

3-21-1985

Board of Trustees Minutes, March 21, 1985

Eastern Washington University

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Agenda

Board of Trustees Eastern Washington University

March 21, 1985
9:00 a.m., PUB Council Chambers

- I. Chairwoman's Report
 - A. Eleanor E. Chase, Chairwoman, Board of Trustees
- II. President's Reports
 - A. Dr. H. George Frederickson, President, EWU
 - B. Dr. Jerry Blanche, President, Faculty Organization
 - C. Mr. Patrick Davidson, President, Associated Students
 - D. Dr. Gordon Martinen, Foundation/Alumni Association
- ✓ III. Approval of Minutes
- IV. Action Items
 - ✓ A. Child care contract between
A.S. and YMCA (Attachment IV.A)
 - ✓ B. Appointee for the Medals and
Awards Committee (Attachment IV.B)
 - C. Appointee for the Foundation (Attachment IV.C)
 - D. Salary Schedule (Attachment IV.D)
 - ✓ E. Energy Conservation loan for
Housing and Dining Facilities (Attachment IV.E)
 - ✓ F. Services and Activities Fees
Budget Procedures (Attachment IV.F)
- V. Information Items:
 - ✓ A. General Studies/Credit through
Evaluation Program (Attachment V.A)
 - ✓ B. Riverfront Park Citizen Review
Survey (Attachment V.B)
 - C. Spokane Joint Center Status
 - ✓ D. Capital Budget (Attachment V.D)
 - ✓ E. Operating Budget (Attachment V.E)

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March 21, 1985
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F. Salary Plan Revision

VI. Old Business

VII. New Business

VIII. Executive Session

An executive session will be called for the
purpose of discussing personnel matters

✓ IX. Personnel Actions

(Attachment IX)

Minutes

Eastern Washington University

Board of Trustees
March 21, 1985

The Board of Trustees of Eastern Washington University held its regular monthly meeting Thursday, March 21, 1985, at 9:00 a.m. in the P.U.B. Council Chambers on the Cheney campus.

BOARD MEMBERS PRESENT

Mrs. Eleanor Chase, Chairwoman
Mrs. Jean Beschel, Vice Chairman
Mr. Joe Jackson
Mr. Michael Ormsby

BOARD MEMBERS ABSENT

Mr. Bert Shaber

STAFF PRESENT

Dr. H. George Frederickson, President
Mr. Ken Dolan, Secretary, Board of Trustees
Mr. Skip Amsden, Vice President, Student Services
Mr. Owen F. Clarke, Assistant Attorney General
Mr. Mitch Silver, Director for Extended Learning
Mr. Russ Hartman, Vice President, Business & Finance
Dr. Robert Gibbs, Vice President, Faculty Organization
Dr. John Douglas, Vice Provost, Graduate Studies
Dr. Steve Christopher, Vice Provost, Undergraduate Studies
Dr. Gordon Martinen, Vice President, Extended Programs
Dr. Duane Thompson, Vice President, Academic Affairs
Dr. William Maxson, Professor, Music
Dr. Tom Pyle, Director Information Services
Dr. Jerry Blanche, President, Faculty Organization
Mr. Ron Raver, Men's Athletic Director
Dr. Wayne Hall, Professor, Mathematics
Mr. Terry Mauer, Director, News Services
Mr. Gene Spooner, Chairman, WFSE
Mr. Jay Rea, University Archivist
Mr. Mark Dahlen, President Alumni Association
Mr. Jim Shideler, Chairman, Foundation

MEDIA PRESENT

Mr. Hugh Imhof, KHQ
Ms. Kim Gardner, KHQ
Mr. Ron Langley, KXLY
Mr. Jim Sparks, Review/Chronicle
Ms. K. Lene Phillips, Easterner
Mr. Steve Thompson, Review/Chronicle
Mr. Robert Siler, Easterner
Mr. Chris LeBlanc, Cheney Free Press
Mr. Rick Aggular, KREM
Ms. Susan Howard, KREM

STUDENTS PRESENT

Mr. Patrick Davidson

BUSINESS MEETING

Chairwoman Chase called the Business meeting to order at 9:10 a.m.

PRESIDENT'S REPORTS

1. Dr. H. George Frederickson, President, EWU

President Frederickson noted two primary legislative concerns, first, the governors budget, especially as it may effect EWU's ability to enroll students. The governors budget contains a ceiling of 7000 FTE students which, if approved, would result in a significant reduction in the number of students enrolled at EWU. The other matter of significant interest is faculty salaries and the dismal outlook for any improvement in this session.

Mike Ormsby noted that the EWU Board has always placed improved faculty salaries as a high priority and to affirm that the Board would continue with this theme. He introduced a resolution to this effect; Faculty salary improvement Motion #03-01-85 "I move that the Board of Trustees reiterate that its number one priority continues to be the improvement of faculty and staff salaries at EWU".

Motion by Mr. Ormsby, seconded by Mrs. Beschel, approved unanimously.

2. Dr. Jerry Blanche, President, Faculty Organization

Dr. Blanche expressed his appreciation for the Board's support for improving faculty salaries. See appendix I for his full report.

3. Mr. Pat Davidson, President, Associated Students

Mr. Davidson expressed his pleasure at attending this, the first Board of Trustees meeting of his presidency. He said that a high priority goal of his administration would be to improve communications between the students, the board, faculty and administration. Athletic funding and Eastern's efforts to attain membership in Big Sky are issues that his administration will be reviewing. See appendix II & III

4. Dr. Gordon Martinen Foundation/Alumni Association

Dr. Martinen introduced Mr. Jim Shidler, President, EWU Foundation and Mr. Mark Dahlen, President of EWU Alumni Association.

MINUTES OF THE REGULAR BOARD OF TRUSTEES MEETING OF MARCH 21, 1985,
Agenda Item II.

Motion #03-02-85: "I move that the minutes of the Board of Trustees of March 21, 1985, be approved as corrected."

Motion by Mrs. Beschel, seconded by Mr. Ormsby, approved unanimously.

Mrs. Beschel noted that Dr. Blanche's name had not been included and ask that the minutes be corrected to reflect his attendance.

CHILD CARE CONTRACT BETWEEN THE ASSOCIATED STUDENTS AND THE YMCA,
Agenda Item IV.A

Motion #03-03-85: "I move that the Board of Trustees approve the Interlocal Government Cooperative Agreement between the Associated Students and the City of Cheney and the Lease Agreement between the Associated Students and the YMCA of the Inland Empire".

Motion by Mr. Ormsby, seconded by Mr. Jackson, approved unanimously.

The approval of these two agreements will result in subsidized day care services for EWU students. The former day care program, The Cheney Day Care Center, ceased operations at the end of fall quarter of 1984. University officials, students, representatives of the City and the YMCA have been working together to replace the services of the defunct Cheney Day Care Center. With the approval of the Interlocal Agreement and the lease, low cost day care facilities will now be available for EWU students. The Center will provide day care for up to 25 children of EWU students. The terms of the lease and the Associated Students subsidy will be reviewed on April 1, of each year of the lease.

TRUSTEE APPOINTMENTS TO THE MEDALS AND AWARDS COMMITTEE AND TO THE
EWU FOUNDATION, Agenda Items IV.B and C

Mrs. Chase asked for volunteers to serve on the Medals and Awards committee and on the EWU Foundation Board. Mr. Michael Ormsby agreed to serve on the Medals and Awards Committee. Mrs. Jean Beschel agreed to serve on the executive committee of the foundation and Mr. Joe Jackson agreed to serve as Director at large of the EWU Foundation.

SALARY SCHEDULE, Agenda Item IV.D

Motion #03-04-85: "I move that the board of trustees acknowledge receipt of the proposed salary schedule for 1984-85".

Motion by Mr. Jackson, seconded by Mrs. Beschel, approved unanimously.

ENERGY CONSERVATION LOANS FOR THE HOUSING AND DINING FACILITIES,
Agenda Item IV.E

Motion #03-05-85: "I move that the Board approve the attached loan resolution authorizing the execution of the \$498,000 loan agreement between the University and the United States Department of Education."

Motion by Mrs. Beschel, seconded by Mr. Ormsby, approved unanimously.

SERVICES AND ACTIVITIES FEES, BUDGET PROCEDURE, Agenda Item IV.F

Motion #03-06-85: "I move that the proposed services and activities fees budgeting guideline be approved".

Motion by Mr. Ormsby, seconded by Mr. Jackson, approved unanimously.

These guidelines represent no significant change from current practices for budgeting S & A fees but simply put into place formal procedures which have been followed in the past.

INFORMATION ITEMS, Agenda Items V

General Studies and Credit through evaluation program.

Mr. Mitch Silver, director of the CEL described the general studies program and pointed out how popular and effective it has been in serving the older adult.

Riverfront Park Citizens Review Survey.

Dr. John Douglas, Assistant provost for Academic Affairs traced the history of the current Riverfront Park Science Center and described the various exhibits in the center. The Riverfront Park Citizens Review Survey listed the various activities in the park and ask for citizen comments on each. The EWU Science Center was one of the most popular activities in the survey.

Spokane Joint Center Status.

President Frederickson reviewed the various proposals for the Joint Center in Spokane. The Legislature will most likely approve some form of a joint center for Spokane but appears unlikely to provide any funding for the operation of the center.

Capital and Operating Budget.

Vice President Hartman provided a briefing on he proposals before the Legislature for the Capital and Operating Budgets. It is unclear yet which of the various budgets being proposed will become the final budget. Another briefing will be provided at the April meeting.

Salary Plan Revision.

Discussions have apparently broken down between the administration and the faculty with regard to revisions to the salary plan. Dr. Blanche distributed a memorandum to the Chairwoman of the Board expressing the faculties point of view. See appendix IV.

OLD BUSINESS, Agenda Item VI.

There was no old business for the Board's consideration.

NEW BUSINESS, Agenda Item VII.

There was no new business for the Board's consideration.

EXECUTIVE SESSION, Agenda Item VIII.

Chairwoman Chase called an executive session at 11:35 a.m. for the purpose of discussing personnel matters. Chairwoman Chase called the meeting back into regular session at 11:45 a.m.

PERSONNEL ACTIONS, Agenda Item IX.

Motion #03-07-85: "I move that the personnel items be approved".


Motion by Mr. Ormsby, seconded by Mrs. Beschel, approved unanimously.

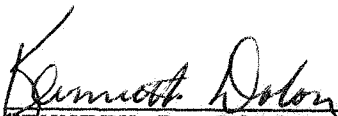
ADJOURNMENT

The meeting adjourned at 12:00 p.m.

NEXT MEETING DATE

The next regular meeting date of the Board of Trustees will be April 25, 1985.


ELEANOR E. CHASE, Chairwoman
Board of Trustees


KENNETH R. DOLAN, Secretary
Board of Trustees

EWU

Memorandum

To: H. George Frederickson, President

From: Forrest M. Amsden, Acting Provost for Student Services

Date: March 14, 1985

Subject: Approval of Day Care Contracts

I am recommending that the Board of Trustees, at its' March, 1985 meeting, approve the attached contracts for child care between the Associated Students of Eastern Washington University and the city of Cheney; and between the Associated Students of Eastern Washington University and the YMCA of Spokane.

The important factors for consideration are:

1. At the end of Fall Quarter, 1984, Cheney Day Care Center ceased operation on rather short notice.
2. At the time Cheney Day Care went out of business there were enrolled approximately 30 children of Eastern Washington University students.
3. Following closure of Cheney Day Care Center, a market survey revealed that there was not adequate day care service available in Cheney.
4. The city of Cheney was willing to enter into an agreement with the Associated Students to rent the facility previously used as a day care center.
5. The YMCA of Spokane was willing to bring to Cheney their day care expertise to meet a critical need.

attachments

INTERLOCAL GOVERNMENT COOPERATIVE AGREEMENT

BETWEEN

ASSOCIATED STUDENTS OF EASTERN WASHINGTON UNIVERSITY

AND

CITY OF CHENEY

THIS AGREEMENT, made and entered into this ____ day of _____, 1985, between the City of Cheney, a municipal corporation of the State of Washington, hereinafter "City", and the Associated Students of Eastern Washington University, a division of Eastern Washington University, hereinafter "ASEWU", pursuant to the authority granted by Chapter 39.34 of the Revised Code of Washington for the mutual benefit to be derived and obligation to be undertaken, DO AGREE as follows:

I.

City is the owner of a parcel of real property described as Lots _____, Block _____, Town of Cheney, said property being improved by a building situated thereon, the address of said building being located at 624 Third Street, Cheney, Washington 99004, and commonly known as the Wren Pierson Building.

II.

ASEWU desires to use a portion of the building solely for the purpose of operating a licensed child daycare facility. The operation of the child daycare facility is intended to be

done through a third party and upon such terms and conditions as ASEWU and the said third party shall agree, and City shall not be a party to such agreement. Nothing in the said third party agreement shall be established in conflict with this agreement.

III.

City agrees to grant ASEWU a license to use that portion of the building shown on Exhibit "A" attached hereto, including the adjacent areas and common areas shown, for a period of three (3) years beginning April 1, 1985, and ending March 31, 1988.

IV.

ASEWU shall, for the period of its use of the building, be entitled to paint and refurbish the interior of the building and do such remodeling or make structural changes as may be necessary or desirable, PROVIDED, all remodeling and any structural changes shall be done in strict compliance with applicable laws and codes and shall be subject to the prior approval of City.

V.

ASEWU will see to the safe, clean and orderly management of the portion of the building it occupies. ASEWU shall be solely responsible for all janitorial work, replacement of broken glass caused by its negligence or other damage so caused, and snow removal from walkways from the fence to the door. City shall remove snow from the parking lot.

VI.

City will insure the prompt repair of structural components of the building including any necessary repair to the roof and exterior walls. City will repair any major electrical or plumbing deficiencies.

VII.

City shall insure that the building is heated in such a manner as would be appropriate to ASEWU's intended use. City shall not be liable for any loss occasioned by failure to provide heating unless such loss results from a delay in reasonably requesting repair of more than 48 hours after notice is given to City of a failure of the heating system.

VIII.

City will pay for the costs of gas and electricity used by ASEWU, PROVIDED ASEWU shall see to the reasonably efficient use thereof.

IX.

ASEWU shall use the building for a child daycare or preschool facility only. The daycare or preschool shall be operated in strict compliance with all applicable laws. The maximum number of children to be given daycare or preschool services shall not exceed forty-nine (49), PROVIDED a greater number may receive such services upon agreement of City and adjustment of the payment hereinafter provided.

X.

City shall be given access at all reasonable times to

the building for the purpose of inspecting or to effect repair upon prior notice to ASEWU.

XI.

ASEWU shall place in the building any personal property as it may choose, PROVIDED nothing shall be placed in the building of such weight as to overload any floor. City shall have no responsibility for any property of ASEWU, nor shall it be responsible for any loss to such property even if through simple negligence. City shall not be deemed an insurer in any regard, and ASEWU shall solely be responsible for any loss to its, or to third parties', personal property whether by fire or any other hazard.

XII.

The parties intend that the conduct and control of the services rendered pursuant to this Agreement will lie exclusively with the party rendering that part of said service. No agent, employee, servant or otherwise of either party shall be deemed to be an agent, employee, or servant of the other party for any purpose, and employees of one party are not entitled to any of the benefits provided by the other party. Each party will be solely and entirely responsible for its acts in the performance of this agreement and for acts of its sub-units, agents, employees, servants, subcontractors, students or otherwise. This Agreement extends to, but is not limited to, liability arising out of the wrongful, negligent or intentional act of ASEWU, its agents, its assigns, its employees, or any

party in or about the premises while the premises are under the actual or constructive control of ASEWU.

XIII.

ASEWU represents it is self-insured. Upon ASEWU entering into an agreement with any third party to operate the daycare facility, such agreement shall include a requirement that such third party obtain a policy of liability insurance in at least a single limit amount of \$500,000.00 in such form and with such company as City may approve, and designate City as an additional insured under such policy.

XIV.

ASEWU shall pay to City on or before April 1, 1985, and on or before the first day of each month for the full term of this agreement, the sum of \$500.00.

XV.

City and ASEWU shall together at least annually review the operation of this agreement to the end that both shall cooperate to effectuate the greatest reciprocal benefit.

XVI.

This agreement may be extended for two (2) years at the option of ASEWU, PROVIDED it gives notice six (6) months prior to expiration hereof.

XVII.

Nothing herein contained shall be deemed to cause the property of one party to pass in ownership to the other, either during the term hereof or at the expiration hereof.

XVIII.

This agreement constitutes the entire agreement and understanding between the parties and supersedes all prior agreements and understandings, whether written or oral. No modification or claimed waiver of any of the provisions hereof shall be valid unless in writing and signed by the party against whom such modification or waiver is sought to be enforced.

Associated Student of Eastern
Washington University

by _____
President

by _____
Vice Pres. - Finance

Eastern Washington University

by _____

Approved as to form:

Assistant Attorney General

City of Cheney

by _____
Mayor

Attest:

City Clerk

LEASE AGREEMENT

THIS AGREEMENT made and entered into on the effective date set forth below is for the purpose of setting forth the general terms and conditions whereby the City of Cheney shall lease to the Associated Students of Eastern Washington University the leased premises for the term set forth herein and immediately thereafter the Associated Students shall sublet the premises to the YMCA of the Inland Empire, Inc. for the purpose of providing a child care facility to benefit the general population of Cheney, Washington and the students of Eastern Washington University. Furthermore, the Associated Students of Eastern Washington University shall pay to the City of Cheney the total charge for rental of the premises with the YMCA being required to accept up to twenty-five (25) children of Eastern Washington University students at a subsidized rate into the child care program for consideration of the sublet. Now, therefore, the parties agree as follows:

W I T N E S S E T H :

In consideration of the rents, covenants and agreements hereinafter set forth to be observed and performed by the parties, the Lessor does hereby lease and let unto the Agent and the Agent does hereby lease and accept from the Lessor, the premises hereinbelow mentioned for the term, at the rental and upon the covenants and conditions hereinbelow set forth.

I. Parties

The parties to this Lease are:

Lessor:

THE CITY OF CHENEY
Cheney, Washington 99004
hereinafter referred to
as the City or the owner

Agent:

ASSOCIATED STUDENTS OF
EASTERN WASHINGTON UNIVERSITY
Pence Union Building
Cheney, Washington 99004
hereinafter referred to
the Associated Students of
Eastern Washington University
or ASEWU

Lessee:

YMCA OF THE INLAND EMPIRE, INC.,
a Washington non-profit corporation
North 507 Howard
Spokane, Washington 99201
hereinafter referred to
as YMCA

II. LEASED PREMISES

The premises herein leased consist of a portion of the upper floor of a two (2) story commercial building together with a parking lot and appurtenant structures commonly known as the Wren Pierson Building located at 624 Third Street, Cheney, Washington 99004.

III. TERM

The term of this Lease shall be for the period of three (3) years commencing on the first day of April, 1985 and terminating on the thirty-first day of March, 1988. The Lessor does hereby grant to the Agent an exclusive option to renew the terms of this Lease for an additional two (2) year term running immediately following the expiration of the first term. The terms and conditions of any extension shall be mutually agreeable to the parties and determined six (6) months (not later than October 1, 1987) prior to any extension. In the event a mutually agreeable extension to this Agreement is not had prior to October 1, 1987, this Agreement shall terminate as of March 31, 1988.

IV. RENT

The Agent guarantees and the Lessee shall agree to act as agent for payment to the Lessor for the fair rental of the premises, the sum of six thousand and no/100 dollars (\$6,000.00) per year allocated at five hundred and no/100 dollars (\$500.00) per month.

V. SUBSIDY/LEASE

As part of the total consideration for this Agreement, the Associated Students of Eastern Washington University do hereby grant and sublet to the YMCA the entire premises subject to this Agreement for the balance of any term thereon. Furthermore, the YMCA agrees to operate a child care facility in the leased premises and in consideration thereof, the YMCA shall reduce the regular monthly child care charges for children of Eastern Washington University students. Such reduction shall be a total of fifteen and no/100 dollars (\$15.00) per child enrolled in the child care program up to a maximum of twenty-five (25) children. This reduced charge shall provide the only form of reimbursement between the YMCA and the ASEWU and the City of Cheney. There shall be no other charges to the YMCA.

During the term of this Lease and the extension thereto, the total number of subsidized students shall not exceed twenty-five (25). All rates are subject to change upon sixty (60) days advance

notice. As a result of rate increases, the subsidy amount shall not be affected.

Although the lease term shall be for a period of three (3) years, the subsidy provided by ASEWU shall be subject to annual review on April 1, of each year of this Lease or any extension thereto. In addition to the amount of subsidy, the total number of subsidized students shall be considered on an annual basis, however, the subsidy amount shall not be reduced below fifteen and no/100 dollars (\$15.00).

VI. TAXES, ASSESSMENTS, UTILITIES AND MAINTENANCE

The City of Cheney shall timely pay all real property taxes, general and special assessment and other charges against the leased premises and/or against any improvements on the property. The City of Cheney agrees to pay for the maintenance and repair of any and all heating systems, cooling systems, electrical systems together with other maintenance to the building and structure. Expressly included within this obligation shall be the responsibility to pay for water, sewer, garbage and other charges associated with the tenancy together with any charges for personal property taxes.

The YMCA shall directly pay any and all charges for telephone, together with the initial charges for remodeling and painting of the premises and ongoing janitorial services. The City of Cheney, at all times, and at its sole cost and expense, keep the leased premises in good condition and repair and shall keep said premises and all walks adjacent thereto (except the immediate entrance and sidewalk) in a neat, clean and sanitary condition, free of waste, debris, ice and snow.

VII. INSURANCE AND INDEMNITIES

Prior to the execution of this contract, the YMCA shall at its own expense obtain and file with the ASEWU evidence of a policy of general comprehensive liability insurance. The comprehensive liability insurance must fully protect the ASEWU from any and all claims and risks in connection with the child care activities performed by the YMCA under authority of their license issued by the Department of Social and Health Services and the arrangements and conditions provided through this agreement.

Furthermore, the YMCA shall be solely responsible for insurance for its interior contents. The City of Cheney shall maintain a standard fire insurance policy in such amounts as necessary to protect it during the full term of this Lease and any extension thereto, and shall insure all of the parties against lost due to fire.

VIII. ASSIGNMENT AND SUBLETTING

Except for the Lease created immediately herewith, the parties to this Agreement acknowledge that it is personal to them and that the terms and conditions are entered into based on the individual needs of the City of Cheney, the Associated Students of Eastern Washington University, and the YMCA. Therefore, the parties hereto shall not assign any part of this Lease without the prior written consent of the other parties.

IX. REMODEL/ALTERATIONS

The YMCA shall be permitted to construct or reconstruct sufficient interior furnishings to house a suitable day care facility. Any and all structural alterations or other remodeling shall be done upon the prior consent of the City Administrator or other authorized city official for the City of Cheney. Any and all costs for the structural remodeling shall be borne by the YMCA and with the exception of fixtures, such improvements shall inure to the benefit of the City of Cheney. In the event of fixtures, the YMCA shall be permitted to remove any and all fixtures attached to the premises and the premises shall be restored to the condition at which it held prior to the installation of such fixtures.

X. ACKNOWLEDGEMENT OF LICENSE/MINIMUM STANDARDS

The YMCA acknowledge that it is currently operating an approved child care facility in its main branch at North 507 Howard Street, Spokane, Washington, and that it has the unique qualification and abilities to operate a facility in Cheney, Washington. Accordingly, the YMCA shall obtain and maintain any and all licenses necessary for the lawful operation of a child care facility on the leased premises. The YMCA shall be solely responsible for obtaining such permits and continuing their issuance in good standing during the term of this Lease.

In the event the necessary licenses as issued by the State of Washington and the Department of Social and Health Services shall be withdrawn or revoked, this Agreement shall be terminated at such time that the necessary licenses have been revoked. As an ongoing condition, both precedent and subsequent to this Agreement, the YMCA shall maintain any and all permits necessary to operate a child care facility.

XI. REPORTING

The YMCA shall provide periodic reporting to the satisfaction of the Associated Students of Eastern Washington University. Such reporting shall consist of a listing of student's name, address, their student identification number, and their children's names enrolled in the program. A sample reporting schedule is attached hereto as Schedule "A."

XII. DEFAULT AND REMEDIES

All rights and remedies of the parties of this Agreement shall be cumulative and none shall be exclusive to any other rights or remedies herein specified or otherwise allowed by law.

XIII. SURRENDER OF PREMISES

Under expiration of the term of this Lease or upon its earlier termination as herein provided, the YMCA agrees to deliver quiet and peaceful possession of the premises in the same condition as the same at the inception of this Lease.

XIV. RIGHTS CUMULATIVE

The rights and remedies of ASEWU, and the children enrolled at the YMCA under the terms and conditions of this contract are in addition to any other rights and remedies provided by law.

XI. TIME IS OF THE ESSENCE

Time is of the essence of each and every term and condition of this contract.

XVI. INTEGRATION AND MODIFICATION

Except as provided in the "Interlocal Government Cooperative Agreement," marked as Schedule "B" herein incorporated by reference, this agreement constitutes the entire agreement and understanding between the parties and supersedes all prior agreements and understandings whether written or oral. No modification or claimed waiver of any of the provisions hereof shall be valid unless in writing and signed by the party against whom such modification or waiver is sought to be enforced.

IN WITNESS WHEREOF, the parties have executed this Lease to become effective on the first day of April, 1985.

Lessor

The City of Cheney
Cheney, Washington 99004

BY _____
Mayor

BY _____
Attest: City Clerk

Lessee

The YMCA of the Inland Empire, Inc.
North 507 Howard
Spokane, Washington 99201

BY _____
Executive Director

BY _____
Chairman, Board of Directors

Agent for Service

The Associated Students of Eastern
Washington University
Pence Union Building, 303
Cheney, Washington 99004

BY _____
President, ASEWU

BY _____
Finance Vice-President, ASEWU

Eastern Washington University
Showalter Hall
Cheney, Washington 99004

BY _____
Vice-President of Business and
Finance, Eastern Washington
University

BY _____
Approved as to Form
Assistant Attorney General

EWU

Memorandum

To: Dr. H. George Frederickson

From: Ken Dolan

Date: March 14, 1985

Subject: Appointment of Trustee to the EWU Foundation

The By-laws of EWU Foundation provide for the appointment of two trustees to the Board of Directors of the EWU Foundation. Eleanor Chase and Jim Ray are currently listed as the trustees on the Foundation Board. Eleanor will continue to serve, but as Jim is no longer a member of the board he should be replaced.

EWU
Memorandum

To: Ken Dolan

From: Bob Gibbs, Vice President - Faculty Organization *RTG*

Date: March 14, 1985

Subject: 84-85 Salary Schedule

According to By-Law 403.10.12, Salary Schedule Procedure, "a proposed salary schedule shall be presented to the Board of Trustees by the March meeting of the Board for the following academic year. The salary schedule shall be considered by the Personnel Policies and Merit Committee with recommendations from the committee to the Faculty Affairs Council, then to the Senate and finally recommended by that body to the President."

A 1984-85 Salary Schedule for faculty was not presented to the Board last spring as required by this by-law. In fact, such a schedule could not go into effect until the January 1, 1985 salary increase. It would also appear that this by-law should be modified to be consistent with the current faculty salary plan. The Rules Committee of the Academic Senate has requested the Personnel Policies and Merit Committee and the Faculty Affairs Council to study the relation of the salary schedule to the faculty salary plan and make appropriate recommendations for modifications of By-Law 403.10.12 and of the method of calculating the salary schedule.

Attached are a list of the assumptions used to calculate the 1984-85 Salary Schedule and the resulting schedule. The schedule was passed by the Senate on March 11, 1985.

I ASSUMPTIONS

- A. The salary schedule for 1983-84 is the one you sent me dated July 20, 1983. (attached)
- B. The number of faculty at E. W. U. is 362 with an average salary of \$27,843. This assumption is based on the 11/6/84 document titled "Faculty Profile, Fall Quarter 1984". This document excludes Special Faculty Appointments, Librarians, and administrators with faculty rank. (Document attached)
- C. The raise which became effective January 1, 1985 was a 6.7% increase.
- D. Thirty percent (30%) of the raise mentioned in C was distributed as merit in January, 1985.
- E. Three Hundred Forty-one (341) faculty received step increases in their salary on January 1, 1985.

March 6, 1985

EASTERN WASHINGTON UNIVERSITY
Cheney, Washington
Faculty Salary Schedule - 1984-85

i	14,667	
ii	15,363	
iii	16,059	
iv	16,755	
v	17,451	Ceiling for Instructor
1	17,451	
2	18,147	
3	18,843	
4	19,539	
5	20,235	
6	20,931	
7	21,627	
8	22,323	
9	23,019	
10	23,715	
11	24,411	
12	25,107	Ceiling for Assistant
13	25,803	
14	26,499	
15	27,195	
16	27,891	
17	28,587	
18	29,283	
19	29,979	Ceiling for Associate
20	30,675	
21	31,371	
22	32,067	
23	32,763	
24	33,459	
25	34,155	
26	34,851	
27	35,547	
28	36,243	Ceiling for Professor
29	36,939	
30	37,635	
31	38,331	

STEP = # 696⁰⁰

SOURCE: Duane Thompson, Vice President and Provost for Academic Affairs

EWU

Memorandum

To: Dr. H. George Frederickson

From: Ken Dolan

Date: March 14, 1985

Subject: Appointment of Trustee to the Medals and Awards
Committee

The University Medals and Awards Committee draws its membership from the community at large, the faculty, students, administration and trustees. Jim Ray was the trustees representative on this committee. As Jim is no longer on the board he should be replaced.

The committee is charged with the responsibility of managing the Universities Medals and Awards Program.

attachment

THE UNIVERSITY MEDALS AND AWARDS COMMITTEE

Eastern Washington University

Policy and Procedures

The University Medals and Awards Committee shall consist of twelve individuals representing all segments of the university community. Each major segment of the university community is intended to have representation.

The Vice-Provost for Academic Affairs will serve as secretary of the committee. The chairman of the committee shall be elected by the membership and shall serve for a one-year term. The committee will be convened by the Academic Vice-Provost during the month of October, at which time the chairman of the committee will be elected.

COMPOSITION OF THE UNIVERSITY MEDALS AND AWARDS COMMITTEE

The University Medals and Awards Committee shall be composed of the following membership:*

1. One member of the Board of Trustees (two-year term).
2. A member at large from the community (two-year term).
3. The President of the Alumni Association or his designated representative (one-year term).
4. A student at EWU--appointment to be made by the Associated Student President (one-year term).
5. One representative of the classified staff (two-year term).
6. Vice President of the Faculty Organization (one-year term).
7. Three at-large members of the EWU faculty (three-year terms--staggered).
8. Vice Provost for Academic Affairs (ongoing).
9. One academic dean or designee (two-year term).
10. One university relations representative (ongoing).

SELECTION PROCESS AND TERM APPOINTMENT

1. The member of the EWU Board of Trustees shall be designated by the Chairman of the Board and will preferably be a resident of Eastern Washington.
2. The member from the community will be selected jointly by the President and the committee chairman.
3. Self-explanatory.
4. Self-explanatory.
5. The member of the classified staff shall be designated by the Director of Personnel.
6. Self-explanatory.
7. The members of the faculty at large will be designated by the President of the Faculty Organization.

*The intent of the selection process is to maintain continuity while bringing new people to the committee.

SELECTION PROCESS (Continued)

8. Self-explanatory
9. The academic dean shall be appointed by the Vice President and Provost for Academic Affairs.
10. The representative from university relations shall be appointed by the President.

THE ROLE OF THE UNIVERSITY MEDALS AND AWARDS COMMITTEE

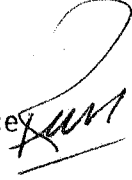
The University Medals and Awards Committee shall have the primary responsibility on behalf of the university to consider and recommend to the President of the university those persons whom the Committee deems worthy of consideration for special recognition. The responsibilities of the Committee shall be:

1. To make recommendations to the President for changes, additions, or deletions from the established criteria for the awards which they deem necessary in order to carry out their duties in a responsible manner.
2. To seek nominations for the various awards.
3. To periodically identify and publish a list of names and founders of the university, describing the nature and significance of their contribution to the university.
4. To periodically publish the names of individual recipients of EWU honors and awards.

EWU

Memorandum

To: Dr. H. G. Frederickson, President

From: Russ Hartman, Vice President, Business and Finance 

Date: March 13, 1985

Subject: Board of Trustees Resolution - Energy Conservation Loan

At the January 1985 meeting of the Board of Trustees, a resolution was approved which authorized the university to participate in the College Housing Program which provides low-cost energy conservation loans for housing and dining facilities. On the basis of that resolution, our application for an energy conservation loan in the amount of \$498,000 has been approved by the U.S. Department of Education. We are about to conclude the final agreement.

One final step required by the Department of Education is adoption by the Board of Trustees of a resolution which endorses the execution of the loan agreement. A copy of the loan agreement and the required resolution will be included in the information prepared for Board members for the March 1985 meeting. Subject to Board approval, the formal resolution needs to be signed by the Chairwoman of the Board of Trustees and the Secretary (Ken Dolan).

I recommend that the Board of Trustees adopt and approve the required resolution at its March 1985 regular meeting.

pm/1Wa

Eastern Washington University
Board of Trustees

RESOLUTION APPROVING LOAN AGREEMENT

PROJECT NUMBER CH-WA-801

WHEREAS, there has been filed with the U.S. Secretary of Education by Eastern Washington University an application for a loan under Title IV of the Housing Act of 1950, to assist in providing funds for the following energy conservation measures: 1) insulate attic/walls in Anderson Hall, Morrison Hall, and Streeter Hall; 2) add second pane glass to windows in Anderson Hall, Dryden Hall, Morrison Hall, and Tawanka Commons; 3) replace windows in Dressler Hall; and 4) replace corridor lighting with fluorescent lighting in Anderson Hall, Dryden Hall, Pearce Hall, Morrison Hall, Dressler Hall, and Streeter Hall; and

WHEREAS, the U.S. Secretary of Education has tentatively offered to make the requested loan and has transmitted for consideration a proposal Loan Agreement, as of March 6, 1985; and

WHEREAS, the proposed Loan Agreement has been duly examined and considered in accordance with all applicable rules of procedure and legal requirements, and made part of the records of the Board of Trustees of Eastern Washington University, and;

WHEREAS, it is deemed advisable and in the interest of Eastern Washington University that the proposed Loan Agreement be accepted and its execution authorized;

NOW, THEREFORE, be it resolved by the Board of Trustees of Eastern Washington University that the proposed Loan Agreement be and the same hereby is accepted without reservation or qualification.

BE IT FURTHER RESOLVED THAT Mrs. Eleanor Chase, Chairman of the Board of Trustees of Eastern Washington University, be and is hereby authorized to execute the Loan Agreement, on behalf of Eastern Washington University, and Mr. Kenneth R. Dolan, the Secretary of the Board of Trustees of Eastern Washington University, be and is authorized to attest the execution of the Loan Agreement and the proper officials of Eastern Washington University are hereby authorized to take such further action as is necessary to provide for the conservation measures of the project, and to consummate the loan.

ADOPTED AND APPROVED by the Board of Trustees of Eastern Washington University on the 21st day of March, 1985.

(SEAL)

Chairman of the Board of Trustees

ATTEST:

Secretary of the Board of Trustees

Approved as to Form:

Assistant Attorney General
State of Washington

Eastern Washington University
Board of Trustees

CERTIFICATE OF RECORDING OFFICER
PROJECT NUMBER CH-WA-801

I, the undersigned, the duly qualified and acting Secretary of Eastern Washington University, and the keeper of the records of Eastern Washington University, including the journal of proceeding of the Board of Trustees, do hereby certify:

1. That the attached Resolution is a true and correct copy of the Resolution as finally adopted at a meeting of the Board of Trustees held on the 21st day of March, 1985, and duly recorded in my office.
2. That said meeting was duly convened and held in all respects in accordance with law, and, to the extent required by law, due and proper notice of such meeting was given; that quorum was present throughout the meeting, and a sufficient number of members of the Board voted in the proper manner and for adoption of said resolution; and that all other requirements and proceedings under the law incident to the proper passage or adoption of said resolution, including publication, if required, has been duly fulfilled, carried out, and otherwise observed; that I am authorized to execute this Certificate.

IN WITNESS WHEREOF, I have hereunto set my hand this 21st day of March, 1985.

Secretary of the Board of Trustees

U.S. DEPARTMENT OF EDUCATION
COLLEGE HOUSING PROGRAM
LOAN AGREEMENT
(Note and Mortgage Financing)

PROJECT NUMBER
CH-WA-801

NAME OF BORROWER
Eastern Washington University

ADDRESS AND ZIP CODE
Cheney, Washington 99004

March 6, 1985

PART I

THIS AGREEMENT, consisting of this Part I, including the Special Conditions attached hereto as Exhibit A and the Terms and Conditions (Form HUD 4577A, dated 5-78, as amended and modified hereby) forming Part II hereof (which Parts, together, are herein called the "Loan Agreement"), made and entered into on the date herein below specified, by and between Eastern Washington University

(herein called the "Borrower") and the United States of America, acting by and through the Secretary of Department of Education (herein called "ED") WITNESSETH:

WHEREAS the Borrower has made application for a loan to assist in financing housing or other educational facilities pursuant to Title IV of the Housing Act of 1950, as amended (herein called the Project),

NOW, THEREFORE, in consideration of the mutual covenants, promises, and representations contained herein, the parties hereto do agree as follows:

1. ED subject to the terms of this Agreement, will make a loan to the Borrower, to be advanced as hereinafter provided, in an amount not to exceed Four Hundred Ninety Eight Thousand Dollars (\$ 498,000), or the total development cost of the Project, as determined by ED, whichever amount is the lesser. The loan shall bear interest at the rate of three per centum (3%) per annum on the unpaid balance. The principal and interest shall be payable in level semiannual installments of \$39,702.21 over a term of seven (7) years. The loan shall be evidenced by a Note secured by a pledge of net revenues derived by the University through the ownership, operation, and use of the Housing and Food Services Enterprise of Eastern Washington University, plus any other revenues pledged to secure bonds or other debt payments. The pledge of the net revenues securing this loan will be on a parity with the outstanding bonded indebtedness.
2. The Project (designated Project Number CH-WA-801) shall consist of the following energy conservation measures: 1. insulate attic/walls in Anderson Hall, Morrison Hall, and Streeter Hall; 2. add second pane glass to windows in Anderson Hall, Dryden Hall, Morrison Hall, and Tawanka Commons; 3. replace windows in Dressler Hall; and 4. replace corridor lighting with fluorescent lighting in Anderson Hall, Dryden Hall, Pearce Hall, Morrison Hall, Dressler Hall, and Streeter Hall.

3. The obligation of ED to make a loan to the Borrower is also subject to the following Special Conditions attached hereto and made a part hereof as Exhibit A.

IN WITNESS WHEREOF, this Agreement has been executed in the name of Eastern Washington University _____ by the undersigned official, and under its official seal, attested by its _____ Secretary _____, and in the name and on behalf of the United States of America, Secretary of Department of Education.

(SEAL)

ATTEST:

(Signature)

By: _____
(Signature)

(Type Name and Title)

UNITED STATES OF AMERICA
Secretary of Department of Education

By _____

Title _____

Date _____
(Date of Execution by ED)

Name of Borrower: Eastern Washington University

Project No: CH-WA-801

SPECIAL CONDITIONS FOR LOAN AGREEMENT

1. Required Accounts

- a. Debt Service Payment Account. The Borrower shall establish in a bank which is a member of the Federal Deposit Insurance Corporation and maintain so long as the Note is outstanding, a separate account (herein called the "Debt Service Payment Account") into which the Borrower shall deposit on or before each March 15 and September 15 the sum of \$39,702.21 in order to meet the payment to principal and interest due on each April 1 and October 1.
- N/A b. Debt Service Reserve Account. The Borrower shall establish in a bank which is a member of the Federal Deposit Insurance Corporation and maintain so long as the xxx is outstanding, a separate account (herein called the "Debt Service Reserve Account") into which the Borrower shall deposit on or before each xxx and xxx the sum of \$ xxx until \$ xxx has been accumulated. Thereafter the Debt Service Reserve Account shall be maintained in the amount of xxx.
- N/A c. Repair and Replacement Reserve Account. As soon as the required reserve is accumulated in the Debt Service Reserve Account, the Borrower shall establish in a bank which is a member of the Federal Deposit Insurance Corporation, a separate Account called the "Repair and Replacement Reserve Account" into which shall be deposited on or before the close of each fiscal year the sum of \$ xxx until the Account shall aggregate \$ xxx and thereafter such sums but not more than \$ xxx annually as may be required to restore and maintain the balance of \$ xxx. In the event the funds in the Debt Service Reserve Account should be reduced below the debt service reserve of \$ xxx, funds on deposit in the Repair and Replacement Reserve Account shall be transferred to the Debt Service Reserve Account to the extent required to eliminate the deficiency in that Account.
- N/A d. Discretionary Redemption and Other Specified Purposes. Subject to making the foregoing maximum deposits, the Borrower may use the balance of excess funds in the Revenue Fund Account at the close of each xxx (1) to prepay principal on the Note on the next interest payment date, in multiples of \$ xxx, or (2) for any expenditures, including the payment of debt service, in improving or restoring any existing housing and dining facilities or providing any such additional facilities, or (3) for any other lawful purpose.

2. Interest Earned on Investments During Construction. In accordance with Section 12 of the standard Terms and Conditions for bond financing, and Section 3c. of the standard Terms and Conditions for note and mortgage financing, any interest earned on the investment of idle funds in the Construction Account during the construction period shall be deposited in the Construction Account. Any such interest earned shall be credited against the interest expense accruing during the construction period. In the event that interest earned exceeds interest expense, the excess shall be used to reduce the outstanding principal amount of the loan under this agreement.
3. Mandatory Post-Closing Loan Reductions. Where a loan reduction is required after final loan closing, either as a result of 2. above or a reduction of eligible project development cost, the following procedure will be used:
 - a. In the case of a bond, the loan prepayment, rounded to the next highest \$1,000, shall be applied to the bond in inverse order of maturity
 - b. In the case of a note, the required prepayment must be made in addition to any regularly scheduled loan payments which may be due under the note. The reduced loan amount may be amortized over the remaining term of the note.

4. Any reference in any College Housing Program documents to the Department of Housing and Urban Development (HUD), area office, and related officials, or Secretary, shall mean the Department of Education (ED) as appropriate.
5. Part II, Section 11 of the Terms and Conditions, is deleted in its entirety and the following is substituted therefor:
 - a. The Borrower shall make every effort to obtain interim construction financing from private sources. However, should the Borrower demonstrate to the Secretary's satisfaction that interim construction financing is not available on reasonable terms the Secretary may consider requests for advances of the mortgage proceeds. Requests for advances shall be accompanied by such supporting data as the Secretary may require.
 - b. Loan proceeds may be advanced to the Borrower during the construction period on the basis of the fully executed Loan Agreement. The final disbursement, however, must coincide with the loan closing at which time the Note will be executed and the Mortgage or Deed of Trust recorded. Prior to making any loan advances, the Borrower shall present satisfactory evidence that:
 1. It is able to provide and pay for the furnishings, and equipment required for the operation of the Project;
 2. It has deposited in the Construction Account such funds as are necessary together with the loan proceeds to assure completion of the project;
 3. It is able to provide the Project site free from all liens, including mechanic's liens, and encumbrances.
 - c. Any funds advanced to the Borrower by the Secretary pursuant to this section shall bear interest at the rate specified for the loan in this agreement. Interest on advances shall accrue from the date of each advance and shall be paid in full at the time of the loan closing.
6. Section 32(c) (rental income insurance):

Delete in its entirety. (The Borrower, however, is at liberty to procure such insurance at its own expense, if desired).

U.S. Department of Education
Office of Postsecondary Education
College ~~ARRRRRRR~~ Facilities
PROJECT SUMMARY

Housing Act of 1950, as Amended

(Title VII, Higher Education Act of 1965, as amended, P.L. 89-329)

NAME OF INSTITUTION OR BRANCH CAMPUS Eastern Washington University	FACILITY NUMBER CH-JA-801	STATE CODE 57
FACILITIES DESCRIPTION Energy Conservation Project: Installation of windows, lighting, and insulation in eight (8) dormitories.	PURPOSE OF REVISION <input type="checkbox"/> N/A	

col	PROJECT(S) INFORMATION	<input type="checkbox"/> (3) OR (4) TITLE VII-A	<input type="checkbox"/> (2) TITLE VII-B	<input type="checkbox"/> (5) TITLE XXXX IV
26	ELIGIBLE PROJECT DEVELOPMENT COST	\$	\$	\$ 534,012
35	NET ASSIGNABLE AREA IN PROJECT	SF	SF	SF
35 a	INSTRUCTIONAL AND LIBRARY FACILITIES	SF	SF	SF
35 b	INSTRUCTION-RELATED FACILITIES	SF	SF	SF
36	% OF TOTAL ASSIGNABLE AREA IN PROJECT			

FACILITIES INFORMATION		PREVIOUS APPROVAL	REVISIONS (+ OR -)	CURRENT APPROVAL
FINANCING				
01	GRANT-TITLE VII-A - SECTION 702	\$	\$	\$
02	GRANT-TITLE VII-A - SECTION 703			
03	GRANT-TITLE VII-B			
04	LOAN XXX TITLE XXXX IV, College Housing			498,000
05	APPALACHIAN GRANT			
06	OTHER FEDERAL FUNDS			
07	OTHER BORROWED FUNDS			
08	APPLICANT'S CASH FUNDS			36,012
09	TOTAL FINANCING TOTAL	\$	\$	\$ 534,012

BUDGET				
10	PURCHASE OF LANDS	\$	\$	\$
11	PURCHASE OF BUILDINGS			
12	PRELIMINARY SITE CLEARANCE			
13	SURVEYS AND TESTING			
14	ARCHITECTURAL - ENGINEERING FEES			44,819
15	RESIDENT INSPECTION OF CONSTRUCTION			
16	CONSTRUCTION			448,189
17	BUILT-IN EQUIPMENT			
18	SITE IMPROVEMENTS AND UTILITY CONNECTION			
19	CONSTRUCTION CONTINGENCY			22,409
20	LEGAL AND ADMINISTRATIVE EXPENSES			17,928
21	CAPITALIZED INTEREST			
22	MOVABLE INITIAL EQUIPMENT			
23	WORKS OF ART Government Field Expense			667
24	CENTRAL UTILITY FACILITY			
25	TOTAL FACILITIES DEVELOPMENT COST TOTAL	\$	\$	\$ 534,012

ANALYTICAL DATA		NEW	REHABILITATION
30	BUILDING COST N/A	\$	\$ N/A
31	GROSS AREA		SF SF
32	BUILDING COST PER SQUARE FOOT	\$	\$
33	TOTAL ASSIGNABLE AREA IN FACILITIES		SF
34	DEVELOPMENT COST PER ASSIGNABLE SQUARE FOOT IN FACILITIES	\$	\$
37	PERCENTAGE OF GROSS AREA WHICH IS ASSIGNABLE		%

CONSTRUCTION SCHEDULE:	BID ADVERTISING DATE February 1985	CONTRACT AWARD DATE March 1985	OCCUPANCY DATE Continuous Occupancy
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D COMMENTS:

RECOMMENDATION OF APPROVAL Rosa L. Jefferson Project Officer	APPROVAL Joseph P. Ferguson Chief, Program Operations Branch/O&EIP
DATE:	DATE: 2/28/85

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
COLLEGE HOUSING PROGRAM

TERMS AND CONDITIONS

(Note and Mortgage Financing)

PART II

Constituting Part of the Loan Agreement Providing for Financing the Construction, Rehabilitation or Acquisition of College Housing or Other Educational Facilities Under Title IV of the Housing Act of 1950, as amended

Section 1. Definitions. As used in these Terms and Conditions:

- a. "Borrower" means the educational institution or other entity designated in Part I of the Loan Agreement.
- b. "HUD" means the United States of America, acting by and through the Secretary of Housing and Urban Development, or the Department of Housing and Urban Development.
- c. "Loan Agreement" means the contract between HUD and the Borrower covering the Project and includes both these Terms and Conditions and Part I, together with any modifications and amendments thereto.
- d. "Mortgage" includes "Deed of Trust", "Chattel Mortgage", and any other security for the Note identified herein.
- e. "Mortgaged Property" includes the property, with all buildings and improvements and all fixtures, including all furniture, furnishings and equipment used or furnished in connection with the Project.
- f. "Note" means the obligation of the Borrower evidencing the loan which HUD has agreed to make under the Loan Agreement.
- g. "Project" means the housing or other educational facilities described in Part I which HUD has agreed to assist in financing under the Loan Agreement.
- h. "Project Costs" or "Development Costs" mean the cost of land and site improvements, architectural and engineering services, construction, legal and administrative services, interest during construction, the cost of acquiring existing housing and related dining facilities, and the cost of built-in or installed kitchen equipment, such as ranges and refrigerators in apartments or food service equipment in central dining facilities, all as approved by the Secretary. (The cost of all furnishings such as beds, dressers, chests, desks, tables and chairs is not included in the definition of Development Cost, regardless of whether such furnishings are built-in or movable.)

Section 2. Drawings and Specifications.

- a. The Borrower shall develop the Project in accordance with drawings and specifications which have been filed with and approved by HUD.
- b. Changes in the drawings and specifications, or changes by altering or adding to the work contemplated, or orders for extra work must have the prior written approval of the Borrower's Architect. Evidence of such approval must be submitted to HUD. Any such change or work order which will result in a net construction cost increase, or will change the design concept, or will result in a net cumulative construction cost decrease of more than two percent of the contract amount may be made only with the prior written approval of HUD and under such conditions as HUD may establish.

Section 3. Construction Account.

- a. The Borrower covenants that it will deposit the proceeds from the HUD loan and the additional funds to be furnished by the Borrower in order to assure the payment of all Project Costs into a separate account called the "Construction Account", established by it in a bank or banks which are members of the Federal Deposit Insurance Corporation or, if legally required, with the fiscal agency of the Borrower fixed by law. Moneys in the Construction Account shall be expended only for the purposes for which loan disbursements are requested from and approved by HUD.
- b. Until the Project becomes revenue-producing, the Borrower shall pay to HUD the amount due for interest on the Mortgage Note from the Construction Account and/or from its general funds, if necessary.
- c. Where the moneys on deposit in the Construction Account exceed the estimated disbursements on account of the Project for the next 90 days, the Borrower may deposit such excess funds in time deposits in banks that are members of the Federal Deposit Insurance Corporation or may invest such excess funds in direct obligations of, or obligations the principal of and interest on which are guaranteed by, the United States Government, which shall mature not later than 18 months after the date of such investment and which shall be subject to redemption at any time by the holder thereof. The earnings from any such deposits or investments shall be deposited in the Construction Account by the Borrower.
- d. The Borrower shall not transfer, assign or pledge any right or interest in, or title to, any funds deposited in the Construction Account without the approval of HUD.
- e. Any moneys remaining in the Construction Account after all costs of the Project have been paid shall be promptly used to reduce the outstanding loan amount; Provided, however, the Borrower shall have the right to withdraw any such moneys representing additional funds deposited into the Construction Account pursuant to Section 4 hereof to finance the total project cost, which are found to be unnecessary for such purposes.

Section 4. Government Field Expenditure.

HUD will bill the Borrower for payment of a fee designated as "Government Field Expense" in the Project Summary and Approval, Form HUD-4528, to cover audit and inspection costs and the Borrower shall pay said fee from the first funds deposited in the Construction Account. In the event of termination of the Loan Agreement, the Borrower shall be entitled to a refund of all or a proportionate part of the fee. The refund shall be in such amount as HUD determines to be equitable under the circumstances.

Section 5. Loan In Balance.

The Borrower agrees that the loan shall at all times remain in balance. HUD shall, in accordance with the provisions of this Agreement, continue to advance to the Borrower funds out of the proceeds of the loan as long as the loan remains in balance and the Borrower is not in default hereunder or under the Note or Mortgage. The loan shall be deemed to be in balance only when the undistributed proceeds of the loan after provision for reserves, fees, expenses and other deposits required by HUD equal or exceed the amount necessary (based on HUD's estimate of the cost of construction) to pay for all work completed and all materials delivered, for which payment has not been made, and the cost of completing construction of the project in accordance with the drawings and specifications.

Section 6. Borrower's Participation in Total Project Costs.

The Borrower shall pay all Project Costs and furnish from sources other than the proceeds of the loan, and from sources and in a manner which will not jeopardize the security for the loan, the additional funds, if any, which will be sufficient to pay the total Project Costs.

Section 7. Furnishings and Equipment.

The Borrower shall, on or before substantial completion of the Project, provide from sources other than the loan hereunder, and from sources and in a manner which will not jeopardize the security for the loan, the movable and/or built in furnishings and equipment necessary to the full enjoyment of the use, occupancy and operation of the Project.

Section 8. Project Site.

- a. The Project shall be located on lands of the Borrower, at a site to be approved by HUD, and the Borrower shall furnish HUD with satisfactory evidence of its ownership of the Project site.
- b. The Borrower shall provide or obtain the provision of streets and access roads to the Project deemed necessary by HUD from sources other than the loan hereunder, and from sources and in a manner which will not jeopardize the security for the loan.

Section 9. Prompt Procedure-Economical Construction - Accident Prevention - Supervision and Inspection.

- a. The Borrower covenants and agrees that it will proceed promptly with all matters necessary for the financing and development of the Project and will construct and complete the Project within a reasonable time after the date of this Agreement, as determined by HUD, in accordance with plans and specifications approved by HUD; and that the Project will be undertaken and developed in such a manner that economy will be promoted in such development and in the construction work; and that the Project will not be of elaborate or extravagant design or materials.
- b. The Borrower shall require of its contractors that precaution shall be exercised at all times for the protection of persons (including employees) and property, and that hazardous conditions shall be guarded against or eliminated.
- c. The Borrower shall provide and maintain on its own behalf competent and adequate architectural or engineering services covering the supervision and inspection of the development and construction of the Project.

Section 10. Opinion of Counsel.

The Borrower shall furnish HUD with an opinion of its counsel, who shall be satisfactory to HUD, covering the authorization, execution, issuance and tender of the Note, and the security for the Note, and evidencing that: the Note when accepted by HUD and disbursements are made thereunder, will constitute binding and legal obligations, payable and secured in accordance with their tenor; all proceedings for the financing and the acquisition, construction, and development of the Project preliminary to delivery of the Note to HUD have been had and adopted in due time, form and manner as required by law; and that the validity and priority of the Note and Mortgage revenue pledge and any other security for the loan are consistent with this Agreement.

Section 11. Interim Construction Financing.

- a. The Borrower shall make every effort to obtain interim construction financing from private sources.
- b. Should the Borrower demonstrate to HUD's satisfaction that interim construction financing on reasonable terms is not available, HUD will consider requests for advances of mortgage proceeds.
- c. Subject to the foregoing, the Borrower may make monthly applications on forms prescribed by HUD for advances of mortgage proceeds by HUD for application to the charges or items enumerated in the most recent approved Form HUD-4528, with respect to the Project, but only to the extent that such charges have accrued the Borrower is otherwise entitled to payment on account of such items.
- d. Each application for an advance shall contain a certification by the Borrower that construction costs do not exceed: (1) the total value of the work acceptably completed; plus (2) the value of materials and equipment not incorporated in the work, but delivered to and suitably

stored at the site; less (3) a 10 percent holdback and less prior advances. The "values" of both (1) and (2) shall be computed in accordance with the amounts assigned to classes of the work in the Form HUD-4528. Each application shall be filed at least 15 days before the date the advance is desired, and the Borrower shall be entitled thereon only to such amount as may be approved by HUD.

e. HUD shall be under no obligation to advance funds under this Agreement if:

- (1) Any representation made by the Borrower to HUD in connection with the application or loan shall be incorrect or incomplete in any material respect;
- (2) The financial condition of the Borrower shall have changed unfavorably in a material degree from its condition as theretofore represented to HUD;
- (3) The Borrower, having submitted to HUD the documents described in Section 18 hereof, shall have proceeded without having been advised by HUD that the same are satisfactory.

f. Prior to the making of any advance or disbursement of any portion of the loan proceeds by HUD, the Borrower shall:

- (1) Present satisfactory evidence that:
 - (a) It is able to provide and pay for the furnishings and equipment required for the operation of the Project, as specified in Section 7 hereof;
 - (b) It has deposited in the Construction Account such funds as are necessary together with the loan proceeds to assure completion of the Project; and
 - (c) It is able to provide the Project site free from all encumbrances.
- (2) Furnish HUD with:
 - (a) A certified, current survey of the property to be mortgaged and a mortgagee's title policy (or other evidence of title) in form, substance and amount satisfactory to HUD. The Borrower shall submit evidence that the title policy (or other evidence of title) has been extended so as to cover each and every advance of said loan at the time of payment thereof and shall show no mechanics' or materialmen's liens against the property to be mortgaged.
 - (b) Certifications, in a form approved by HUD, that all laborers and mechanics employed in the construction of the Project whose work is covered by the current or any previous request for advances and who have been paid in whole or in part on account of said employment, have been paid at rates not less than the prevailing

wage rates as determined by the Secretary of Labor shall be construed to include every amendment to or modification of the determination which may be made prior to the beginning of construction.

- g. The final advance due the Borrower hereunder will not be disbursed until after the expiration of any period which laborers, subcontractors, and materialmen may have for filing notice of mechanic's liens. With or prior to its request for the final advance, the Borrower shall certify that the Project has been fully constructed and completed in accordance with the provisions of this Agreement and shall provide such cost certifications as shall be required by HUD.

Section 12. Mechanic's and Materialmen's Liens.

- a. The Borrower shall cause to be filed in the public records either this instrument or the construction contract under which the improvements are to be erected, if the effect thereof will be to relieve the mortgaged property from mechanic's and materialmen's liens. Before any advance hereunder, and concurrently with the final payment for the Project, HUD may require the Borrower to obtain from the contractor and all subcontractors and materialmen dealing directly with the principal contractor acknowledgements of payment and release of lien down to the date covered by the last advance. Such acknowledgements and releases shall be in the form required by local lien laws and shall cover all work done, labor performed and materials (including equipment and fixtures) furnished for the Project.
- b. The Borrower shall immediately satisfy or release any mechanic's lien, attachment, judgment lien, or any other lien which attaches to the mortgaged property or any personal property used in the operation of the Project, and shall dismiss or have dismissed or vacated any receivership or petition in bankruptcy or assignment for benefit of creditors, creditors bill or insolvency proceeding involving the Project or the mortgaged property.

Section 13. Construction in Accordance with Ordinances, Statutes and Regulatory Requirements.

The Borrower agrees that the Project shall be constructed strictly in accordance with all applicable ordinances and statutes, and in accordance with the requirements of all regulatory authorities, and any rating or inspection organization, bureau, association or office having jurisdiction. The Borrower further agrees that the Project shall be constructed entirely on the aforesaid property and will not encroach upon any easement or right-of-way, or the land of others; and that the Project when completed shall be wholly within the building restriction lines, however established, and will not violate applicable use or other restrictions contained in prior conveyances, zoning ordinances or regulations. The Borrower shall furnish from time to time such evidence with respect thereto as may be required by HUD, and, upon completion of construction, shall furnish a survey, certified by a registered surveyor, which shows the Project to be entirely on said property and to be free from any such violations.

Section 14. Approvals and Permits.

The Borrower shall obtain all approvals and permits required by law as a condition precedent to the acquisition, construction, development and operation of the Project.

Section 15. Default Prior to Project Completion.

- a. If the Borrower at any time prior to the completion of the Project abandons the same, or ceases work thereon for a period of more than 30 day, or fails to complete the Project strictly in accordance with the drawings and specifications, or makes changes in the drawings and specifications without first securing the written approval required by Section 2 of Part II of the Loan Agreement, or otherwise fails to comply with the terms hereof, any such failures shall be a default hereunder, and HUD, at its option, may terminate this Agreement.
- b. If HUD elects not to terminate this Agreement, it may enter into possession of the premises and perform any and all work and labor necessary to complete the improvements substantially according to the drawings and specifications, and employ watchmen to protect the premises from injury. All sums so expended by HUD shall be deemed to have been paid to the Borrower and secured by the Mortgage. For this purpose, the Borrower hereby constitutes and appoints HUD its true and lawful attorney-in-fact, with full power of substitution on the premises, to complete the project in the name of the Borrower. The Borrower hereby empowers saide attorney as follows:
 - (1) To use any balance of mortgage proceeds held by the Borrower and any fund which may remain unadvanced hereunder for the purpose of completing the Project in the manner called for by the drawings and specifications;
 - (2) To make such additions, changes and corrections in the drawings and specifications as shall be necessary or desirable to complete the Project in substantially the manner contemplated by the drawings and specifications;
 - (3) To employ such contractors, subcontractors, agents, architects and inspectors as shall be required for said purposes;
 - (4) To pay, settle or compromise all existing bills and claims which may be liens against the mortgaged property, or as may be necessary or desirable for the completion of the Project, or for clearance of title;
 - (5) To execute all applications and certificates in the name of the Borrower which may be required by any of the contract documents;
 - (6) To prosecute and defend all actions or proceedings in connection with the mortgaged premises or the construction of the Project and to take such action and require such performance as deemed necessary under the accepted guaranty of completion;

(7) To do any and every act which the Borrower might do in its own behalf.

- c. It is further understood and agreed that this power of attorney, which shall be deemed to be a power coupled with an interest, cannot be revoked. The Borrower hereby assigns and quitclaims to HUD all sums unadvanced under the Mortgage and all sums on deposit in the Construction Account conditioned upon the use of said sums for the completion of the Project, such assignment to become effective only in case of the Borrower's default.

Section 16. Competitive Bidding.

All work on the Project shall be done under contract and every opportunity shall be given for free, open, and competitive bidding for each and every construction, material and equipment contract. The Borrower shall give such publicity by advertisements or calls for bids by it for the furnishing to it of work, labor, materials, and equipment as required by HUD and as will provide adequate competition; and the award of each contract therefor shall be made, after approval by HUD, to the lowest responsible bidder as soon as practicable; Provided, that in the selection of equipment or materials the Borrower may, in the interest of standardization or ultimate economy, if the advantage of such standardization or such ultimate economy is clearly evident, award a contract to a responsible bidder other than the bidder specifying the lowest price. The Borrower shall obtain the concurrence of HUD before approving subcontracts relating to the Project.

Section 17. Prohibition on Use of Lead-Based Paint.

Each contract entered into by the Borrower shall prohibit the use of, and the Borrower itself shall not use, any lead-based paint on any applicable surface in the construction or rehabilitation of any Project, in accordance with the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. 4801 et seq.) and the regulations of the Government implementing that Act (42 C.F.R. Part 90, 24 C.F.R. Part 35, as amended). In addition, the Borrower shall require the inclusion of this prohibition against lead-based paint in each subcontract for construction or rehabilitation of any Project. The Borrower, also agrees that it shall prohibit the use of any lead-based paint on any applicable surface in the alteration, repair and maintenance of the Project or premises.

Section 18. Performance and Payment Bonds.

The Borrower shall require each construction contractor to furnish a performance bond in an amount at least equal to 100 percent of the contract price as security for the faithful performance of the contract and also a payment bond in an amount not less than 50 percent of the contract price or in a penal sum not less than that prescribed by State, territorial, or local law, as security for the payment of all persons performing labor on the Project under the security contract and furnishing materials in connection with the contract. The performance bond and the payment bond may be in one or in separate instruments in accordance with local law. Said bonds shall run to HUD as obligee.

Section 19. Insurance During Construction.

The Borrower shall require that each of its contractors and all subcontractors shall maintain during the life of the contract Workers Compensation insurance, Comprehensive General Liability including Manufacturers and Contractors, Products/Completed Operations and Contractual Liability (if needed) in amounts of at least \$300,000 Bodily Injury and \$10,000 Property Damage, including Broad Form Property Damage with no X, C, or U exclusions, and Automobile Liability Insurance including all owned, hired and non-owned vehicles in an amount of at least \$100,000 per person, \$300,000 per occurrence Bodily Injury, and \$10,000 Property Damage. Until the Project is completed and accepted by the Borrower, the Borrower is required to maintain, or to require the contractor to maintain, Builder's Risk Insurance (fire and extended coverage) on a 100 percent completed value basis on the insurable portion of the Project. Such policies shall be endorsed with standard mortgage clauses making loss payable to HUD or its assigns, and may be endorsed to make loss during construction payable to the prime contractor and all subcontractors, as interest may appear. The contractor shall have evidence that these insurances are in force in the form of certificates of insurance supplied to the Borrower guaranteeing 30 days prior notice of any cancellation, non-renewal or material change in the insurance contract.

Section 20. Supervision and Inspection by HUD.

- a. HUD and its authorized agents shall, at all times during construction, have the right of entry and free access to the Project and the right to inspect all work done, all materials, equipment and fixtures furnished, installed or stored in and about the Project.
- b. The Borrower shall require of its contractors that HUD and its authorized agents be permitted, and itself permit them, to inspect all payrolls, records of personnel, invoices of materials and other relevant data and records appertaining to the development of the Project.
- c. The Borrower shall permit HUD and its authorized agents to audit the books, records, and accounts of the Borrower appertaining to the loan and the development of the Project.

Section 21. Submission of Proceedings, Contracts and Other Documents.

The Borrower shall submit to HUD such data, reports, records, and documents relating to the financing, construction, and operation of the Project and financial condition of the Borrower as HUD may require. Approval of HUD must be obtained prior to the assignment of any interest in or part of any contract relating to the Project.

Section 22. Security Agreement and Financing Statement.

The Borrower shall execute and deliver to HUD, upon completion of the Project, a security agreement and financing statement, or other similar instrument, covering all property of any kind whatsoever purchased with mortgage proceeds and concerning which there may be any doubt as

to such property's being subject to the lien of the Mortgage under the laws of the state in which the Project is situated.

Section 23. Wage Rates and Work Hours.

- a. Wages to be paid laborers and mechanics employed by contractors and subcontractors in the construction of the Project are required to be not less than the prevailing wage rates for corresponding classes of laborers and mechanics employed on construction of a similar character in the locality in which the work is to be performed, as determined by the Secretary of Labor with respect to this Project.
- b. Upon receipt of the list of wage rates determined by the Secretary of Labor in accordance with the Act of March 3, 1931 (Davis-Bacon Act, as amended), the Borrower shall include such list in all contracts calling for work on the Project and require adherence thereto. The Borrower shall also require of each of its contractors that such list shall be posted at appropriate conspicuous points on the site of the Project. Unless otherwise required by law, wage rates need not be listed for nonmanual workers, including executive, supervisory, administrative and clerical employees.
- c. If, after the award of the contract, it becomes necessary to employ any person in a trade or occupation not classified in the above list, such person shall be paid at not less than a rate to be determined by the Secretary of Labor. Such approved minimum rate shall be retroactive to the time of the initial employment of such person in such trade or occupation. The contractor shall notify the Borrower of its intention to employ persons in trades or occupations not classified in sufficient time for the Borrower to obtain approved rates for such trades or occupations.
- d. The Borrower shall comply with the provisions of the Contract Work Hours Standards Act (40 U.S.C. 327-332) and the applicable rules and regulations issued by the Secretary of Labor thereunder which are incorporated herein by reference. The Borrower shall cause to be inserted in each contract or subcontract subject to the Contract Work Hours Standards Act the specific provisions required by the above regulations.
- e. HUD may waive the application of subsections 23. a, b, c and d in cases or classes of cases where laborers or mechanics, not otherwise employed at anytime in the construction of the Project, voluntarily donate their services without full compensation for the purpose of lowering the costs of construction and HUD determines that any amounts saved thereby are fully credited to the Borrower.

Section 24. Violation of Wage Rates or Labor Standards.

The Borrower agrees that should any advances hereunder be ineligible for loan disbursement by reason of (1) the nonpayment of the said prevailing wage rates, or (2) violation of any of the applicable labor standards provisions of the regulations of the Secretary of Labor, HUD

may withhold from the Borrower all payments or advances payable to the Borrower hereunder until the Borrower establishes to the satisfaction of HUD that all laborers and mechanics or other persons employed in the construction of the Project have been paid said prevailing wage rates and that such violation of the said labor standards provisions no longer exists. The written statement of any officer of HUD declining to make any advance of funds hereunder by reason of such nonpayment or violation shall be deemed conclusive proof that such advances are ineligible for loan disbursement.

Section 25. Payment of Employees.

The Borrower shall require of its contractors that all employees engaged in work on the Project be paid in full (less deductions made mandatory by law) not less often than once each week.

Section 26. Wage Underpayments and Adjustments.

The Borrower shall require of each of its contractors that, in cases of underpayment of wages by the contractor, the Borrower may withhold from such contractor out of payments due, an amount sufficient to pay workers employed on the work covered by the contract, and the wages actually paid such workers for the total number of hours worked, and may disburse such amounts so withheld by it for and on account of the contractor to the respective employees to whom they are due.

Section 27. Copeland Act.

The Borrower shall comply with the provisions of the Copeland Act (Anti-Kickback) 48 Stat. 1948, as amended, and the applicable rules and regulations issued by the Secretary of Labor thereunder which are incorporated here in by reference. The Borrower shall cause to be inserted in each contract or subcontract subject to the Copeland Act the specific provisions required by the above regulations in the construction, prosecution, or completion of the Project to comply therewith, and to cause the subcontractors to do likewise.

Section 28. Nondiscrimination.

- a. The Borrower hereby agrees to incorporate or cause to be incorporated into any contract, or modification thereof, for construction work paid for in whole or in part with funds obtained pursuant to this Agreement, the following equal opportunity clause:

"During the performance of this contract, the contractor agrees as follows:

- (1) The contractor will not discriminate against any employee or applicant for employment because of race, color, religion, sex, or national origin. The contractor will take affirmative action to ensure that applicants are employed, and that employees are treated during employment without regard to their race, color, religion, sex, or national origin. Such action shall include but not be limited to, the following: employment, upgrading, demotion or transfer; recruitment or recruitment advertising;

layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided setting forth the provisions of this Equal Opportunity clause.

- (2) The contractor will, in all solicitations or advertisements for employees placed by or on behalf of the contractor, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex or national origin.
- (3) The contractor will send to each labor union or representative of workers with which he/she has a collective bargaining agreement or other contract or understanding, a notice to be provided advising the labor union or workers' representative of the contractor's commitments under Section 202 of Executive Order No. 11246 of September 24, 1965, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.
- (4) The contractor will comply with all provisions of Executive Order No. 11246 of September 24, 1965, and of the rules, regulations, and relevant orders of the Secretary of Labor.
- (5) The contractor will furnish all information and reports required by Executive Order No. 11246 of September 24, 1965, and by rules, regulations and orders of the Secretary of Labor, or pursuant thereto, and will permit access to the books, records, and accounts by the Department of Housing and Urban Development and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations and orders.
- (6) In the event of the contractor's noncompliance with the Equal Opportunity clauses of this contract or with any of such rules, regulations, or orders, this contract may be canceled, terminated, or suspended in whole or in part and the contractor may be declared ineligible for further Government contracts or federally assisted construction contracts, in accordance with procedures authorized in Executive Order No. 11246 of September 24, 1965, and such other sanctions may be imposed and remedies invoked as provided in Executive Order No. 11246 of September 24, 1965, or by rule, regulations, or order of the Secretary of Labor, or as otherwise provided by law.
- (7) The contractor will include the portion of the sentence immediately preceding paragraph (1) and the provision of paragraphs (1) through (7) in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to Section 204 of Executive Order No. 11246 of September 24, 1965, so that such provisions will be binding upon each subcontractor or vendor. The contractor will take such action with respect to any subcontract or purchase order as the Department

of Housing and Urban Development may direct as a means of enforcing such provisions, including sanctions for noncompliance: Provided, however, That in the event the contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the Department of Housing and Urban Development the contractor may request the United States to enter into such litigation to protect the interests of the United States."

- b. The Borrower further agrees that it will be bound by the above Equal Opportunity clause in any federally assisted construction work which it performs itself other than through the permanent work force directly employed by an agency of government.
- c. The Borrower agrees that it will cooperate actively with HUD and the Secretary of Labor in obtaining the compliance of contractors and subcontractors with the Equal Opportunity clause and the rules, regulations and relevant orders of the Secretary of Labor, that it will furnish HUD and the Secretary of Labor such information as they may require for the supervision of such compliance, and that it will otherwise assist HUD in the discharge of the Department's primary responsibility for securing compliance. The Borrower further agrees that it will refrain from entering into any contract or contract modification subject to Executive Order 11246 with a contractor debarred from, or who has not demonstrated eligibility for, Government contracts and federally assisted construction contracts pursuant to Part II, Subpart D of Executive Order 11246, and will carry out such sanctions and penalties for violation of the Equal Opportunity clause as may be imposed upon contractors and subcontractors by HUD or the Secretary of Labor pursuant to Part II, Subpart D of Executive Order 11246.

Section 29. State or Territorial Law.

Anything in this Agreement to the contrary notwithstanding, nothing in this Agreement shall require the Borrower to observe or enforce compliance with any provision thereof, perform any other act or do any other thing in contravention of any applicable State or territorial law: Provided, that if any of the provisions of this Agreement violate any applicable State or territorial law, or if compliance with the provisions of this Agreement would require the Borrower to violate any applicable State or territorial law, the Borrower will at once notify HUD in writing in order that appropriate changes and modifications may be made by HUD and the Borrower to the end that the Borrower may proceed as soon as possible with the construction of the Project.

Section 30. Rental Rates and Charges.

- a. The Borrower shall establish and maintain so long as the Note is outstanding, such rental rates and charges for the use of the Project and such other facilities the revenues of which are pledged to the payment of the Note as may be necessary together with any other funds herein pledged to provide: the operating and maintenance expenses

of said facilities; the debt service on the Note; the required reserve therefor; and the repair and replacement reserve.

- b. As security for the loan, for the required payments under this Agreement into the Reserve Accounts herein provided for, and for all other obligations of the Borrower under this Agreement, the Borrower hereby assigns, pledges and mortgages to HUD all its rights to the income and charges of whatever sort which it may receive or be entitled to receive from the operation of the mortgaged property, subject, however, to any assignment of rents or project income in the mortgage referred to herein. Until a default is declared under this Agreement however, permission is granted to the Borrower to collect and retain under the provisions of this Agreement such rents, profits, income and charges, but upon default this permission is terminated, as to all rents, profits, income and charges due or collected thereafter.

Section 31. Investment of Funds in Reserve Accounts.

Moneys deposited by the Borrower to the credit of the Debt Service Payment and Reserve Account and the Repair and Replacement Reserve Account may be invested by the Borrower in interest bearing accounts insured by the United States Government or in direct obligations of, or obligations the principal of and the interest on which are guaranteed by, the United States Government. Such investments shall be deemed at all times to be a part of the respective reserve. The interest accruing thereon and any profit realized from such investments shall be deposited into the respective reserve.

Section 32. Insurance on Completed Projects.

- a. Upon receipt of funds acquired pursuant to the Loan Agreement, the Borrower shall, if such insurance is not already in force, procure and maintain on any of its buildings, which secure the Note or the revenues of which are pledged to the security of the Note, the following insurance coverage:
 - (1) Fire and Extended Coverage Insurance to be in amounts sufficient to prevent the Borrower from becoming a co-insurer and, in any event, in amounts not less than eighty percent of the current insurable value of such building.
 - (2) Flood Insurance, under the National Flood Insurance Program, must be purchased where available to cover any such buildings located in a special flood hazard area as indicated by the Federal Insurance Administration in an amount equal to (a) the maximum insurance that can be purchased or (b) eighty percent of the current value of the buildings, whichever is lesser. (Communities in which such special flood hazard areas have been identified have one year from the date of that identification to participate in the program or be ineligible for such loans if all or a portion of them would be used for buildings in such special flood hazard areas.)

- (3) Boiler Insurance covering steam boilers in a minimum amount of \$50,000 or 15 percent of the building value whichever is greater.

The foregoing insurance shall be maintained so long as the Note is outstanding and each such insurance policy shall be acceptable to HUD and shall contain a standard mortgage clause naming as mortgagee the United States of America acting by and through the Secretary of Housing and Urban Development, his/her successors or assigns, as his/her interest may appear.

In the event of any damage to or destruction of any said building or buildings, the Borrower shall promptly arrange for the application of the insurance proceeds for the repair or reconstruction of the damaged or destroyed portion thereof, or repayment of the outstanding Note.

- b. Upon receipt of any funds acquired pursuant to the Loan Agreement, the Borrower shall, if such insurance and fidelity bonding is not already in force, procure and maintain on all locations and operations of the Borrower, so long as the Note is outstanding:
 - (1) Comprehensive General Liability Insurance including the hazards of Independent Contractors and/or Contractual Liability (if necessary) with limits of not less than \$300,000 per occurrence to protect the Borrower from claims for bodily injury and/or death which may arise from the Borrower's operations.
 - (2) Comprehensive Automobile Liability Insurance with limits of not less than \$100,000 for one person and \$300,000 for more than one person involved in one occurrence to protect the Borrower from claims for bodily injury and/or death, and not less than \$10,000 against claims for damage to property of others which arise from the Borrower's operation of owned vehicles.
 - (3) Blanket Employers Non-Owned Automobile Liability for all operations and locations with limits of not less than \$100,000 for one person and \$300,000 for more than one person involved in one occurrence to protect the Borrower from claims for bodily injury and/or death, and not less than \$10,000 against claims for damage to property of others which may arise from the Borrower's employees' operation of vehicles on the Borrower's business.
 - (4) Blanket Fidelity Bond covering all officials and employees, during acquisition, construction and development of the Project, in the amount of not less than \$50,000 unless a greater amount is required by the Borrower; and that after completion of the Project such officials and employees shall be bonded in the following amounts: (a) those who sign or countersign checks, \$50,000 or two months' gross revenues, whichever is greater;

(b) any other employees \$50,000 or one months' gross revenues, whichever is the greater unless greater amounts are required by Borrower.

(5) Workmen's Compensation Insurance and/or Employer's Liability Insurance (statutory or voluntary) for all of its employees during acquisition, construction, development and operation of the Project.

c. Immediately upon occupancy of any portion of the Project and so long thereafter as the funds and investments in the Debt Service Payment and Reserve Account are less than the maximum debt service reserve required by the provisions of this Loan Agreement, the Borrower shall procure and maintain Rental Income Insurance on each building, the revenues of which are pledged to payment of the Note, in an amount sufficient to enable the Borrower to deposit into the Revenue Fund Account, out of the proceeds of such insurance, amounts equal to the sum that would normally have been available for such purposes from the revenues of the damaged building during the time the damaged building is non-revenue producing as a result of loss of use caused by the perils covered by Fire, Extended Coverage or Boiler Explosion.

Section 33. Encumbrance, Transfer, or Change in Use of Project.

The Borrower shall not without the written approval of HUD:

- a. Transfer, dispose of or encumber any of the mortgaged property. Any such transfer shall be only to a person or persons or corporation satisfactory to and approved by HUD, who shall, by legal and valid instrument in writing, to be recorded or filed in the same recording office in which conveyances of the property covered by the mortgage are required to be filed or recorded, duly assume all obligations under this Agreement and under the Note and Mortgage;
- b. Assign, transfer, dispose of, or encumber any personal property, including rents or charges, and shall not disburse or pay out any funds except as provided herein;
- c. Remodel, reconstruct, add to, or demolish any part of the mortgaged property or subtract from any real or personal property of the project;
- d. Permit the use of any portion of the project, or any other facility the revenues of which are pledged to secure the Note, for any purpose except that for which the loan was made.

Section 34. Maintenance of Project and Its Site:

The Borrower shall maintain the mortgaged premises, accommodations and the grounds and equipment appurtenant thereto, in good and substantial

repair and condition: Provided that, in the event all or any of the buildings covered by the mortgage shall be destroyed or damaged by fire or other casualty, the money derived from any insurance on the property shall be applied in accordance with the terms of the mortgage.

Section 35. Bankruptcy.

The Borrower shall not file any petition in bankruptcy, or for a receiver, or in insolvency, or for reorganization or composition, or make any assignment for the benefit of creditors or to a trustee for creditors; or permit an adjudication in bankruptcy, the taking possession of the mortgaged property or any part thereof by a receiver, or the seizure and sale of the mortgaged property or any part thereof under judicial process or pursuant to any power or sale, and fail to have such adverse actions set aside within 45 days.

Section 36. Audit and Inspection.

- a. The mortgaged property, equipment, buildings, plans, offices, devices, books, apparatus, contracts, records, documents, and other papers relating thereto shall at all times be maintained in reasonable condition for proper audit and subject to examination and inspection at any reasonable time by HUD and its duly authorized agents. The Borrower or its agents shall keep copies of all written contracts or other instruments which affect the mortgaged property, all or any of which may be subject to inspection and examination by HUD or its duly authorized agents.
- b. The Borrower covenants that it will keep accurate financial records and proper books in form and substance acceptable to HUD relating to the Project, other facilities, the revenues of which are pledged to secure the Note and any other pledged revenue and sources. Such books and records shall be open to inspection by HUD. The Borrower further covenants that not later than 90 days after the close of each fiscal year it will furnish to HUD copies of audit reports prepared by an independent public accountant reflecting in reasonable detail the financial condition and record operation of the Borrower, the Project, other pledged facilities, and other pledged revenue sources, including particularly the occupancy of, use of services provided by, rates charged for the use of, and insurance on, the Project and other pledged facilities, and the status of the several accounts and funds required by the Loan Agreement.
- c. At the request of HUD, its agents, employees, or attorneys, the Borrower shall give specific answers to questions upon which information is desired from time to time relative to the income, assets, liabilities, contracts, operation and condition of the property and the status of the Mortgage and any other information with respect to the Borrower or the mortgaged property and of the Project which may be requested.

Section 37. Default Subsequent to Project Completion.

Upon a violation of any of the above provision of this Agreement by the Borrower, HUD may give written notice thereof to the Borrower by registered or certified mail. If such violation is not corrected to the satisfaction of HUD within 30 days after the date such notice is mailed or within such further time as HUD determines it is necessary to correct the violation, without further notice HUD may declare a default under this Agreement effective on the date of such declaration of default and upon such default HUD may:

- a. Take possession of the project, bring any action necessary to enforce any rights of the Borrower growing out of the Project operation, and operate the Project in accordance with the terms of this Agreement until such time as HUD in its discretion determines that the Borrower is again in a position to operate the Project in accordance with the terms of this Agreement and in compliance with the requirements of the Note and Mortgage.
- b. Collect all rents and charges in connection with the operation of the Project and use such collections to pay the Borrower's obligations under this Agreement and under the Note and Mortgage, and the necessary expenses of preserving the property and operating the Project.
- c. Declare the whole of said indebtedness immediately due and payable and then proceed with the foreclosure of the Mortgage.
- d. Apply to any court, State or Federal, for specific performance of this Agreement, for an injunction against any violation of the Agreement, for the appointment of a receiver to take over and operate the Project in accordance with the terms of the Agreement, or for such other relief as may be appropriate, since the injury to HUD arising from a default under any of the terms of this Agreement would be irreparable and the amount of damages would be difficult to ascertain.
- e. Terminate this Agreement without any further liability on the part of HUD.

Section 38. Filing in Public Records.

The Borrower shall cause this instrument to be filed or recorded in the public records as a part of the Mortgage or Deed of Trust.

Section 39. Waivers.

Subject to applicable Federal law, any right or remedy which HUD may have under this Agreement may be waived in writing by HUD by a formal

waiver and either with or without the execution of an amendatory or supplementary agreement, if, in the judgment of HUD, this Agreement, as so modified, will still conform to the provisions and requirements of applicable law.

Section 40. Members of Congress.

No member of or delegate to the Congress of the United States shall be admitted to any share or part of this Agreement or to any benefit arising herefrom.

Section 41. Bonus or Commission.

By execution of this Agreement, the Borrower represents that it has not paid, and, also, agrees not to pay, any bonus, commission, or fee for the purpose of obtaining an approval of its application for the loan hereunder.

Section 42. Third Parties.

This Agreement is not for the benefit of third parties, and HUD shall be under no obligation to any such parties, whether or not directly interested in said Agreement, to pay any charges or expenses incident to compliance by the Borrower with any of its duties or obligations hereunder.

EDUC. AMORTIZATION SYSTEM

PAYMENT SCHEDULE FOR

Eastern Washington Univ CH-WA-801

PRINCIPAL: 498000.00
 INTEREST RATE: 3.000
 NO. OF PAYMENTS: 14
 PAYMENT FREQ.: SEMI-ANNUAL
 PERIODIC PAYMENT: 39702.21

PAYMENT NUMBER	PAYMENT TO INTEREST	PAYMENT TO PRINCIPAL	BALANCE
1	7470.00	32232.21	465767.79
2	6986.52	32715.69	433052.10
3	6495.78	33206.43	399845.67
4	5997.69	33704.52	366141.15
5	5492.12	34210.09	331931.06
6	4978.97	34723.24	297207.82
7	4458.12	35244.09	261963.73
8	3929.46	35772.75	226190.98
9	3392.86	36309.35	189881.63
10	2848.22	36853.99	153027.64
11	2295.41	37406.80	115620.84
12	1734.31	37967.90	77652.94
13	1164.79	38537.42	39115.52
14	586.73	39115.52	0.0
	LAST PAYMENT =	39702.25	

TOTAL TO INTEREST = 57830.98

TOTAL TO PRINCIPAL = 498000.00

UNITED STATES DEPARTMENT OF EDUCATION
COLLEGE HOUSING PROGRAM
FEDERALLY ASSISTED CONSTRUCTION REQUIREMENTS
BORROWER'S CERTIFICATION

Project Number _____

I, _____, duly authorized representative of
_____ certify that, as appropriate
(Institution)

the construction or renovation of Project No. _____, funded
in part with a loan under the College Housing Program will be undertaken
in compliance with the provisions of the following Federal laws and
standards applicable to construction undertaken with Federal assistance.

- (1) The requirements for competitive bidding on contracts (OMB CIR. A-110)
- (2) The requirements governing wage rates under the Davis-Bacon Act (40 U.S.C. 276a).
- (3) The Contract Work Hours Standards Act (40 U.S.C. 327 - 322).
- (4) The anti-kick back prohibitions in the Copeland Act (18 U.S.C. 874).
- (5) The environmental impact requirements of section 102(2)(C) of E.O.11514 and the Environmental Policy Act (42 U.S.C. 4321 - 4347).
- (6) The requirements governing Historic Sites Preservation (16 U.S.C. 461 - 467).
- (7) The health and safety requirements under the Occupational Safety and Health Administration Act (29 U.S.C. 651-678).
- (8) The requirements governing relocation assistance (42 U.S.C. 4633).
- (9) The requirements governing compliance with the National Flood Insurance Act of 1968 (42 U.S.C. 4001 - 4127).

(10) Government requirements implementing the Clean Air Act (42 U.S.C. 7641).

(11) The provisions of Title VIII Fair Housing of the Civil Rights Act of 1968 (42 U.S.C. 3601 - 3619).

(12) The prohibition against the use of Lead Based Paint (42 U.S.C. 4801).

(13) The requirements under E.O. 11296 -- Evaluation of Flood Hazard in locating Federally Owned or Financed Buildings, Roads, and Other Facilities, and in Disposing of Federal Lands and Properties.

(14) The provisions of E.O. 11246 governing equal opportunity in employment.

(15) the requirements of the Architectural Barriers Act of 1968 (42 U.S.C. 4155).

Signature


Name and Title

Date

EWU

Memorandum

To: Dr. H. G. Frederickson, President

From: Russ Hartman, Vice President, Business and Finance 

Date: March 13, 1985

Subject: Services and Activities Fees Budgeting Guidelines

At last month's meeting of the Board of Trustees, I distributed as an information item a copy of a memo from me to Thayne Stone regarding guidelines for development of the services and activities fee budget. Adoption of such guidelines by the Board of Trustees is a statutory requirement, and Board members were advised that we would be bringing formal guidelines up for adoption at the March meeting.

The attached document outlines the recommendation for "Guidelines for Development of Services and Activities Fees Budget" which has been discussed and agreed upon among my office, the Office of the Provost for Student Services and the Associated Students. All of us agree that this is a required housekeeping item and that it represents no significant change from our current operations.

I recommend that the Board of Trustees adopt the attached "Guidelines for Development of Services and Activities Fees Budget" at its March 1985 meeting.

pm/1wb

GUIDELINES FOR DEVELOPMENT OF
SERVICES AND ACTIVITIES FEES BUDGET

The following guidelines are hereby adopted in compliance with RCW 28B.15.045. This statute states: "The Board of Trustees and the Board of Regents of the respective institutions of higher education shall adopt guidelines governing the establishment and funding of programs supported by Services and Activities Fees."

- I. A "Services and Activities Fees Committee" shall be established.
 - A. Committee membership shall be comprised of:
 1. Associated Students President
 2. Associated Students Finance Vice President
 3. Director of Financial Services
 - B. The primary responsibility of the Committee will be to recommend budgets to the Vice President for Student Services for the following activities:
 1. All activities under Fund Code 0-19522 (ASEWU--Associated Students)
 2. All activities under Fund Code 0-19521 (ASEWU--Related Activities)
 3. Those activities that are funded directly by Services and Activities Fees under Account Code 0-19523 (ASEWU--Athletics)
- II. The Vice President for Student Services will be responsible for developing and presenting the administration's proposed Services and Activities Fees budgets in the same categories as outlined above.
- III. Both the Services and Activities Fees budgets developed by the Committee and the administrative recommendations developed by the Vice President for Student Services are to be completed in a timely manner and coordinated with the development of the annual University budget which goes to the Board of Trustees for consideration in May of each year.
- IV. In the event that the administration's proposal is in exact agreement with the recommendation developed by the Services and Activities Fees Committee, the Vice President for Student Services shall so notify the Committee, and a notation to that effect shall be included in the presentation of the total University budget to the Board of Trustees.
- V. In the event that there is a difference between the two budget recommendations, the Vice President for Student Services will prepare a written response to the Services and Activities Fees Committee outlining areas of difference between the Committee recommendation and the administration's proposed budget recommendation.

- VI. The Vice President for Student Services will present the administration recommendation for the budgeting of Services and Activities Fees to the Board of Trustees at its May meeting each year. In the event that there is a difference between the administration recommendation and that coming from the Services and Activities Fees Committee, the Vice President for Student Services will ensure that the provisions of RCW 28B.15.045, for a full discussion of the areas of difference, is provided at the Board meeting.

March 21, 1985

January 11, 1985

GENERAL STUDIES/CREDIT THROUGH EVALUATION
Program Review and Profile

Ce (not)
UPT Program 5

- There have been 330 students in the General Studies B program from 1978 to February 1984.
- As of Winter quarter 1984, there are 172 active students.
- A total of 276 students have been evaluated for credit in the CTE program.
- As of this time, 89 students have graduated or 27% of those who entered the program.
- Currently 69 students have dropped out of the program, which is 21% of those who entered.
- The average GPA of graduates was 3.19 compared to a university average for that same period of 3.08.
- A total of 36% of General Studies graduates graduated with honors including:
 22% = Cum Laude 8% = Magna Cum Laude 6% = Summa Cum Laude
 *Two General Studies students have received the Mary Shields Wilson award for academic excellence.
- The average number of credits received by students in the CTE process is 35.
- Eight percent of the evaluated students have received the maximum award of 60 credits.
- Twenty-six academic departments have done CTE portfolio evaluations.
- Fifty individual faculty members have evaluated student portfolios.
- Range of CTE credit awards given by departments which have evaluated five or more portfolios is a high average of 44 credits to a low average of 30 credits.

THE FOLLOWING INFORMATION WAS COLLECTED FROM STUDENT QUESTIONNAIRS

- Student perception of the quality of the evaluation process used in the CTE program:
 65% = Excellent 27% = Good 8% = Poor
- Student perception of the quality of the portfolio preparation course:
 65% = Excellent 34% = Good 1% = Poor
- Student perception of the quality of advising received toward the General Studies degree:
 56% = Excellent 38% = Good 6% = Poor

- Seventy-nine percent of the students reported unexpected benefits as a result of the Portfolio Development process. The following are examples of benefits students indicated:

Helped me get into a masters program
 Personal satisfaction
 Self-achievement
 Self-confidence
 New career goals

Increased self-awareness
 Job development
 Self-direction
 Skills development
 Learned value of past experiences

- Forty-six percent of the students reported they encountered problems in completing their General Studies degrees. The following are examples of problems they indicated:

Changes in GURs
 No GUR advising
 Cashier receipt system (off-campus)
 Courses not available in the evenings

Work and family commitments
 Moved out of the area
 Difficult to get GURs at night
 Difficult to meet math/science requirements

- The following figures indicate the employment status of General Studies students who responded to the questionnaire:

83% = Employed 12% = Graduate School 5% = Retired

*80% of those employed are making over \$16,000 per year salary.

- Twenty-nine students indicated they are currently attending or plan to attend graduate school, with Communications, Business and Psychology the most frequently listed fields of study.

THE FOLLOWING INFORMATION WAS COLLECTED FROM QUESTIONNAIRES AND INTERVIEWS WITH FACULTY:

- Masters' programs from EWU, Gonzaga, Whitworth, and WSU were surveyed. The response from the twelve program directors who responded indicated that as long as a student met the prerequisite requirements and grade-point average for their master's program, they would be admitted with a General Studies degree.
- EWU faculty evaluators' assessments of the training they received in the portfolio evaluation process is listed below:
 Excellent = 12% Good = 53% Fair = 35% Poor - 0
- One hundred percent of the faculty responding to the survey indicated they had received adequate support from the CEL staff in the CTE/General Studies program.

EXTERNAL EVALUATIONS

During 1984 the CEL submitted to the Northwest Association of Schools and Colleges, Commission on Colleges, the General Studies B degree offerings in Tri-Cities, Colville, Walla Walla, and Moses Lake. We designated the General Studies degree in these locations as substantive changes and had each location reviewed as a separate, individual degree site.

In addition to the Commission review, the Northwest Association arranged for an independent evaluator to conduct a site visit and evaluation at the Walla Walla and Tri-Cities sites. This evaluation was conducted by Dr. Pat O'Rourke, Chancellor, University of Alaska-Fairbanks. I quote from the final comments in his report to the Commission:

". . .this is as strong a model of an off-campus general studies program as this evaluator has seen."

As of December 7, 1984, EWU received from the Northwest Association of Schools and Colleges accreditation on all of the General Studies off-campus programs.

If you see the program more than once, please fill out one survey only.

RIVERFRONT PARK CITIZEN SURVEY

Your responses will be tallied with thousands of others. A summary of the results will be presented for the first time on Monday, December 10th, 7:30 - 8:30 p.m. at Lewis & Clark High School.

Now — as you see the options reviewed, check **one** blank for **each** option. For you and your family and friends going to the park, is the option desirable or not?

	Desirable	No Opinion	Not Desirable
A. Status Quo	52.6 <input type="checkbox"/>	19.3 <input type="checkbox"/>	28.1 <input type="checkbox"/>
B. The Way of Water	44.7 <input type="checkbox"/>	18.9 <input type="checkbox"/>	36.4 <input type="checkbox"/>
C. Enriched Pavilion	50.1 <input type="checkbox"/>	23.8 <input type="checkbox"/>	26.0 <input type="checkbox"/>
D. Howard Street Corridor/ North Bank Activity Link	57.4 <input type="checkbox"/>	17.4 <input type="checkbox"/>	25.2 <input type="checkbox"/>
E. NW Territory Exhibit/ Amusement Complex	48.5 <input type="checkbox"/>	13.0 <input type="checkbox"/>	38.5 <input type="checkbox"/>

Annual Park Operating Cost	Proposed bonding	Cost per year for 10 years if house evaluated at \$50,000	Private Investment	If this Bond Issue were voted on, how would you vote?	How would you vote about the proposed commercial development in the park?
A: Status Quo	\$500,000*	\$1,600,000	\$3.50	64.6 <input type="checkbox"/> Yes <input type="checkbox"/> No	35.3 none No vote required
B: The Way of Water	\$425,000	\$3,300,000	\$7.00	44.3 <input type="checkbox"/> Yes <input type="checkbox"/> No	55.7 none No vote required
C: Enriched Pavilion	\$345,000	\$3,000,000	\$6.50	59.4 <input type="checkbox"/> Yes <input type="checkbox"/> No	45.6 3-10M <input type="checkbox"/> Yes <input type="checkbox"/> No
D: Howard St. Corridor/ Activity Link	\$155,000	\$3,750,000	\$8.00	55.8 <input type="checkbox"/> Yes <input type="checkbox"/> No	44.2 3-8M <input type="checkbox"/> Yes <input type="checkbox"/> No
E: NW Territory Exhibit/ Amusement Complex	\$ 50,000	\$1,600,000	\$3.50	63.9 <input type="checkbox"/> Yes <input type="checkbox"/> No	46.0 9M <input type="checkbox"/> Yes <input type="checkbox"/> No

*5-year average — (1984 cost - \$385,000)

18.0 13.6 15.7 24.1 28.5

If you could only choose one, which would you choose? Circle one. A B C D E

This idea fits with all the options. Please state your opinion.

	65.6	20.7	13.7
	Desirable	No Opinion	Not Desirable
World Community Park	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Listed below are possibilities for the Park. Check "yes" only when that item would be an important factor towards bringing you to the Park.

	Yes	No Opinion	No		Yes	No Opinion	No
Amusements on North Bank	43.9	20.5	35.6	More Open Space	42.2	31.2	26.7
Amusements by Pavilion	41.0	17.7	41.3	Museum Exhibits	69.8	19.9	10.3
Amusements in Pavilion	50.1	18.3	31.6	Neighbor Day (July 4)	75.9	16.1	8.0
Amusements in Old Coliseum	39.2	26.4	35.4	NW Territory Theme Activities	47.5	27.3	25.3
Annual Food Fair	79.0	13.4	7.7	Open-Air Craft/Exhibit/Restaurant Bldg.	63.6	21.3	15.1
Artists' Booths	64.6	22.8	12.6	Public Market	66.3	18.1	15.6
Bicycle Paths	60.7	21.0	18.2	Quiet Areas	73.3	17.6	9.1
Carrousel	87.0	8.5	4.5	Recreational Water Features	49.8	25.1	25.2
Gondola Ride	65.5	28.7	13.8	Restaurant	66.4	17.9	15.7
Grand Fountain	55.9	24.3	19.8	Science Center	73.3	17.3	9.4
Grassy Areas	88.3	7.9	3.9	Sidewalk Shops on Howard Street	63.0	18.4	18.6
Educational Water Exhibits	47.7	26.9	25.4	Skating Rink	64.0	21.5	14.5
Expanding the Park's acreage	42.7	28.2	29.1	Swans/Ducks	79.6	14.3	6.0
IMAX Theater	83.7	11.9	4.4	Transportation Across Park	47.5	24.3	28.2
Less Commercial Than At Present	18.2	41.5	40.2	20-Story Observation Tower	43.9	15.2	40.9
Major Roller Coaster	34.6	16.9	48.5	Vendor Carts	50.2	27.1	22.7


1. Are you a registered voter? 74.7 Yes 25.2 No
2. Do you live within the city limits of Spokane? 71.8 Yes 28.2 No _____ Zip Code
3. In which of the following categories is your age? 18.2 Under 18 29.7 18 to 39
- 32.9 40 to 64 19.1 65 and over
4. 50.7 Male 49.2 Female
5. Do you own the home you live in? 67.8 Yes 32.1 No
6. How often in the last six months have you been to the Park? 11.8 Not at all 37.6 1 to 3 times
- 21.9 4 to 6 times 10.4 7 to 10 times 18.3 More than 10 times

Turn this in to the leader of your meeting. Do not mail.

EWU

Memorandum

To: Dr. H. G. Frederickson, President

From: Russ Hartman, Vice President, Business and Finance 

Date: March 13, 1985

Subject: Board of Trustees Informational Item - 1985-87 Capital Budget

Attached is a summary of the Capital Budget for 1985-87 which has been proposed for Eastern by Governor Spellman and Governor Gardner. Both proposals were identical and there is no indication that there will be any significant change when the Capital Budgets of the Senate and House of Representatives are presented later in the session.

We continue to work on additional funding for the science building project. While the prospects for new funding are not very bright, every effort is being made to see that legislators understand that Eastern's first priority for improvement in the Capital Budget lies with this project.

I recommend that the attached information be presented to the Board of Trustees as an informational item at its March 1985 regular meeting.

pm/1Wd

Eastern Washington University
1985-87 Biennium Capital Budget Request
and 1985-91 Facility and Capital Plan
Summary


Mar-85

Plan Priority	Project Title	EMU Estimated Total Cost	Governor Spellman Estimated Total Cost	Prior To 1985-87 Biennium Estimated Expenditures	1985-87 Reappropriation	1985-87 Biennium Appropriations		1987-89 Biennium Appropriations		1989-91 Biennium Appropriations	
						EMU Requested	Governor Proposed	EMU Requested	Governor Proposed	EMU Requested	Governor Proposed
1	Science Building Addition	\$10,100,000	\$5,149,000	\$200,000	\$200,000	\$9,700,000	\$1,677,000	\$0	\$3,072,000	\$0	\$0
2	Math Science & Technology Building	3,648,000	2,838,000	197,000	0	3,451,000	2,641,000	0	0	0	0
3	Kennedy Library Addition/HVAC	10,052,000	0	32,000	0	20,000	0	10,000,000	0	0	0
4	Electrical System Renewal	1,513,000	1,513,000	0	0	1,513,000	1,513,000	0	0	0	0
5	Roof Replacement	1,200,000	1,200,000	0	0	600,000	600,000	300,000	300,000	300,000	300,000
6	Water Storage Distribution System	1,170,000	1,170,000	0	0	1,170,000	1,170,000	0	0	0	0
7	Fire Suppression Systems	9,587,000	4,450,000	0	0	50,000	50,000	6,230,000	1,900,000	3,307,000	2,500,000
8	Energy Conservation	4,957,000	1,500,000	0	0	1,600,000	500,000	2,557,000	500,000	800,000	500,000
9	Higher Education Center	2,200,000	0	0	0	2,200,000	0	0	0	0	0
10	Health Sciences	4,000,000	0	0	0	2,500,000	0	1,500,000	0	0	0
11	New Instructional Equipment	1,331,000	0	0	0	1,331,000	0	0	0	0	0
12	Minor Works	5,432,000	4,560,000	0	0	1,532,000	660,000	1,800,000	1,000,000	2,100,000	2,100,000
13	Small Repairs and Improvements	1,768,000	1,376,000	0	0	468,000	76,000	600,000	600,000	700,000	700,000
14	Minor Capital	1,766,000	1,766,000	1,334,000	432,000	0	0	0	0	0	0
15	Patterson HVAC Renewal	1,515,000	0	0	0	15,000	0	1,500,000	0	0	0
16	Science Building Renewal	6,120,000	0	0	0	120,000	0	6,000,000	0	0	0
17	Senior Hall Renewal	2,500,000	0	0	0	30,000	0	2,470,000	0	0	0
18	Monroe Hall Renewal	2,500,000	0	0	0	30,000	0	2,470,000	0	0	0
19	Radio/TV Addition	1,020,000	0	0	0	0	0	20,000	0	1,000,000	0
20	Showalter Renewal	1,000,000	0	0	0	0	0	20,000	0	980,000	0
21	Music Addition	1,530,000	0	0	0	0	0	30,000	0	1,500,000	0
22	Art Building Addition	1,325,000	0	0	0	0	0	25,000	0	1,300,000	0
23	Local Plant	3,695,000	3,695,000	0	0	1,095,000	1,095,000	1,200,000	1,200,000	1,400,000	1,400,000
Total		\$79,929,000	\$29,217,000	\$1,763,000	\$632,000	\$27,425,000	\$9,982,000	\$36,722,000	\$9,372,000	\$13,387,000	\$7,500,000
Fund Summary											
State General Fund		\$1,331,000	\$0	\$0	\$0	\$1,331,000	\$0	\$0	\$0	\$0	\$0
Higher Ed Construction Acct.-State		197,000	197,000	197,000	0	0	0	0	0	0	0
State Facilities Renewal		0	1,513,000	0	0	0	1,513,000	0	0	0	0
State Higher Ed Const. Account		65,308,000	14,033,000	0	0	22,999,000	4,961,000	33,122,000	5,772,000	9,187,000	3,300,000
EMU Capital Projects Account		9,398,000	9,779,000	1,566,000	632,000	2,000,000	2,413,000	2,400,000	2,400,000	2,800,000	2,800,000
EMU Local Plant Funds		3,695,000	3,695,000	0	0	1,095,000	1,095,000	1,200,000	1,200,000	1,400,000	1,400,000
Total		\$79,929,000	\$29,217,000	\$1,763,000	\$632,000	\$27,425,000	\$9,982,000	\$36,722,000	\$9,372,000	\$13,387,000	\$7,500,000

EWU

Memorandum

To: Dr. H. G. Frederickson, President

From: Russ Hartman, Vice President, Business and Finance 

Date: March 13, 1985

Subject: Board of Trustees Informational Item - 1985-87 Operating Budget

Attached is a copy of the material which was distributed on March 14, 1985, to members of the House Ways and Means Committee during the higher education budget hearings. I have also included a copy of the testimony which I gave before the committee on that date. This is a "point in time" picture of the development of our 1985-87 operating budget which reflects our response to the specific budget proposal of Governor Gardner. As you know, both the Senate and the House of Representatives will develop additional budget proposals before we can have any clear picture of our budget situation for the next biennium.

I recommend that this information be presented to the Board of Trustees as an informational item at its March 1985 regular meeting.

pm/1Wc

HOUSE WAYS AND MEANS COMMITTEE
BUDGET HEARING
FOR
EASTERN WASHINGTON UNIVERSITY

March 14, 1985

1985-87 UNIVERSITY OBJECTIVES

- To continue the provision of high quality baccalaureate and master's level educational services to the Spokane region.
- To implement new degree programs required to support educational needs of Spokane's business and industrial community.
- To meet the continuing demand for educational services by Spokane's older, working students who make up an ever-increasing percentage of Eastern's enrollment.

THE 1985-87 OPERATING BUDGET PROPOSED BY GOVERNOR GARDNER

- The budget is intended to provide for "carryforward" of current service levels. Certain technical questions still being discussed with staff make even this assumption somewhat questionable.
- It provides no funding for even the most critical "decision packages" included in Eastern's request.
- It requires that Eastern reduce its current enrollment.
- It introduces a new concept in funding faculty salary increases that is inequitable and divisive.

PRIORITY FOR CHANGE FROM GARDNER BUDGET

1. Provide equity in the funding of faculty salary increases.
2. Provide funding or flexibility to allow Eastern to maintain existing enrollment levels through the 1985-87 biennium.
3. Restore the "decision package" funding proposed in the Governor Spellman budget.

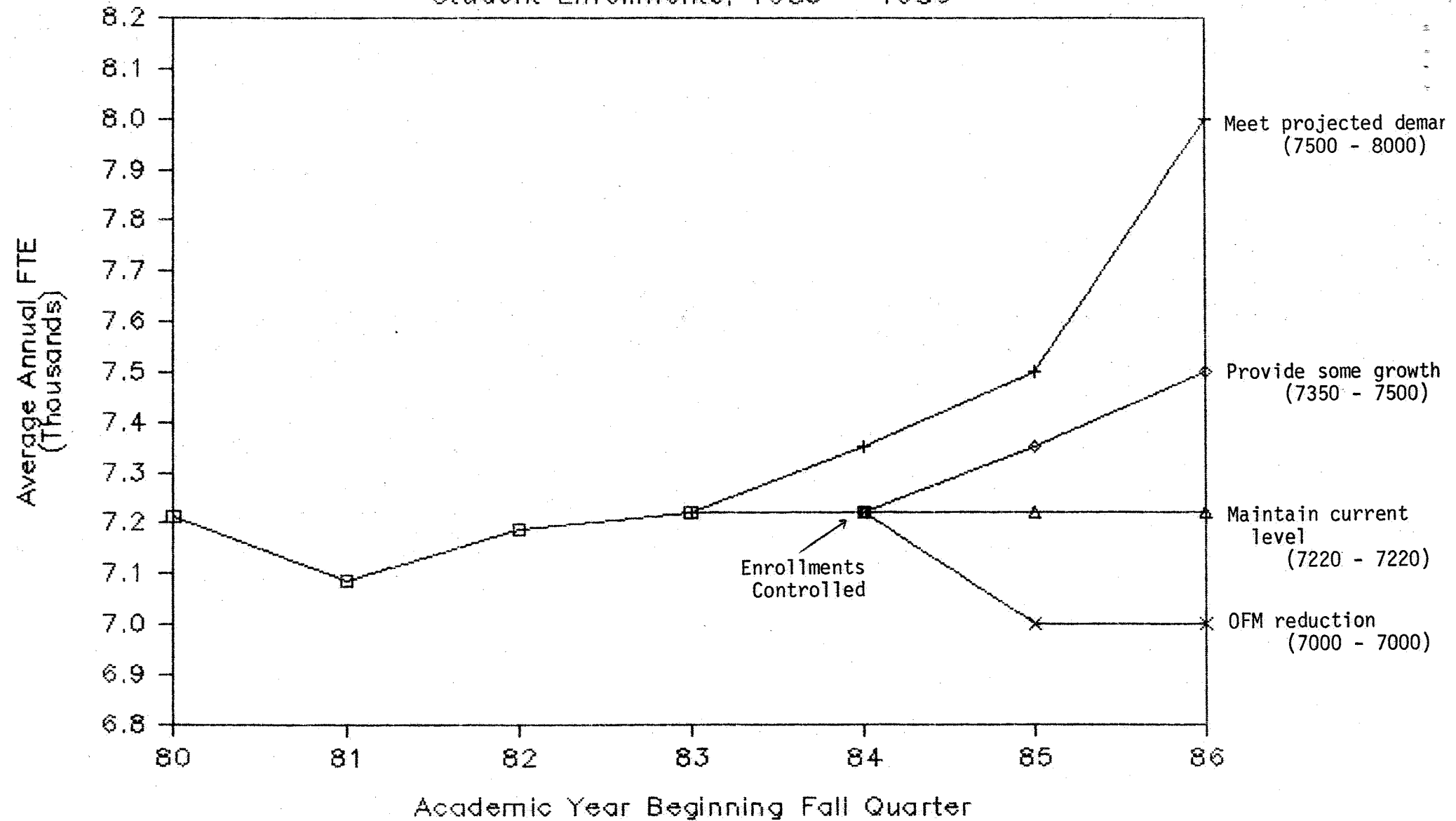
Eastern Washington University
 Educational and General Operations
 and Grants and Contracts
 1985-87 Biennium Operating Budget Request
 Summary

File: Bot87prp

	EWU Budget Request	Governor Spellman Proposed Budget	Governor Gardner Proposed Budget
Educational and General Operations:			
1983-85 Biennium Budget	\$71,200,381	\$71,200,381	\$71,200,381
Carryforward Costs to Maintain Current Services	4,958,541	3,920,852	3,475,588
1985-87 Projected Current Service Level (PCSL)	76,158,922	75,121,233	74,675,969
Percentage Increase Over 1983-85	7.0%	5.5%	4.9%
Projected Inflation Cost	1,097,499	832,414	385,436
1985-87 Biennium PCSL	77,256,421	75,953,647	75,061,405
Percentage Increase Over 1983-85	8.5%	6.7%	5.4%
1985-87 Requested Decision Packages			
1. Provide Equity for Faculty Salaries	1,741,680	0	0
2. Maintain Quality for Increased Enrollment	2,681,600	0	0
3. Meet Demand for Instructional Services in Spokane	2,841,700	0	0
4. Preparation for Implementation of Doctoral Degrees	492,500	0	0
5. Improvement of Instructional Support	6,349,143	680,760	0
6. Meet Existing/Projected Demand in Academic Computing	1,514,500	350,000	0
7. Intitiate K-12 Teacher Improvement Program	706,500	400,000	0
8. Rehabilitation of Campus Buildings and Grounds	1,268,000	438,561	0
9. Update Administrative Computing	437,000	0	0
10. Restore Summer Session Offerings	720,500	0	0
11. Provide for General Workload/Services Improvements	676,300	0	56,576
Total Decision Packages	19,429,423	1,869,321	56,576
Subtotal Educational and General Operations	96,685,844	77,822,968	75,117,981
Percentage Increase Over 1983-85	35.8%	9.3%	5.5%
Grants and Contracts	4,800,000	5,123,318	5,042,178
Total 1985-87 Biennium Budget	\$101,485,844	\$82,946,286	\$80,160,159
Fund Source			
Appropriated Funds:			
General Fund-State	\$95,116,658	\$75,975,975	\$73,165,738
Non-Appropriated Funds:			
Grants and Contracts	4,800,000	5,123,318	5,042,178
Dedicated Local Funds	1,024,000	1,110,298	1,110,298
General Local Funds	545,186	736,695	841,945
Subtotal Non-Appropriated Funds	6,369,186	6,970,311	6,994,421
Total All Funds	\$101,485,844	\$82,946,286	\$80,160,159

Eastern Washington University

Student Enrollments, 1980 - 1986



TESTIMONY FOR THE
HOUSE WAYS AND MEANS COMMITTEE
March 14, 1985
3:30 p.m.
Hearing Room A

Mr. Chairman, Members of the Committee:

My name is Russ Hartman. I am Vice President for Business and Finance at Eastern Washington University. Dr. Frederickson extends his regrets at not being here today. He has never missed a budget hearing in the eight and one-half years he has been President at Eastern Washington University. But in this instance, his son is being married and this has taken him out of the state.

Eastern's testimony concerning the budget situation that is now projected for the 1985-87 biennium will not differ greatly from that of the other institutions of higher education. We understand the seriousness of the state's economic condition and the difficulty that you face as legislators in trying to put together the biennial budget. We are extremely disappointed that the financial recovery of the State's higher education system which was begun with this current biennium is coming to such an abrupt halt. Obviously, there is no further recovery or improvement in the higher education budget recommended by Governor Gardner. OFM's intent clearly is to provide for no more than a continuation of current service levels for at least the next fiscal year, with a strong probability of the same concept carrying forward into the second year of the biennium. That may be the best that can be done for higher education at this point, but it is important that we all realize that the debilitating effect of this budget will be significant.

There are a couple of points that I need to make about Eastern's particular situation. First of all, we hope that we will be able to continue to work with your staff on the calculation of the PCSL--the projected current service level--since there are still some technical areas that need clarification if we are to agree that the PCSL does indeed fund the cost of current operations through the 1985-86 fiscal year. Secondly, the structure of the budget requires that we reduce enrollment at Eastern from our current level of 7,220 FTE students to a new level of 7,000 FTE students with the beginning of Fall quarter 1985. We are still working on the specifics of managing that decrease, but it's obvious that a large number of qualified students will not be able to attend Eastern next year under these budget guidelines. This will be a serious educational blow to the people of Spokane, and particularly a blow to those needing an education and for whom Eastern is the only real alternative. If the enrollment problem cannot be dealt with by direct State appropriation, then we must request that the appropriation be designed in such a way as to allow the University to meet its educational responsibilities. We will need budget flexibility.

Like the other five institutions, we continue to worry about the deterioration of our educational capabilities in terms of maintaining up-to-date instructional equipment--particularly in the area of academic computing--where all of us are being faced with tremendously increased demand and associated cost. The loss of those two decision packages--equipment replacement and academic computing--will have a significant effect on our educational programs during the 1985-87 biennium.

As a last point, I need to emphasize once again that the unanimous first priority for budget consideration among the Council of Presidents is and continues to be the matter of faculty salaries. The funding approach recommended by OFM needs to be revised to reflect the similar needs and status of faculty at all of the state's four-year institutions. Our faculty feels strongly that this proposal penalizes those whose primary function is teaching.

In summary, we understand that the financial situation for the State is very bad at the present time. You can depend on our making effective use of our appropriation under any circumstances, but we hope that there is some room for improvement and that the value of higher education as an investment in the future will give us some priority in the competition for any additional funding that may develop. As I stated before, our priorities for increase over the current service level (assuming that the PCSL provides for continuation of existing enrollment levels) are faculty salaries, equipment replacement, and funding for academic computing services.

Thank you very much.

PERSONNEL ACTIONS

March 21, 1985

Academic

1. Appointment - 1985-86 Academic Year

Elder, Dana C., Assistant Professor of English, academic year, term appointment. Salary: \$19,796.
(B.A., M.A., University of Washington)

2. Professional Leave - 1985-86

O'Neill, John F., Dean, School of Social Work and Human Services
- three quarters

3. Resignation

Howell, Dorothy, Visiting Catalog Librarian - Librarian I, effective
March 8, 1985.