connection with the contract

Continuation sheet is attached

1 ORIGINAL CONTRACT SUM	\$ 1,749,189.00
2 Net change by Change Orders	\$ 279,002.13
3 CONTRACT SUM TO DATE	\$ 2,028,191.13
3 SALES TAX 8.70%	\$ 176,452.63
4 CONTRACT SUM WITH SALES TAX	\$ 2,204,643.76
5 TOTAL COMPLETE AND STORED TO DATE	\$ 1,852,110.48
6 SALES TAX ON COMPLETED AND STORED	\$ 161,133.61
7 TOTAL PLUS SALES TAX (item 5 + 6)	\$ 2,013,244.09
8 RETAINAGE (5% item 7)	\$ 100,662.20
9 TOTAL EARNED LESS RETAINAGE (item 7 - 6)	\$ 1,912,581.89
10 LESS PREVIOUS CERTIFICATES FOR PAYMENT	\$ 1,466,918.97
11 CURRENT PAYMENT DUE	\$ 445,662.92
12 BALANCE TO FINISH, INCL. RETAINAGE & WSST	\$ 292,061.87

The undersigned Contractor certifies that to the best of the contractors knowledge, information and the belief the Work covered by this Application for Payment has been completed in accordance with the Contract Documents, that all amounts have been paid by the Contractor for Work for which previous Certificates for Payment were issued and payments received from the Owner, and that current payment shown herein is now due.

CONTRACTOR Construction Services Group LLC

By: **M. Gage** Digitally signed by M. Gage
DN: C=US, E=gage.cs@gmail.com,
O=Construction Services Group LLC,
OU=President, CN=M. Gage
Date: 2023.06.01 14:39:58-0700 Date **6-1-23**
State Of: WA County of: CLARK

Subscribed and sworn to before me this:

This certificate is not negotiable. The AMOUNT CERTIFIED is payable only to the Contractor named herein. Insurance, payment and acceptance of payment are without prejudice to any rights of Owner or Contractor under this agreement.

OWNER

BY:

Date:

CONTINUATION SHEET**APPLICATION AND CERTIFICATE FOR PAYMENT,**

containing Contractors signed Certification, is attached

In tabulations below, amounts are stated to the nearest dollar.

Use Column 1 on Contracts where variable retainage for lin items may apply

Lobby Tenant Improvement for Hilton

APPLICATION # 8

APPLICATION DATE 06/01/23

PERIOD TO: 05/31/23

PROJECT # 326

A ITEM NO.	B DESCRIPTION OF WORK	C SCHEDULED VALUE	D WORK COMPLETED FROM PREV (D+E)	E THIS PERIOD	F MATERIALS CURR STORED	G TOTAL COMPL AND STORED TOT DATE	H % G/C	I BALANCE TO FINISH	J RETAINAGE
1	Bond - Insurance	\$ 36,060.00	\$ 36,060.00		\$ -	\$ 36,060.00	100%	\$ -	\$ 1,803.00
1	B & O Tax	\$ 5,500.00	\$ 5,500.00		\$ -	\$ 5,500.00	100%	\$ -	\$ 275.00
2	Permits	\$ 8,682.66	\$ 8,682.66		\$ -	\$ 8,682.66	100%	\$ -	\$ 434.13
3	Project Management	\$ 65,000.00	\$ 65,000.00		\$ -	\$ 65,000.00	100%	\$ -	\$ 3,250.00
4	Temp Facilites	\$ 15,200.00	\$ 15,200.00		\$ -	\$ 15,200.00	100%	\$ -	\$ 760.00
5	Mobilization	\$ 14,000.00	\$ 14,000.00		\$ -	\$ 14,000.00	100%	\$ -	\$ 700.00
6	Demolition	\$ 65,000.00	\$ 65,000.00		\$ -	\$ 65,000.00	100%	\$ -	\$ 3,250.00
7	Core Drilling	\$ 4,500.00	\$ 4,500.00		\$ -	\$ 4,500.00	100%	\$ -	\$ 225.00
8	Structural Steel Fabrication	\$ 21,500.00	\$ 21,500.00		\$ -	\$ 21,500.00	100%	\$ -	\$ 1,075.00
9	Welding	\$ 12,500.00	\$ 12,500.00		\$ -	\$ 12,500.00	100%	\$ -	\$ 625.00
10	Framing	\$ 13,500.00	\$ 13,500.00		\$ -	\$ 13,500.00	100%	\$ -	\$ 675.00
11	Insulation	\$ 4,500.00	\$ 4,500.00		\$ -	\$ 4,500.00	100%	\$ -	\$ 225.00
12	Standard doors/ hardware	\$ 6,500.00	\$ 3,500.00	\$ 3,000.00	\$ -	\$ 6,500.00	100%	\$ -	\$ 325.00
13	Storefront	\$ 9,580.00	\$ 1,500.00	\$ 4,000.00	\$ -	\$ 5,500.00	57%	\$ 4,080.00	\$ 275.00
14	Auto Entrance	\$ 40,256.00	\$ 2,500.00	\$ 35,000.00	\$ -	\$ 37,500.00	93%	\$ 2,756.00	\$ 1,875.00
15	Mirrors	\$ 18,962.00	\$ 1,500.00		\$ -	\$ 1,500.00	8%	\$ 17,462.00	\$ 75.00
16	Steel Panel System	\$ 52,500.00	\$ 19,000.00	\$ 20,000.00	\$ -	\$ 39,000.00	74%	\$ 13,500.00	\$ 1,950.00
17	Drywall / Metal Studs	\$ 95,469.00	\$ 91,469.00	\$ 2,500.00	\$ -	\$ 93,969.00	98%	\$ 1,500.00	\$ 4,698.45
18	Ceramic Tile	\$ 83,805.00	\$ 65,000.00	\$ 18,000.00	\$ -	\$ 83,000.00	99%	\$ 805.00	\$ 4,150.00
19	Floor Mat	\$ 3,570.00	\$ 3,000.00		\$ -	\$ 3,000.00	84%	\$ 570.00	\$ 150.00
20	Wall Covering	\$ 12,500.00	\$ 2,500.00		\$ -	\$ 2,500.00	20%	\$ 10,000.00	\$ 125.00
21	Painting	\$ 29,800.00	\$ 26,000.00		\$ -	\$ 26,000.00	87%	\$ 3,800.00	\$ 1,300.00
22	Window Covering	\$ 24,200.00	\$ 15,500.00		\$ -	\$ 15,500.00	64%	\$ 8,700.00	\$ 775.00
23	Casework	\$ 238,375.00	\$ 145,000.00	\$ 90,000.00	\$ -	\$ 235,000.00	99%	\$ 3,375.00	\$ 11,750.00
24	Stone Work	\$ 165,339.07	\$ 85,000.00	\$ 70,000.00	\$ -	\$ 155,000.00	94%	\$ 10,339.07	\$ 7,750.00
25	Wall Paneling	\$ 145,985.00	\$ 83,000.00	\$ 60,000.00	\$ -	\$ 143,000.00	98%	\$ 2,985.00	\$ 7,150.00
26	Ceiling Paneling (grid)	\$ 113,650.00	\$ 30,000.00	\$ 83,650.00	\$ -	\$ 113,650.00	100%	\$ -	\$ 5,682.50
27	Fire Suppression	\$ 26,945.00	\$ 24,000.00	\$ 2,000.00	\$ -	\$ 26,000.00	96%	\$ 945.00	\$ 1,300.00
28	HVAC	\$ 18,400.00	\$ 16,000.00	\$ 2,400.00	\$ -	\$ 18,400.00	100%	\$ -	\$ 920.00
29	Electrical	\$ 184,560.27	\$ 174,000.00	\$ 2,000.00	\$ -	\$ 176,000.00	95%	\$ 8,560.27	\$ 8,800.00
30	Lighting	\$ 52,350.00	\$ 47,000.00	\$ 2,500.00	\$ -	\$ 49,500.00	95%	\$ 2,850.00	\$ 2,475.00
31	Close-out	\$ 10,500.00			\$ -	\$ -	0%	\$ 10,500.00	\$ -
32	Fee	\$ 150,000.00	\$ 115,000.00	\$ 26,000.00	\$ -	\$ 141,000.00	94%	\$ 9,000.00	\$ 7,050.00
					\$ -	\$ -		\$ -	\$ -
	TOTAL	\$ 1,749,189.00	\$ 1,216,411.66	\$ 421,050.00	\$ -	\$ 1,637,461.66	94%	\$ 111,727.34	\$ 81,873.08

Lobby Tenant Improvement for Hilton

APPLICATION # 8
 APPLICATION DATE 06/01/23
 PERIOD TO: 05/31/23
 PROJECT # 326

Change Orders

A		B	C	D	E	F		H	I	
ITEM NO.		DESCRIPTION OF WORK	SCHEDULED VALUE	WORK COMPLETED FROM PREV (D+E)	THIS PERIOD	MATERIALS CURR STORED	TOTAL COMPL AND STORED TOT DATE	% G/C	BALANCE TO FINISH	RETAINAGE
CO	COR									
#1	#1	Stop Work Order	\$ 9,456.49	\$ 9,456.49		\$ -	\$ 9,456.49	100%	\$ -	\$ 472.82
#1	#3	Air Monitoring	\$ 1,279.56	\$ 1,279.56		\$ -	\$ 1,279.56	100%	\$ -	\$ 63.98
#1	#4	Temp Floor at Coffee Shop	\$ 3,106.11	\$ 3,106.11		\$ -	\$ 3,106.11	100%	\$ -	\$ 155.31
#1	#8	Additional Panel at Balcony	\$ 27,539.18	\$ 22,500.00	\$ 5,039.18	\$ -	\$ 27,539.18	100%	\$ -	\$ 1,376.96
#1	#9	Sundries Casework	\$ 5,352.55	\$ 3,500.00	\$ 1,852.55	\$ -	\$ 5,352.55	100%	\$ -	\$ 267.63
#1	#11	Wall Covering at Banquette Seating	\$ 1,009.50	\$ -		\$ -	\$ -	0%	\$ 1,009.50	\$ -
#1	#12	Coffee Bar Floor System	\$ 11,701.42	\$ 3,000.00	\$ 8,701.42	\$ -	\$ 11,701.42	100%	\$ -	\$ 585.07
#1	#13	ASI #4- temp barrier at coffee bar	\$ 9,163.28	\$ 9,163.28		\$ -	\$ 9,163.28	100%	\$ -	\$ 458.16
#1	#14	Storefront Water infiltration test	\$ 10,057.61	\$ 10,057.61		\$ -	\$ 10,057.61	100%	\$ -	\$ 1,005.76
#1	#15	Framing Balcony Soffit	\$ 4,584.84	\$ 4,584.84		\$ -	\$ 4,584.84	100%	\$ -	\$ 458.48
#2	#6	Power to (3) Vestibule Heaters	\$ 11,159.71	\$ 11,159.71		\$ -	\$ 11,159.71	100%	\$ -	\$ 1,115.97
#2	#10	Custom Doors 106A and 109A	\$ 6,672.65	\$ 3,250.00	\$ 3,422.65	\$ -	\$ 6,672.65	100%	\$ -	\$ 667.27
#2	#17	Replace all Recessed Lighting	\$ 54,431.45	\$ 54,431.45		\$ -	\$ 54,431.45	100%	\$ -	\$ 5,443.15
#2	#18	Credit to Reloc.Power Runs / 2nd Floor to 1st Floor	\$ (5,228.77)	\$ (5,228.77)		\$ -	\$ (5,228.77)	100%	\$ -	\$ (522.88)
#2	#19	ASI #5, item #2, Storefront Doors and Sidelights	\$ 41,013.60	\$ -		\$ -	\$ -	0%	\$ 41,013.60	\$ -
#2	#20	Demo Bell Casework/Relocate EC Devices	\$ 2,203.45	\$ 2,203.45		\$ -	\$ 2,203.45	100%	\$ -	\$ 220.35
#3	#22	Vestibule Heaters Alternation to 208V	\$ 650.44	\$ 650.44		\$ -	\$ 650.44	100%	\$ -	\$ 65.04
#3	#23	Trapeze at Ductwork - per RFI #77	\$ 711.39	\$ 711.39		\$ -	\$ 711.39	100%	\$ -	\$ 71.14
#3	#24	Repairs to Exterior Wall and Columns	\$ 7,845.28	\$ 7,845.28		\$ -	\$ 7,845.28	100%	\$ -	\$ 784.53
#3	#25	Wall Covering Behind Gray's Sign	\$ 621.27	\$ 621.27		\$ -	\$ 621.27	100%	\$ -	\$ 62.13
#3	#27	Water Infiltration Professional Services Credit	\$ (2,059.12)	\$ (2,059.12)		\$ -	\$ (2,059.12)	100%	\$ -	\$ (102.96)
#3	#32	Drapery at Exterior storefront	\$ 10,964.60	\$ -	\$ 5,000.00	\$ -	\$ 5,000.00	46%	\$ 5,964.60	\$ 250.00
#3	#33	Mold Discovery Eastside of Entry Doors	\$ 7,551.63	\$ 7,551.63		\$ -	\$ 7,551.63	100%	\$ -	\$ 377.58
#3	#34	Additional Mold Abatement Westside (Grays)	\$ 7,650.13	\$ 7,650.13		\$ -	\$ 7,650.13	100%	\$ -	\$ 382.51
#4	#21	PCCO #21 - Vestibule Paneling ASI 5.3	\$ 5,636.23			\$ -	\$ -	0%	\$ 5,636.23	\$ -
#4	#30	Replace Fixture at Top of Stairs 2nd Floor	\$ 649.59		\$ 649.59	\$ -	\$ 649.59	100%	\$ -	\$ 32.48
#4	#35	Lights Under Stairwell	\$ 1,091.25		\$ 1,091.25	\$ -	\$ 1,091.25	100%	\$ -	\$ 54.56
#4	#36	Exterior Light Fixture Changes	\$ 6,974.84			\$ -	\$ -	0%	\$ 6,974.84	\$ -
#4	#37	ASI #9 Exterior Lighting Revisions	\$ 3,754.54			\$ -	\$ -	0%	\$ 3,754.54	\$ -
#4	#38	Flashing at Sundries Linear Diffuser	\$ 342.99		\$ 342.99	\$ -	\$ 342.99	100%	\$ -	\$ 17.15
#4	#39	Finish Trim around (2) linear diffusers	\$ 571.64		\$ 571.64	\$ -	\$ 571.64	100%	\$ -	\$ 28.58
#4	#40	Water Infiltration Delays	\$ 31,273.23		\$ 31,273.23	\$ -	\$ 31,273.23	100%	\$ -	\$ 1,563.66
#4	#42	Sub floor leveling at elevator area	\$ 1,269.57		\$ 1,269.57	\$ -	\$ 1,269.57	100%	\$ -	\$ 63.48
			\$ -	\$ -	\$ -	\$ -	\$ -	#DIV/0!	\$ -	\$ -
			\$ -	\$ -	\$ -	\$ -	\$ -	#DIV/0!	\$ -	\$ -
TOTAL			\$ 279,002.13	\$ 155,434.75	\$ 59,214.07	\$ -	\$ 214,648.82		\$ 64,353.31	\$ 15,417.91

EXHIBIT E

FORM OF RENEWAL & REPLACEMENT FUND REQUEST

(204969006)

**RENEWAL & REPLACEMENT FUND
REQUEST NO. 060120233**

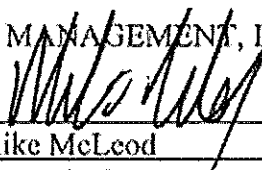
This request is being delivered to U.S. Bank National Association, as trustee (the "Trustee") under the Amended and Restated Trust Indenture, dated as of June 1, 2013 and effective June 27, 2013, amending and restating the Trust Indenture, dated as of December 1, 2003 (collectively, the "Indenture"), between the Downtown Redevelopment Authority (the "Authority") and the Trustee pursuant to Section [6(b)] of the Amended and Restated Cash Management and Lockbox Agreement (the "Cash Management Agreement") among the Depository Bank, the Trustee, the Authority and Hilton Management, L (the "Manager"). The Trustee is hereby directed to take the action described herein. Capitalized terms used herein and not otherwise defined shall have the meanings ascribed to them in the Indenture or the Cash Management Agreement.

Pursuant to Section [6(b)] of the Cash Management Agreement and Section 5.11 of the Indenture, you are hereby authorized and directed to disburse from the Renewal and Replacement Fund the amounts set forth in Appendix I attached hereto to the persons named therein in payment of Hotel expenditures permitted to be paid from the Renewal and Replacement Fund under Section [6(b)] of the Cash Management Agreement and Section 5.11 of the Indenture. The total amount to be disbursed pursuant to this Request from the Renewal and Replacement Fund is **\$5,475.79**.

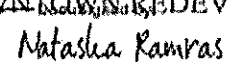
The Manager hereby certifies that (1) the statements made herein are accurate, (2) each such amount constitutes a proper charge against the Renewal and Replacement Fund, (3) no part of any such amounts shall be applied to any item which has been previously paid from the Renewal and Replacement Fund or any other Fund or Account, (4) all conditions precedent to such disbursements have been complied with and satisfied and (5) all consents, if any, required in connection with the submission hereof have been obtained and are attached hereto. The Manager further certifies that no Event of Default (as defined in the Management Agreement) by the Manager has occurred and is continuing nor has the Management Agreement been terminated.

Dated: 06/22/2023

HILTON MANAGEMENT, LLC, as Manager

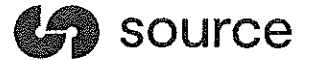
By: 
Name: Mike McLeod
Title: General Manager

DOWNTOWN REDEVELOPMENT AUTHORITY

By: 
Name: Natasha Ramras
Title: Auditing Officer

Source

921 SW Washington St, Suite 518
Portland, OR 97205 US
+1 9712716905
sales@tothesource.com
www.tothesource.com



INVOICE

BILL TO
City of Vancouver Downtown Redevelopment Authority
415 W 6th Street
Vancouver, WA 98660

SHIP TO
City of Vancouver Downtown Redevelopment Authority
301 W 6TH ST
VANCOUVER, WA 98660-3109 US

INVOICE 27568
DATE 06/01/2023
TERMS Net 15
DUE DATE 06/10/2023

PRODUCT	DESCRIPTION	QTY	RATE	AMOUNT
Deposit Due from Customer	Cash Flow #4	1	5,037.52	5,037.52T
Sales Tax	Sales Tax calculated by AvaTax on Wed 31 May 20:31:38 UTC 2023	1	438.27	438.27

Thank you for your business!

Please remit payment to:

CHECKS - MAILING ADDRESS
921 SW Washington St., Suite 518
Portland, OR 97205

ACH - ELECTRONIC PAYMENT
Bank Name: Umpqua Bank
Routing Number: 123205054
Account Number: 4868330251
Account Name: Krowdsourced, Inc., DBA Source
Bank Address: 750 SW Yamhill St,
Portland, OR 97205

CREDIT CARD PAYMENTS
2.9% processing fee applies
To pay by credit card please reach out to
accounting@tothesource.com to facilitate payment.

SUBTOTAL	5,475.79
TAX	0.00
TOTAL	5,475.79
BALANCE DUE	\$5,475.79

30698 (06/19)



06/29/2023

110239741

93-38
929

Wealth Management & Investment Services
Questions Call 1-866-252-4360

RTSP PYMT OF INVOICE 27568

PAY FIVE THOUSAND FOUR HUNDRED SEVENTY FIVE DOLLARS AND 79/100

Issued by: U.S. Bank National Association, Minneapolis, MN 55480

\$ 5,475.79

Drawer: U.S. Bank

TO THE SOURCE
ORDER
OF

AUTHORIZED SIGNATURE

⑈ 110239741 ⑈ ⑆092900383⑆ 150080235131 ⑈

ZC 444 000001
CT JW TFMMUNI
0000
CT

110239741
06/29/2023
5,475.79

MISCELLANEOUS DISBURSEMENT

RTSP PYMT OF INVOICE 27568
LOBBY REDMODEL

VANCOUVER DRA 2013 RNWL & RPL FD

Wealth Management & Investment Services
Questions Call 1-866-252-4360

SOURCE
921 SW WASHINGTON ST
SUITE 518
PORTLAND OR 97205

VANCOUVER HOTEL AND CONVENTION CENTER PROJECT

Financial Statements and Supplementary Information
For the Years Ended December 31, 2022 and 2021

And Independent Auditor's Report



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Bonds Payable	17



Independent Auditor's Report

To the Vancouver Downtown Redevelopment Authority
Vancouver Hotel and Convention Center Project
Vancouver, WA 98660

Report on the Financial Statements

We have audited the accompanying financial statements of the Vancouver Hotel and Convention Center Project, which comprise the balance sheet as of the years ended December 31, 2022 and December 31, 2021, respectively, the statements of operation, changes in owner's equity (deficit) for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Project as of December 31, 2022 and December 31, 2021, and the results of operations and its cash flows for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Basis for our Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Project and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the project's ability to continue as a going concern within one year after the date that the financial statements are issued or available to be issued.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the project's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing opinions on the effectiveness of management's internal control. Accordingly, we express no such opinions. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinions, the financial statements referred to above present fairly, in all material respects, the respective financial position of the project as of December 31, 2022 and December 31, 2021, respectively, and the respective changes in financial position, for the year then ended in accordance with the basis of accounting described in Note 1.

Basis of Accounting

We draw attention to Note 1 of the financial statements, which describe the basis of accounting. The financial statements are prepared on an accrual basis, in accordance with accounting principles generally accepted in the United States of America. We conducted our audit in accordance with GAAS, with the auditor responsibilities described above. Our opinions are not modified with respect to the statements.

Report on Supplemental and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the project's basic financial statements. The accompanying supplementary information is presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplemental information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States. In our opinions, the information is fairly stated in all material respects in relation to the basic financial statements as a whole on the basis of accounting described in Note 1.

Emphasis of a Matter

We draw attention to Note 1 of the financial statements, which disclose the statement present only the Vancouver hotel and convention center project and do not present the financial position of the Vancouver Downtown Redevelopment Authority, a component unit of the City of Vancouver, Washington. They present the results of its operations and cash flows as of December 31, 2022 and 2021 in conformity with generally accepted accounting principles in the United States.

A handwritten signature in cursive script that reads "Teresa Hanford".

Hanford & Associates, LLC
West Richland, WA
May 25, 2023

Vancouver Hotel and Convention Center Project

Vancouver, WA

Basic Financial Statements
December 31, 2022

Vancouver Hotel and Convention Center Project

Balance Sheet
December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
ASSETS		
CURRENT ASSETS		
Cash	\$ 1,057,738	\$ 831,807
Accounts receivable, net	1,386,951	1,289,509
Inventories	43,408	43,205
Other current assets	66,595	58,436
Total current assets	<u>2,554,692</u>	<u>2,222,957</u>
OTHER ASSETS	<u>28,450</u>	<u>28,450</u>
Total Assets	<u>2,583,142</u>	<u>2,251,407</u>
LIABILITIES AND OWNER'S EQUITY (DEFICIT)		
CURRENT LIABILITIES		
Accounts payable	32,702	88,056
Accrued expenses	2,428,842	2,201,049
Total current liabilities	<u>2,461,544</u>	<u>2,289,105</u>
OWNER'S EQUITY (DEFICIT)	<u>121,598</u>	<u>(37,698)</u>
Total liabilities and owner's equity (deficit)	<u>2,583,142</u>	<u>2,251,407</u>

The notes to the financial statements are an integral part of this statement.

Vancouver Hotel and Convention Center Project

Statement of Operations

For the Years Ended December 31, 2022 and 2021

	2022	2021
REVENUE		
Rooms	\$ 11,341,511	\$ 9,579,806
Food and beverage	7,057,398	3,002,655
Other operating departments	990,802	558,593
Telephone	7,104	6,846
Total revenue	19,396,815	13,147,900
DIRECT OPERATING EXPENSES		
Rooms	2,810,063	2,431,283
Food and beverage	4,645,097	2,415,384
Other operating departments	2,152	1,350
Telephone	8,177	70,189
Total direct operating expenses	7,465,489	4,918,206
INDIRECT OPERATING EXPENSES		
General and administrative expenses	2,390,220	1,893,303
Sales and marketing expenses	1,509,087	947,062
Utilities expense	617,668	526,243
Property operations	820,553	684,463
Management fees	648,978	605,955
Total indirect operating expenses	5,986,506	4,657,026
Net income (loss) from operations	5,944,820	3,572,668
NON-OPERATING EXPENSES	327,345	224,839
Net income (loss)	5,617,475	3,347,829

The notes to the financial statements are an integral part of this statement.

Vancouver Hotel and Convention Center Project
Statement of Changes in Owner's Equity (Deficit)
For the Years Ended December 31, 2022 and 2021

BALANCE AS OF JANURARY 1, 2021	108,186
Distributions to owner	(3,493,713)
Net income	3,347,829
BALANCE AS OF DECEMBER 31, 2021	<u>(37,698)</u>
Distributions to owner	(5,458,179)
Net income	5,617,475
BALANCE AS OF DECEMBER 31, 2022	<u>121,598</u>

The notes to the financial statements are an integral part of this statement.

Vancouver Hotel and Convention Center Project

Statement of Cash Flows

For the Years Ended December 31, 2022 and 2021

	2022	2021
CASH FLOW FROM OPERATING ACTIVITIES		
Cash received from customers	\$ 19,291,011	\$ 12,552,834
Cash paid to suppliers	(5,600,946)	(3,772,400)
Cash paid for employee payroll	(8,005,955)	(5,142,121)
Net cash provided by (used for) operating activities	5,684,110	3,638,313
CASH FLOWS FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES		
Distributions to owner	(5,458,179)	(3,493,713)
Net cash provided by (used for) noncapital activities	(5,458,179)	(3,493,713)
Net increase (decrease) in cash	225,931	144,600
Beginning cash balance	831,807	687,207
Total ending cash balance	1,057,738	831,807
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities		
Operating income (loss)	5,617,475	3,347,829
Adjustments to reconcile:		
Accounts receivable, net	(97,442)	(583,622)
Inventories	(203)	(3,482)
Other current assets	(8,159)	(7,962)
Accounts payable	(79,342)	5,386
Accrued expenses	251,781	880,164
Net cash provided by (used for) operating activities	5,684,110	3,638,313

The notes to the financial statements are an integral part of this statement.

Vancouver Hotel and Convention Center Project

Notes to the Financial Statements
For the Years Ended December 31, 2022 and 2021

NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization - The Vancouver Downtown Redevelopment Authority (the Authority) was established in 1997 as a special purpose government entity in accordance with Sections 35.21.730 through 757 of the Revised Code of Washington (RCW). The Authority is a component unit of the City of Vancouver, Washington (the City). In December 2003, the City, operating as the Authority, and Hilton Hotels Corporation (Manager), entered into an agreement (the Management Agreement) naming them as the hotel manager of the Vancouver Hotel and Convention Center Project (Hilton Vancouver Washington or the Project). The Authority financed the acquisition, construction, and furnishing of the Hilton Vancouver Washington. Commencement of operations of the Hilton Vancouver Washington occurred on June 15, 2005. The Manager operates the hotel on behalf of the Authority. The Hilton Vancouver Washington's operations include a 29,000 square foot conference center, a full-service hotel with approximately 226 hotel guest rooms, a full-service restaurant, and an underground garage with approximately 160 parking spaces.

The accompanying financial statements do not purport to be the full financial statements of the Authority or the City.

Basis of Presentation - The accompanying financial statements have been prepared to comply with the Management Agreement. The basic financial statements for the Hilton Vancouver Washington, prepared in conformity with the accounting principles generally accepted in the United States of America (GAAP).

Use of Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Accounts Receivable - The Hilton Vancouver Washington provides for uncollectible accounts receivable using the allowance method of accounting for bad debts. Under this method of accounting, a provision for uncollectible accounts is charged to earnings. The allowance account is increased or decreased based on past collection history and management's evaluation of accounts receivable. All amounts considered uncollectible are charged against the allowance amount, and recoveries of previously charged off accounts reduce the allowance. The balance of the allowance for doubtful accounts was \$18,269 and \$103 as of December 31, 2022 and 2021 respectively.

Inventories - Inventories consist primarily of beverages used in the operations of the Hilton Vancouver Washington and are stated at the lower of cost or net realizable value. Cost is determined using the first-in, first-out method.

Compensated Absences - Employees of Hilton Vancouver Washington earn vacation leave on a bi-weekly basis. Each employee will start to accrue paid time off (PTO) on their 1st day of employment and are eligible to use accrued time on their 91st day of employment. An employee is entitled to a portion of accrued and earned PTO upon termination of employment based on their length of service. The liability was \$332,932 and \$345,911 at December 31, 2022 and 2021, respectively, which is reported as part of accrued expenses in the accompanying balance sheets.

Concentrations:

Cash - The Federal Deposit Insurance Corporation (FDIC) insures the Hilton Vancouver Washington's deposits and investments up to \$250,000. All deposits and bank and investment pools not covered by FDIC are covered under the State of Washington Public Deposit Protection Commission Act of 1969. Total public deposits may not exceed one and one-half times its net worth or 30% of the total public funds on deposit statewide in each qualified public depository. If public deposits exceed either of these limitations, it must collateralize the excess at 100%.

Labor Risk - For the years ended December 31, 2022 and 2021, approximately 66% and 62% respectively of the Hilton Vancouver Washington's payroll related costs consisted of employees who are employed in: (i) the preparation, handling, and serving of food and/or drink, (ii) housekeeping/laundry departments, and (iii) valets, bells, and doorpersons who are subject to collective bargaining agreements through the HERE Local #8, the Hotel Employees and Restaurant Employees Union. The contract for the Hilton Vancouver Washington employees was negotiated and approved in fiscal year 2018 and expires on June 30, 2023. The contract will renew each year on June 30th until a new contract is in place.

Management does not anticipate negative outcomes resulting from these concentrations.

Gross Operating Revenues - The Project recognizes revenue in accordance with Financial Accounting Standard Board (FASB) Accounting Standards Codification (ASC), *Revenue from Contract with Customers (Topic 606)*. The core principle of Topic 606 is that an entity recognizes revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration the entity expects to be entitled to in exchange for those goods or services. To determine revenue recognition for the arrangements that the Project determines are within the scope of the guidance, the Project performs the following five steps: (1) identify the contract(s) with a customer, (2) identify the performance obligations in the contract, (3) determine the transaction price, (4) allocate the transaction price to the performance obligations in the contract, and (5) recognize revenue when (or as) the entity satisfies a performance obligation.

All revenue and income of any kind derived directly or indirectly from operations at the Hilton Vancouver Washington, whether or not arranged by, for, or on behalf of another person or at another location, are properly attributable to the period under consideration in accordance with GAAP and the uniform system of accounts for hotels (except that in determining the amount deposited into the lockbox fund, such determination shall be made on a cash basis), except that the following shall not be included in determining gross operating revenues:

- a. Excluded taxes and other charges.
- b. Receipts from the financing, sale, or other disposition of capital assets and other items not in the ordinary course of the Hilton Vancouver Washington's operations and income derived from securities and other property acquired and held for investment.
- c. Receipts from awards or sales in connection with any taking, from other transfers in lieu of and under the threat of any taking, and other receipts in connection with any taking, but only to the extent that such amounts are specifically identified as compensation for alterations or physical damage to the Hilton Vancouver Washington.
- d. Proceeds of any insurance, including the proceeds of any business interruption insurance and any payments pursuant to the performance and payment bonds. Rebates, discounts, or credits of a similar nature (not including charge or credit card discounts, which shall not constitute a deduction from revenues in determining gross operating revenues, but shall constitute an operating expense).

- e. Consideration received at the Hilton Vancouver Washington for hotel accommodations, goods, and services to be provided at other hotels although arranged by, for, or on behalf of the Manager.
- f. Notwithstanding any contrary requirements of GAAP, all gratuities collected (or to be collected) for the benefit of and paid to the Hilton Vancouver Washington personnel.
- g. Proceeds of any financing.
- h. The initial operating funds and working capital loans and any other funds provided by the Authority to the Manager whether for operating expenses or otherwise.
- i. Other income or proceeds derived from operations outside of the Hilton Vancouver Washington and resulting other than from the use or occupancy of the Hilton Vancouver Washington, or any part thereof, or other than the sale of goods, services, or other items sold on or provided from the Hilton Vancouver Washington in the ordinary course of business.
- j. Interest earned on funds held in any account.
- k. The value of any complimentary rooms, goods, or services.
- l. Refunds to guests of any sums or credits to any Hilton Vancouver Washington customers for lost or damaged items.
- m. Refunds to parking customers of any sums or credits to any parking customers for lost or damaged items.

Nearly all of the Project's sales contracts reflect market pricing at the time the contract is executed and generally provide for performance within 60 days after the price has been agreed upon with the customer.

The Project recognizes revenue based on contractually stated selling prices and quantities sold, net of sales tax. The Project experiences very few sales returns and, therefore, no material provisions for returns have been made when sales are recognized.

The Project has elected the following practical expedients in accordance with Topic 606:

- a. *Measurement of transaction price* – The Project has elected to exclude from the measurement of transaction price all taxes assessed by governmental authority that are both imposed on, and concurrent with, a specific revenue-producing transaction and collected by the Project from a customer for sales tax.
- b. *Contract costs* – The Project has elected to recognize the incremental costs of obtaining a contract as an expense when incurred if the amortization period is less than one year.
- c. *Portfolio approach* – The Project has elected to apply the guidance to a portfolio of contracts with similar characteristics which the Project reasonably expects that the effects on the financial statements of applying this guidance to the portfolio would not differ significantly from applying this guidance to the individual contracts within the portfolio.

In all cases, the Project recognizes revenue upon delivery to customers as it has determined that this is the point at which control is transferred, the performance obligation is complete, and the Project is entitled to consideration. In accordance with Topic 606, the Project disaggregates net sales from contracts with customers based on the characteristics of the product sold. The Project believes these categories most appropriately depict the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers.

The Project has determined that performance obligations related to customer contracts are satisfied at a point in time, as opposed to over time, and, accordingly, revenue is recognized at a point in time across all revenue streams.

Cash received from customers prior to the customer completing their stay or event is reflected as unearned revenue, a contract liability. Substantially all unearned revenue liabilities at year end are recognized as revenue in the subsequent year. Contract liabilities totaled \$742,623 and \$744,103 at December 31, 2022 and 2021, respectively, and are included in accrued expenses in the accompanying balance sheets.

Operating Expenses - Operating expenses are defined as all ordinary and necessary expenses including, without limitation, reimbursable expenses and the management fees (see Note 2) incurred in the operation of the Project (including any management fee or other payment to a third-party payable in respect of the operation of the garage) in accordance with and to the extent provided in the Management Agreement, including but not limited to all initial food and beverage supply costs as contemplated by Section 2 (f) of the Pre-Opening Services Agreement, project personnel costs, the cost of maintenance and utilities, administrative expenses, the costs of advertising, marketing, and business promotion, lease payments for equipment to be installed and utilized at the Project, and any amounts payable to the Manager as its management fees, all as determined in accordance with GAAP.

Under a specific provision of the Management Agreement, the following shall not constitute operating expenses:

- a. Taxes, excluded taxes and other charges (save and except for payroll taxes included in excluded taxes and other charges).
- b. Insurance costs.
- c. Rentals of real property (unless approved in writing by the Authority).
- d. Depreciation and amortization on any capital assets.
- e. Administrative expenses and other expenses of the Trustee, Authority, or Authority's personnel, such as entertainment expenses, salaries, wages, and employee benefits of the Trustee's or Authority's employees to attend board meetings.
- f. Costs and professional fees, including the fees of attorneys, accountants, and appraisers incurred directly or indirectly in connection with any category of expense that would not otherwise be an operating expense, unless otherwise expressly provided in the Management Agreement.
- g. Payments of principal and interest related to any financing of the Authority.
- h. Costs covered by and of the Manager's indemnity, hold harmless and defense agreements contained in the Management Agreement, all of which shall be funded out of the Manager's own funds (from whatever source, including insurance proceeds).
- i. Costs incurred by the Manager to perform obligations, duties, covenants, agreements, and responsibilities, which under the express terms of the Management Agreement are to be funded from the Manager's own funds.
- j. Capital expenses, including, without limitation, construction costs of the Authority.
- k. Payments made and amounts required to be paid pursuant to the Design-Build Agreement.
- l. Authority expenses or Authority costs.

Sales and Other Taxes - Revenues are presented net of sales and other taxes collected from customers. Accordingly, such costs are not included in revenues. The related obligation is included in accrued expenses until the taxes are remitted to the proper taxing authorities.

Advertising - Advertising costs are expensed as incurred and are included in sales and marketing expense and were \$21,112 and \$4,655 for the years ended December 31, 2022 and 2021, respectively.

Income Taxes - The Hilton Vancouver Washington has been organized as a public facility corporation. Therefore, pursuant to *Internal Revenue Code 115*, the Hilton Vancouver Washington is a tax-exempt entity.

Reclassifications - Certain reclassifications have been made to the 2020 financial statements in order to conform to the 2021 presentation.

Subsequent Events - The Project has performed an evaluation of subsequent events through May 15, 2023, which is the date these financial statements were available to be issued.

NOTE 2 – COMMITMENTS AND CONTINGENCIES

Base Management Fee - In consideration for the Manager performing all its management, administrative, oversight, cooperation, and coordination services under the Management Agreement, as amended, the Hilton Vancouver Washington paid \$500,050 and \$466,900 in base management fees during the years ended December 31, 2022 and 2021, respectively. The base management fee increases or decreases annually by the Consumer Price Index through the agreement's expiration date of December 31, 2038.

Subordinate Management Fee - In accordance with the Management Agreement, as amended, the Hilton Vancouver Washington shall pay in arrears, subject to availability of amounts in the management fee fund, Manager's earned monthly subordinate management fee for its services. The Hilton Vancouver Washington paid \$148,928 and \$139,055 in subordinate management fees during the years ended December 31, 2022 and 2021, respectively. The subordinate management fee increases or decreases annually by the Consumer Price Index through the agreement's expiration date of December 31, 2038.

Contingencies - The Hilton Vancouver Washington is involved in various claims arising in the ordinary course of business. In the opinion of management, the ultimate disposition of these matters will not have a material adverse effect on the Hilton Vancouver Washington's financial position, change in financial position, or liquidity.

NOTE 3 – RETIREMENT PLANS

The Hilton Vancouver Washington maintains a deferred compensation retirement plan for nonunion employees, which covers employees with greater than 90 days of service. Under the terms of the plan, participating employees may defer a portion of their gross wages. The employees are immediately 100% vested in the plan. The Hilton Vancouver Washington matches a maximum of 4% of the total contributions by the employees and contributed \$85,621 and \$63,499 to the deferred compensation retirement plan for nonunion employees for the years ended December 31, 2022 and 2021, respectively.

The Project also contributes to a multiemployer pension plan under the collective bargaining agreement covering union-represented employees. Approximately 55% of the Project’s total current employees are participants in the multiemployer plan. This plan generally provides retirement benefits to participants based on their service to contributing employers. The Project does not administer this multiemployer plan.

Based on the information available, the Project believes that the multiemployer plan to which the Project contributes to is “critical” as those terms are defined in the Pension Protection Act enacted in 2006 (the “PPA”). The PPA requires underfunded pension plans to improve their funding ratios within prescribed intervals based on the level of their underfunding. In 2013, a rehabilitation plan was adopted whereby participating employers make additional contributions to the plan. The contribution increases do not translate to additional benefit accruals but instead are directed solely to improving the plan’s funded status.

Furthermore, under current law regarding multiemployer benefit plans, a plan’s termination, the Project’s voluntary withdrawal (which the Project may consider from time to time), or the mass withdrawal of all contributing employers from any under-funded, multiemployer pension plan would require the Project to make payments to the plan for the Project’s proportionate share of the multi-employer plan’s unfunded vested liabilities. It is possible that there may be a mass withdrawal of employers contributing to these plans or plans may terminate in the near future. The Project could have adjustments to its estimates for these matters in the near term that could have a material effect on its consolidated financial condition, results of operations, or cash flows.

For union employees employed by the Hilton Vancouver Washington who have completed a minimum of one year of service, the collective bargaining agreement requires the Hilton Vancouver Washington to contribute \$0.59 and \$0.59 per compensable hour into the Hotel Employees & Restaurant Employees Union Local 8 Pension Trust for the years ended December 31, 2022 and 2021.

The most recent information the Project was able to obtain regarding the plan is as follows for the year and period ended December 31, respectively:

Pension Fund	EIN/Pension Plan No.	Pension Protection Act Pension Zone Status		FIP/RP Status Pending/Implemented	Company Contributions		Surcharge Imposed	Expiration Date Collective Bargaining Agreement
		2022	2021		2022	2021		
UNITE HERE Northwest Pension Trust Fund	91-6145131/001	Red	Red	Implemented	63,121	49,598	No	6/30/2023

NOTE 4 – ACCRUED EXPENSES

Accrued expenses consist of the following at December 31:

	2022		2021
Accrued payroll	\$ 709,224	\$	694,841
Accrued utilities	70,924		47,920
Contract liabilities	742,623		744,103
Due to Hilton Corporate	378,863		482,018
Sales tax payable	150,966		109,850
Other accrued expenses	376,242		122,317
	<u>2,428,842</u>		<u>2,201,049</u>

NOTE 5 – RISKS AND UNCERTAINTIES

In March 2020, the World Health Organization declared the COVID-19 outbreak a pandemic. Citizens and economics of the United States of America and other countries were been negatively impacted by the pandemic.

In February 2020, the Governor of the state of Washington declared a state of emergency in response to the spread of COVID-19. Precautionary measures to slow the spread of the virus continued throughout 2021. These measures included limitations on business operations, public events, gatherings, travel, and in-person interactions which impacted operations and revenues in the 2021 and 2022 presented years. In September 2022, the Governor of the state of Washington announced the end of the remaining COVID-19 emergency orders and state of emergency by October 31, 2022.

The information reported in these financial statements does not consider all the potential financial implications of the pandemic; however, the Project does take into account the facts and circumstances in cases where the impact of the pandemic are apparent.

Vancouver Hotel and Convention Center Project

Vancouver, WA

Supplementary Information

December 31, 2022

Vancouver Hotel and Convention Center Project

Bonds Payable
Downtown Redevelopment Authority
December 31, 2022 and 2021

In 2003, the DRA issued bonds in which it pledged income derived from the acquired or constructed assets and taxes pledged to it by other governments to pay debt service. The revenue bonds were authorized by resolution adopted by the DRA Board, and financed from operating revenues. The revenue bonds were issued to finance construction of the Hotel and Convention Center project. In June 2013, the remaining outstanding balance of \$63,105,000 of the 2003 DRA revenue bonds were refunded by issuing two series of revenue refunding bonds.

The first series of bonds, \$41,185,000 Conference Center Project Refunding Revenue Bonds, were authorized by Resolution No. 2013-05-14-1 by the DRA Board. The Project Revenue Bonds are payable primarily from project revenues received by the Authority. In addition, the City of Vancouver, Washington has agreed pursuant to the Amended and Restated Payment Agreement, dated June 1, 2013, between the City and the DRA to make payments to the Trustee from any available funds if and to the extent necessary to pay debt service on the 2013 Project Revenue Bonds. The 2013 Amended and Restated Payment Agreement provides that if on the 10th business day prior to each interest payment date or principal payment date, if there is not sufficient money on deposit with the Trustee in the Project Revenue Bonds Debt Service Account as required by the Indenture, the City shall pay to the Trustee, in immediately available funds, on or prior to the 5th business day prior to the debt service date, the amount of any such deficiency; provided that the aggregate amount of such payments by the City to the Trustee in any calendar year shall not exceed the annual debt service payments on the Project Revenue Bonds. Any payment by the City to pay interest and/or principal on the 2013 Project Revenue Bonds will constitute a loan by the City to the Authority, with interest payable on such amounts at the rate or rates on such 2013 Project Revenue Bonds and the City shall have full rights of subrogation.

The City shall take such action as may be necessary under the Amended and Restated Payment Agreement to include all payments due in its operating budget for each fiscal year commencing on and after the date of execution, and to make all appropriations for such payments at such time and in such manner and amounts as may be necessary in order to make all debt service payments when due.

The second series of bonds, \$18,045,000 Conference Center Project Sales and Lodging Tax Refunding Revenue Bonds, were also issued in June 2013. These bonds were authorized by Resolution No. 2013-05-14-1 by the DRA Board. The Tax Revenue Bonds are payable primarily from 1) certain proceeds of special sales and use taxes imposed by the Vancouver Public Facilities District (the "City PFD") and the Clark County Public Facilities District (the "County PFD"); 2) certain proceeds of a special lodging tax levied by the City (the "Lodging Tax Revenues"); and 3) certain amounts of certain funds and accounts established under the Indenture. The agreements in place for the Sales Taxes imposed by the City PFD will expire March 2026 and the Sales Tax imposed by the County PFD will expire March 2028. Lodging Tax Revenues will continue to be pledged for payment of principal and interest on the Tax Revenue Bonds until the final maturity of this bond series.

If an event of default occurs and is continuing with respect the Project Revenue or Tax Revenue bonds, the Trustee shall, upon the request of the owners of a majority in aggregate principal amounts of the bonds, take up to and including the following actions:

For the Project Revenue Bonds:

- Prohibit the DRA from withdrawing funds from any account, with few exceptions, without the Trustee's written consent.
- Commence foreclosure of the Leasehold Mortgage by private sale or judicial foreclosure.
- Accelerate the bonds, whereupon all principal and interest on such bonds shall immediately become due.

For the Tax Revenue Bonds

- Prohibit the DRA from withdrawing funds from any account, with few exceptions, without the Trustee's written consent.
- Take legal action to protect and secure tax revenues pledged for the benefit of bondholders.
- Accelerate the bonds, whereupon all principal and interest on such bonds shall immediately become due.

DRA Revenue Refunding bonds outstanding at the December 31, 2022 year-end are as follows:

Outstanding DRA Revenue Bond Debt

Name of issuance	Original Debt	Issuance Date	Maturity Date	Interest Rate	Debt
2013 DRA Conference Center Project Refunding Revenue Bonds	\$ 37,810,000	6/27/2013	1/1/2044	4.38%	\$ 36,845,000
2013 DRA Conference Center Project Sales & Lodging Tax Refund Revenue Bonds	12,550,000	6/27/2013	1/1/2034	4.05%	11,320,000
Total Revenue Bonds	50,360,000				48,165,000

DRA 2013 Project Revenue Bonds and the DRA 2013 Tax Revenue Bonds debt service requirements to maturity are as follows:

	2013 Project Revenue Refunding Bonds			2013 Tax Revenue Refunding Bonds		
	Principal	Interest	Total Requirements	Principal	Interest	Total Requirements
2023	1,015,000	1,603,988	2,618,988	1,340,000	458,350	1,798,350
2024	1,070,000	1,551,863	2,621,863	1,455,000	395,750	1,850,750
2025	1,120,000	1,497,113	2,617,113	1,565,000	335,350	1,900,350
2026	1,175,000	1,439,738	2,614,738	1,675,000	270,550	1,945,550
2027	1,235,000	1,379,488	2,614,488	1,260,000	211,850	1,471,850
2028-2032	7,035,000	6,060,613	13,095,613	2,930,000	565,988	3,495,988
2033-2037	8,595,000	4,452,619	13,047,619	1,095,000	53,838	1,148,838
2038-2042	10,640,000	2,355,300	12,995,300	-	-	-
2043-2044	4,960,000	225,675	5,185,675	-	-	-
Total	\$ 36,845,000	\$ 20,566,394	\$ 57,411,394	\$ 11,320,000	\$ 2,291,675	\$ 13,611,675

The indenture provides for the debt service coverage ratio that is calculated on the DRA's cash flow basis. The calculation shown below is based on provisions set forth in the indenture and the ratio must not be less than 1:05:1.00 for the years shown. If the ratio is less than 1.05:1.00, the DRA or the bond insurer may communicate to the Hilton Vancouver Washington Management that additional action is required as stipulated in the indenture. The debt service coverage ratio is shown in the following table for the year ended December 31, 2022.

Net operating income	\$ 4,442,627
Administrative expense	(390,191)
Total investment earnings	<u>1,741</u>
	\$ 4,054,177
2013 Project Revenue Bonds	
Debt Service	\$ 2,644,363
Net debt service	\$ 2,644,363
Coverage Ratio	1.53

During the year ended December 31, 2022, the Authority incurred interest expenses on bond outstanding of \$2,121,213.

DRA Revenue Refunding bonds outstanding at the December 31, 2021 year-end are as follows:

Outstanding DRA Revenue Bond Debt

Name of Issuance	<u>Original Debt</u>	<u>Issuance Date</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Debt Outstanding</u>
2013 DRA Conference Center Project Refunding Revenue Bonds	\$ 41,185,000	6/27/2013	1/1/2044	4.38%	37,810,000.00
2013 DRA Conference Center Project Sales & Lodging Tax Refund Revenue Bonds	\$ 18,045,000	6/27/2013	1/1/2034	4.05%	12,550,000.00
Total Revenue Bonds	\$ 59,230,000				50,360,000.00

DRA 2013 Project Revenue Bonds and the DRA 2013 Tax Revenue Bonds debt service requirements to maturity are as follows:

2013 Project Revenue Refunding Bonds				2013 Tax Revenue Refunding Bonds		
	Principal	Interest	Total Requirements	Principal	Interest	Total Requirements
2022	\$ 965,000	\$ 1,653,488	\$ 2,618,488	\$ 1,230,000	\$ 522,600	\$ 1,752,600
2023	1,015,000	1,603,988	2,618,988	1,340,000	458,350	1,798,350
2024	1,070,000	1,551,863	2,621,863	1,455,000	395,750	1,850,750
2025	1,120,000	1,497,113	2,617,113	1,565,000	335,350	1,900,350
2026	1,175,000	1,439,738	2,614,738	1,675,000	270,550	1,945,550
2027-2031	6,750,000	6,343,438	13,093,438	3,690,000	712,775	4,402,775
2032-2036	8,250,000	4,807,650	13,057,650	1,595,000	118,900	1,713,900
2037-2041	10,185,000	2,821,531	13,006,531	-	-	-
2042-2044	7,280,000	501,075	7,781,075	-	-	-
Total	\$ 37,810,000	\$ 22,219,881	\$ 60,029,881	\$ 12,550,000	\$ 2,814,275	\$ 15,364,275

The indenture provides for the debt service coverage ratio that is calculated on the DRA's cash flow basis. The calculation shown below is based on provisions set forth in the indenture and the ratio must not be less than 1:05:1.00 for the years shown. If the ratio is less than 1.05:1.00, the DRA or the bond insurer may communicate to the Hilton Vancouver Washington Management that additional action is required as stipulated in the indenture. The debt service coverage ratio is shown in the following table for the year ended December 31, 2021.

Net operating income	\$ 2,604
Administrative expense	(298)
Total investment earnings	<u>1</u>
Total net revenues	<u>\$ 2,307</u>
2013 Project Revenue Bonds	
Debt service	<u>\$ 2,643</u>
Net debt service	<u>\$ 2,643</u>
Coverage Ratio	
2013 Project Revenue Bonds	0.873

During the year ended December 31, 2021, the Authority incurred interest expenses on bond outstanding of \$2,282,213.

LOBBY REMODEL PROJECT

7/17/2023

	Projected Costs		Contracted Amount		COR Totals Approved		Paid		Remaining	
Livermore	\$	125,048	\$	125,048			\$	(75,318)	\$	49,729
CSG	\$	2,217,919	\$	1,897,870	\$	314,035	\$	(1,971,374)	\$	246,545
Terracon	\$	5,000	\$	5,000			\$	(1,140)	\$	3,860
Lusive	\$	88,000	\$	88,067			\$	(88,067)	\$	(0)
FF&E (Source)	\$	275,000	\$	378,000			\$	(266,134)	\$	8,866
Contingency 10%	\$	-	\$	-					\$	-
Total Project	\$	2,710,966	\$	2,587,240	\$	314,035	\$	(2,402,034)	\$	308,999
<i>2022 expense (included in the above)</i>									\$	(375,689)

		<u>2022</u>		<u>2023</u>		<u>Total: Project</u>
Budget	\$	375,689	\$	2,392,428	\$	2,768,117
Estimated w/unpaid Livermore and Ter	\$	375,689.00	\$	2,335,343.94	\$	2,711,032.94

CHANGE ORDER SUMMARY

COR Description	COR Total	Approved Date	Pending
PCCO #1 - Stop Work Order	\$ 10,260.29	11/22/2022	
PCCO #2 - Mold Remediation (replaced with PCCO #14)			
PCCO #3 - Air Monitoring	\$ 1,388.32	11/22/2022	
PCCO #4 - Temp Floor at Coffee Shop	\$ 3,370.13	11/22/2022	
PCCO #5 - Demo Drapes			
PCCO #6 - Power to (3) Vestibule Heaters	\$ 12,108.29	1/13/2023	
PCCO #7 - Circuit Discovery			\$ 2,932.93
PCCO #8 - Additional Paneling at Balcony	\$ 29,880.01	1/4/2023	
PCCO #9 - Sundries Casework Revisions	\$ 5,807.52		
PCCO #10 - Custom Doors 106A and 109A	\$ 7,239.83		
PCCO #11 - Wall Covering at Banquette Seating	\$ 1,095.31		
PCCO #12 - Coffee Bar Floor System	\$ 12,696.04	1/4/2023	
PCCO #13 - ASI #4 New Temp Barrier at Coffee Shop	\$ 9,942.16	1/3/2023	
PCCO #14 - Storefront Water Infiltration Testing (replaces PCCO #2)	\$ 10,912.51	1/4/2023	
PCCO #15 - Framing Balcony Soffit	\$ 4,974.55	1/8/2023	
PCCO #16 - Window Treatment			
PCCO #17 - Replace all recessed lighting	\$ 59,058.12	1/17/2023	
PCCO #18 - Credit to Relcate Power Runs	\$ (5,673.22)	1/17/2023	
PCCO #19 - ASI #5, Item #2, Storefront Doors and Sidelights	\$ 44,499.76	1/17/2023	
PCCO #20 - Demo Bell Casework	\$ 2,390.74	1/17/2023	
PCCO #21 - Vestibule Paneling ASI 5.3	\$ 6,126.58	3/28/2023	
PCCO #22 - Vestibule Heaters Alternation to 208V	\$ 705.73	2/21/2023	
PCCO #23 - Trapeze at Ductwork - per RFI #77	\$ 771.86	2/21/2023	
PCCO #24 - Repairs to Exterior Wall and Columns	\$ 8,512.13	2/21/2023	
PCCO #25 - Wall Covering Behind Gray's Sign	\$ 674.08	2/21/2023	
PCCO #26 - Faux Painted MDF at Co-worker station ceiling			
PCCO #27 - Water Infiltration Professional Services Credit	\$ (2,234.15)	2/28/2023	
PCCO #28 - Relocate 277V feed and terminate in J-Box			
PCCO #29 - CE #046 Add RD2A Fixture per RFI #121			
PCCO #30 - Replace Fixture at Top of Stairs 2nd Floor	\$ 706.10	3/28/2023	
PCCO #31 - Weather - 1 day delay			\$ -
PCCO #32 - Drapery at Exterior storefront	\$ 11,896.59	3/9/2023	
PCCO #33 - Mold Discovery Eastside of Entry Doors	\$ 8,193.52	3/7/2023	
PCCO #34 - Additional Mold Abatement Westside (Grays)	\$ 8,300.39	3/7/2023	
PCCO #35 - Lights Under Stairwell	\$ 1,186.19	3/29/2023	
PCCO #36 - Exterior Light Fixture Changes	\$ 7,581.65	3/29/2023	
PCCO #37 - ASI #9 Exterior Lighting Revisions	\$ 4,081.18	3/15/2023	
PCCO #38 - Flashing at Sundries Linear Diffuser	\$ 372.83	3/28/2023	
PCCO #39 - Finish Trim around (2) linear diffusers	\$ 621.37	3/28/2023	
PCCO #40 - Water Infiltration Delays	\$ 33,994.00	5/12/2023	
PCCO #41 - Trim between Windows	\$ 9,875.59	5/24/2023	
PCCO #42 - Sub floor leveling at elevator area	\$ 1,380.02	5/21/2023	
PCCO #43 - Entry Tile Schluter Ramp	\$ 1,339.09	5/24/2023	
PCCO #44 - Entry Tile revisions			\$ 3,080.51
TOTAL	\$ 314,035.10		

Asset Manager's Report to the DRA Board

Hilton Vancouver Washington Vancouver, WA

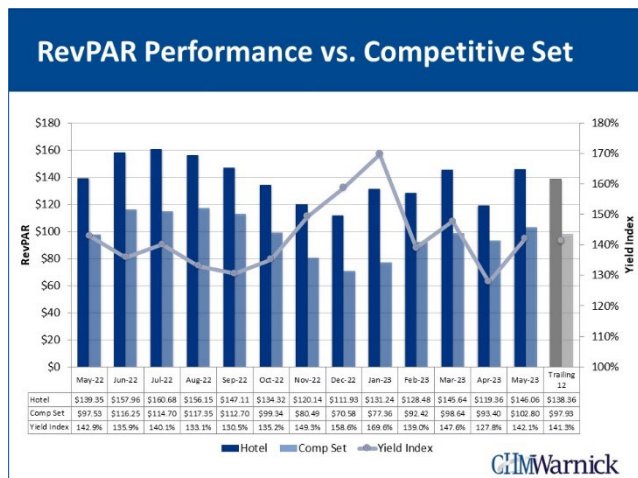
June 2023



1 Performance Relative to the Competitive Set

The table and chart to the left summarize the Hotel's performance compared with the competitive set of Vancouver hotels in May (the most current information available).

Performance of the Competitive Set			
	Occupancy	ADR	RevPAR
May 2023			
Competitive Set	69.8%	\$147.26	\$102.80
% Chg. from Prior Yr.	3.1%	2.3%	5.4%
Hilton Vancouver	74.1%	\$197.13	\$146.06
% Chg. from Prior Yr.	1.4%	3.3%	4.8%
Yield Index	106.1%	133.9%	142.1%
Trailing 12 Months			
Competitive Set	67.2%	\$145.69	\$97.93
% Chg. from Prior Yr.	8.8%	5.1%	14.3%
Hilton Vancouver	74.4%	\$185.91	\$138.36
% Chg. from Prior Yr.	-3.5%	8.8%	4.9%
Yield Index	110.7%	127.6%	141.3%

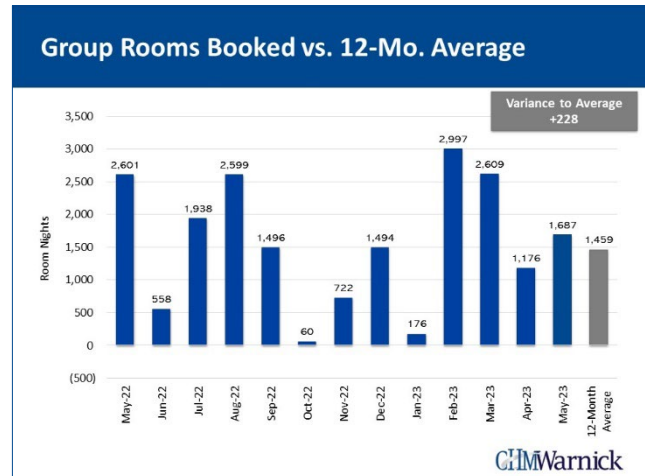


Indicator Explanation: RevPAR is calculated by multiplying the occupancy percentage times the average room rate. RevPAR helps management identify the optimal mix of occupancy and average rate. The RevPAR yield index measures the performance of an individual hotel against its competitive set. A yield index of 100 percent means a hotel is operating at the average of the competitive set.

- The Hotel continues to perform well against comp set. Notwithstanding the increase in competition and related market challenges, the Hotel has been able to maintain a sizable ADR premium (group and transient) to the Comp Set.
- On the strength of ADR and, to a lesser extent, occupancy (both yielding well above fair share) the Hotel achieved a 142.1% RevPAR index during May with a trailing 12-month index of 141.3%.

2 Future Group Bookings

The following tables summarize future group business booked during the past 12 months and future year pace.



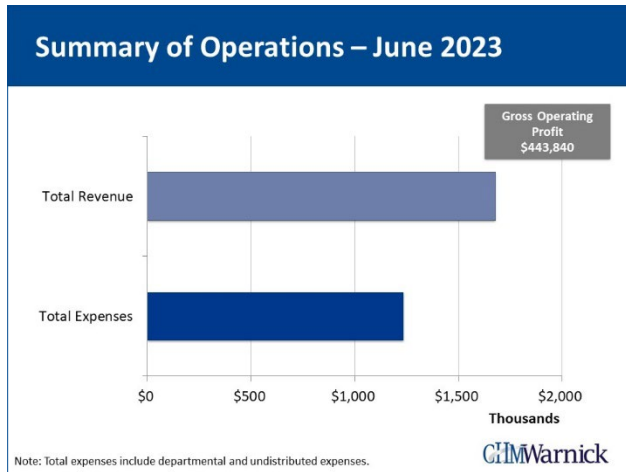
	Group Room Night Pace as of May-23			
	Definite	Variance to Last Month	Budget	Variance to Budget
2023	16,263	621	20,770	(4,507)
2024	13,440	869		
2025	4,449	197		
2026	2,195	0		
2027	394	0		

Indicator Explanation: Group business is one of the most important market segments for the Hotel because it fills the meeting rooms and generates banquet, as well as room, revenue.

- Group and local catering lead volume remains very encouraging.
- The Hotel received 127 leads in June for group rooms and Food and Beverage ("F&B") functions, which is a 45% increase month-over-month.
- Lead conversion was strong for the month; the team turned 50 bookings definite for group rooms and F&B functions.
- During June, crew business consisted of Delta and FedEx; both airlines are contracted through the end of 2023.
- While improving, Transient pace continues to be a concern.

3 Monthly Financial Results

The following table summarizes financial results for June 2023.

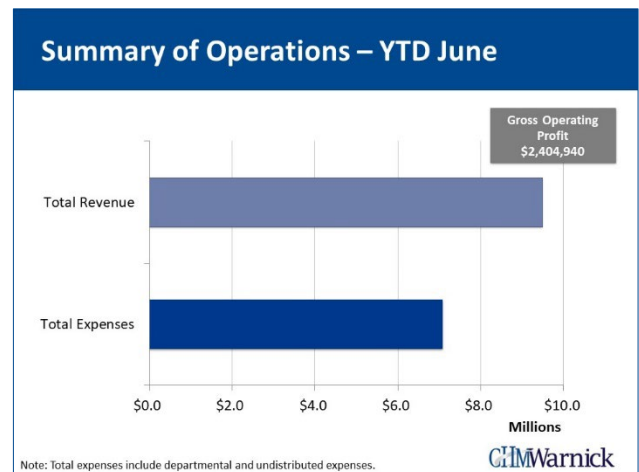


Indicator Explanation: Rooms and F&B are the primary source of Hotel revenues. Expenses are impacted by the large amount of meeting space in relation to a relatively small number of guest rooms. Payroll is the largest individual expense.

- June revenue results fell short to budget due to a combined decline in room and F&B activity.
- Group demand declined to budget while transient and crew captured room nights were essentially flat.
- In contrast to occupancy, ADR increased to both budget and prior year performance.
- Total F&B Revenue declined to budget and to prior year performance.
 - The decline to budget was driven by outlet activity followed by a decline in banquets (lower group business).
 - The more notable decline to prior year was primarily driven by banquets and other related revenues.
- Gross operating profit (“GOP”) and net operating income (“NOI”) fell short to budget and prior year. Lower than anticipated profitability in the Rooms and F&B departments along with higher administrative and general expenses adversely impacted flow through and overall profit performance for the month.

4 Year-to-Date Financial Results

The following table summarizes financial results year-to-date through June 2023.



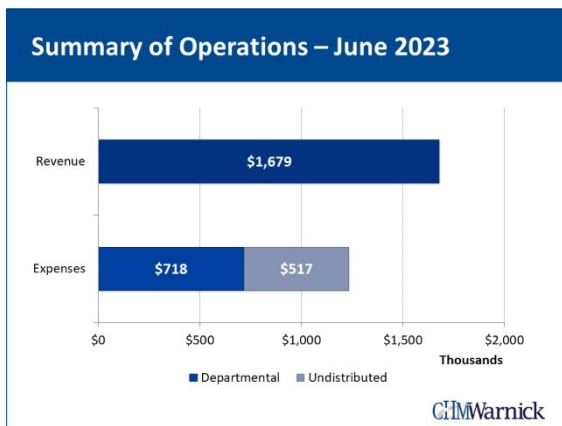
Indicator Explanation: Year-to-date financial results give a better picture of the progression in business than any one month of operation.

- Thus far through June, Rooms and F&B department revenues are trending below budget.
 - The shortfall in Rooms is being driven by lower transient and group demand.
 - The F&B decline is attributed to lower outlet and banquet capture.
 - Both Room and F&B department revenues remain above prior year performance on a YTD basis.
- While management continues to make a concerted effort to contain costs, higher than anticipated labor and operating expenses have negatively impacted profit potential with resultant YTD GOP and NOI falling below budget and prior year performance.

Asset Manager’s Focus and Strategic Initiatives

- Monitor capital outlay to appropriately preserve the asset and maximize its appeal and guest experience while building and preserving appropriate reserves for future capital requirements
- Achieve operational budget through revenue generation, cost containment, and capital controls
- Track and consider refinancing options
- Monitor operations, develop metrics, and plan ongoing strategic initiatives in relation to the market’s post-COVID activity
- Continue to strategize with management to promote additional F&B utilization, particularly in Grays
- Work with management to develop strategies to mitigate the impact of new competition in the market (hotel and restaurant) and enhance the overall competitiveness and appeal of the Hotel
- Work with management to ensure smooth operations and a positive guest experience throughout the ongoing lobby renovation
- Monitor ongoing union negotiations

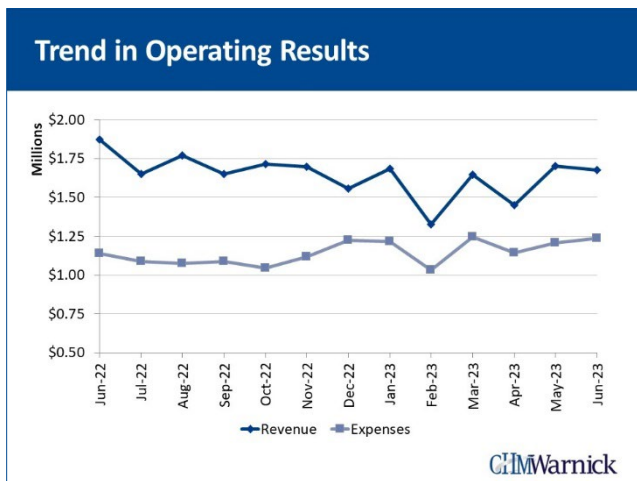
Summary of Operations



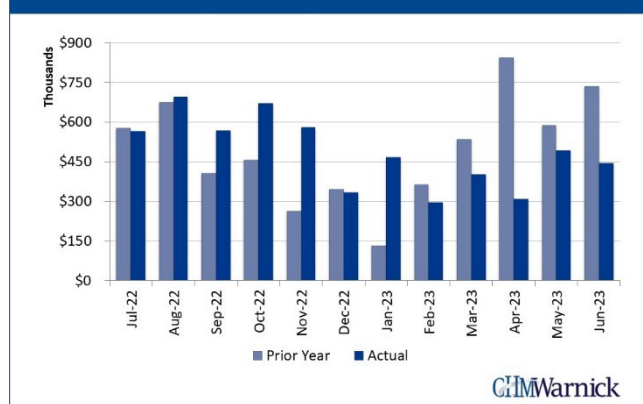
Hotel Operations Commentary

- June revenue results fell short of the budget due to declines in both the Rooms and F&B departments.
- Overall, management did an effective job in controlling expenses, which helped to mitigate the impact of lower revenue on profitability.
- That said, GOP and NOI for the month fell below both budget and prior year in real dollars and as a % of total revenue.
- The lobby renovation has been completed and the space reopened to the public. Management is still awaiting the delivery of certain FF&E items. The reopening of the lobby should enhance guest satisfaction scores going forward.

Trailing 12-Month Trend in Operating Results



Gross Operating Profit



DEFINITIONS

Competitive Set – A sample of hotels in the Vancouver market. The RevPAR for the Vancouver Hilton are measured against these hotels using what is called a “yield index.” A yield index that is greater than 100 percent means that a hotel is performing at a level that is above the average for its competitive set. A yield index that is below 100 means that performance trails the average for the competitive set.

Departmental Expenses – Expenses that are incurred in relation to the operation of each distinct operating department. Generally, departmental expenses include costs of goods sold, payroll, and other expenses.

Fixed Costs – Expenses are costs of occupancy that cannot be influenced by property management. These include business taxes, insurance expenses, Hilton management fees, and other miscellaneous expenses.

F&E Reserve – The F&E reserve is a fund for the future replacement of fixtures and equipment. The intent of the F&E Reserve is to accumulate monies over a period of time to spend on periodic hotel renovations. Periodic renovations are needed to keep the Hotel in good physical condition so that it can maintain its competitive position against other hotels in the market.

Gross Operating Profit – Calculated by deducting departmental expenses and undistributed expenses from total revenues. Gross Operating Profit (referred to as GOP) measures the profit that is under the control of hotel management. Hilton uses the term “Income Before Fixed Charges” and the HVS study used the term “House Profit” rather than GOP. We use the term GOP because that is the term used in the Bond Documents.

Group Booking Pace – A measure of the future group business that is on the books. Usually, the pace is broken into three classifications: 1) Definite bookings, for which a signed contract has been received; 2) Tentative bookings for which a contract has been issued but not signed; and 3) Prospects, which represent groups that have been contacted but for which a contract has not yet been issued. Booking pace information is used to track performance relative to the budget, to prepare and update forecasts, to quote rates for future business and to track the productivity of sales personnel.

Hotel Payroll – Hotel payroll represents the salaries and wages, payroll taxes and employee benefits for all Hotel employees. Payroll is the largest single operating expense in a hotel.

RevPAR or Revenue Per Available Room – Calculated by multiplying the occupancy percentage times the average room rate. The occupancy percentage can be managed, to a certain degree, by manipulating room rates. For example, hotel operators may choose to lower (or discount) room rates during certain periods in an effort to maximize occupancy. RevPAR helps management identify the optimal mix of occupancy and average rate.

Total Revenue – The revenues generated by all departments in the Hotel, net of allowances.

Undistributed Expenses – Expenses that apply to the hotel as a whole and cannot be assigned to an individual operating department (such as rooms). Undistributed expenses are further classified as Administrative and General, Sales and Marketing, Property Operations and Energy.