



SEATTLE CITY COUNCIL

Public Assets and Homelessness Committee

Agenda

Friday, July 7, 2023

2:00 PM

Council Chamber, City Hall
600 4th Avenue
Seattle, WA 98104

Andrew J. Lewis, Chair
Teresa Mosqueda, Vice-Chair
Lisa Herbold, Member
Debora Juarez, Member
Tammy J. Morales, Member

Chair Info: 206-684-8807; Andrew.Lewis@seattle.gov

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July 7, 2023 - 2:00 PM

Meeting Location:

Council Chamber, City Hall, 600 4th Avenue, Seattle, WA 98104

Committee Website:

<https://www.seattle.gov/council/committees/public-assets-and-homelessness>

This meeting also constitutes a meeting of the City Council, provided that the meeting shall be conducted as a committee meeting under the Council Rules and Procedures, and Council action shall be limited to committee business.

Members of the public may register for remote or in-person Public Comment to address the Council. Details on how to provide Public Comment are listed below:

Remote Public Comment - Register online to speak during the Public Comment period at the meeting at <http://www.seattle.gov/council/committees/public-comment>. Online registration to speak will begin two hours before the meeting start time, and registration will end at the conclusion of the Public Comment period during the meeting. Speakers must be registered in order to be recognized by the Chair.

In-Person Public Comment - Register to speak on the Public Comment sign-up sheet located inside Council Chambers at least 15 minutes prior to the meeting start time. Registration will end at the conclusion of the Public Comment period during the meeting. Speakers must be registered in order to be recognized by the Chair.

Submit written comments to Councilmember Lewis at Andrew.Lewis@seattle.gov

Please Note: Times listed are estimated

A. Call To Order

B. Approval of the Agenda

C. Public Comment

D. Items of Business

1. [CB 120609](#) **AN ORDINANCE** authorizing the Superintendent of Seattle Parks and Recreation (SPR) to enter into a Concession Agreement with Sail Sand Point to occupy and use a portion of the Magnuson North Shore Recreation Area at Warren G. Magnuson Park to provide sailing and boating programs and education, short-term boat rentals, and dry boat storage.

Attachments: [Att 1 - Sail Sand Point Concession Agreement](#)

Supporting

Documents:

[Summary and Fiscal Note](#)

[Summary Ex A - Floor Plan](#)

[Summary Ex B - Property Map](#)

[Presentation](#)

Briefing, Discussion, and Possible Vote

Presenters: Superintendent AP Diaz, Brian Judd, and Seth Muir, Seattle Parks and Recreation; Traci Ratzliff, Council Central Staff

E. Adjournment



Legislation Text

File #: CB 120609, Version: 1

CITY OF SEATTLE

ORDINANCE _____

COUNCIL BILL _____

AN ORDINANCE authorizing the Superintendent of Seattle Parks and Recreation (SPR) to enter into a Concession Agreement with Sail Sand Point to occupy and use a portion of the Magnuson North Shore Recreation Area at Warren G. Magnuson Park to provide sailing and boating programs and education, short-term boat rentals, and dry boat storage.

WHEREAS, The City of Seattle owns certain land totaling 309 acres, obtained from the United States

Government, known formerly as Naval Air Station Sand Point (now Warren G. Magnuson Park), deeded to Seattle, Washington, on April 29, 1999; and

WHEREAS, SPR and Sail Sand Point (“Concessionaire”) desire to provide sailing, access to small boats, and boating safety and education on a portion of Warren G. Magnuson Park for the use and benefit of the general public; and

WHEREAS, Concessionaire has provided instruction in sailing, access to small boats, boating safety and education, and substantial other activities benefiting the public from Building 11 and the North Shore Recreation Area at Magnuson Park since 1998; and

WHEREAS, Concessionaire and the City have expressed a desire to continue to have these services available to the community for the long term; and

WHEREAS, Concessionaire and the City share a mutual desire to redevelop key facilities in Magnuson Park’s North Shore to enhance public access; and

WHEREAS, Concessionaire and the City believe it is in the best interest of the community to work together to improve the premises outlined in the Agreement; and

WHEREAS, the City supports Concessionaire’s renovation and program delivery plans outlined in the
Concession Agreement; NOW, THEREFORE,

BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:

Section 1. The Superintendent of Parks and Recreation (“Superintendent”) is authorized to execute, for and on behalf of The City of Seattle, a Concession Agreement in substantially the form of Attachment 1 to this ordinance.

Section 2. This ordinance shall take effect and be in force 30 days after its approval by the Mayor, but if not approved and returned by the Mayor within ten days after presentation, it shall take effect as provided by Seattle Municipal Code Section 1.04.020.

Passed by the City Council the _____ day of _____, 2023, and signed by me in open session in authentication of its passage this ____ day of _____, 2023.

President _____ of the City Council

Approved / returned unsigned / vetoed this ____ day of _____, 2023.

Bruce A. Harrell, Mayor

Filed by me this _____ day of _____, 2023.

_____, City Clerk

(Seal)

Attachments:

Attachment 1 - Concession Agreement between Seattle Parks and Recreation and Sail Sand Point

CONCESSION AGREEMENT
between
Seattle Parks and Recreation
and
Sail Sand Point

THIS AGREEMENT is made and entered into as of _____ (the “Effective Date”) by and between THE CITY OF SEATTLE, a municipal corporation (“the City”), acting by and through Seattle Parks and Recreation and its Superintendent (“SPR” and “Superintendent”, respectively) (“Superintendent” herein includes the Superintendent’s designee), and Sail Sand Point, a Washington not-for-profit corporation (“Concessionaire”) (the City, SPR, and Concessionaire are known herein as the “Parties”).

RECITALS

WHEREAS, Seattle, Washington owns certain land totaling 309 acres, obtained from the United States of America (USA) known formerly as Naval Air Station Sand Point (known now as Warren G. Magnuson Park), and deeded to Seattle, Washington, on April 29th, 1999. Said quitclaim deed is attached and hereinafter referred to as Exhibit D; and

WHEREAS, a covenant of the deed states, “The property shall not be sold, leased, assigned, or otherwise disposed of except to another eligible governmental agency that the Secretary of Interior agrees in writing can assure the continued use and maintenance of the property for public park or public recreation purposes subject to the same terms and conditions in the original instrument of conveyance. However, nothing in this provision shall preclude the Grantee from providing related recreational facilities and service compatible with the approved application, through concession agreements entered into with third parties, provided prior concurrence to such agreements is obtained in writing from the Secretary of the Interior”; and

WHEREAS, SPR and Concessionaire desire to provide sailing, access to small boats, and boating safety and education on a portion of Warren G. Magnuson Park for the use and benefit of the general public; and

WHEREAS, Concessionaire has provided instruction in sailing, access to small boats, boating safety and education, and substantial other activities benefiting the public from Building 11 and the North Shore Recreation Area at Magnuson Park since 1998; and

WHEREAS, Concessionaire and City have expressed a desire to continue to have these services available to the community for the long-term; and

WHEREAS, Concessionaire and City share a mutual desire to redevelop key facilities in Magnuson Park’s Northshore to enhance public access; and

WHEREAS, the Concessionaire and City believe it is in the best interest of the community to work together to improve the premises outlined in the Agreement; and

WHEREAS, the City supports Concessionaire’s renovation and program delivery plans;

NOW, THEREFORE, in consideration of the mutual promises, terms, conditions, and performances described herein, the parties hereby agree as follows:

1. PREMISES AND ADJACENT AREA

1.1. Premises Description and Right to Use

As used in this Agreement, “Premises” means the floor plans depicted in Exhibit A-1 and Exhibit A-2, and the premises list and measurements outlined in Exhibit A-3 on the land legally described on Exhibit A 4, in Magnuson Park, Seattle, Washington. The premises comprise a total of 79,093 square feet. The City grants Concessionaire the right to use and occupy the Premises solely for the Permitted Use as described below in Section 4.1, subject to the terms and conditions herein.

1.2 Acceptance of Premises As-Is

Concessionaire accepts the Premises in their AS-IS condition, with all defects, and assumes all risk that one or more defects exists in the Premises, except as provided in this Agreement. The City makes no warranties or representations of any kind, express or implied, with respect to the condition of the Premises or their suitability for Concessionaire’s purposes other than as specified in this Agreement. Concessionaire agrees that any express or implied representations or warranties made by or on behalf of the City prior to the Commencement Date, including those set out in prior written agreements between Concessionaire and City related to all or part of the Premises, unless expressly set forth in this Agreement, have been effectively revoked and withdrawn and have no force whatsoever. Concessionaire agrees that the City shall have no liability or obligation as a result of any defect or condition of the Premises, including without liability latent defects, unless expressly set forth in this Agreement. The City shall have no obligation to undertake any repairs, maintenance, or other work of any kind except as expressly set forth in this Agreement.

2. MAGNUSON PARK COMMON AREAS; PARKING AND LOADING ZONE

2.1 Magnuson Park Common Areas

Concessionaire may use those areas of Magnuson Park designated by the Superintendent for public use (the “Common Areas”), including (but not limited to) all parking areas, shorelines, boat launches, alleys, piers, and docks in common with members of the general public during normal Magnuson Park hours and subject to the Superintendent’s rules and regulations. The City shall at all times have exclusive control and management of the Common Areas and no diminution thereof shall be deemed a constructive or actual eviction or entitle Concessionaire to compensation or a reduction or abatement of Concession Fee, provided such changes do not permanently and materially interfere with Concessionaire’s access to the Premises for the Permitted Use.

2.2 General Parking

No exclusive parking rights are associated with this Agreement. Parking shall be available on a first come/first served, unreserved basis. Access to such public parking by Concessionaire and its employees and customers shall be governed by Magnuson Park rules as they may be amended from time to time by the Superintendent. The City shall maintain parking stalls within the area depicted in Exhibit A-2.

3.0 **TERM**

3.1 Initial Term

This Agreement shall be for an initial term of fifteen (15) years (the “Initial Term”), beginning on the date when this Agreement is executed by an authorized representative of both parties (the “Commencement Date”) following an authorizing ordinance of Seattle City Council. Once fully executed, this Agreement shall supersede any prior agreements between the parties regarding the use and occupancy of the Premises.

3.2 Extended Terms

City and Concessionaire may mutually agree to extend the term of the Agreement beyond the Initial Term for up to two additional extended terms: one additional ten (10) year term (“First Extended Term”) to commence immediately after the Initial Term and an additional five (5) year term (“Second Extended Term”) to commence immediately after the First Extended Term. To exercise its option to extend, Concessionaire must provide the City written notice at least one hundred and eighty (180) days prior to the expiration of the then-current term. (The “First Extended Term” and “Second Extended Term” are each an “Extended Term.”) The option for any Extended Term will only be effective when City and Concessionaire agree in writing to such an extension. As a condition precedent for any Extended Term, Concessionaire must not be in Default at the time the written request is provided to City and at the time the written agreement to extend the term is signed. All terms and conditions of this Agreement shall continue in full force and effect during the Extended Term and the Concession Fee shall be adjusted as provided in Section 5.8 of this Agreement. As used in this Agreement, any reference to the “Term” means the Initial Term and any and all Extended Term(s) exercised by Concessionaire hereunder.

4.0 **PERMITTED USE**

4.1 Permitted Use

Concessionaire shall use the Premises to provide sailing and boating programming and education, providing short-term boat rentals, and dry boat storage (the “Permitted Use”). Approved improvement projects consistent with Section 8 of this Agreement shall be a Permitted Use. Concessionaire shall not use the Premises for any other purpose or make any use of the Premises that is inconsistent with the Permitted Use without the Superintendent’s prior written consent. Concessionaire shall not sublet or encumber the whole or any part of the Premises, nor shall this Concession Agreement or any interest thereunder be assignable or transferable by operation of law or by any process or proceeding of any court or otherwise without the prior written consent of the Superintendent.

4.2 Concessionaire’s Short-Term Rentals in Public Areas

The City will provide Concessionaire up to five (5) public event permits free-of-charge on the public pier located in the Northshore Recreation Area of Magnuson Park for events lasting one calendar day or less. SPR retains full scheduling and event oversight authority for these free-of-charge uses. These events must align with Concessionaire’s mission, enhance positive park activation, be open to the public, and follow all SPR’s outdoor permitting policies. Concessionaire will work directly with SPR’s Event Scheduling Office (or functional successor) to develop and finalize these events. No public event may go forward unless and until Concessionaire receives a permit for that event from SPR’s Event Scheduling Office. The free-of-charge uses are not available for either private events or events serving alcohol. If Concessionaire wishes to hold a private event that is not eligible for a free-of-charge permit, Concessionaire may apply for that use with SPR Event Scheduling Office with the understanding that such use will be subject to

permit terms and conditions and are not subject to this Agreement. For purposes of clarity, public events under permit from SPR, whether or not offered free-of-charge, will be subject to SPR event and permit rules rather than the terms and conditions of this Agreement.

4.3 City's Use of Northshore Public Areas

The City reserves the full right to manage, use, permit, or otherwise allow public park use of the Magnuson Park Northshore Recreation Area, including but not limited to the shoreline, pier, dock, and parking areas. The City will communicate City uses and coordinate with Concessionaire as City determines reasonable and necessary to minimize disruption to Concessionaire's operations.

4.4 Conditions in USA Deed

The City acquired Magnuson Park, including the Premises and Adjacent Area, by quitclaim deed recorded by the King County Recorder's Office under recording number 9905041194, whereby the United States of America granted Magnuson Park to the City (the "USA Deed"). This Agreement and the obligations of the parties hereto are subject to the terms and conditions set forth in the USA Deed except for Magnuson Building 11, for which the deed restrictions were released by the United States of America. Concessionaire shall use the Premises in strict accordance with all the terms and conditions imposed by the United States of America as set forth in the USA Deed that pertain to the use of the Premises, as applicable, including but not limited to the terms and conditions regarding hazardous materials, lead based paints, asbestos, and historic resources contained in provisions in paragraphs 8, 9, 10, 11, 12 and 13 of the USA Deed. In the event of any conflict between the terms and conditions of the USA Deed and any provisions of this Agreement, the terms of the USA Deed shall control. Violations of the said terms and conditions of the USA Deed may be grounds for reversion to the United States of America of the Premises, in the discretion of the United States of America and with no compensation to either the Concessionaire or the City from the United States of America. National Parks Service may inspect the premises at any time to ensure compliance with the terms of the conveyance. Concessionaire-owned personal and real property improvements associated with the real property may be subject to seizure, without compensation, by the USA. The sole exception to the terms in this Section 4.4 are Concessionaire's use of Magnuson Building 11, for which deed restrictions have been removed.

5. **CONCESSION FEE**

5.1 Concession Fee

Beginning on the Commencement Date, Concessionaire shall pay the City an annual fee (the "Concession Fee") consisting of a Square Footage Charge (defined below) for Buildings 11, 31, 115, and 275, plus a Revenue Charge (defined below) for the Outdoor Dry Boat Storage.

5.2 Square Footage Charge

The Square Footage Charge shall serve as the use fee for the portions of the Premises located in Buildings 11, 31, 115, and 275. The Square Footage Charge is calculated based on the square footage of the Premises as measured by SPR. The Parties agree that the square footage calculation set out in the "Measurement" column of Table 1 is accurate. This Square Footage Charge will be escalated annually on a rate per square foot basis pursuant to Section 5.7.

Table 1

Premises	Measurement	Initial Square Footage Charge (The Initial Square Footage charge will escalate annually by 3% each year of the Agreement)	Exhibit Reference
Building 11 Office, Board Room, Staff Restroom	3,321 Square feet (SQ FT)	\$16 per square foot (sq ft)	Exhibit A-1
Building 11 Room 160	1,600 SQ FT	\$0 sq ft in Year 1 of Concession Agreement. \$10 sq ft plus 3% escalation each year for remainder of the Term.	Exhibit A-1
Building 31 (Boathouse)	3,551 SQ FT	\$1 sq ft	Exhibit A-2
Building 115	1,363 SQ FT	\$1 sq ft	Exhibit A-2
Building 275 (Opti Land)	258 SQ FT	\$1 sq ft	Exhibit A-2
Total	10,093 SQ FT	--	--

For informational purposes, the Square Footage Fee for Year 1 and Year 2 are set out in Table 2. In case of any discrepancy, the square footage charge in Table 1 shall control over Table 2 for the Year 1 amounts and the escalation provisions of Section 5.7 shall control over the Table 2 Year 2 amounts.

Table 2

Premises	Year 1	Year 2 (3% escalation and commencing Room 160 rent.)
Building 11 Office, Board Room, Staff Restroom	\$53,136	\$54,730
Building 11 Room 160	\$0	\$16,000
Building 31 (Boathouse)	\$3,551	\$3,657.53
Building 115	\$1,363	\$1,403.89
Building 275 (Opti Land)	\$258	\$265.74
Total	\$58,308	\$74,057.16

5.3 Revenue Charge

The annual “Revenue Charge” component of the Concession Fee will be set at ten percent (10%) of Concessionaire’s (total) annual gross revenue, except for the first year of this Agreement when it will be set at five percent (5%) of Concessionaire’s annual gross revenue.

The Revenue Charge shall be Concessionaire’s use fee for the Outdoor Dry Boat Storage facility. For purposes of clarity, the annual gross revenue used to calculate the Revenue Charge is the total gross revenue Concessionaire receives for those operations related to the Outdoor Dry Boat Storage facility.

Concessionaire shall provide City with an annual revenue report for the January 1st to December 31st calendar year each year by January 31st. City will use this report to calculate the Revenue Charge for the following year from which City will charge the respective percentage fee noted above. For the first year of the Agreement, the Revenue Charge shall be based on Concessionaire’s revenues for the year immediately preceding the Commencement Date. For purposes of clarity, City will apply the five percent (5%) rate to Concessionaire’s annual gross revenue to calculate the Revenue Charge for the first twelve months of this agreement regardless of whether those twelve months fall in two calendar years. Concessionaire’s Revenue Charge will be prorated to allow Concessionaire to pay the lower five percent (5%) rate for the applicable portion of the calendar year before adjusting to the standard ten percent (10%) rate.

For reference purposes, the square footage of the Outdoor Dry Boat Storage portion of the premises and Revenue Charge calculation are summarized in Table 3.

Table 3

Premises	Measurement	Revenue Charge	Exhibit Reference
Outdoor Dry Boat Storage	69,000 SQ FT	5% of annual gross revenue paid to Concessionaire in Year 1 of Concession Agreement. 10% of annual gross revenue paid each year for the remainder of Term	Exhibit A-2

5.4 No Adjustment to Square Footage Calculation

The Concession Fee components are based on square footage to be used by Concessionaire, with adjustments for certain unusable areas as set forth in Exhibit A-3. Concessionaire acknowledges that it has had the opportunity to measure the Premises. The square footage amount is agreed upon for the purpose of calculating the Concession Fee and is not subject to re-measurement. As a result, the Concession Fee shall not be subject to any adjustment during the Term based on the square footage of the Premises, including any change resulting from tenant improvements. The Concession Fee shall be paid in twelve (12) equal monthly installments (initially \$4,859 each month), subject to any offsets under Section 5.10, together with the percentage of Outdoor Dry Boat Storage referenced above and any applicable leasehold excise tax (“LET”) which may become due under Section 12.4.

5.5 SPR Project Liaison Expenses

Concessionaire will pay City \$100 per hour for a SPR Project Liaison to guide tenant improvement plans and designs through review by Seattle Department of Construction and Inspections (SDCI), SPR ProView and ProView Tech, Landmark Preservation Board, and any

other required agency or body. Concessionaire will remain responsible for funding, leading, and implementing all tenant improvements of Premises according to terms set out in Section 8. This hourly rate will increase annually by the Consumer Price Index (CPI). All permitting decisions shall be made by SDCI in their sole discretion as regulator. This Agreement, and in particular any SPR assistance by the SPR Project Liaison, does not constitute a promise of timely review, approval, or any other action by SDCI. For purposes of clarity, the SDCI review is separate and in addition to the SPR design review set out in Section 8 and as may otherwise be required by the Superintendent. Within thirty (30) business days of any written request from Concessionaire, City agrees to provide the Concessionaire with an estimate of the number of hours of SPR Project Liaison anticipated on all projects prior to incurring any expenses that the Concessionaire will be liable for. This estimate will be based on the total budget for each proposed phase of development.

5.6 Time and Manner of Payment

Concessionaire shall pay the annual Concession Fee in twelve (12) equal monthly installments, along with any LET, in advance, on or before the first day of each month during the Term. If the Commencement Date does not occur at the start of a calendar month, the Concessionaire's obligation to pay shall be prorated for the first month. For clarity, if the Commencement Date is August 12th, the Concessionaire would pay a prorated Concession Fee, along with any LET, for the remaining days in August, and then pay eleven (11) equal monthly installments. All payments shall be by check or money order and made payable to the City. All payments shall be delivered to:

City of Seattle Treasury
PO Box 94626
Seattle, WA 98124-6926

or to such other address as SPR may hereafter designate, in writing, or by electronic fund transfer or such other manner of payment as SPR may approve, which approval shall not be unreasonably withheld, conditioned, or delayed.

5.7 Adjustments to Concession Fee

Beginning on the first anniversary of the Commencement Date and annually thereafter during the Initial Term, the Square Footage Charge component of the Concession Fee shall be adjusted upward by three percent (3%) annually. If the Commencement Date does not occur at the start of a calendar month, the adjustment shall be applied on the first day of the following month and on each anniversary of that date thereafter until this Agreement terminates. For clarity, if the Commencement Date is August 12th, the adjustment date will be on September 1st and on each anniversary of that date. This adjustment shall be made by increasing the cost per square foot for all Premises locations set out in Table 1. The sole exception shall be for charge of Building 11, Room 160, which shall increase from zero dollars (\$0) per square foot for the first year of the Term to ten dollars (\$10) per square foot the second year of the Term and thereafter escalate at three percent (3%) annually based on the year 2 charge of ten dollars (\$10) per square foot.

5.8 Concession Fee during Extended Term(s)

5.8.1 **Market Rate Concession Fee.** Effective on the first day of each Extended Term, if any, the Concession Fee shall be adjusted to "fair market rate" as determined in this Section 5.8. As used in this Agreement, "fair market rate" shall mean the rate per square foot that a willing concessionaire would pay in an arms-length transaction for use and occupancy and concession rights in comparable space in the Premises and in

comparable buildings in comparable locations pursuant to a comparable agreement. Notwithstanding the foregoing, the fair market rate adjustment shall not result in an increase or decrease of more than ten percent (10%) of the Concession Fee payable by Concessionaire in the last year of the Initial Term or the last year of the first Extended Term. Within forty-five (45) days of City's receipt of Concessionaire's notice of its intention to extend the Term, the City shall propose to Concessionaire the fair market rate for the Extended Term. Concessionaire shall notify the City in writing within forty-five (45) days if Concessionaire disagrees with the City's determination of the fair market rate and shall provide Concessionaire's determination of fair market rate. Thereafter, the parties shall attempt to agree upon the fair market rate, but if they are unable to agree within thirty (30) business days, either party may initiate arbitration to determine the fair market rate using the process in Section 5.8.2. After the first year of each Extended Term, the Concession Fee shall be adjusted annually as provided under Section 5.7.

5.8.2 Arbitration of Fair Market Rate. After the expiration of the negotiation of fair market rate in Section 5.8.1, either party may initiate arbitration by giving the other party written notice of initiation of arbitration and designation of the initiating party's proposed arbitrator. Within ten (10) business days, the other party will also designate an arbitrator. Any arbitrator appointed under this Agreement must be a real estate broker licensed in the State of Washington who has been regularly engaged in the business of commercial leasing in the Puget Sound region for at least 10 years immediately preceding the appointment under this Agreement. If either party fails to select an arbitrator, the fair market rate will be determined by the arbitrator selected by the other party. Each arbitrator will independently make her or his determination of the fair market rate within 20 days after the appointment of the second arbitrator or as soon as commercially practical if no arbitrator is available to make such a determination within 20 days. If the two arbitrators' determinations are not the same, but the higher of such two values is not more than one hundred five percent (105%) of the lower of them, then the fair market rate will be deemed to be the average of the two values. If the higher of such two values is more than one hundred five percent (105%) of the lower of them, then the two arbitrators will jointly appoint a third arbitrator within 10 days after the second of the two determinations described above has been rendered. The third arbitrator will independently make her or his determination of the fair market rate within 20 days after her or his appointment or as soon as commercially practical if no arbitrator is available to make such a determination within 20 days. The highest and the lowest determinations of value among the three arbitrators will be disregarded and the remaining determination will be deemed to be the fair market rate. Within 30 days after the fair market rate Concession Fee is determined, the parties will execute an amendment to this Agreement setting forth the adjusted Concession Fee, which shall be effective as of the first day of the applicable Extended Term. Thereafter, the Concession Fee shall be adjusted annually as provided under Section 5.7.

5.9 Late and Refused Payments

Concessionaire acknowledges that late payment to the City of any sum due the City hereunder will cause SPR to incur costs not contemplated by this Agreement including but not limited to processing and accounting charges and the cost of administering and enforcing this Agreement, the exact amount of which would be extremely difficult and impractical to ascertain. Therefore, if Concessionaire fails to pay any sum when such amount is due to the City, Concessionaire shall pay to the City a late charge of Fifty Dollars (\$50.00). In addition, Concessionaire shall pay the City a Twenty-Five Dollar (\$25.00) charge (or such larger amount as may be hereafter

established by ordinance) for each check refused payment for insufficient funds or any other reason. Interest on late payments shall accrue at the rate of 12% per annum from the date due to the date paid.

5.10 Tenant Improvements

5.10.1 Tenant Improvement Plan. The Concessionaire plans to work with the City to make substantial improvements to the facilities in Magnuson Park used by the Concessionaire. The Concessionaire is planning to raise public and private funds to help fund these improvements. The Concessionaire will develop and update a Facilities and Site Improvement Plan that includes anticipated projects, estimated costs, timeline, and potential funding sources. Initial details will also be outlined in Exhibit B-1. An updated version of this plan will be submitted to City at least annually.

5.10.2 Tenant Improvement Allowance. The City will allow Concessionaire to offset up to a maximum of fifty percent (50%) of the Concession Fee for improvements actually made to the Premises (the "Allowance"). The Allowance will be in the form of an offset against the annual Concession Fee otherwise due in an amount equal to Concessionaire's actual costs associated with Concessionaire's improvements that have been pre-approved using the process in Sections 5.10.1 and 5.10.2.1 and are completed in compliance with Section 8. The Allowance shall only be available to offset the cost of improvements actually made under the terms and conditions of this Section and Section 8, and Concessionaire shall not be entitled to any refund or Concession Fee offset for unused portions of the Allowance. The Allowance is solely a fee offset and is not, and shall not be interpreted to be, an offer of payment-in-kind to Concessionaire. If the Agreement terminates before all Concession Fee offsets have been provided, City shall have no obligation to pay Concessionaire for any portion of Concessionaire's costs or the value of any improvements to the Premises. Only payments expended for the categories of costs described in Exhibit C are eligible to be applied by Concessionaire towards its Allowance.

5.10.2.1 Superintendent Approval of Improvement Allowance. In order for improvements to qualify for an offset against the Concession Fee, Concessionaire shall identify which improvements it intends to include in its Allowance at the time Concessionaire seeks the Superintendent's approval to make the improvements under Section 8.1, and Concessionaire shall also include its proposed budget. Within thirty (30) days after Concessionaire's submission, the Superintendent shall provide Concessionaire a statement of the total amount of budgeted construction costs that are potentially eligible for credit against the Concession Fee under the Allowance and identify any caps placed on the Allowance amount. If the Superintendent disallows any proposed offset, the Superintendent will provide the reasons. Prior to submitting for Superintendent approval, Concessionaire shall ensure all proposed improvements have been reviewed and approved by Seattle Department of Construction and Inspections (SDCI) and SPR via the review processes known as ProView and ProView Tech.

5.10.2.2 Periodic Offsets of Allowance. The City and Concessionaire mutually understand that improvement plans will be implemented intermittently during the Term. So long as Concessionaire has commenced an approved tenant improvement, the Concessionaire may provide SPR an accounting of expenses actually paid to date which are eligible for the Allowance, together with any supporting documentation the Superintendent may reasonably require. Within sixty (60) days of receipt of the accounting, SPR shall notify Concessionaire in

writing to approve all or a portion of the expenses as an offset against the Allowance, to disapprove the expenses, or to request additional information that SPR deems necessary to determine whether the expenses reflect agreed improvement activities. If SPR does not send a written response within sixty (60) of receipt of Concessionaire's accounting under this Section 5.10.2.2, the accounting will be deemed approved. Thereafter, City will apply the approved offset to Concessionaire's monthly Concession Fee payment up to a maximum of fifty percent (50%) of the Concession Fee due in any single month according to the terms outlined in section 5.10.2. Thereafter, Concessionaire may continue to submit accountings of costs eligible for the Allowance from time to time, but no more frequently than monthly, for additional Allowance consideration and approval from Superintendent. Approved Tenant Improvement Allowances can be carried over to the extension periods according to the terms outlined in section 5.10.2. The terms in section 5.10.2 will also apply to any tenant improvements approved and implemented during an extension period.

5.10.2.3 Final Accounting. Not later than six (6) months after Concessionaire completes improvements which the Superintendent approved for the Allowance, Concessionaire shall provide the Superintendent with a final accounting of Concessionaire's actual costs associated with such capital improvements together with such supporting documentation as the Superintendent may reasonably request. The Superintendent shall approve the final amount of costs expended by Concessionaire in connection with such improvements and this amount shall constitute the amount of the eligible Concession Fee offset up to the full Allowance (less any portion of the Allowance previously applied pursuant to Section 5.10.2.2). Within sixty (60) days of receipt of this final accounting, SPR shall notify Concessionaire in writing to approve all or a portion of the expenses as an offset against the Allowance, to disapprove the expenses, or to request additional information SPR deems necessary to determine whether the expenses reflect agreed improvement activities. If SPR does not send a written response within sixty (60) days of receipt of Concessionaire's accounting under this Section 5.10.2.3, the accounting will be deemed approved. Concessionaire shall remain solely responsible for all costs that exceed the Allowance and for all costs that are not approved by the Superintendent. Once the Superintendent approves the final amount of the Allowance, Concessionaire may apply the approved offset by stating in its monthly Concession Fee payment the amount of Concession Fee being offset up to a maximum of fifty percent (50%) of the Concession Fee due in any single month, provided that the offset has not been previously provided via the terms outlined in section 5.10.2.2. For example, if the monthly installment of the Concession Fee due is \$4,859.00, then the maximum offset amount is \$2,429.50.

5.10.3 Prevailing Wage. As a condition of any costs for construction, alterations, or improvements to the Premises or surrounding areas being eligible for the Allowance as an offset against any part of the Concession Fee, Concessionaire shall comply with any applicable state or federal public works requirements and shall require its contractor to pay prevailing wages in accordance with Washington's Prevailing Wage Statute, RCW 39.12.

5.10.4 Improvements to Become the City's Property. Unless otherwise provided in the Superintendent's approval, upon expiration or termination of this Agreement, title to all

capital improvements to the Premises shall automatically transfer to the City. All improvements to the Premises shall be completed as required under Section 8. Nothing in this Section shall be construed to limit Concessionaire's general obligations to care for the Premises as provided under Section 7.

5.10.5 No Allowance for Prior Improvements. Concessionaire occupied portions of the Premises under a prior concession agreement with the City. From time to time under that Agreement, Concessionaire made improvements to the Premises. Concessionaire understands and agrees that the Allowance under this Agreement shall only be available for work approved and undertaken during the Term. No Allowance shall be provided for improvements begun or completed by Concessionaire prior to the Commencement Date of this Agreement.

5.11 Public Benefit

5.11.1 Public Benefit Requirement. SPR's willingness to enter into this Agreement is conditioned, in part, on Concessionaire's commitment to provide Public Benefits at Magnuson Park. Each year during the Term, Concessionaire shall provide a level of public benefit consistent with those described in Exhibit B-1. The annual public benefit plan and deliverables can change in response to emerging needs; this exhibit provides only a guideline.

5.11.2 Annual Public Benefit Plan. Concessionaire shall submit to the Superintendent a proposal of public programming with measurable performance objectives it intends to provide during the coming year no later than October 31st each year of the Term, as further set out in the schedule provided in Exhibit B-2. The proposal shall include goals and benchmarks for how the services will be marketed, advertised, and provided. The Superintendent will respond to the proposal within sixty (60) days, approving or disapproving in whole or in part. If the Superintendent disallows any proposed public benefits or the estimated value, the Superintendent will provide the reasons in writing.

5.11.3 Annual Reports. Concessionaire shall submit to the Superintendent reports on public benefits and fundraising for facility redevelopment outlining the pre-approved programs, benefits, and services actually delivered, and performance objectives achieved no later than January 31st of each year of the Term, as further set out in the schedule provided in Exhibit B-2. The Superintendent will respond within sixty (60) days, and may request more information, deny or approve the public benefit report. Final approval of the public benefits report is at the sole discretion of the Superintendent.

6.0 **UTILITIES**

6.1 General

So long as Concessionaire is not in default under this Agreement after notice and the passage of any applicable cure period, the City shall furnish and pay for electric, water, sewer, and garbage collection services to the Premises according to current, shared metering and services for the Premises. If additional utility service or meters are required at the Premises due to Concessionaire's improvement, expansion, or construction of additional facilities, then Concessionaire will be solely responsible for any additional electric, water, sewer, and garbage collection services to the Premises. Concessionaire shall be responsible for the cost of any data/telecommunications utilities or any other services necessary for Concessionaire's Permitted Use of the Premises. Concessionaire shall obtain the Superintendent's prior written consent before installing lights or equipment in the Premises that exceed the Premises' standard

mechanical loads. The Superintendent may refuse to grant consent in Superintendent's reasonable discretion. Additionally and particularly, Superintendent will not grant consent for installation of such equipment unless Concessionaire agrees to pay (1) the costs incurred by the City for installation of supplementary air conditioning capacity or electrical systems as necessitated by Concessionaire's equipment or lights and (2) in advance, on the first day of each month during the Term, the amount estimated by the Superintendent as the excess cost of furnishing electricity or utility service for the operation of equipment or lights above normal levels for the Premises.

6.2. Interruption

City shall not be liable for any loss, injury or damage to person or property caused by or resulting from any variation, interruption or failure of services due to any cause whatsoever, including, but not limited to, electrical surges, or from failure to make any repairs or perform any maintenance. The City shall perform periodic preventative maintenance on all electrical, plumbing, fire suppression, mechanical and enclosure systems of the Premises and maintain them in good operating condition. No temporary interruption or failure of such services incident to the making of repairs, alterations or improvements or due to accident, strike or conditions or events beyond City's reasonable control shall be deemed an eviction of Concessionaire or to relieve Concessionaire from any of Concessionaire's obligations hereunder or to give Concessionaire a right of action against City for damages, so long as the City takes steps reasonable under the circumstances to cure such interruption or failure of such services. Concessionaire acknowledges its understanding that there may be City-planned utility outages affecting the Premises and that such outages may interfere, from time to time, with Concessionaire's use of the Premises. City shall provide Concessionaire with not less than 48 hours prior written notice of any City-planned electricity outage in the Premises. City has no obligation to provide emergency or backup power to Concessionaire. The provision of emergency or backup power to the Premises or to enable the equipment therein to properly function shall be the sole responsibility of Concessionaire. If utilities are interrupted at the Premises so as to render the Premises unfit for Concessionaire's Permitted Use for a period of more than 48 hours, then the Concession Fee for the year shall be abated for the duration of the disruption in the proportion that the number of days of the disruption bears to the number of days of the year.

7. **CARE OF PREMISE**

7.1 General Obligation; Routine Maintenance

Concessionaire shall take good care of the Premises and shall repair or reimburse City for all damage done to the Premises that results from any act or omission of Concessionaire or any of Concessionaire's officers, contractors, agents, invitees, licensees or employees, including, but not limited to, cracking or breaking of glass. Concessionaire shall be responsible for all maintenance of Concessionaire's fixtures and shall be responsible for all routine maintenance of the Premises except to the extent to be performed by the City pursuant to Section 7.3.

7.2 Custodial Service for Premises

Concessionaire shall at its own expense, at all times, keep the Premises and Adjacent Area in a neat, clean, safe, and sanitary condition, and keep the glass of all interior windows and doors serving the Premises clean and presentable. Concessionaire shall provide all janitorial services and furnish all cleaning supplies and materials needed to maintain the Premises in the manner prescribed in this Agreement. Concessionaire shall be responsible for keeping the areas immediately adjacent to the perimeter of the Premises free of litter and clean of spills resulting from Concessionaire's operations.

7.2.1 Building 11 Restrooms. Concessionaire shall be responsible for the custodial service, management, and minor maintenance of the restrooms outlined in Exhibit A-1, commonly referred to as the “Building 11 Outdoor Restrooms.” This minor maintenance shall also include replacing fixtures and other equipment in the restrooms and will be subject to the terms outlined in section 8. Concessionaire will also ensure that these restrooms will remain accessible during Concessionaire’s operating schedule year-round. City will remain responsible for the major maintenance of these restrooms according to the general terms outlined in section 7.3.

7.3 City Maintenance

All industry standard repairs and regular preventative maintenance necessary to maintain the Premises (including the structural and exterior components of the Premises, Exterior Shells and Roofs for all buildings located in Premises, monitoring and maintenance of Building 31 Boathouse pilings and foundation, and electrical systems connecting to the buildings that are not owned and maintained by Seattle City Light), the Common Areas, and the heating, ventilation, utility, electric and plumbing and other systems and equipment serving the Premises and the Premises in a reasonably good operating condition, as reasonably determined by City, shall be performed by City at its expense, regular maintenance and janitorial service for the Common Areas, excluding areas noted in section 7.2.1. The foregoing sentence does not extend to maintenance occasioned by an act or omission of Concessionaire or its officers, agents, employees, or contractors. Except in the event of City’s gross negligence or intentional misconduct, there shall be no abatement or reduction of the Concession Fee arising by reason of City’s making of repairs, alterations or improvements.

7.4 Refuse Collection; Recycling of Waste Materials

Concessionaire shall provide all necessary housekeeping and janitorial services for the Premises to a level consistent with other similar SPR facilities and operations and to the Superintendent’s reasonable satisfaction. Concessionaire shall be responsible for proper storage and removal of trash, litter pickup and recycling consistent with City standards.

7.5 Joint Annual Inspection of Premises; Remedial Action Obligation

Each year throughout the Term, Concessionaire shall participate in an annual inspection of the Premises with an SPR representative, and Concessionaire shall take any and all action that SPR may reasonably require to maintain and repair the Premises in accordance with the requirements of Section 7.1 and 7.2 of this Agreement. Likewise, the City shall take any and all action that the City is required to take in accordance with its maintenance and repair responsibilities as set forth in Sections 7.2 and 7.3 of this Agreement.

7.6 City Remedy upon Concessionaire’s Failure to Maintain Premises

If Concessionaire fails to maintain the Premises in a neat, clean and sanitary condition as required by this Agreement, SPR shall notify Concessionaire to undertake such work as is reasonably required to so maintain them. If Concessionaire fails to commence such work within fifteen (15) days after Concessionaire’s receipt of the City’s notice and to diligently prosecute it to completion, then SPR shall have the right, at its option and in addition to all other remedies, to undertake such work and to invoice Concessionaire for the costs incurred by the City in connection therewith. The City shall have the right to enter the Premises for such purposes, and the City shall have no liability to Concessionaire for any damage, inconvenience, or interference with Concessionaire’s use of the Premises as a result of the City’s performing any such work, except to the extent resulting from the negligence or willful misconduct of City or its agents,

employees or contractors. Nothing in this Section shall be deemed to obligate the City to undertake repair or maintenance that is the obligation of Concessionaire under this Agreement.

7.7 Prohibition against Installation or Integration of Any Work of Visual Art on Premises without City's Consent

City reserves to and for itself the right to approve or disapprove of the installation or integration on or in the Premises of any "work of visual art," as that term is defined in the Visual Artists Rights Act of 1990, as now existing or as later amended, and to approve or disapprove of each and every agreement regarding any such installation or integration. Concessionaire shall not install on or integrate into, or permit any other person or entity to install on or integrate into, the Premises any such work of visual art without City's prior, express, written consent. City's consent to the installation of any such artwork may be granted, granted upon one or more conditions, or withheld in City's discretion.

7.8 Concessionaire's Indemnification of City against Liability under Visual Artists Rights Act of 1990

In addition to all indemnification obligations under Section 9, Concessionaire shall protect, defend, and hold City harmless from and against any and all claims, suits, actions or causes of action, damages and expenses (including attorneys' fees and costs) arising as a consequence of any of the following by Concessionaire or any of its officers, employees or agents: (a) the installation or integration of any work of visual art on or into the Premises; or (b) the destruction, distortion, mutilation or other modification of the art work that results by reason of its removal; or (c) any violation of the Visual Artists Rights Act of 1990, as now existing or hereafter amended. This indemnification obligation shall exist regardless of whether City or any other person employed by City has knowledge of such installation, integration, or removal or has consented to any such action or is not required to give prior consent to any such action. The indemnification obligation of this subsection shall survive the expiration or earlier termination of this Agreement.

8. IMPROVEMENTS BY CONCESSIONAIRE

8.1 Improvements

All approvals required by the Superintendent under this Section will be granted, conditioned, or withheld in that official's reasonable discretion. Concessionaire shall not make any alterations, additions, or improvements in or to the Premises that change the structural or mechanical systems of Premises or adjacent areas, or that impact the historic features of Premises, or that exceed \$25,000 in cost without first submitting to SPR professionally prepared plans and specifications for such work and obtaining the Superintendent's prior written approval thereof. Concessionaire covenants that it will cause all alterations, additions and improvements to the Premises to be completed at Concessionaire's sole cost and expense by a contractor approved by the Superintendent and in a manner that (a) is consistent with the City approved plans and specifications and any conditions imposed by City in connection therewith; (b) is in conformity with high quality commercial standards; (c) includes acceptable insurance coverage for City's benefit; (d) does not affect the structural integrity of the Premises or any of the Premises' or Building's systems; (e) does not disrupt the business or operations of any other occupant of Premises; and (f) does not invalidate or otherwise affect the construction or any system warranty then in effect with respect to the Premises. Concessionaire shall secure all governmental permits and approvals required for the work; shall comply with all other applicable governmental requirements and restrictions; and shall reimburse City for any and all expenses incurred by the City in connection therewith. Concessionaire shall complete design and construction of all improvements and alterations within the Premises in compliance with all applicable building

codes and permitting and legal requirements, including but not limited to compliance with applicable building codes and with the Americans with Disabilities Act (ADA). Concessionaire expressly acknowledges that the provisions of the ADA applicable to facilities in public buildings may exceed requirements contained in building codes and other regulations and that such instances, the ADA requirements shall control. Except to the extent caused by the City's negligence or intentional acts or omissions, Concessionaire shall indemnify, defend and hold City harmless from and against all losses, liabilities, damages, liens, costs, penalties and expenses (including attorneys' fees, but without waiver of the duty to hold harmless) arising from or out of Concessionaire's performance of such alterations, additions and improvements, including, but not limited to, all which arise from or out of Concessionaire's breach of its obligations under terms of this Section 8. All alterations, additions and improvements (expressly including all light fixtures; heating and ventilation units; floor, window and wall coverings; and electrical wiring), except Concessionaire's moveable trade fixtures and appliances and equipment not affixed to the Premises (including without limitation furniture, computers, point of sale systems and registers) shall become the property of City at the expiration or termination of this Agreement without any obligation on its part to pay for any of the same. At City's request, Concessionaire shall execute a deed or bill of sale in favor of City with respect to such alterations and/or improvements. Notwithstanding the foregoing, at the termination or expiration of this Agreement, Concessionaire shall remove all its moveable trade fixtures, appliances and equipment, data services wires and equipment, and any other improvements identified for removal by the Superintendent at the time of approval under this Section, and leave the Premises in a broom clean condition on the expiration or termination of this Agreement. Within ninety (90) days after the completion of any alteration, addition or improvement to the Premises for which the Superintendent's approval is required under this Section, Concessionaire shall deliver to City a full set of "as-built" plans of the Premises showing the details of all alterations, additions and improvements made to the Premises by Concessionaire.

8.2 Additional Improvements

The City disclaims any representation or warranty that the Premises, the services to the Premises, the Common Areas or any other areas in or around the Premises are suitable for Concessionaire's intended improvements and use of the Premises. Subject to the Allowance in Section 5.10.2, Concessionaire shall be solely responsible for any costs necessary to make improvements to areas in, around, or outside the Premises as may be required for a permit and in order to complete Concessionaire's improvements or in order for Concessionaire to use the Premises for the Permitted Use. Any changes or improvements to any building exterior must be submitted for historic review and approved by Landmarks Board.

9. **INDEMNIFICATION**

9.1 Indemnification

To the fullest extent provided by law and except as otherwise provided in this Section 9, Concessionaire shall indemnify, defend and hold the City harmless from and against any liability, claim, damage, cost or expense (including reasonable attorneys' fees) resulting from any actual or alleged injury (including death) of any person or from any actual or alleged loss of or damage to any property arising from or relating to: (i) Concessionaire's improvement, use and occupancy of the Premises and any portion thereof, or any use by Concessionaire's officers, employees, agents, contractors, volunteers, or invitees; or (ii) Concessionaire's public programs, including but not limited to sailing camps and classes advertised, organized, facilitated taught, led or otherwise offered by Concessionaire or its officers, employees, agents, contractors, and volunteers, regardless of whether the program or claimed injury, loss or damage occur on or off

the Premises, or (iii) any act or omission of Concessionaire or any of its officers, employees, agents, contractors, volunteers, or other third parties for whose acts Concessionaire is liable pursuant to Washington law on or about the Premises; or (iv) any breach of this Agreement. In furtherance of Concessionaire's indemnification obligations, Concessionaire hereby waives any immunity Concessionaire may have or any limitations on the amounts or types of damages under any industrial insurance, worker's compensation, disability, employee benefit or similar law, but such waiver shall apply only as to the City and to the extent necessary to fulfill Concessionaire's obligations under this Section 9. The City and Concessionaire acknowledge that the foregoing waiver of immunity was mutually negotiated. The foregoing notwithstanding, the Concessionaire shall not be obligated to indemnify, defend or hold the City harmless with respect to claims, damages, costs or expenses to the extent arising out of the City's negligence or intentional acts or omissions, and the City shall indemnify, defend and hold the Concessionaire harmless with respect to claims, damages, costs and expenses to the extent arising out of the City's negligence or intentional acts or omissions or that of its employees. The City's obligation under this Section 9.1 is not intended to and shall not be deemed a waiver of the City's immunity under RCW 4.24.210 as now existing or hereafter amended.

9.2 Survival of Indemnification Obligations

The provisions of Section 9.1 shall survive the expiration or earlier termination of this Agreement.

9.3 Assumption of Risk

The placement and storage of personal property in or on the Premises shall be at the sole risk of Concessionaire, provided that this assumption of risk shall not operate as a waiver of the Concessionaire's right to assert a claim against the City for damages caused by the City's negligence or intentional acts or omissions.

10. **CITY'S CONTROL OF MAGNUSON PARK & VICINITY**

All Common Areas and other facilities provided by the City in the vicinity of the Premises, including parking areas, are subject to the City's exclusive control and management. Accordingly, the City may do any and all of the following (among other activities in support of SPR or other municipal objectives):

10.1 Change of Vicinity

Increase, reduce, or change in any manner whatsoever the number, dimensions and locations of the walks, buildings, and parking areas in the vicinity of the Premises so long as such changes do not violate the express terms of this Agreement or materially and permanently render the Premises unfit for the Permitted Use;

10.2 Traffic Regulation

Regulate all traffic within and adjacent to the Premises, including the operation and parking of Concessionaire's vehicles and those of its invitees, employees, and patrons;

10.3 Display of Promotional Materials

Erect, display and remove promotional exhibits and materials and permit special events on property adjacent to the Premises;

10.4 Promulgation of Rules

Promulgate, from time to time, reasonable rules and regulations of general applicability to the use and occupancy of any SPR property including but not limited to the Premises;

10.5 Change of Businesses

Change the size, number, and type and identity of concessions, stores, businesses, and operations being conducted or undertaken in the vicinity of the Premises.

11. **DAMAGE OR DESTRUCTION**

If the Premises are destroyed or damaged by fire, earthquake, or other casualty, Concessionaire shall promptly notify the Superintendent of the extent of such destruction or damage and the extent of the Premises that remain usable, if any, for Concessionaire's purposes. If the damage is repairable within twenty-four (24) months from the date of the occurrence, then if insurance proceeds or self-insurance coverages are available to pay the full cost of the repairs (except for the deductible amounts) City shall repair the Premises with due diligence. However, City retains the sole option to not repair or replace any portion of the Premises for any reason, in which case the City may elect to terminate this Agreement upon sixty (60) days written notice. The Concession Fee shall be abated in the proportion that the un-tenantable portion of the Premises bears to the whole thereof, as the Superintendent reasonably determines, for the period from the date of the casualty to the completion of the repairs. If the damage to the Premises is uninsured or cannot be repaired within twenty-four (24) months from the date of the occurrence, either City or Concessionaire may terminate this Agreement upon sixty (60) days' written notice to the other. If thirty percent (30%) or more of premises is destroyed or damaged or the Premises are not damaged but damage or destruction to premises materially and adversely impacts the Permitted Use and the damage is not insured or cannot be repaired within twenty-four (24) months, then regardless of whether the Premises are damaged or not, Concessionaire may elect to terminate this Agreement upon sixty (60) days written notice to City. In the event of damage by casualty, Concessionaire shall, at its sole cost and expense, be responsible for repair of damage to its own personal property and the City shall not be required to repair or restore any damage or injury or to replace any equipment, inventory, fixture, or other personal property of Concessionaire or others located on the Premises. Neither City nor Concessionaire shall be liable in damages to the other for terminating this Agreement in accordance with the provisions of this section.

12. **COMPLIANCE WITH LAWS**

12.1 General Requirements

Concessionaire shall not use or permit the Premises or any part thereof to be used for any purpose in violation of any municipal, county, state or federal law, ordinance or regulation. Concessionaire shall promptly comply, at its sole cost and expense, with all laws, ordinances and regulations now in force or hereafter adopted applicable to Concessionaire's business operations or relating to or affecting the condition, use or occupancy of the Premises.

12.2 Licenses and Other Authorizations

Concessionaire, at no cost to the City, shall secure and maintain in full force and effect during the Term, all required licenses, permits and similar legal authorizations, and comply with all requirements thereof, and shall submit to SPR evidence of Concessionaire's satisfaction of all such requirements upon request. Concessionaire shall pay all fees and charges incurred in obtaining any required permits or other governmental approvals.

12.3 Nondiscrimination and Equal Employment Opportunity

Without limiting the generality of Section 12.1, Concessionaire shall comply with all applicable equal employment opportunity and nondiscrimination laws of the United States of America, the State of Washington, and The City of Seattle, including but not limited to Chapters 14.04, 14.10, and 20.42 of the Seattle Municipal Code, as they may be amended from time to time; and rules, regulations, orders, and directives of the associated administrative agencies and their officers.

12.4 Taxes, Assessments and Other Governmental Impositions

Together with the Concession Fee required under Subsection 5.1, Concessionaire shall pay to the City whatever leasehold excise tax is assessed pursuant to RCW Ch. 82.29A as a consequence of Concessionaire's use and occupancy of the Premises under this Agreement. Concessionaire shall also remit to the appropriate taxing authority all other taxes, assessments, levies, and other impositions that may be due and payable with respect to property owned by Concessionaire on the Premises, Concessionaire's activities, and Concessionaire's interest in this Agreement, before the same become delinquent.

13. ENVIRONMENTAL STANDARDS

13.1 Definitions

As used in this Agreement, "Environmental Law" means any environmentally related local, state or federal law or regulation, ordinance or order, now or hereafter amended including, but not limited to: the Federal Clean Air Act; the Federal Clean Water Act; the Federal Safe Drinking Water Act; the Federal Comprehensive Environmental Response Compensation and Liability Act, as amended by the Superfund Amendments and Reauthorization Act of 1986; the Federal Resource Conservation and Recovery Act, as amended by the Solid and Hazardous Waste Amendments of 1984; the Federal Occupational Safety and Health Act; the Federal Emergency Planning and Right-to-Know Act of 1986; the Federal Hazardous Materials Transportation Control Act of 1980; the Federal Waste Management Recovery and Recycling Act; the Federal Toxic Substances Control Act; the Washington Hazardous Waste Management Act; Washington Model Toxics Control Act; the Washington Water Pollution Control Act; the Washington Underground Petroleum Storage Tanks Act; the Washington Industrial Safety and Health Act; the Washington Worker and Community Right to Know Act; the Washington Oil and Hazardous Substance Spill Prevention and Response Act; and any regulations promulgated thereunder from time to time. As used in this Agreement, "Hazardous Substance" means any substance designated as, or containing any component designated as, hazardous, toxic, harmful or subject to regulation under any Environmental Law.

13.2 Concessionaire's General Obligations

Concessionaire shall not keep any Hazardous Substance on or about the Premises, nor shall Concessionaire permit the Premises to be used to generate, produce, manufacture, refine, transport, treat, store, handle, dispose, transfer, or process Hazardous Substances, without the Superintendent's prior, written consent, except fuel storage as permitted under Section 1.2, and customary office and cleaning supplies in reasonable, normal quantities handled in compliance with applicable law and safety guidelines. With respect to the fuel storage and any other Hazardous Substance the Superintendent has approved for use or storage on the Premises, Concessionaire shall provide the City with Concessionaire's USEPA Waste Generator Number, and with copies of all Material Safety Data Sheets, Generator Annual Dangerous Waste Reports, environmentally related regulatory permits or approvals (including revisions or renewals) and any correspondence Concessionaire receives from, or provides to, any governmental unit or agency

in connection with Concessionaire's handling of any Hazardous Substance or the presence, or possible presence, of any Hazardous Substance on the Premises.

13.3 Environmental Testing

The City shall have access to the Premises upon reasonable notice to conduct environmental inspections. In addition, Concessionaire shall permit the City access to the Premises at any time upon reasonable notice for the purpose of conducting environmental testing at the City's expense, provided the City makes reasonable efforts not to interfere with Concessionaire's Permitted Use of the Premises. Concessionaire shall not conduct or permit others to conduct environmental testing on the Premises without first obtaining the Superintendent's written consent. Concessionaire shall promptly inform SPR of the existence of any environmental study, evaluation, investigation or results of any environmental testing conducted on the Premises whenever the same becomes known to Concessionaire, and Concessionaire shall provide a copy of each of the same to SPR immediately following Concessionaire's receipt of the same.

13.4 Concessionaire's Obligation to Remove Hazardous Substances

Prior to Concessionaire vacating the Premises, in addition to all other requirements under this Agreement, Concessionaire shall remove any Hazardous Substance stored or released on the Premises by Concessionaire or its agents or employees during the Term, and shall dispose of such Hazardous Substances in compliance with all applicable Environmental Laws. Concessionaire shall provide copies to the City of all required paperwork related to the characterization, transportation and disposal of Hazardous Substances from the Premises, within thirty (30) days after disposal of such Hazardous Substances.

13.5 Concessionaire's Obligations upon Violation of Environmental Standards; City's Remedial Rights

If Concessionaire violates any of the terms of this Article 13 concerning the presence or use of Hazardous Substances or the handling or storing of hazardous wastes, Concessionaire shall within ten days after notice from the City commence to take such action as is necessary to mitigate and correct the violation as required by Environmental Laws. If Concessionaire does not act within ten days after notice for the City to commence to correct such violation, the City reserves the right, but not the obligation, to come onto the Premises and to take such action as the Superintendent deems necessary to ensure compliance or to mitigate the violation. If the City has a reasonable belief that Concessionaire is in violation of any law or regulation, or that Concessionaire's actions or inactions present a threat of violation or an imminent threat of damage to the Premises or imminent risk to the public, the City reserves the right to enter onto the Premises and take such corrective or mitigating action as the Superintendent deems necessary. All costs and expenses incurred by the City in connection with any such actions shall become due and payable by Concessionaire within ten days after the City's presentation of an invoice therefor.

13.6 Additional City Remedies for Concessionaire's Violation of Environmental Standards

No remedy provided herein shall be deemed exclusive. In addition to any remedy provided above, the City shall be entitled to full reimbursement from Concessionaire whenever the City incurs any costs resulting from Concessionaire's violation of the terms of this Section 13, including, but not limited to, remedial action costs, fines, penalties assessed directly against the City, injuries to third persons or other properties, and loss of revenues resulting from an inability to allow other persons or entities to use or occupy the Premises due to its environmental condition as the result of Concessionaire's violation of the terms of this Agreement (even if such loss of revenue occurs after the expiration or earlier termination of this Agreement).

13.7 Concessionaire's Environmental Indemnification Obligation

In addition to all other indemnities provided in this Agreement, Concessionaire shall defend, indemnify and hold the City free and harmless from any and all claims, causes of action, regulatory demands, liabilities, fines, penalties, losses, and expenses, including without limitation cleanup and other remedial action costs (including attorneys' fees, costs and all other reasonable litigation expenses when incurred and whether incurred in defense of actual litigation or in reasonable anticipation of litigation) (collectively, "Claims"), arising from the Concessionaire's use, release or disposal of any Hazardous Substance on the Premises during the term of this Agreement, or the migration of any Hazardous Substance released by Concessionaire, its agents or employees during the term of this Agreement from the Premises to other properties or into the surrounding environment, whether (i) made, commenced or incurred during the Term of this Agreement, or (ii) made, commenced or incurred after the expiration or termination of this Agreement if arising out of Concessionaire's, or its employees, agents, contractors, licensees, or invitee's acts, omissions, or breach of this Agreement during the Term. Nothing contained in this Section 13 shall require Concessionaire to indemnify City for any such Claims resulting from the presence of Hazardous Substances that have come to be located on the Premises or in the soil or ground water prior to the earlier of the Effective Date or Concessionaire's initial use and occupancy of the Premises or resulting from Hazardous Substances released or disposed of by persons other than Concessionaire, its agents, employees, or other persons under the reasonable control of the Concessionaire, unless Concessionaire exacerbates or contributes to the migration or continued release of such Hazardous Substances.

13.8 Survival of Environmental Obligations

The provisions of this Section 13 shall survive the expiration or earlier termination of this Agreement.

14. LIENS AND ENCUMBRANCES

Concessionaire shall keep the Premises free and clear of any liens and encumbrances arising or growing out of its improvement, use and occupancy of the Premises. At the City's request, Concessionaire shall furnish the City written proof of payment of any item that would or might constitute the basis for such a lien on the Premises if not paid.

15. INSURANCE

15.1 Concessionaire's Insurance Coverages and Limits

Concessionaire shall, at its sole cost and expense, maintain, and cause its Subtenant(s), if any, to maintain in full force and effect the following minimum limits of insurance throughout the entire Term:

15.1.1 Insurance Coverages and Limits. Concessionaire shall, at its sole cost and expense, maintain in full force and effect the following minimum limits of insurance, and adhere to all terms and conditions set forth below, throughout the entire Agreement Term:

15.1.1.1 **Commercial General Liability (CGL)** written on an occurrence form at least as broad as ISO CG 00 01, with Minimum Limits of Liability:

\$3,000,000 per Occurrence

\$4,000,000 General Aggregate

\$2,000,000 Products/Completed Operations Aggregate

\$1,000,000 Personal/Advertising Injury Liability

\$1,000,000 Damage to Premises Rented to You

Coverage shall include: Premises and Operations; Broad Form Property Damage (Including Completed Operations); Liability assumed under an Insured Contract (including tort liability of another assumed in a business contract); Personal Injury and Advertising Liability; Independent Contractors; Severability of Interest Clause; Waiver of Subrogation endorsement in favor of Concessionaire as required by contract; General Aggregate Limits of Insurance shall apply separately; “Claims Made” and “Modified Occurrence” policy forms are not acceptable.

Such insurance (i) may be evidenced with primary limits or any combination of primary and/or excess/umbrella limits, (ii) shall neither exclude nor sublimit, except as permitted below, sexual/and or physical molestation claims, and (iii) shall include “The City of Seattle, its officers, elected officials, employees, agents, and volunteers” as additional insureds for primary and non-contributory limits of liability for the full limits of liability available under Licensee’s liability insurance program, whether such limits are primary, excess, contingent or otherwise.

Minimum \$1,000,000 per Occurrence and General Aggregate for Abuse/Molestation coverage, may be provided by CGL or a separate policy.

15.1.1.2 Automobile Liability Insurance at least as broad as ISO CA 00 01 including coverage for owned, non-owned, leased or hired vehicles as applicable, with a minimum limit of \$1,000,000 each accident for bodily injury and property damage.

15.1.1.3 Workers’ Compensation insurance securing Concessionaire’s liability for industrial injury to its employees in accordance with the provisions of Title 51 of the Revised Code of Washington. (Should USL&H or Jones Act coverage apply tenant will be responsible for coverage)

15.1.1.4 Employers Liability / Washington Stop \$1,000,000 Each Accident / Each Disease / Policy Limit Alternatively, may be evidenced as Employer’s Liability insurance under Part B of a Workers Compensation insurance policy.

15.1.1.5 Property Insurance under which the Concessionaire’s furniture, trade fixtures, equipment and inventory (“Business Personal Property”) and all alterations, additions and improvements that Concessionaire makes to the Premises are insured throughout the Term in an amount not less than the replacement cost new thereof, against the following hazards: (i) loss from the perils of fire and other risks of direct physical loss (excluding earthquake), not less broad than provided by the insurance industry standard “Causes of Loss -Special Form” (ISO form CP 1030 or equivalent); (ii) loss or damage from water leakage or sprinkler systems now or hereafter installed in or on the Premises; (iii) loss or damage by explosion of steam boilers, pressure vessels, or above-ground oil or gasoline storage tanks or similar apparatus now or hereafter installed on the Premises; (iv) loss from business interruption or extra expense, with sufficient coverage to provide for the payment of Rent and Additional Charge and other fixed costs during any interruption of Concessionaire’s business. City shall be named as a loss payee as respects property insurance covering the alterations, additions and improvements under such policy.

15.1.1.6 Builder's Risk Property Insurance (Should Concessionaire undertake tenant improvements)

- i. The Concessionaire must, at its sole expense, maintain Builder's Risk Property insurance ("Builder's Risk") covering interests in the Work of the Concessionaire by the Contractor and any subcontractor of any tier ("Subcontractor"). Builder's Risk must insure against all risks of physical loss or damage, including earthquake and flood, except as excluded. The Builder's Risk must:
 - a. Attach upon notification to the Concessionaire's Builder's Risk property insurance underwriter of the Notice to Proceed Date. Builder's Risk may be terminated upon notification of the Physical Completion Date, or earlier if the Concessionaire and the insurer agree that an earlier date is appropriate under the circumstances of the project.
 - b. Be written with an amount of insurance equivalent to the completed value of the project plus "soft costs," including design costs, licensing fees, architect fees and engineer fees.
 - c. Include coverage for temporary buildings, debris removal, and building materials in transit or stored on or off-site, but not for Contractor's or Subcontractor's owned, hired, or leased property or tools, equipment, or supplies used for construction and not intended to form a permanent part of the Work.
 - d. Have a deductible of \$50,000 (or less) per occurrence for all perils, except earthquake and flood which may have higher deductibles. Payment of deductibles must be the responsibility of the Contractor except for (i) earthquake or flood claims, or (ii) all risks claims to the extent damage is not caused by the negligent acts of the Contractor or any Subcontractor.
 - e. Include the City of Seattle as loss payee as its interest may appear.
- ii. Within 5 Business Days of binding Builder's Risk coverage, the Concessionaire must provide to the City of Seattle a certificate of Builder's Risk Property insurance that includes coverage information, amounts of insurance, deductibles and provisions for 30-Day notice of cancellation and loss payee status; evidence of renewal of such insurance must thereafter be delivered until the earliest of the Physical Completion Date or occupancy of the Work by the Concessionaire. Upon written request of Contractor by email to SPR leadership, Concessionaire must, in addition, provide an electronic copy by email in Portable Document Format (PDF) of the current original Builder's Risk Property insurance policy or, if the policy has not been issued and received by Concessionaire, an electronic copy of the current Builder's Risk Property insurance binder.
- iii. In the event of any claim or potential claim against the Concessionaire-provided Builder's Risk, the Contractor must, as soon as practicable, provide electronic written notice by email to SPR leadership.
- iv. Builder's Risk must cover all materials, supplies, and equipment that are intended for specific installation in the project while such materials, supplies and equipment are located at the project site, in transit or while temporarily located away from the project site. However, Builder's Risk insurance does not cover Contractor's or Subcontractor's owned, hired, or leased property or tools,

equipment, or supplies used for construction and not intended to form a permanent part of the Work, for which Contractor and Subcontractor must be responsible and at their sole option may insure.

v. The Contractor and the Concessionaire mutually waive all rights of subrogation against the other and any of their Subcontractors, and their respective agents and employees, each of the other, for damage caused by insured perils to the extent covered by Builder's Risk or other property insurance applicable to the work. The applicable property insurance policies must provide automatic blanket provisions for such waivers.

15.1.2 City's Property Insurance Coverage and Limits. City will maintain at its expense Property Insurance or self-insurance under which the Premises, excluding Concessionaire's Business Personal Property and Tenant Improvements, are insured throughout the Term in an amount not less than the replacement cost new thereof, against the following hazards: (i) loss from the perils of fire and other risks of direct physical loss, not less broad than provided by the insurance industry standard "Causes of Loss - Special Form (ISO form CP 1030 or equivalent); (ii) loss or damage from water leakage or sprinkler systems now or hereafter installed in or on the Premises; (iii) loss or damage by explosion of steam boilers, pressure vessels, or above-ground oil or gasoline storage tanks or similar apparatus now or hereafter installed on the Premises. City's Property Insurance currently is subject to a \$250,000 deductible for most claims for which Concessionaire shall be responsible only to the proportional extent to which the loss or damage is attributable to Concessionaire's negligent acts that are, or should be, covered by Tenant's Fire/Tenant Legal Liability insurance.

15.1.2.1 General Requirements for Concessionaire's Insurance. The limits of liability described above are minimum limits of liability only. Regardless of provisions to the contrary under the terms of any insurance policy maintained by Concessionaire, the specification of any such minimum limits shall neither be (1) intended to establish a maximum limit of liability to be maintained by Concessionaire as respects this Agreement, nor (2) construed as limiting the liability of any of Concessionaire's insurers, which must continue to be governed by the stated limits of liability of the relevant insurance policies.

In the event that the City deems insurance to be inadequate to protect Concessionaire and the City, Concessionaire shall increase coverages and/or liability limits as the City shall deem reasonably adequate within sixty (60) days after the date of written notice.

Coverage shall not be cancelled without forty-five (45) day written notice of such cancellation, except ten (10) day written notice as respects cancellation for non-payment of premium, to the City at its notice address except as may otherwise be specified in Revised Code of Washington (RCW) 48.18.290 (Cancellation by insurer.). The City and the Concessionaire mutually agree that for the purpose of RCW 48.18.290 (1) (b), for both liability and property insurance the City is deemed to be a "mortgagee, pledge, or other person shown by (the required insurance policies) to have an interest in any loss which may occur thereunder."

Each insurance policy required hereunder shall be (1) subject to reasonable approval by City that it conforms with the requirements of this Section, and (2) be issued by an insurer rated A-:V or higher in the then-current A.M. Best's Key

Rating Guide and licensed to do business in the State of Washington unless procured under the provisions of chapter 48.15 RCW (Unauthorized insurers).

Any deductible or self-insured retention (“S.I.R.”) must be disclosed to, and shall be subject to reasonable approval by, the City. Concessionaire shall cooperate to provide such information as the City may reasonably deem to be necessary to assess the risk bearing capacity of the Concessionaire to sustain such deductible or S.I.R. The cost of any claim falling within a deductible or S.I.R. shall be the responsibility of Concessionaire. If a deductible or S.I.R. for CGL or equivalent insurance is not “fronted” by an insurer but is funded and/or administered by Concessionaire or a contracted third-party claims administrator, Concessionaire agrees to defend and indemnify the City to the same extent as the City would be protected as an additional insured for primary and non-contributory limits of liability as required herein by an insurer.

15.1.2.2 Waiver of Subrogation. Unless such waiver would void the property insurance coverage to be provided pursuant to this section, the City and Concessionaire waive all subrogation rights each may have against the other, or any subtenant, for damages caused by fire or other perils to the extent covered by property insurance obtained pursuant to this section or other property insurance applicable to the Premises, except such rights as they have to proceeds of such insurance held by the City or the Concessionaire or both as fiduciary. This waiver of subrogation shall be effective to a person or entity even though that person or entity would otherwise have a duty of indemnification, contractual or otherwise, whether or not the person or entity paid the insurance premium directly or indirectly, and whether or not the person or entity has an insurable interest in the property damaged.

15.1.2.3 The City of Seattle as Additional Insured. The CGL insurance, Auto and, in addition, Excess and/or Umbrella liability insurance, if any, shall include “The City of Seattle, its officers, officials, employees, agents and volunteers” as additional insureds. Licensee’s insurance shall be primary and non-contributory to any insurance maintained by or available to the City. The term “insurance” in this paragraph shall include insurance, self-insurance (whether funded or unfunded), alternative risk transfer techniques, capital market solutions or any other form of risk financing.

i. Licensee’s insurance policy shall include a “separation of insureds” or “severability” clause that applies coverage separately to each insured and additional insured, except with respect to the limits of the insurer’s liability. Licensee’s insurance policy shall not contain any provision, exclusion or endorsement that limits, bars, or effectively precludes the City of Seattle from coverage or asserting a claim under the Licensee’s insurance policy on the basis that the coverage or claim is brought by an insured or additional insured against an insured or additional insured under the policy.

ii. Evidence of Insurance: On or before the Commencement Date, and thereafter not later than the last business day prior to the expiration date of each such policy, the following documents must be delivered to City at its notice address as evidence of the insurance coverage required to be maintained by Licensee:

a) Certification of insurance documenting compliance with the coverage, minimum limits and general requirements specified herein; and

b) A copy of the policy's declarations pages, showing the insuring company, policy effective dates, limits of liability and the Schedule of Forms and Endorsements specifying all endorsements listed on the policy including any company-specific or manuscript endorsements;

c) A copy of the CGL insurance policy provision(s) and endorsements expressly including the City of Seattle and its officers, elected officials, employees, agents and volunteers as additional insureds (whether on ISO Form CG 20 26 or an equivalent additional insured or blanket additional insured policy wording), showing the policy number, and the original signature and printed name of the representative of the insurance company authorized to sign such endorsement.

d) Pending receipt of the documentation specified in this Section, Concessionaire may provide a copy of a current complete binder. An ACORD certificate of insurance will not be accepted in lieu thereof.

15.2 City's Property Insurance Coverage and Limits

15.2.1 City will maintain at its expense Property Insurance or self-insurance under which the Premises, excluding Concessionaire's Business Personal Property and tenant improvements, are insured throughout the Term in an amount not less than the replacement cost new thereof, against the following hazards: (i) loss from the perils of fire and other risks of direct physical loss (including earthquake), not less broad than provided by the insurance industry standard "Causes of Loss - Special Form (ISO form CP 1030 or equivalent); (ii) loss or damage from water leakage or sprinkler systems now or hereafter installed in or on the Premises; (iii) loss or damage by explosion of steam boilers, pressure vessels, or above-ground oil or gasoline storage tanks or similar apparatus now or hereafter installed on the Premises. City's Property Insurance currently is subject to a \$250,000 deductible for most claims. Concessionaire shall be responsible to pay the deductible to the proportional extent to which the loss or damage is attributable to Concessionaire's negligent acts.

15.2.2 The City may change the terms of its insurance in Section 15.2.1 at any time based on market conditions, with no compensation due to the Concessionaire.

15.3 General Requirements for Concessionaire's Insurance

15.3.1 The CGL insurance and, in addition, Excess and/or Umbrella liability insurance, if any, shall include "The City of Seattle, its officers, officials, employees, agents and volunteers" as additional insureds. Concessionaire's insurance shall be primary and non-contributory to any insurance maintained by or available to the City. The term "insurance" in this paragraph shall include insurance, self-insurance (whether funded or unfunded), alternative risk transfer techniques, capital market solutions or any other form of risk financing.

15.3.2 Coverage shall not be cancelled without forty-five (45) day written notice of such cancellation, except ten (10) day written notice as respects cancellation for non-payment of premium, to the City at its notice address except as may otherwise be specified in Revised Code of Washington (RCW) 48.18.290 (Cancellation by insurer.). The City and the Concessionaire mutually agree that for the purpose of RCW 48.18.290 (1) (e), for both liability and property insurance the City is deemed to be a "mortgagee, pledge, or other person shown by (the required insurance policies) to have an interest in any loss which may occur thereunder."

15.3.3 Each insurance policy required hereunder shall be (1) subject to reasonable approval by City that it conforms with the requirements of this Section, and (2) be issued by an insurer rated A-: VII or higher in the then-current A. M. Best's Key Rating Guide and licensed to do business in the State of Washington unless procured under the provisions of chapter 48.15 RCW (Unauthorized insurers).

15.3.4 Any deductible or self-insured retention ("S.I.R.") must be disclosed to, and shall be subject to reasonable approval by, the City. Concessionaire shall cooperate to provide such information as the City may reasonably deem to be necessary to assess the risk bearing capacity of the Concessionaire to sustain such deductible or S.I.R. The cost of any claim falling within a deductible or S.I.R. shall be the responsibility of Concessionaire. If a deductible or S.I.R. for CGL or equivalent insurance is not "fronted" by an insurer but is funded and/or administered by Concessionaire or a contracted third-party claims administrator, Concessionaire agrees to defend and indemnify the City to the same extent as the City would be protected as an additional insured for primary and non-contributory limits of liability as required herein by an insurer.

15.4 Waiver of Subrogation

The City and Concessionaire waive all subrogation rights each may have against the other, or any subtenant, for damages caused by fire or other perils to the extent covered by property insurance obtained pursuant to this section or other property insurance applicable to the Premises (or would fall within the scope of a fire and extended coverage (as risk) policy of insurance required under this Agreement, whether or not the party suffering the loss actually maintained the insurance).

15.5 Evidence of Insurance

On or before the Commencement Date, and thereafter not later than the last business day prior to the expiration date of each such policy, the following documents must be delivered to City at its notice address as evidence of the insurance coverage required to be maintained by Concessionaire:

15.5.1 Certificates of insurance documenting compliance with the coverage, minimum limits and general requirements specified herein; and

15.5.2 A copy of the policy's declarations pages, showing the insuring company, policy effective dates, limits of liability and the Schedule of Forms and Endorsements specifying all endorsements listed on the policy including any company-specific or manuscript endorsements;

15.5.3 A copy of the CGL insurance policy provision(s) documenting the City of Seattle and its officers, elected officials, employees, agents and volunteers as additional insureds (whether on ISO Form CG 20 26 or an equivalent additional insured or blanket additional insured policy wording), showing the policy number, and the original signature and printed name of the representative of the insurance company authorized to sign such endorsement;

15.5.4 Pending receipt of the documentation specified in Section 15.5.3, Concessionaire may provide a copy of a current complete binder. An ACORD certificate of insurance will not be accepted in lieu thereof.

Original certificates of insurance shall be issued to:
The City of Seattle
Seattle Parks and Recreation

6310 NE 74th St., Suite 109E
Seattle, WA 98115
ATTN: Magnuson Contract Coordinators

15.6 Assumption of Property Risk

The placement and storage of Concessionaire's Business Personal Property in or about the Premises shall be the responsibility, and at the sole risk, of Concessionaire.

15.7 Adjustments of Claims

The Concessionaire shall provide for the prompt and efficient handling of all claims for bodily injury, property damage or theft arising out of the activities of the Concessionaire under this Agreement.

15.8 Concessionaire's Responsibility

The procuring of the policies of insurance required by this Agreement shall not be construed to limit the Concessionaire's liability under this Agreement.

16. RECORDS, BOOKS & DOCUMENTS FOR CITY ACCESS AND AUDIT

Concessionaire shall keep separate, accurate, complete and auditable records and receipts for each year, showing the programming offered at and from Magnuson Park. All such records shall be retained in King County, Washington, for at least six (6) years after the close of any fiscal year in which they were generated or issued. Concessionaire's books and records shall be subject at all reasonable times to inspection, review, or audit in King County by personnel duly authorized by SPR, the City, the Office of the State Auditor, and other officials so authorized by law, rule, regulation, or contract. Concessionaire shall ensure that such inspection, audit and copying right of the City is a condition of any license, contract or other arrangement under which any other person who is not a Concessionaire employee or other entity is permitted to carry on a business or social service activity in, on or from the Premises.

17. ACCESS

SPR shall have the right, at all reasonable times and with prior notice to Concessionaire, to enter the Premises for purposes of inspecting, cleaning, repairing, altering, or improving the Premises to the extent required or permitted under this Agreement; provided that the City may not alter or improve the Premises for any reason other than for safety or code compliance without the Concessionaire's consent, and nothing contained in this Section 17 shall be construed so as to impose any obligation on SPR to make any repair, alteration, or improvement. If the City's activities prevent the Concessionaire from using the Premises the Concessionaire shall be entitled to a reasonable abatement of the Concession Fee. Concessionaire shall not install any lock or bolt or other security device on any portion of the Premises without SPR's written consent. Concessionaire shall provide SPR with a key to each lock installed on any portion of the Premises (other than keys to safes, filing cabinets and the like).

18. SIGNS OR ADVERTISING

18.1 Concessionaire's Signs

Concessionaire shall have the right upon prior written approval from SPR to install a sign on the Premises that identifies the same for Concessionaire's purposes. Any such sign shall be constructed in a style and size consistent with the City's sign code and SPR's then-current signage policy. SPR hereby approves Concessionaire's signage on the Premises existing as of the Commencement Date.

18.2 No Other Signage on Premises

Other than the signage permitted by Section 18.1, above, Concessionaire shall not inscribe, post, place, or in any manner display any sign, notice, picture, poster, or any advertising matter whatsoever anywhere in or about the Premises without first obtaining SPR's written consent thereto. Any such sign shall be constructed in a style and size consistent with the City's sign code and SPR's then-current signage policy. Any consent so obtained from SPR shall be with the understanding and agreement that Concessionaire will remove the same at the expiration or earlier termination of this Agreement and repair any damage or injury to the Premises caused thereby.

19. **WASTEFUL AND DANGEROUS USE**

Concessionaire shall not commit or suffer any waste upon the Premises and will not do or permit to be done in or about the Premises anything that is inconsistent with this Agreement or the Parks Code (Chapter 18.12 of the Seattle Municipal Code) as now existing or hereafter amended or any activity that is inconsistent with the use authorized by this Agreement or that will be dangerous to life or limb, or that will increase any insurance rate upon the Premises.

20. **DEFAULT; REMEDIES FOR DEFAULT; TERMINATION**

20.1 Concessionaire's Default; Definition

Each of the following shall, unless cured by Concessionaire within any applicable cure period set forth in Section 20.2 below, be an event of default ("Default") under this Agreement: (a) if Concessionaire violates, breaches, or fails to keep or perform any term, provision, covenant, or any obligation of this Agreement; (b) if Concessionaire abandons, deserts, vacates, or otherwise removes its operations from the Premises without the Superintendent's prior consent; or (c) if Concessionaire files or is the subject of a petition in bankruptcy, or if a trustee or receiver is appointed for Concessionaire's assets or if Concessionaire makes an assignment for the benefit of creditors, or if Concessionaire is adjudicated insolvent, or becomes subject to any proceeding under any bankruptcy or insolvency law whether domestic or foreign, or liquidated, voluntarily or otherwise.

20.2 City Remedies in the Event of Concessionaire's Default

If Concessionaire Defaults and such Default continues or has not been remedied to the Superintendent's reasonable satisfaction within thirty (30) days after written notice of Default has been provided to Concessionaire, then City shall have the nonexclusive rights and remedies that follow: (i) to cure the Default on Concessionaire's behalf and at Concessionaire's sole expense and to charge Concessionaire for all actual and reasonable costs and expenses incurred by City in effecting such cure as an additional charge; (ii) to terminate this Agreement by written notice to Concessionaire; and (iii) to re-enter said Premises and take possession thereof without liability to Concessionaire of any kind. Notwithstanding the foregoing, for any Default other than monetary Default, failure to maintain required insurance, or vacation or abandonment of the Premises, if the nature of Concessionaire's Default is such that more than thirty (30) days is required for remedy, then Concessionaire shall not be in Default if it commences the remedy within such thirty (30) day period and thereafter diligently prosecutes the same to completion.

Concessionaire shall be liable and shall reimburse the City upon demand for all actual and reasonable costs and expenses of every kind and nature incurred in retaking possession of the Premises. If the City retakes the Premises, the City shall have the right, but not the obligation, to remove therefrom all or any part of the personal property located thereon and may exercise

City's rights under Section 21. City's remedies under this Section 20.2 are cumulative and City does not waive its right to any remedy allowed at law or equity.

20.3 Termination for Reasons beyond the Parties' Control

Either party may terminate this Agreement without recourse by the other party upon five (5) days' written notice if performance is rendered impossible or impracticable for reasons beyond the terminating party's reasonable control such as, but not limited to, acts of nature; war or warlike operations; civil commotion; riot; labor disputes including strikes, walkouts, or lockouts; sabotage; or superior governmental regulation or control.

20.4 Termination for City's Convenience

Notwithstanding anything else in this Agreement to the contrary, City may, at any time and without liability of any kind to Concessionaire except as set forth in this Section 20.4, terminate this Agreement upon two hundred (200) days' prior written notice to Concessionaire if the City determines that the Premises are required for a different public purpose. If City terminates for convenience, City will refund Concessionaire for an amount that is equal to the sum of the dollar amount of the Concession Fees (excluding applicable offsets) Concessionaire actually paid to the City in the twelve (12) months prior to the termination date. Such payment from City to Concessionaire shall constitute the sole liability and payment obligation from City to Concessionaire in the event of termination under this Section 20.4.

20.5 City's Default

City shall be in default if City fails to perform its obligations under this Concession Agreement within thirty (30) days after its receipt of notice of nonperformance from Concessionaire; provided, that if the default cannot reasonably be cured within the thirty (30) day period, City shall not be in default if City commences the cure within the thirty (30) day period and thereafter diligently pursues such cure to completion. Upon City's default, Concessionaire may pursue any remedies at law or in equity that may be permitted from time to time by the laws of the State of Washington.

21. REMOVAL OF CONCESSIONAIRE'S PROPERTY FROM PREMISES

Upon the expiration or earlier termination of this Agreement, all of Concessionaire's right, title and interest in and to the Premises, including fixtures installed therein pursuant to this Agreement (other than moveable trade fixtures and appliances and equipment not affixed to the Premises), shall vest in the City, without any action of either party hereto. At such time, Concessionaire shall return the Premises to SPR in good order and condition, except for normal wear and tear, pre-existing defects and repairs necessitated by the City's default or damage by fire or other casualty excepted, and shall have removed from the Premises all items of personal property located thereon. If such personal property is not removed within thirty (30) days of expiration or termination of this Agreement, then SPR shall have the right, but not the obligation, to remove all such personal property from the Premises and may store the same in any place selected by SPR, including but not limited to a public warehouse, at the expense and risk of the owner(s) of such property, with the right to either dispose of or sell such stored property, without notice to Concessionaire or such owner(s), after it has been stored for a period of thirty (30) days or more. The proceeds of such sale shall be applied first, to the cost of such sale; second, to the payment of the charges for storage, if any; and third, to the payment of any other sums of money that may be due from Concessionaire to the City. The balance, if any, shall be paid to

Concessionaire. If City determines that such sale is not reasonable or appropriate, City may dispose of the personal property in any manner it deems fit without liability to Concessionaire.

22. NOTICES

All notices given under this Agreement by either party to the other shall be in writing and shall be sufficiently given if either personally served upon the other party delivered by recognized overnight courier service or sent via the United States Postal Service, postage prepaid, certified mail, return receipt requested, and addressed as follows, unless either party hereafter designates a different address by notice to the other:

If to Concessionaire:

Executive Director
Sail Sand Point
7861 62nd Avenue NE
Seattle, WA 98115

If to the City, SPR or the Superintendent:

Seattle Parks and Recreation
Attn: Magnuson Park Administration
6310 NE 74th Street #109E
Seattle, WA 98115

Notices are effective as follows: if personally delivered, on the date when delivered, or if delivered by overnight courier service, one (1) business day after deposit with the courier service, or if mailed, three (3) business days following the date of placement into U.S. Mail, postage pre-paid.

23. MISCELLANEOUS

23.1 Captions

The paragraph and section headings hereof are for convenience only and shall not be used to expand or interpret the meaning of any part of this Agreement.

23.2 Time

Time is of the essence of this Agreement.

23.3 Partial Invalidity

If any term, covenant or condition of this Agreement or the application thereof to any person or circumstance shall, to any extent, be found or held to be invalid or unenforceable, the remainder of this Agreement, and the application of such term, covenant or condition to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby and each term, covenant or condition of this Agreement shall be valid and be enforced to the fullest extent permitted by law.

23.4 Binding Effect

The provisions, covenants, and conditions contained in this Agreement are binding upon the parties hereto and their legal representatives, successors, assigns and subsidiaries.

23.5 Applicable Law

This Agreement shall be interpreted under the laws of the State of Washington.

23.6 Jurisdiction & Venue

The jurisdiction and venue for any litigation between the parties regarding this Agreement or any question, claim, loss, or injury arising hereunder shall be in the Superior Court of the State of Washington for King County.

23.7 No Partnership or Joint Venture Created

This Agreement does not make Concessionaire the agent or legal representative of the City, nor is any partnership or joint venture created hereby. Concessionaire is not granted any express or implied right or authority to incur any obligation or responsibility in the name of the City or to bind the City in any manner or thing whatsoever.

23.8 City's Remedies Cumulative

The City's rights under this Agreement are cumulative; the City's failure to exercise promptly any rights given hereunder shall not operate to forfeit any such rights. The City shall also have any other remedy given by law. The use of one remedy shall not be taken to exclude or waive the right to use another.

23.9 Amendments

No modification of this Agreement shall be binding upon the City or Concessionaire unless reduced to writing and signed by each of their authorized representatives.

23.10 Consumption of Alcoholic Beverages

Concessionaire shall not permit the consumption of any alcoholic beverages anywhere on the Premises except for Concessionaire sponsored events that have obtained any required State of Washington Liquor Control Board permits.

23.11 No Third-Party Rights

No term or provision of this Agreement is intended to be, or shall be, for the benefit of any person, firm, organization or corporation that is not a party hereto nor shall any person, firm, organization or corporation other than a party hereto have any right or cause of action hereunder.

23.12 No Waivers

No action other than a written document from the Superintendent specifically so stating shall constitute a waiver by the City of any particular breach or default by Concessionaire, nor shall such a document waive any failure by Concessionaire to fully comply with any other term or condition of this Agreement, irrespective of any knowledge any City officer or employee may have of such breach, default, or noncompliance. The City's failure to insist upon full performance of any provision of this Agreement shall not be deemed to constitute consent to or acceptance of such incomplete performance in the future.

23.13 Entire Agreement

This Agreement, including its exhibits as listed below, constitutes the entire agreement and understanding of the parties with respect to the subject matter hereof and supersedes all prior oral or written understandings, agreements, promises or other undertakings between the parties with respect hereto. The parties to this Agreement acknowledge that it is a negotiated agreement, that they have had the opportunity to have this Agreement reviewed by their respective legal counsel, and that the terms and conditions of this Agreement are not to be construed against any party on the basis of such party's preparation of the same.

23.14 City's Consent or Approval

Whenever the consent of the City or Superintendent to any act to be performed by Concessionaire is required under this Agreement, Concessionaire must obtain the consent or approval in writing expressly for purposes of this Agreement, regardless of whether a consent or approval shall have been granted by the City in its regulatory, public utility, or other capacity. No permission, consent, or approval of the City or the Superintendent contained herein or given pursuant to this Agreement is, or shall be construed as, a representation or assurance that the matter consented to or approved complies with applicable laws, regulations, ordinances or codes, nor shall any such consent or approval be construed to authorize any failure to comply with any of the foregoing.

23.15 Counterparts

This Agreement may be executed in counterparts for the convenience of the parties, and such counterparts shall together constitute one Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this instrument the day and year indicated below.

CITY:
SEATTLE PARKS AND RECREATION

CONCESSIONAIRE:
SAIL SAND POINT

By: _____
Anthony-Paul (AP) Diaz, Esq.
Superintendent

By: _____
Seth Muir, Executive Director

List of Tables

Table 1	Initial Square Footage Charge for Defined Premises
Table 2	Per-Square Foot Charge Escalation and Measurements of Defined Premises
Table 3	Outdoor Dry Boat Storage Revenue Charge
Table 4	Annual Public Benefit Plan Submission and Review Timeline
Table 5	Annual Public Benefit Report Submission and Review Timeline

List of Exhibits

A-1	Building 11 Floor Plan
A-2	Buildings 31, 115, 275, and Dry Boat Storage Map
A-3	Premises List with Measurements
A-4	Legal Descriptions
B-1	Public Benefit Description
B-2	Reporting Schedule
C	Capital Improvement Categories Eligible for Allowance
D	USA Quitclaim Deed

STATE OF WASHINGTON)
) ss. (Acknowledgement for City)
COUNTY OF KING)

On this _____ day of _____, 2023, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn personally appeared Anthony-Paul Diaz, Esq., known to me to be the Superintendent of SEATTLE PARKS AND RECREATION, the party that executed the foregoing instrument as City, and acknowledged said instrument to be the free and voluntary act and deed of said party, for the purposes therein mentioned, and on oath stated that he was authorized to execute said instrument.

WITNESS my hand and official seal hereto affixed the day and year in the certificate above written.

[Signature]

[Printed Name]

NOTARY PUBLIC in and for the State of Washington
residing at _____.

My commission expires _____.

STATE OF WASHINGTON)
) ss. (Acknowledgement for Concessionaire)
COUNTY OF KING)

On this _____ day of _____, 2023, before me, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared Seth Muir, to me known to be the Executive Director of SAIL SAND POINT, the entity that executed the foregoing instrument; and acknowledged to me that he signed the same as the free and voluntary act and deed of said entity for the uses and purposes therein mentioned and that he was authorized to execute said instrument for said entity.

WITNESS my hand and official seal the day and year in this certificate above written.

[Signature]

[Printed Name]

NOTARY PUBLIC in and for the State of Washington
residing at _____.

My commission expires _____

EXHIBIT A-2
Buildings 31 (Boathouse), Building 115, and Building 275 Dry Boat Storage

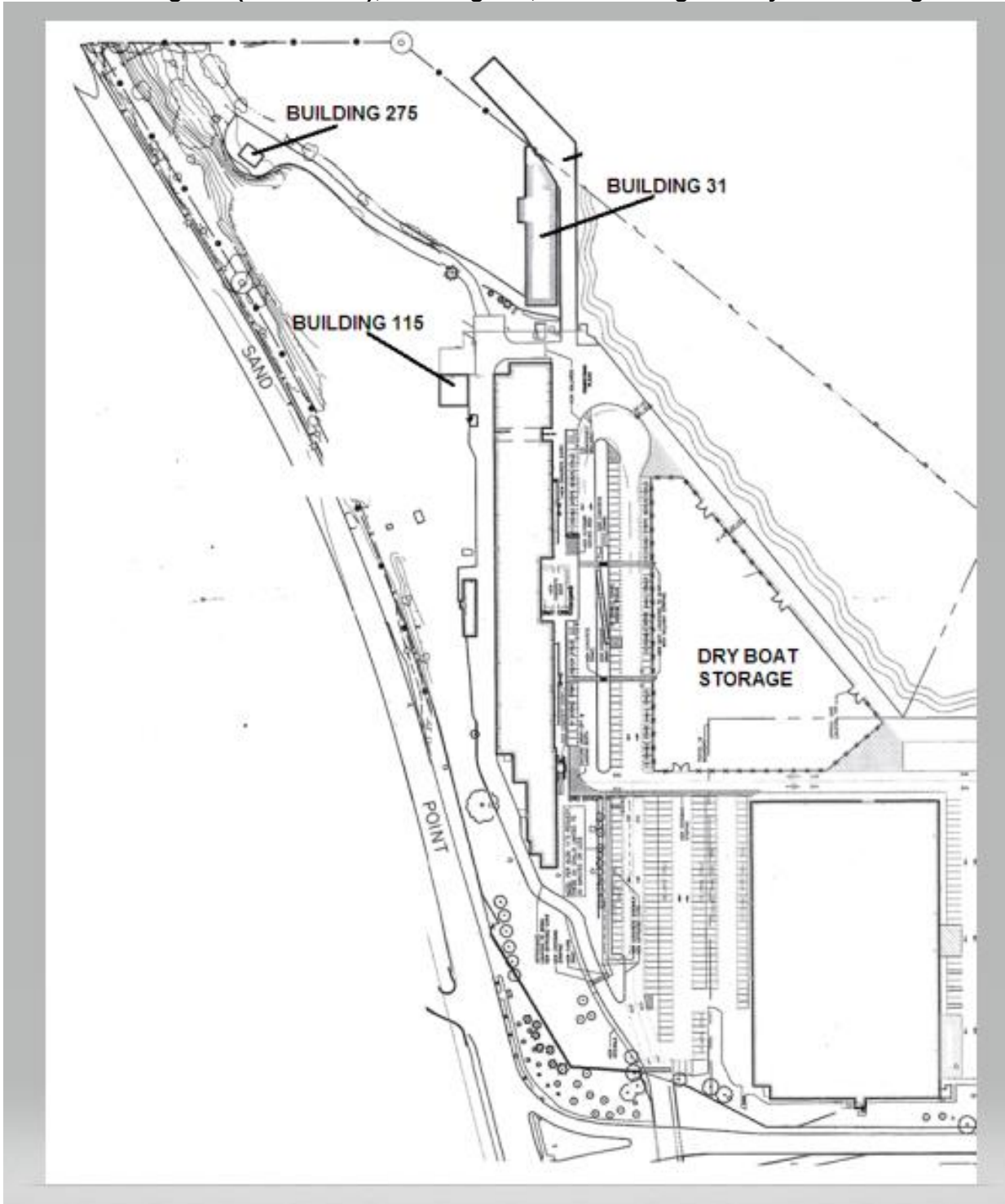


EXHIBIT A-3
Premises List with Measurements

Premises	Measurement	Exhibit Reference
Building 11 Office, Board Room, Staff Restroom	3,321 SQ FT	Exhibit A-1
Building 11 Room 160	1,600 SQ FT	Exhibit A-1
Building 31 (Boathouse)	3,551 SQ FT	Exhibit A-2
Building 115	1,363 SQ FT	Exhibit A-2
Building 275 (Opti Land)	258 SQ FT	Exhibit A-2
Outdoor Dry Boat Storage	69,000 SQ FT	Exhibit A-2
Total	79,093	

**EXHIBIT A-4
Legal Descriptions**

Building 11 Description

That portion of Parcel 1-A (Assessor's Parcel No. 0225049062) as described and depicted on Record of Survey No. 20000906900018 records of King County, Washington, as follows:
Commencing at the most southeasterly corner of said Parcel 1-A, thence N 0°01'44" W along the boundary of said parcel a distance of 295.51'; thence S 89°59'52" W a distance of 197.27' to the southeast corner of a building known as 'Building 11' and the True Point of Beginning;
Thence counterclockwise along the outer face of said building, the following courses:

N 00°00'08" W 153.42',
S 89°59'52" W 2.60',
N 00°00'08" W 162.42',
S 89°59'52" W 15.67',
N 00°00'08" W 81.33',
N 89°59'52" E 15.67',
N 00°00'08" W 150.50',
S 89°59'52" W 12.50',
N 00°00'08" W 16.33',
N 89°59'52" E 12.50',
N 00°00'08" W 83.67',
S 89°59'52" W 54.83',
S 00°00'08" E 13.83',
S 89°59'52" W 19.75',
S 00°00'08" E 487.92',
N 89°59'52" E 21.27',
S 00°00'08" E 35.92',
N 89°59'52" E 17.00',
S 00°00'08" E 76.33',
N 89°59'52" E 4.67',
S 00°00'08" E 16.83',
N 89°59'52" E 13.25',
S 00°00'08" E 16.83',
N 89°59'52" E 21.00' to the True Point of Beginning.

Building 31 Description

That portion of Parcel 1-A (Assessor's Parcel No. 0225049062) as described and depicted on Record of Survey No. 20000906900018 records of King County, Washington, as follows:

Commencing at the most southeasterly corner of said Parcel 1-A, thence N 0°01'44" W along the boundary of said parcel a distance of 295.51'; thence N 14°16'21" W a distance of 775.89' to the southeast corner of a building known as 'Building 31' and the True Point of Beginning;

Thence counterclockwise along the outer face of said building as per GIS outline, the following courses:

N 0°47'21" W 119.53',

N 88°14'11" W 9.89',

N 54°35'29" E 12.11',

N 30°46'33" W 44.64',

S 51°28'41" W 4.57',

N 31°08'39" W 14.71',

S 83°00'20" W 4.65',

S 0°17'52" W 174.94',

N 89°12'39" W 41.23' to the True Point of Beginning.

Building 115 Description

That portion of Parcel 1-A (Assessor's Parcel No. 0225049062) as described and depicted on Record of Survey No. 20000906900018 records of King County, Washington, as follows:

Commencing at the most southeasterly corner of said Parcel 1-A, thence N 0°01'44" W along the boundary of said parcel a distance of 295.51'; thence N 27°25'43" W a distance of 667.19' to the southeast corner of a building known as 'Building 115' and the True Point of Beginning;

Thence counterclockwise along the outer face of said building as per GIS outline, the following courses:

N 0°25'17" E 42.42',

N 89°34'43" W 39.12',

S 0°26'21" W 42.36',

S 89°29'39" E 39.13' to the True Point of Beginning.

Building 275 Description

That portion of Parcel 1-A (Assessor's Parcel No. 0225049062) as described and depicted on Record of Survey No. 20000906900018 records of King County, Washington, as follows:

Commencing at the most southeasterly corner of said Parcel 1-A, thence N 0°01'44" W along the boundary of said parcel a distance of 295.51'; thence N 32°31'38" W a distance of 1071.65' to the southeast corner of a building known as 'Building 275' and the True Point of Beginning;

Thence counterclockwise along the outer face of said building as per GIS outline, the following courses:

N 36°37'46" E 19.21',

N 53°20'53" W 25.92',

S 36°38'51" W 19.20',

S 53°19'50" E 25.92' to the True Point of Beginning.

Dry Boat Storage Description

That portion of Parcel 1-A (Assessor's Parcel No. 0225049062) and Parcel 1-C (Assessor's Parcel No. 0225049074) as described and depicted on Record of Survey No. 20000906900018 records of King County, Washington, as follows:

Commencing at the most southeasterly corner of said Parcel 1-A, thence N 0°01'44" W along the boundary of said parcel a distance of 295.51'; thence N 51°34'57" W a distance of 202.98' to the southeast corner of a fenced 'Dry Boat Storage Area' and the True Point of Beginning;

Thence counterclockwise along the fence enclosing said 'Dry Boat Storage Area', the following courses:

N 53°26'46" E 91.57',

N 39°01'25" W 422.66',

N 89°51'20" W 36.03',

S 0°02'52" E 383.05'

N 89°58'57" E 228.27' to the True Point of Beginning.

EXHIBIT B-1

Public Benefit Description

The purpose of this document is to establish Sail Sand Points public benefits plan, and the estimated value of those public benefits during 2023. The public benefits included in this plan are divided into two groups: regular public benefits related to programming; and special benefits related to SSP’s investments in facility and site improvements. This outline should be considered an example of public benefits that will be offered. City will review and approve public benefit plans and reports annually.

BENEFIT TYPE	DESCRIPTION	AWARD / DISTRIBUTION CRITERIA	VALUE
Public Access	Free of charge offerings to include: free lifejacket station, wetsuit and foul weather gear borrowing program; maintenance and upkeep for a free filtered water fountain; public access hours where SSP provides free safety boat patrols and safety support for all lake activities off the north end of Magnuson Park; free public bathroom access; free first aid access; and free general park information	There is no award criteria, these will simply be made available to the public when we are open.	\$20,000
Scholarships for individuals	Low income and underserved youth/adults will be offered up to 100% program scholarships, boatyard tenants will be offered up to 50% scholarships for their monthly storage dues and deep discounts will be available for partner agencies and community.	Youth and adults requesting scholarship will be asked to provide their monthly household income and how many are in their household. This is based on the requested percentage and reported need. Boatyard customers will be asked to provide their monthly household income and how many are in their household.	\$25,000 (Average of the requests from the previous 5 years)
Scholarships for Groups	Provision of Seibel Sailor and Groups programs for local youth, primarily from Magnuson Park Community; Sand Point residents; Seattle public schools; families or other underserved communities. These local youth, families and underserved community members will largely attend as	Groups requesting scholarship will be asked to provide % of low-income kids they are bringing. Within this schools will be asked for % of students on free and reduced lunch.	\$20,000

	groups. community groups will be offered up to 100% scholarships		
Community Outreach Events	Minimum of two outreach events annually at no cost to City of Seattle which may include our Full Moon Sails, Free Sailing Days, and the Season Kickoff Party (15 sessions, 400+people and value \$10,000), weekly free sailboat and windsurfing racing (20 sessions, 300 people, value \$2,500) free community BBQs (45 attendees and value \$800), free youth regattas (200+ participants and value \$6,000), and free refresher lessons (30 sessions and value \$550).	There is no award criteria, these will simply be made available to the public when we are open and offering these events.	\$15,000
Volunteer Service Events	Minimum of two volunteer work parties to enhance, repair and improve the facility and adjacent park grounds. (100+ volunteers) Tasks to include garbage removal, moss and cob-web cleaning, sweeping and repair of interior of buildings, pruning of bushes adjacent to property, and repair of interior of boathouse, boat racks and docks. This is a direct benefit to SPR property.	There is no award criteria. 100 people x 5 hours x \$25/hr=	\$12,500
Free Open Boating Passes	We provide free certificates to partner groups for Auction and FR purposes	Preference is given to groups serving low-income youth but there is no formal award criteria. We provide up to 35 certificates per year.	\$7,500
		Typically, SSP donates Adult Paddling Passes which have a \$200 Value; on occasion SSP donates Adult Unlimited Sailing Passes which have a \$300 value. These passes are for one year's worth of unlimited Open Boating rentals.	

Students, seniors, military and Sand Point/Magnuson Park residents will be asked for identification. People with a disability will not be required to provide ID.

2023 Regular Public Benefits
Plan

\$100,000

Sail Sand Point 2023 Facility and Site Improvement Public Benefit Plan

2023 TOP PRIORITIES

1) The former WELD SHOP BAY in Building 11: The next most significant and urgent project is to convert the vacant, 1,500 square foot former weld shop in Building 11 into a facility that can allow SSP to better serve the community in pursuit of its mission. There are likely hazardous materials within this space that need to be abated and their removal will benefit the park and the public it serves. Additionally, the activation of this space will afford SSP more flexible storage, and increased indoor classroom and community space in other areas we occupy as we re-organize our campus. The most immediate steps are:

- 1) We will proceed with Public and Private Fundraising.
- 2) We will begin feasibility, design and permitting working with Miller Hull Architects and other sub-contractors.
- 3) We will conduct demolition, abatement and construction to create more than 1,500 square feet of usable new space.

2) Other SITE and ENVIRONMENTAL IMPROVEMENTS: The indoor spaces which we currently occupy, and other immediately adjacent spaces within the park have room for improvements. All these improvements will go through formal approval process and will be done with an eye towards how we can improve the public experience, increase safety and reduce the environmental impact of the site. A number of these proposals were included in (and as Appendices to) the Building 31 Rehabilitation Study Feasibility Report completed by Miller Hull Architects for SPR in 2020. The most immediate steps are:

- 1) We will proceed with Public and Private Fundraising.
- 2) We'll begin feasibility, design and permitting working with Miller Hull Architects for internal improvements to indoor spaces.
- 3) We will conduct demolition, abatement and construction to improve indoor spaces.
- 4) We'll develop design plans for improvements to outdoor spaces and temporary installations.

3) The BUILDING 31 (BOATHOUSE): SSP will be looking to adapt our operations and facilities to deal with its status.

- 1) We will establish a plan to routinely monitor the condition of the boathouse with SPR.
- 2) We will develop and execute plans to replace the loss of 'in the water' safety boat moorage and dock space.
- 3) We will develop and execute plans to improve the safety of the lagoon.

We include these specific priorities for improvements but offer them as targets, fully aware of the potential impacts of unknowns. Above all, through this agreement and plan we look forward to continuing to work in a spirit of partnership and trust between SPR and SSP to serve our shared community and improve our shared resources for decades to come.

Three Year Fundraising Budget for Site and Facility Improvements

Type	Improvement	Cost
Capital	Campus improvements <ul style="list-style-type: none"> • Weld shop • Other site and facilities improvements 	\$1,000,000
Safety	General site safety improvements (temporary)	\$100,000
Education Programs	Educational programming expansion <ul style="list-style-type: none"> • To increase public benefit and service to diverse audiences 	\$250,000
Campaign Costs	Marketing, fundraising & technology	\$150,000
	Total Expenses	\$1,500,000

**NOTE: Additional site improvements, budgets and funding plans are in development and will be submitted annually through this plan. As specifics designs emerge

2023 Fundraising Sources

	2023 Funds	Goal
2023		
	SSP/ Individual Donors	\$200,000
	WA State Local Community Project Appropriation Dept of Commerce	\$92,000
	King County Capital Budget Appropriation (2023-4 Biennium)	\$350,000
	Miller Hull Partnership Pro Bono work	\$unknown
TOTAL		\$642,000 plus in-kind

2023 Public Grant Funding Opportunities:

- Local Community Project \$92,000, pledged, **contingent on concession agreement**
- King County Capital Budget Appropriation \$350,000, pledged, **contingent on concession agreement**

Exhibit B-2
Reporting Schedule

The tables provided below outlines a general schedule regarding the timing of submitting reports on public benefits, fundraising, and facility redevelopment in accordance with sections 5.6.6, 5.6.7, and 5.7.3 of this Agreement. The schedules outlined below are annual.

Table 4. Annual Public Benefit Plan Submission and Review Timeline

Date	Deliverable Due
October 31 st	Public Benefit Plan for upcoming calendar year submitted for Superintendent approval.
November 1 st – December 31 st	SPR Reviewal, Feedback, and Approval of public benefit plan.
January 1 st – December 31 st	Concessionaire provides public benefit plan approved by Superintendent

Table 5. Annual Public Benefit Report Submission and Review Timeline

Date	Deliverable Due
January 31 st	Public Benefit Report submitted outlining deliverables from Public Benefit Plan from the previous calendar year.
February 1 st – March 31 st .	SPR Reviewal, Feedback, and Approval of public benefit plan.

EXHIBIT C

Capital Improvement Categories Eligible for Allowance

SITWORK:

- Demolition
- Parking lot improvements, pavement and repair
- Site Lighting
- Pedestrian Amenities
- ADA Compliance & Repairs
- Site Permits & Fees
- Project Signage
- Tenant Signage
- Landscape Improvements

BUILDING CONSTRUCTION:

- Environmental Remediation
- Interior Repair
- Electrical
- ADA Compliance
- Windows, Storefront, Canopies, Doors
- Restroom
- Interior Walls
- Paint
- Building Permits and Fees
- Historic Preservation Review Fees
- Mechanical System Upgrades

DEVELOPMENT COSTS:

- Project Management Costs
- Architecture and Design Fees. And Permit fees. (Total eligible offset amount cannot exceed 10% of total project budget. These offsets are only for fees associated with final construction drawings.)

TENANT IMPROVEMENTS:

- Tenant Building Improvements
- (Not cash allowances or payments)

**EXHIBIT D
Quit Claim Deed**

Portion, Naval Station Puget Sound (Sand Point)
King County, Washington

QUIT CLAIM DEED

THE UNITED STATES OF AMERICA, acting by and through the Secretary of the Interior, acting by and through the Director, National Park Service, under and pursuant to the power and authority contained in the provisions of the Federal Property and Administrative Services Act of 1949 (63 Stat. 337), as amended, and particularly as amended by Public Law 485, 91st Congress, and regulations and orders promulgated thereunder (hereinafter designated "Grantor"), for and in consideration of the perpetual use of the hereinafter described premises as and for public park and public recreation area purposes, by the City of Seattle, Washington (hereinafter designated "Grantee"), does hereby convey and quit claim to Grantee, and to its successors and assigns, all Grantor's right, title and interest, together with all after-acquired title of the Grantor therein, in and to property containing approximately ninety three and one tenth (93.1) acres, including improvements appurtenant thereto, located in King County, Washington, and identified as Parcel 1 - Lots A, B, C, D, E, Parcel 3 - Lot E, Parcel 6 - Lots A, B, and C, and Parcel 6 - Lots D, E, and F, and Parcel 6B western segment described in Exhibit A, attached herein.

The herein described property is conveyed by the Grantor to the Grantee subject to the reservations, exceptions, restrictions, conditions and covenants herein expressed and set forth unto the Grantee, its successors and assigns, forever.

The Grantor expressly excepts and reserves all remaining oil, gas, and mineral rights and deposits in said land to the Grantor, without rights to surface entry, from the hereinbefore described property, in accordance with all applicable laws.

Pursuant to CERCLA, 42 U.S.C. Section 9620(h), the United States Department of the Navy prepared an Environmental Baseline Survey (EBS), revised March 1, 1996, for the herein-described property. On May 16, 1996, the State of Washington issued a No Further Action Determination. A *Finding of Suitability to Transfer* (FOST) for Sand Point was approved by the United States Department of the Navy on April 15, 1998, and Addendum One to the FOST was approved by the United States Department of the Navy on August 25, 1998. Grantee acknowledges that it has received copies of the EBS and FOST, together with all documents attached thereto, and has received a copy of Addendum One to the FOST. Remedial action taken by the Navy is set forth in the Base Realignment and Closure Cleanup Plan (BCP), Close Out Version, dated "revised February 28 1996".

Pursuant to CERCLA, 42 U.S.C. Section 9620(h), the United States covenants and warrants to Grantee, its successors and assigns, that all remedial action, response action or corrective action necessary to protect human health and the environment with respect to any hazardous substance remaining on the property has been taken prior to the date of said transfer.

Pursuant to CERCLA, 42 U.S.C. Section 9620(h), the Grantor, on behalf of the Department of Navy, covenants and warrants to grantee, its successors, and assigns that any additional remedial action found to be necessary to protect human health and the environment with respect to any hazardous substance

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Portion, Naval Station Puget Sound (Sand Point) Deed of Conveyance
City of Seattle, Washington

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stored, disposed of, or released on the herein described property prior to the date of transfer shall be conducted by the United States.

Pursuant to CERCLA 42 U.S.C. Section 9620(h), the Grantor reserves a right of access to the property in any case in which a response action or corrective action is found to be necessary after the date of this conveyance for the purpose of, but not limited to, monitoring, investigation, sampling, testing, or removal of any hazardous substance(s). The Grantee shall be provided reasonable notice of any action requiring access to the property and the Grantor shall take all reasonable steps to minimize the disruption of the Grantee's use of the property.

For the purposes of this deed, the term "hazardous substance" shall mean any hazardous, toxic, or dangerous substance, waste, or material that is regulated under any Federal or Washington State environmental or safety law.

The Grantor, by its acceptance of this deed does covenant and agree for itself, and its successors and assigns, forever, as follows:

Recreation Use Covenants

1. This property shall be used and maintained for public park and recreation purposes in perpetuity, as set forth in the program of utilization and plan contained in the December 1996, application submitted by the City of Seattle for the *Acquisition of a Portion of the Naval Station Puget Sound* and subsequent amendments thereto, a copy of which is on file with the Seattle City Clerk. Said program and plan may be amended from time to time at the written request of either the Grantor or Grantee, with the written concurrence of the other party, and such amendments will be added to and become a part of the original application.
2. The Grantee shall, within six (6) months of the date of the deed of conveyance, erect and maintain a permanent sign or marker near the point of principal access to the conveyed area indicating that the property is a park or recreation area and has been acquired from the Federal Government for use by the general public.
3. The property shall not be sold, leased, assigned or otherwise disposed of except to another eligible governmental agency without the prior approval of the Secretary of the Interior in writing. Any such disposition shall assure the continued use and maintenance of the property for public park or public recreational purposes subject to the same terms and conditions contained herein. However, nothing in this provision shall preclude the Grantee from providing recreational facilities and services compatible with the approved application, through concession agreements entered into with third parties, provided prior concurrence to such agreements is obtained in writing from the Secretary of the Interior. The Grantee, its successor or assign shall provide written notice to the State of Washington Department of Ecology or successor agency of any intent to convey any interest in portions of the property identified in Section 8.
4. From the date of this conveyance, the Grantee shall submit biennial reports to the Secretary of the Interior, setting forth the use made of the property during the preceding two-year period, and other pertinent data establishing its continuous use for the purposes set forth above, for ten consecutive reports and as further determined by the Secretary of the Interior.

Portion, Naval Station Puget Sound (Sand Point) Deed of Conveyance
City of Seattle, Washington

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5. The Grantee further agrees to comply with the requirements of Public Law 90-130 (82 Stat. 718) the Architectural Barriers Act of 1968 as amended by Public Law 91-205 of 1970 (84 Stat. 49) to assure that facilities developed on this property are accessible to the physically handicapped; and, further assure in accordance with Public Law 93-112, the Rehabilitation Act of 1973 (87 Stat. 394) that no otherwise qualified handicapped individual shall solely by reason of his handicap be excluded from the participation in, be denied benefits of, or be subjected to discrimination under any program or activity in effect on this property; and agrees to comply with the provisions of Title III of the Age Discrimination Act of 1975, as amended (Public Law 94-135; 45 C.F.R. Part 90) prohibiting discrimination on the basis of age in programs and activities conducted on this property.
6. As part of the consideration for this Deed, the Grantee covenants and agrees that: (1) the program for or in connection with which this Deed is made will be conducted in compliance with, and the Grantee will comply with all requirements imposed by or pursuant to the regulations of the Department of the Interior as in effect on the date of this Deed (43 C.F.R. Part 17) issued under the provisions of Title VI of the Civil Rights Act of 1964; (2) this covenant shall be subject in all respects to the provisions of said regulations; (3) the Grantee will promptly take and continue to take such action as may be necessary to effectuate this covenant; (4) the United States shall have the right to seek judicial enforcement of this covenant; (5) the Grantee will insure that each other person (any legal entity) who, through contractual or other arrangements with the Grantee is authorized to provide services or benefits under said program complies with the same obligations as those imposed upon the Grantee by this covenant (6) this covenant shall run with the land hereby conveyed, and shall in any event, without regard to technical classification or designation, legal or otherwise, be binding to the fullest extent permitted by law and equity for the benefit of, and in favor of the Grantor and enforceable by the Grantor against the Grantee; and (7) the Grantor expressly reserves a right of access to, and entrance upon, the above described property in order to determine compliance with the terms of this conveyance.
7. As to the obligations in Section 1 through 6, the Grantee shall hold harmless, defend and indemnify the United States, its employees, agents, and representatives from and against any suit, claim, demand or action, liability, judgment, cost or other fee arising out of any claim for personal injury or property damage (including death, illness, or loss of or damage to property or economic loss) that arises from the Grantee's or the Grantee's agent's use or occupancy of the property and/or the Grantee's default of the terms of this deed. Nothing in this Section 7 shall be construed in any way to limited the United States obligations pursuant to CERCLA, 42 U.S.C. Section 9620(h), any other law, or this deed, including but not limited to the obligation that any additional remedial action, response action or corrective action found to be necessary to protect human health and the environment with respect to any hazardous substances stored, disposed of, or released on the property prior to the date of transfer shall be conducted by the United States.

Hazardous Materials Covenants

8. Portions of the conveyed property have been determined to contain hazardous substances that exceed standards established under the State of Washington Model Toxics Control Act (MTCA). The following restrictive covenants are imposed on the identified portions of the conveyed property. As between Grantee, its successors and assigns, and the United States, a release requiring remediation, including testing and investigations, resulting from the violation of a restriction required by this section by the Grantee or any of its successors or assigns is the responsibility of such Grantee, successor or assign.

Portion, Naval Station Puget Sound (Sand Point) Deed of Conveyance
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- 8.1. The use of Building 2, a 144,000 s.f. hangar building located on Parcel 1, Lot B as described in Exhibit A, is restricted to uses which do not penetrate the building's concrete slab. Soils sampling under the slab reveal metals above MTCA levels.
 - 8.2. A grass landscaping strip located between Building 30, a 80,066 s.f. hangar building located on Parcel 6, Lot A as described in Exhibit A, and a parking area north of Building 30 is restricted to its current landscaped use. Soils sampling of the area revealed metals above MTCA levels.
 - 8.3. The use of a paved tarmac east of Building 11, a 62,000 s.f. public works office and shop building located on Parcel 1, Lot A is restricted to uses which do not penetrate the paved tarmac. Petroleum was detected in concentrations exceeding MTCA levels.
 - 8.4. Prior to willingly conducting a use inconsistent with a restrictive covenant contained in this Section 8, the Grantee, or its assignee or successors shall notify in writing the Grantor and the State of Washington Department of Ecology, or successor agency and obtain approval of the proposed change in use in accordance with WAC 173-360-140(5) or any amendment thereto. The Grantor shall take any action necessary with regards to this Section 8 to carry out an approval or other decision of the State of Washington Department of Ecology or successor agency.
 - 8.5. Grantee, or its successor or assign, shall provide notice to the State of Washington Department of Ecology or successor agency of the party's intent to convey any interest in portions of the property identified in this Section 8.
 - 8.6. If the Grantee is in default of the conditions and terms of this Section 8, Grantee shall hold harmless, defend, and indemnify the United States, its employees, agents, and representatives from and against any suit, claim, demand, or action, liability of judgement, cost or other fee arising out of any claim for personal injury or property damage (including death, illness, or loss of or damage to property or economic loss) to the extent caused by such default.
 - 8.7. The Grantor for itself and its successors and assigns hereby grants to the Washington State Department of Ecology or successor agency, and its designated representatives, the right to enter the property at reasonable times for the purpose of evaluating compliance with a cleanup action plan and other required plans relating to this Section 8, including the right to take samples, inspect any remedial actions taken at the site, and to inspect records.
9. The Grantee acknowledges that it has received the EBS and the FOST and its attachments. The Grantee acknowledges that it has had the opportunity to inspect the physical condition and current level of environmental hazards on the property and to determine the suitability of the property as to safety for the Grantee's intended use, human health, and the environment in general.
 10. The Grantee agrees to indemnify, defend, save, and hold harmless the Grantor, and Grantor employees, officers, representatives, attorneys and agents, from and against any and all debts, duties, obligations, liabilities, law suits, claims, demands, causes of action, damages, losses, costs, and expenses (including, without limitation, costs associated with any investigation, monitoring, sampling, testing, or removal of hazardous substance(s), attorney fees and expenses, and court costs) to the extent caused by the release of any hazardous substance(s) brought onto the herein described property after the date of this deed and while the property was in the possession and/or control of the Grantee. However, nothing in this Section 10 shall be construed to limit in any way the United States' obligations pursuant to CERCLA, 42 U.S.C. Section 9620(h), any other law, or this deed, including but not limited to the obligation that any additional remedial action, response or corrective action found to be necessary to protect human health and the environment with respect to any hazardous substances stored, disposed or, or released on the property prior to the date of transfer shall be conducted by the United States.

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Lead Based Paints and Asbestos Covenants

11. The Grantee is hereby informed and does acknowledge Grantor's representation that certain buildings on the property have been found to contain lead-based paints as indicated in the RBS and FOST and attachments. The scope of this Section 11, and the meaning of "applicable property," is specifically limited to only the building interiors of those portions of the property on which the RBS, or the FOST or its attachments, identified that lead-based paint was present. The presence of lead-based paints within these structures may affect their use for residential purposes in compliance with 24 CFR Part 35, Subpart H. A lead warning statement is attached as Exhibit B. The Grantee acknowledges that it has received the opportunity to conduct a risk assessment or inspection for the presence of lead-based paints or lead-based paint hazards prior to the execution of this conveyance. The Grantee covenants that, if required by applicable federal or state law and in compliance with such law, Grantee will provide for an inspection, abatement, and/or elimination of any lead-based paint hazard on a portion of the applicable property (as defined and limited by this Section 11) prior to the occupancy or use of said portion of the property by successors or assigns. The Grantee covenants and agrees to be responsible for any remediation of lead-based paint or lead-based paint hazards on the applicable property (as defined and limited by this Section 11) found to be necessary and required by federal or state law after the date of conveyance. The Grantee covenants and agrees to indemnify and hold harmless the Grantor, its agents and employees against any claims for personal injury to the extent caused by exposure, after the date on which the City took control of the relevant portion of the property, to lead-based paint on the applicable property (as defined and limited by this Section 11). Should, in the future, lead-based paint present in, on, or under the property prior to the date of transfer be considered a CERCLA release, nothing in this Section 11 shall be construed to limit in any way the United States' obligations pursuant to CERCLA, 42 U.S.C. Section 9620(h), any other law, or this deed, including but not limited to the obligation that any additional remedial action, response or corrective action found to be necessary to protect human health and the environment with respect to any hazardous substances stored, disposed or, or released on the property prior to the date of transfer shall be conducted by the United States.

12. The Grantee is hereby informed and does acknowledge Grantor's representation that asbestos and asbestos containing materials have been found on the property as described in the FOST and its attachments. The scope of this Section 11, and the meaning of "applicable property," is specifically limited to only the building interiors of those portions of the property on which the RBS, or the FOST or its attachments, identified that asbestos or asbestos containing material was present. The Grantee covenants and agrees that in its use and occupancy of the applicable property (as defined and limited by this Section 12), it will comply with all Federal, State and local laws relating to asbestos, and that Grantor assumes no liability for damages for personal injury, illness, disability or death, to the Grantee or to any other person, including members of the general public, to the extent caused by the purchase, transportation, removal, handling, use, disposition, or other activity causing or leading to contact of any kind whatsoever, after the date on which the City took control of the relevant portion of the property, with asbestos on the applicable property (as defined and limited by this Section 12), whether Grantee has properly warned or failed properly to warn the individual(s) injured. The Grantee agrees to be responsible for any future remediation of asbestos found to be necessary and required by federal or state law on the applicable property (as defined and limited by this Section 12). Should, in the future, asbestos present in, on, or under the property prior to the date of transfer be considered a CERCLA release, nothing in this Section 12 shall be construed to limit in any way the United States' obligations pursuant to CERCLA, 42 U.S.C. Section 9620(h), any other law, or this deed, including but not limited to the obligation that any additional remedial action, response or corrective action found to be necessary

to protect human health and the environment with respect to any hazardous substances stored, disposed of, or released on the property prior to the date of transfer shall be conducted by the United States.

Historic Resource Covenant

13. The following parcels as described in Exhibit A are contained within Sand Point Historic District: Parcel 1, Lots A, B, C, D, and E, Parcel 3, Lot E, and Parcel 6, Lots D and K. The described portions of the following parcels, fully described in Exhibit A, are also included within the Sand Point Historic District: the westerly 300 feet of Parcel 6, Lot A, the westerly 410 feet of Parcel 6, Lot B and that portion of the Lot B within 50 feet and containing Building 41, and the southwest corner of Parcel 6, Lot C, containing an area 110.22 feet by 147.34 feet. The Grantee hereby covenants on behalf of itself, heirs, successors, and assigns at all times to the United States to maintain property described within this Section in accordance with the Historic Preservation Covenant, attached hereto as Exhibit C. Incorporation of this Historic Preservation Covenant is made pursuant to the October 1997 Programmatic Agreement among the Department of the Navy, The Advisory Council on Historic Preservation, and The Washington State Historic Preservation Officer Regarding Base Closure and Disposal of the Naval Station Puget Sound, Sand Point, a copy of which can be located at the Office of Sand Point Operations, 7400 Sand Point Way NE, Seattle, WA 98115.

Reversion and Default

14. The failure of the Grantee, or of its successors and assigns, to comply with any of the conditions and covenants contained in this deed shall constitute a default if such default shall continue, after written notice from the Grantor specifically identifying the nature of the default, for a period of not less than ninety (90) days, or such longer period as may be reasonably required to cure the default, provided the Grantee commences the cure within said ninety (90) days after the Grantor's written notice of default and covenants to diligently complete the cure within such reasonable period. In the event the Grantee is in default of any covenant or condition contained in this deed then upon failure to eliminate, rectify, cure, or commence action to cure said breach within the time agreed upon, all right, title, and interest in and to said premises shall, at the Grantor's option revert to and become the property of the Grantor. In addition to all other remedies for such breach relating to the use of the property for park and recreation purposes, the preservation of identified historic resources, or related to nondiscrimination, the Grantor, its successors and assigns, at the Grantor's option, shall forfeit all right, title, and interest in any and all of the tenements, hereditaments, and appurtenances thereunto belonging. With regard thereto, the Grantee shall execute a deed, as directed by the Grantor, conveying all interest in the premises and improvements thereon to the Grantor. The failure of the grantor to require in any one or more instances complete performance of any of the conditions or covenants shall not be construed as a waiver or relinquishment or such future performance, but the obligation of the Grantee, its successors and assigns, with respect to such future performance shall continue in full force and effect.

15. The Grantee, by its acceptance of this deed, covenants and agrees that in the event the Grantor exercises its option to revert all right, title, and interest in the property to the Grantor, or the Grantee voluntarily returns title to the property in lieu of a reverter, then the Grantee shall provide protection to and maintenance of said property at all times until such time as the title is actually reverted or returned to and accepted by the Grantor, including the period of any notice of intent to revert. Such protection and maintenance shall, at a minimum, conform to the standards prescribed by the General Services Administration in its regulations FPMR 101-47.402 in effect as of the date of this deed.

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IN WITNESS WHEREOF, the Grantor has caused these presents to be executed in its name and on its behalf on this 17 day of MARCH 1999.

UNITED STATES OF AMERICA
Acting by and through the Secretary of the Interior

By: 
John J. Reynolds
Regional Director, Pacific West
National Park Service

STATE OF CALIFORNIA)
) ss.
COUNTY OF SAN FRANCISCO)

On this 17 day of MARCH 1999, before me, the subscriber, personally appeared John J. Reynolds to be known and personally known to me to be the Regional Director, Pacific West, National Park Service, of the United States of America, acting by and through the Secretary of the Interior, a governmental agency of the United States of America, and known to me to be the same person described in and who executed the foregoing instrument as such Regional Director, Pacific West aforesaid, as the act and deed of the United States, for and on behalf of the Secretary of the Interior, and he acknowledged that he executed the foregoing instrument for and on behalf of the United States of America, for the purposes and uses therein described.

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Witness my hand and official seal.



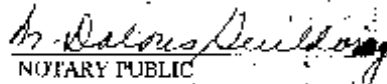

NOTARY PUBLIC

Exhibit A
PARCEL 1 - Lot A

Those portions of the southwest quarter (SW¹) of the northwest quarter (NW¹) of Section 2, TWP 25N, RNG 04E and Govt. Lots 1 and 2 in said Section, together with the 1st Class Shore Lands adjacent, abutting and attached thereto, as acquired by the U. S. Navy on behalf of the United States of America described as follows:

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Commencing at the northwest corner of said Section 2, thence S 89°43'27" E on the north line of said Section a distance of 528.79 feet to the east margin of Sand Point Way NE (formerly referred to as the James Kiefer County Rd. No. 1283), and the True Point of Beginning; thence S 30°28'08" E on said east margin a distance of 360.75 feet to a point of curvature in said east margin of which the radial center bears S 59°31'52" W at a distance of 2316.20 feet, thence continuing on said east margin on a curve concave to the south and west through a central angle of 16°31'03" an arc distance of 673.49 feet, thence S 13°57'05" E on said east margin a distance of 225.43 feet, to a point of intersection with the northerly boundary of a parcel of land under the jurisdiction of the United States Department of Commerce (NOAA) as surveyed and described in a record of survey drawing titled "Boundary Survey for the National Oceanic and Atmospheric Administration N.O.A.A. Western Regional Center Access Road", project No. 96545.00 by Penhalligon Associated Consulting Engineers, Inc., said point being identified by a 5/8" iron rebar with cap marked P.A.C.E., I.S. 11691 and herein referred to as rebar marker thence leaving said east margin and along a line adjoining said N.O.A.A. property the following courses and distances, S 30°43'19" E a distance of 199.50 feet to a rebar marker; thence S 85°28'44" E a distance of 87.72 feet to a rebar marker, thence S 71°12'22" E a distance of 46.87 feet to a rebar marker, thence S 76°54'27" E a distance of 20.06 feet to a rebar marker, thence S 62°39'42" E a distance of 33.69 feet to a rebar marker, thence N 00°01'44" W a distance of 485.07 feet to a rebar marker, thence N 89°59'11" E a distance of 232.00 feet to a rebar marker, thence N 25°44'42" E a distance of 277.22 feet to the Inner Harbor Line of the Lake Washington Shore Lands as established by the State of Washington Commissioner of Public Lands and according to the Maps thereof on file in Olympia, Washington and a point of departure from the said line adjoining N.O.A.A., thence N 50°40'00" W on said Inner Harbor Line a distance of 989.04 feet to the intersection with the north line of said Section 2, thence N 80°43'27" W on said north line a distance of 380.23 feet to the True Point of Beginning.

PARCEL 1 - Lot B

That portion of the northeast quarter (NE¹) of the southwest quarter (SW¹), the southwest quarter (SW¹) of the northwest quarter (NW¹) and Govt. Lot 2 in Section 2, TWP 25N, RNG 04E, as acquired by the U. S. Navy on behalf of the United States of America by deed recorded in the records of King Co., Washington in Vol. 1306 at pg. 455, described as follows:

Commencing at the southwest corner of said Lot 2, accepted as being the same as the intersection of the centerline of Sand Point Way NE with the production east of the north

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margin of NE 75th Street, thence S 00° 48' 49" E on said centerline a distance of 171.45 feet, thence N 89° 11' 11" E a distance of 40.00 feet to the east margin of Sand Point Way NE, thence N 89° 57' 38" E a distance of 94.91 feet, thence S 00° 01' 23" E a distance of 95.37 feet, thence N 89° 42' 47" E a distance of 329.93 feet, thence N 0° 01' 33" W a distance of 945.00 feet to the True Point of Beginning, thence continuing N 0° 01' 33" W a distance of 455.06 feet, thence S 89° 54' 15" W a distance of 382.55 feet, thence S 00° 07' 23" E a distance of 162.10 feet, thence S 89° 28' 49" W a distance of 130.88 feet, thence S 28° 13' 40" E a distance of 300.77 feet to a point of curvature the radial center of which bears N 61° 46' 20" E at a distance of 50.00 feet, thence on said curve concave to the northeast through a central angle of 61° 48' 42" an arc distance of 53.94 feet, thence N 89° 57' 38" E a distance of 1326.93 feet to the True Point of Beginning.

PARCEL I - Lot C

That portion of the northeast quarter (NE¹) of the southwest quarter (SW⁴), the southwest quarter (SW²) of the northwest quarter (NW²) and Govt. Lot 2 in Section 2, TWP 25N, RNG 04E, as acquired by the U. S. Navy on behalf of the United States of America by deed recorded in the records of King Co., Washington in Vol. 1306 at pg. 455, described as follows:

Commencing at the southwest corner of said Lot 2, accepted as being the same as the intersection of the centerline of Sand Point Way NE with the production east of the north margin of NE 75th Street, thence S 00° 48' 49" E on said centerline a distance of 171.45 feet, thence N 89° 11' 11" E a distance of 40.00 feet to the east margin of Sand Point Way NE, thence N 89° 57' 38" E a distance of 94.91 feet, thence S 00° 01' 23" E a distance of 95.37 feet, thence N 89° 42' 47" E a distance of 329.93 feet, thence N 0° 01' 33" W a distance of 1400.06 feet, thence S 89° 54' 15" W a distance of 382.55 feet to the True Point of Beginning, thence S 78° 37' 54" W a distance of 116.65 feet to a point of curvature the radial center of which bears S 11° 42' 06" E at a distance of 118.61 feet, thence on said curve concave to the southeast through a central angle of 39° 41' 40" an arc distance of 82.17 feet to a non-tangent cusp, thence leaving said curve S 28° 13' 40" E, a distance of 110.65 feet, thence N 89° 28' 49" E a distance of 130.88 feet, thence N 00° 07' 23" W a distance of 162.10 feet to the True Point of Beginning.

PARCEL I - Lot D

That portion of the northeast quarter (NE¹) of the southwest quarter (SW⁴), the southwest quarter (SW²) of the northwest quarter (NW²) and Govt. Lot 2 in Section 2, TWP 25N, RNG 04E, as acquired by the U. S. Navy on behalf of the United States of America by deed recorded in the records of King Co., Washington in Vol. 1306 at pg. 455, described as follows:

Commencing at the southwest corner of said Lot 2, accepted as being the same as the intersection of the centerline of Sand Point Way NE with the production east of the north margin of NE 75th Street, thence S 00° 48' 49" E on said centerline a distance of 171.45 feet, thence N 89° 11' 11" E a distance of 40.00 feet to the east margin of Sand Point

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Way NE, thence N 00° 48' 49" W on said east margin a distance of 304.41 feet to a point of curvature in said east margin the radial center of which bears S 89° 11' 11" W at a distance of 612.25 feet, thence north and west on said east margin on a curve concave to the south and west through a central angle of 26° 51' 36" an arc distance of 287.02 feet to the True Point of Beginning, thence leaving said east margin N 89° 57' 38" E a distance of 196.07 feet, thence N 00° 01' 33" W a distance of 230.96 feet, thence S 89° 57' 38" W a distance of 24.12 feet to a point of curvature of which the radial center bears N 00° 02' 22" W at a distance of 90.00 feet, thence continuing on the curve concave to the north and east through a central angle of 61° 48' 42" an arc distance of 97.10 feet, thence N 28° 13' 40" W a distance of 338.18 feet to a point of curvature of which the radial center bears S 61° 46' 20" W at a distance of 13.89 feet, thence continuing on the curve concave to the south and through a central angle of 127° 02' 10" an arc distance of 30.80 feet to a point of compound curvature of which the radial center bears S 65° 15' 50" E at a distance of 221.89 feet, thence continuing on the curve concave to the southeast through a central angle of 20° 40' 59" an arc distance of 80.10 feet to a point of compound curvature of which the radial center bears S 85° 56' 49" E at a distance of 440.08 feet, thence continuing on the curve concave to the east through a central angle of 41° 28' 44" an arc distance of 318.60 feet to a non-tangent cusp, thence N 89° 56' 55" W a distance of 83.74 feet to a point on a curve on the east margin of Sand Point Way NE, the radial center of which bears N 66° 27' 12" E at a distance of 533.90 feet, thence continuing southeasterly on said east margin on the curve concave to the north and east through a central angle of 04° 58' 40" an arc distance of 46.38 feet, thence continuing on said east margin S 28° 31' 28" E a distance of 171.16 feet to a point of curvature in said east margin of which the radial center bears S 61° 28' 32" W at a distance of 612.25 feet, thence continuing on said east margin, on a curve concave to the south and west through a central angle of 00° 51' 03" an arc distance of 9.09 feet to the True Point of Beginning.

PARCEL 1 - Lot F.

That portion of the northeast quarter (NE⁴) of the southwest quarter (SW⁴), the southwest quarter (SW⁴) of the northwest quarter (NW⁴) and Govt. Lot 2 in Section 2, TWP 25N, RNG 04E, as acquired by the U. S. Navy on behalf of the United States of America by deed recorded in the records of King Co., Washington in Vol. 1306 at pg. 455, described as follows:

Commencing at the southwest corner of said Lot 2, accepted as being the same as the intersection of the centerline of Sand Point Way NE with the production east of the north margin of NE 75th Street, thence S 00° 48' 49" E on said centerline a distance of 212.12 feet, thence N 89° 11' 11" E a distance of 40.00 feet to the east margin of Sand Point Way NE, thence N 00° 48' 49" W on said east margin a distance of 274.35 feet to the True Point of Beginning, thence N 89° 57' 38" E a distance of 139.78 feet, thence N 00° 01' 33" W a distance of 187.00 feet, thence S 89° 57' 38" W a distance of 14.53 feet, thence N 00° 01' 33" W a distance of 159.43 feet, thence S 89° 57' 38" W a distance of 196.07 feet to a point on a curve in the east margin of Sand Point Way NE, the radial center of which bears S 62° 19' 35" W at a distance of 612.25 feet, thence south and east on said east margin on a curve concave to the southwest through a central angle of 26°

51' 34" an arc distance of 287.02 feet, thence continuing on said east margin S 00° 48' 49" E a distance of 70.73 feet to the True Point of Beginning.

PARCEL 3 – Lot E

That portion of the northeast quarter (NE $\frac{1}{4}$) of the southwest quarter (SW $\frac{1}{4}$), the southwest quarter (SW $\frac{1}{4}$) of the northwest quarter (NW $\frac{1}{4}$) and Govt. Lot 2 in Section 2, TWP 25N, RNG 04E, as acquired by the U. S. Navy on behalf of the United States of America by deed recorded in the records of King Co., Washington in Vol. 1306 at pg. 455, described as follows:

Commencing at the southwest corner of said Lot 2, accepted as being the same as the intersection of the centerline of Sand Point Way NE with the production east of the north margin of NE 75th Street, thence S 00° 48' 49" E on said centerline a distance of 171.45 feet, thence N 89° 11' 11" E a distance of 40.00 feet to the east margin of Sand Point Way NE and the True Point of Beginning, thence N 89° 57' 38" E a distance of 94.91 feet, thence S 00° 01' 23" E a distance of 95.37 feet, thence S 89° 42' 47" W a distance of 99.59 feet to the east margin of Sand Point Way NE, thence N 00° 48' 49" W on said east margin a distance of 95.79 feet to the True Point of Beginning.

PARCEL 6 – Lot A

That portion of the northeast quarter (NE $\frac{1}{4}$) of the southwest quarter (SW $\frac{1}{4}$), the southwest quarter (SW $\frac{1}{4}$) of the northwest quarter (NW $\frac{1}{4}$) and Govt. Lot 2 in Section 2, TWP 25N, RNG 04E, as acquired by the U. S. Navy on behalf of the United States of America by deed recorded in the records of King Co., Washington in Vol. 1306 at pg. 455, described as follows:

Commencing at the southwest corner of said Lot 2, accepted as being the same as the intersection of the centerline of Sand Point Way NE with the production east of the north margin of NE 75th Street, thence S 00° 48' 49" E on said centerline a distance of 171.45 feet, thence N 89° 11' 11" E a distance of 40.00 feet to the east margin of Sand Point Way NE, thence N 89° 57' 38" E a distance of 94.91 feet, thence S 00° 01' 23" E a distance of 95.37 feet, thence N 89° 42' 47" E a distance of 401.93 feet to the True Point of Beginning, thence continuing N 89° 42' 47" E a distance of 690.05 feet to the west boundary of a tract of land under the jurisdiction of the National Oceanic & Atmospheric Administration (NOAA), thence N 00° 02' 51" E on said NOAA boundary a distance of 460.89 feet to a concrete monument marking an angle point in the NOAA boundary, thence N 89° 57' 32" W on said NOAA boundary a distance of 690.63 feet to a concrete monument with metal disk stamped "U.S. NAVY #10", thence S 00° 01' 33" E a distance of 464.84 feet to the True Point of Beginning.

PARCEL 6 – Lot B

That portion of the east one-half of the southwest quarter (SW $\frac{1}{4}$) of Section 2, TWP 25N, RNG 04E, W.M., said east one-half being acquired by the U. S. Navy on behalf of the United States of America by deed recorded in the records of King Co., Washington in Vol. 1306 at pg. 455, described as follows:

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Commencing at the west one-sixteenth corner common to Sections 2 and 11, TWP 25N, RNG 04E, W.M., accepted as being the same as the center-line intersection of NE 65th Street and Sand Point Way NE, thence N 00° 48' 49" W on the centerline of Sand point Way NE a distance of 60.01 feet, thence leaving said centerline S 89° 35' 06" E a distance of 40.01 feet to a point on the east margin of said Sand Point Way NE, said point being 60.00 feet north of the south line of said Section 2 as measured at right angles thereto, thence continuing S 89° 35' 06" E parallel with the south line of said Section 2 a distance of 489.94 feet, thence N 00° 19' 00" W a distance of 331.50 feet, thence N 23° 24' 06" W a distance of 323.73 feet, thence N 00° 01' 23" W a distance of 1211.94 feet to the True Point Of Beginning of this description, thence continuing N 00° 01' 23" W a distance of 410.18 feet, thence N 89° 42' 47" E a distance of 796.53 feet to the west boundary of a tract of land under the jurisdiction of the National Oceanic & Atmospheric Administration (NOAA), thence S 00° 02' 51" W on said NOAA boundary a distance of 276.81 feet to a concrete monument marking a boundary corner of Warren G Magnuson Park as established in 1975, thence continuing S 00° 02' 51" W on said Park boundary a distance of 159.18 feet, thence leaving said Park boundary S 89° 44' 09" W a distance of 546.98 feet, N 00° 15' 51" W a distance of 25.49 feet, thence S 89° 44' 09" W a distance of 248.90 feet to the True Point Of Beginning.

PARCEL 6 - Lot C

All those portions of Section 2, TWP 25N, RNG 04E, W.M., acquired the U. S. Navy on behalf of the United States of America described as follows:

Commencing at the west one-sixteenth corner common to Sections 2 and 11, TWP 25N, RNG 04E, W.M., accepted as being the same as the center-line intersection of NE 65th Street and Sand Point Way NE, thence N 00° 48' 49" W on the centerline of Sand Point Way NE a distance of 60.01 feet, thence leaving said centerline S 89° 35' 06" E a distance of 40.01 feet to a point on the east margin of said Sand Point Way NE, said point being 60.00 feet north of the south line of said Section 2 as measured at right angles thereto, thence continuing S 89° 35' 06" E parallel with the south line of said Section 2 a distance of 489.94 feet to the True Point Of Beginning of this description, thence continuing S 89° 35' 06" E a distance of 1015.52 feet, thence S 01° 17' 22" a distance of 32.30 feet to the north boundary of a parcel of land under the jurisdiction of the United States Department of Interior (BRD), thence N 88° 39' 59" E on said BRD boundary a distance of 938.55 feet to the east boundary of Warren G. Magnuson Park as described in A.O. 105244, thence N 00° 01' 56" E on said Park boundary a distance of 699.25 feet to a concrete monument with metal disk set by the U. S. Navy, thence N 85° 48' 34" W on said Park boundary a distance of 1076.96 feet to a concrete monument with metal disk set by the U. S. Navy, thence N 31° 56' 06" W on said Park boundary a distance of 408.95 feet to a concrete monument with metal disk set by the U. S. Navy, thence N 00° 02' 51" E on said Park boundary a distance of 711.51 feet, thence S 89° 44' 09" W a distance of 546.98 feet, thence S 00° 15' 51" E a distance of 112.92 feet, thence N 89° 46' 57" W a distance of 97.67 feet, thence S 00° 00' 57" W a distance of 210.01 feet, thence S 43° 40' 36" E a distance of 172.10 feet, thence S 00° 00' 41" E a distance

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of 348.04 feet, thence S 67°06'04" W a distance of 180.33 feet, thence S 23° 24' 06" E a distance of 348.19 feet, thence S 01° 14' 46" W a distance of 183.51 feet, thence S 89°41'00" W a distance of 110.22 feet, thence S 00° 19' 00" E a distance of 147.34 feet to the **True Point Of Beginning**.

PARCEL 6 - Lot D

That portion of the east one-half of the southwest quarter (SW¹/₄) of Section 2, TWP 25N, RNG 04E, W.M., said east one-half being acquired by the U. S. Navy on behalf of the United States of America by deed recorded in the records of King Co., Washington in Vol. 1306 at pg. 455, described as follows:

Commencing at the west one-sixteenth corner common to Sections 2 and 11, TWP 25N, RNG 04E, W.M., accepted as being the same as the center-line intersection of NE 65th Street and Sand Point Way NE, thence N 00° 48' 49" W on the centerline of Sand Point Way NE a distance of 60.01 feet, thence leaving said centerline S 89° 35' 06" E a distance of 40.01 feet to a point on the east margin of said Sand Point Way NE; said point being 60.00 feet north of the south line of said Section 2 as measured at right angles thereto, thence continuing S 89° 35' 06" E parallel with the south line of said Section 2 a distance of 489.94 feet, thence N 00° 19' 00" W a distance of 331.50 feet, thence N 23° 24' 06" W a distance of 323.73 feet, thence N 00° 01' 23" W a distance of 1211.94 feet to the **True Point Of Beginning** of this description, thence N 89° 44' 09" E a distance of 248.90 feet, thence S 00° 15' 51" E a distance of 438.41 feet, thence N 89° 46' 57" W a distance of 250.75 feet, thence N 00° 01' 23" W a distance of 436.31 feet to the **True Point Of Beginning**.

PARCEL 6 - Lot E

That portion of the east one-half of the southwest quarter (SW¹/₄) of Section 2, TWP 25N, RNG 04E, W.M., said east one-half being acquired by the U. S. Navy on behalf of the United States of America by deed recorded in the records of King Co., Washington in Vol. 1306 at pg. 455, described as follows:

Commencing at the west one-sixteenth corner common to Sections 2 and 11, TWP 25N, RNG 04E, W.M., accepted as being the same as the center-line intersection of NE 65th Street and Sand Point Way NE, thence N 00° 48' 49" W on the centerline of Sand Point Way NE a distance of 60.01 feet, thence leaving said centerline S 89° 35' 06" E a distance of 40.01 feet to a point on the east marginal boundary of said Sand Point Way NE, and the **True Point Of Beginning** of this description, said point being 60.00 feet north of the south line of said Section 2 as measured at right angles thereto, thence continuing S 89°35'06" E parallel with said Section line a distance of 429.94 feet, thence N 00°19'00" W a distance of 146.64 feet, thence S 89° 41' 00" W a distance of 267.55 feet to a point of curvature of a curve concave to the north and east of which the radial center bears N 00° 19' 00" W at a distance of 165.00 feet, thence west and north on said curve through a central angle of 89°30'11" an arc distance of 257.75 feet to the east marginal boundary of Sand point Way NE, thence S 00° 48' 49" E on said east marginal boundary a distance of 304.73 feet to the **True Point Of Beginning**.

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PARCEL 6 - Lot F

That portion of the Evergreen Addition to the City of Seattle as recorded in Vol. 12, pg. 66, of the Records of King Co., said Tract being acquired by the War Department through Civil Action 388, together with those portions of the streets and avenues in said Addition as vacated by V.O. 71498, bounded by the following description:

Commencing at the SE corner of Block 2 of said Evergreen Add., thence N 00° 48' 49" W on the east line of said Block 2, a distance of 239.39 feet to the north line of said Addition, being the same as the Section line common to Sections 2 and 11, Twp 25N, Rng 4E, W.M., thence N 89°35'05" W on said Section line a distance of 349.10 feet to the True Point Of Beginning, thence S 00°41'00" W a distance of 239.34 feet to the south line of Block 4 in said Addition, thence N 89°35'06" W on the south line of said Addition, a distance of 186.71 feet to a point 251.47 east of the SW corner of Block 6 in said Addition, thence N 17° 27' 07" W a distance of 251.47 feet to a point on the north line of said Addition said point being distant 198.15 feet east of the production north of the west line of said Block 6, thence S 89° 35' 06" E on the north line of said Addition, being the same as the Section line common to aforementioned Sections, a distance of 264.98 feet to the True Point Of Beginning; EXCEPT the north 20 feet thereof.

PARCEL 6 - Lot G

Those portions of a Tract of land in Gilmore's Addition to the City of Seattle as recorded in Vol. 32, pg. 10 of the Records of King Co., said Tract being acquired by the War Department through Civil Action 388, together with those portions of vacated NE 65th St. in said Addition as vacated by V.O. 71498, bounded by the following description:

Beginning at the SW corner of Block 1 in said Gilmore's Add., thence N 42° 03' 59" E a distance of 320.31 feet to the north line of said Gilmore's Add., being the same as the Section line common to Sections 2 and 11, Twp 25N, Rng 4E, W.M., thence N 89° 35' 06" W on said Section line a distance of 198.00 to a point on a curve of the east margin of Sand Point Way N.E., the radial center of which bears S 89° 22' 20" W at a distance of 356.64 feet, thence south and west on said curved margin through a central angle of 19°05'40" an arc distance of 118.86 feet to a non-tangent cusp on the west line of said Block 1, thence S 00° 48' 49" E feet on said west line a distance of 122.36 feet to the point of beginning. EXCEPT the north 20.00 feet thereof.

PARCEL 6B western segment

That portion of the east one-half of the southwest quarter (SW⁴) of Section 2, TWP 25N, RNG 04E, W.M., said east one-half being acquired by the U. S. Navy on behalf of the United States of America by deed recorded in the records of King Co., Washington in Vol. 1306 at pg. 455, described as follows:

Commencing at the west one-sixteenth corner common to Sections 2 and 11, TWP 25N, RNG 04E, W.M., accepted as being the same as the center-line intersection of NE 65th Street and Sand Point Way NE, thence N 00° 48' 49" W on the centerline of Sand Point Way NE a distance of 60.01 feet, thence leaving said centerline S 89° 35' 06" E a distance of 40.01 feet to a point on the east marginal

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boundary of said Sand Point Way NE, thence N 00° 48' 49" W on said east marginal boundary a distance of 2084.10 feet to the True Point Of Beginning of this description, thence continuing N 00° 48' 49" W on said east marginal boundary a distance of 157.23 feet, thence leaving said east marginal boundary N 89° 42' 47" E a distance of 290.69 feet, thence S 00° 01' 23" E a distance of 109.19 feet, thence S 89° 59' 00" W a distance of 198.34 feet, thence S 00° 01' 23" E a distance of 49.40 feet, thence S 89° 59' 00" W a distance of 90.18 feet to the east marginal boundary of Sand Point Way NE and the True Point Of Beginning.

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Exhibit C
HISTORIC PRESERVATION COVENANT
NATIONAL PARKS SERVICE PUBLIC BENEFIT CONVEYANCE

A portion of the property conveyed herein is within the Naval Station Puget Sound (NSPS) Sand Point Historic District. A location map depicting the parcel in relation to the Historic District and a list of buildings and other site features that are considered contributing elements to the Historic District are described on Attachment I to this Exhibit. All structures and site features identified as contributing elements to the NSPS Sand Point Historic District have been determined by the Washington State Historic Preservation Office (SHPO) to be eligible for inclusion in the National Register of Historic Places and shall therefore be preserved, protected, and maintained in accordance with plans approved by the National Park Service (NPS) and prior agreements between the Department of the Navy and the State of Washington Historic Preservation Officer (SHPO), herein incorporated by reference.

1. Prior to the initiation of any construction, alteration, remodeling, demolition, disturbance of the ground surface, irrevocable disturbance of landscape settings, or other action which would materially affect the integrity, appearance, or historic value of structures or settings, the grantee or successors and assigns shall obtain the approval of the National Park Service and/or a designee (SHPO). Actions considered to materially affect the property would affect the exterior surfaces, or change the height, or alter the exterior facade (including without limitation exterior walls, windows and roofs, design, color and materials), or adversely affect the structural soundness of the property or alter a significant interior feature. Actions that would affect views within the historic district, landscaping, open space, add new structures or paved areas or site elements such as towers, fences, signs would also be considered to materially affect the property. Plans which are submitted in accordance with this section shall be prepared to conform, to the maximum extent possible, with the Secretary of Interior's, "Standards and Guidelines for Historic Preservation Projects" as supplemented or amended.
2. Projects identified within and in full conformance with a Historic Property Reuse and Protection Plan, approved by the National Park Service and/or a designee shall be considered to be pre-approved and are not subject to the requirements of item 1 of this section.
3. Grantee will make every effort to retain and reuse, to the extent practicable, the historic structures.
4. In the event of a violation of this covenant, and in addition to any remedy now or hereafter provided by law, the United States Government may, following reasonable notice to the Grantee, institute any action to enjoin said violation or to recover the restoration of the property. The successful party shall be entitled to recover all costs or expenses incurred in connection with such action, including all court costs and attorney's fees.
5. The failure of the United States Government to exercise any right or remedy granted under this instrument shall not have the effect of waiving or limiting the exercise of any other right or remedy or the use of such right or remedy at any other time.
6. This historic preservation covenant is a binding servitude on the grantee and its successors, and assigns in perpetuity. Restrictions, stipulations and covenants contained herein shall be inscribed by the grantee verbatim or by explicit reference in any deed or other legal instrument by which it divests

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itself of either fee simple or any lesser estate of all or any part of the real estate that is associated with the NSPS Sand Point Historic District.

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**ATTACHMENT I to Exhibit C
SAND POINT HISTORIC DISTRICT CONTRIBUTING ELEMENTS
AND THEIR CHARACTER DEFINING FEATURES
CONTAINED WITHIN THE NATIONAL PARK SERVICE'S
PUBLIC BENEFIT CONVEYANCE TO THE CITY OF SEATTLE**

The following features of the various historic district elements were determined to be character defining by the representatives of the Washington State Office of Archeology and Historic Preservation, the Navy and the City of Seattle during site inspections conducted in September, 1996, March, June, July, and August of 1997.

BUILDINGS

In general the character defining exterior features of contributing buildings are wall surfaces, rooflines, window openings and divided light windows, specialized doors, art deco architectural ornamentation and lighting fixtures. Most of the buildings retain their original style. There have been additions to many of the buildings but most were completed prior to W.W. II and used similar materials in the same style to mimic the original structure. Original windows and doors have been replaced in several instances with non-original material but the placement and style have been retained. There is sufficient integrity in the floor plans, space volumes, exposed structural elements, and industrial finishes in the hangars and other shop spaces to make these interior features contributing elements. In the case of the other types of buildings most have been substantially modified during numerous renovations and use changes and exhibit a limited amount of details or fabric worthy of retention.

It is important to note that the building specific character defining features listed below are intended to provide a baseline reference point for consideration during development of alteration and maintenance projects. Preservation of the listed features should be the goal during project planning. In addition it should not be assumed that projects, especially large scale interior remodel projects, will not have an adverse effect on historic character even if none of the listed features is affected. Such projects will still require review by a historic preservation specialist.

Building Specific Features

Building 2 (Parcel 1, Lot B - constructed 1929) This building is 144,000 SF and contains two large hangar bays and numerous smaller rooms. The exteriors of the hangar bays have somewhat different styles with brick exterior walls on the north section and corrugated transite on the south section. This building is the oldest surviving structure at Sand and relates directly to the historic aviation mission and exhibits strong art deco influence in its finishes and details.

Building 2 Specific Exterior Features

1. Original multi-story rolling metal framed hangar doors on the east facade on north and south hangar bays and also on the west side of the south hangar bay. These doors are solid at the bottom with window lights in a grid the remainder of the door height.
2. Original steel framed divided light doors and windows on end and back walls.
3. Emblem above southeast hangar doors.
4. Overhead beam for loading and lifting on south end of west side.

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Building 2 Specific Interior Features

1. Interior space volume in both hangar bays. The mezzanine in the north hangar is not a character defining feature.

Building 11 (Parcel 1, Lot A - constructed 1940) Contains 62,000 SF and was public works office and shop complex. The facade combines brick veneer and corrugated exterior wall material.

Building 11 Specific Exterior Features

1. Original steel frame divided light windows.

Building 11 Specific Interior Features

1. Exposed structural system in shop area especially post and beam connections.
2. Entry lobby to office portion detailing consisting of ceiling cornice of stars and buiron pilasters flanking interior door.

Building 12 (Parcel 1, Lot C - constructed 1930) Central Steam Plant houses three large boilers and associated equipment.

Building 12 Specific Exterior Feature

1. Original double height, divided light industrial windows with operable center panels.
2. Large door openings with side by original side by side shop doors with divide light industrial windows in top 2/3.
3. Emission stacks and vents on roof.

Building 12 Specific Interior Features

None

Building 15 (Parcel 6, Lot E - constructed 1938) Recreation Facility originally a green house later converted to a golf club house and last used as arts and crafts center. Does not have specific exterior or interior features.

Building 18 (Parcel 6, Lot D - constructed 1936) Brick building first used as motor vehicle shop and then a fire station. The hose-drying tower is a prominent vertical element in the District, especially looking from north to south.

Building 18 Specific Exterior Features

1. Cast concrete parapet
2. Divided light industrial windows with cast concrete sills
3. Large garage type doors on north facade
4. Hose drying tower

Building 18 Specific Interior Features

None

Building 30 (Parcel 6, Lot A - constructed 1938) Consists of large central hangar space flanked by a three story office wing on the west side and two levels of shop and office spaces on the east side. Another classic hangar area although smaller in area than Building 2, at 80,066 SF. Non-hangar portion has Art Deco detailing similar to Buildings 25 and 29.

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Building 30 Specific Exterior Features

1. Large rolling hangar doors. Door area above 7 feet is divided lights End panel door have standard 3' wide doors built in for access.
2. Main entrance to office area on the west side. Features include double sided "I" shaped stairway leading to entry, Art Deco lanterns on the railings at the bottom of the staircase, a fluted panel into which double entry doors are recessed that extends the full height of the building, and a flat canopy projects out from the doors forming a weather cover. The cover is wrapped in fluted aluminum with stand up letters in Art Deco style reading Administration.
3. Original windows on two story east wing with dark painted frames on the first floor and pre-cast concrete sills on the second floor. Most windows in the three-floor west wing are replacements.

Building 30 Specific Interior Features

1. Base Commanding Officer's suite located on the third floor of the west wing. Specific details include paneled conference room with fireplace and adjacent Officer's Ward room including built in wall seating, glass block bar and original linoleum floor with pre W.W.II aircraft logo with red star in the center.
2. General configuration of office area on southwest corridor of the first floor of the west wings in particular the interior daylight glass top partitions.
3. High bay and open space volume of the hangar area.

Building 31 (Parcel 1, Lot A - constructed 1918) Built on a pier that originally was used to unfoad fuel barges. The building was used to provide covered slips for boats, including the Admiral's barge and watch standing space for the barge crew.

Building 31 Specific Exterior Features

1. Green patterned asphalt roof shingles (although may not be original).

Building 31 Specific Interior Features

None

Building 47 (Parcel 6, Lot D - constructed 1941) Contains 50,060 SF and was used as multi-use recreation complex consisting of gymnasium including bleacher area on one side, weight and exercise rooms, lockers, swimming pool, library, offices, and theater. Street facade is brick faced but other sides of building are painted cmi.

Building 47 Specific Exterior Features

1. Cast concrete banding on brick facade
2. Original metal framed windows with divided lights and operable awning center panel
3. Main building entrance on west side consisting of three deep set windows in concrete frame above the entry, and fluted aluminum round edge canopy extending over the entry
4. Lead downspouts

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Building 47 Specific Interior Features

1. Theater area on north side of the building, especially the stage and orchestra pit area, including the wood molding on the front of the stage and wood stairways on either side.

Building 67 (Parcel 1, Lot D - constructed 1941) Contains 33,720 SF used as vehicle maintenance and parking garage facility. It was built on a hillside to provide vehicle access to service and garage areas on separate levels.

Building 67 Specific Exterior Features

1. Main entrance on upper level with glass block walls on the side and half round cover over the doorway that is edged in stainless steel.
2. Multiple, large garage-style openings on the ground and second level.

Building 67 Specific Interior Features

None

Building 138 (Parcel 3, Lot E - constructed 1942) Built as Pass and ID office and police station. Two story building on either side of main entrance with continuous second floor forming a bridge over the entrance. High visibility location at the main entry point and close to major public thoroughfare.

Building 138 Specific Exterior Features

1. Original metal frame windows with operable awning center panels.
2. Flat roof line with concrete cornice.

Building 138 Specific Interior Features

1. Stair moldings.
2. Interior walk-in safes.

MONUMENTS

There is one monument on the base, located in the center island of the main entry road (in front of Building 138). It is a stone column, approximately 13' high, which is capped by a bronze eagle with outstretched wings. A shield shaped plaque indicates that the monument commemorates the first around the world military flight that originated, and returned to the Sand Point aerodrome in 1926. The monument was moved from its original location in 1942.

LANDSCAPE, SITE FEATURES, VIEWS

The following landscape and other site features within the area conveyed are considered to be contributing features to the Sand Point Historic District. Any proposed action that might effect these features or proposed direct alteration of them would require consultation with Washington SHPO.

Location of features is shown on attached map

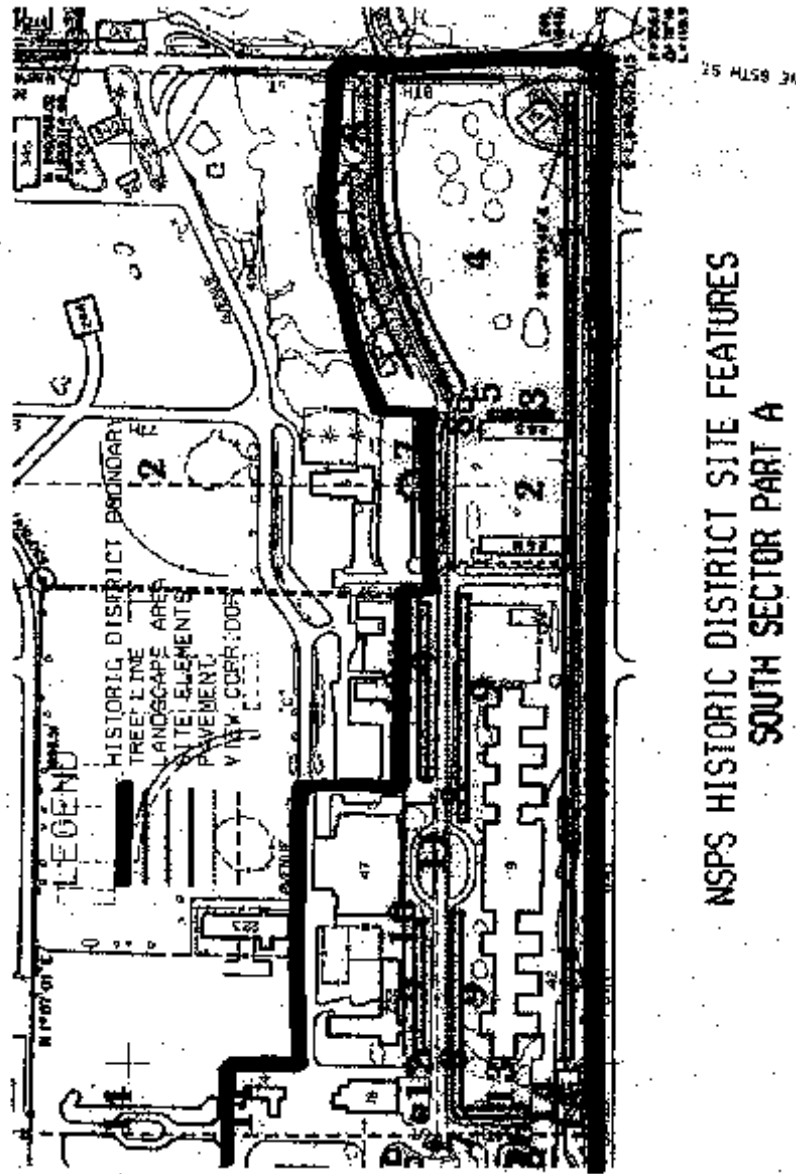
Numbering below coincides with the site feature number on the map. Gaps in the numbers relate to site features that contribute to the Historic District but are not within the area covered by this conveyance.

1. Edge effect created by uniform front foundation lines of buildings 224, 47 and 222.

2. Site of large signboard on southeast corner of intersection of B Street and 4th Street. Sign itself is not original or significant but continuous use of this site for this function is significant.
21. Scaplane Ramp.
22. North/ South view corridor down Avenue A from overpass at 1st Street to Jake Washington.
23. Stopped aggregate shoreline edging south of Building 31.
24. Remaining example of original street light (to be model for new ones placed on site).

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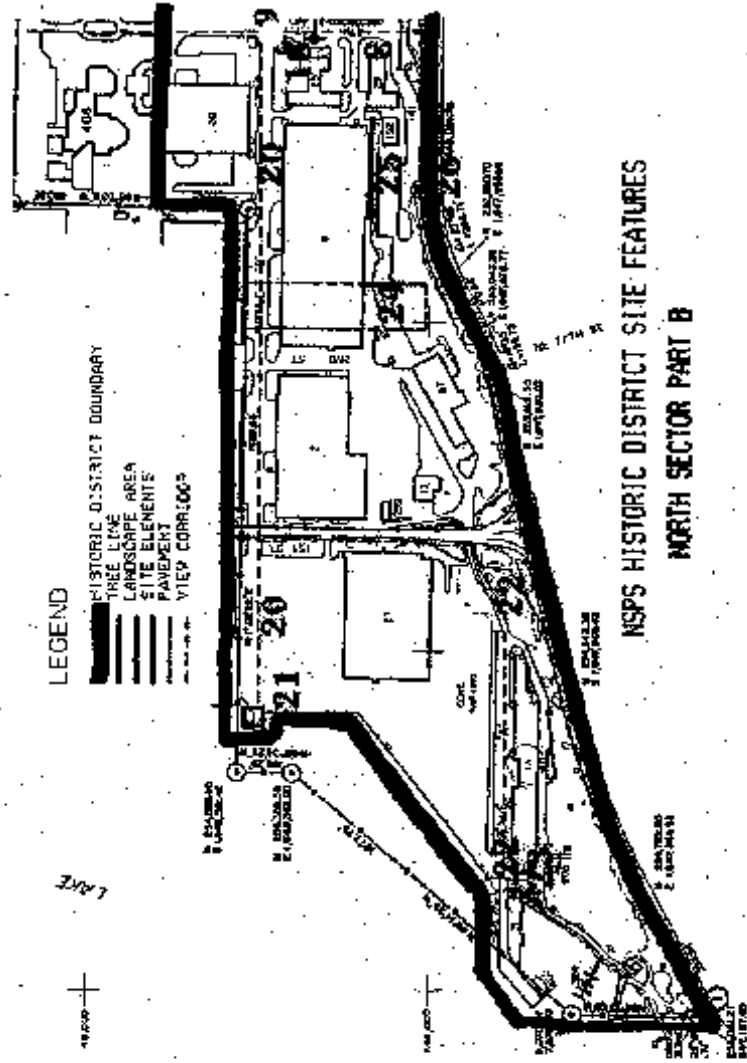
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NSPS HISTORIC DISTRICT SITE FEATURES
SOUTH SECTOR PART A

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SUMMARY and FISCAL NOTE*

Department:	Dept. Contact:	CBO Contact:
Parks and Recreation	Brian Judd	Justin Hellier

** Note that the Summary and Fiscal Note describes the version of the bill or resolution as introduced; final legislation including amendments may not be fully described.*

1. BILL SUMMARY

Legislation Title: AN ORDINANCE authorizing the Superintendent of Seattle Parks and Recreation to enter into a Concession Agreement with Sail Sand Point to occupy and use a portion of the Magnuson North Shore Recreation Area at Warren G. Magnuson Park to provide sailing and boating programs and education, short-term boat rentals, and dry boat storage.

Summary and Background of the Legislation: The proposed Council Bill authorizes the Superintendent of SPR to execute for and on behalf of SPR a fifteen-year Concession Agreement with Sail Sand Point to occupy and use a portion of the Magnuson Northshore Recreation Area (specifically Building 11 Sail Sand Point Offices, Board Room, Restroom, Room 160 and outdoor restrooms, Building 31, Building 115, Building 275, and Outdoor Dry Boat Storage) at Warren G. Magnuson Park to provide sailing and boating programs and education, provide short-term boat rentals, and dry boat storage. Sail Sand Point is a non-profit organization whose mission is making sailing and paddling accessible to everyone regardless of age, income, or ability. The organization nurtures self-confidence, cultivates leadership skills, and inspires an appreciation for our aquatic environment. The proposed legislation also authorizes an option to extend the initial term of the agreement for one additional ten-year term, and one additional five-year term after the initial extension. Sail Sand Point will develop and update a Facilities and Site Improvement Plan that includes anticipated projects, estimated costs, project timelines and potential funding sources. Additionally, beginning in 2023, Sail Sand Point will pay the City the following rates for the use of space in Building 11 and the Dry Boat Storage:

The amount of rent will be offset by the amount of tenant improvements invested up to a maximum of fifty percent (50%) of the Concession Fee. This legislation will generate up to SPR \$1,620,362 in total value and \$810,181 in revenue after offsets, between 2023 and 2038.

Building 11 is a historic building in Warren G. Magnuson Park. Sail Sand Point is one of the earliest organizations to use space at Warren G. Magnuson Park via public-private partnership and has been an anchor tenant that has been recognized as a regional leader for their work providing access and opportunity to underserved communities. This agreement will put in place a long-term agreement that provides stability and predictability for both the City and Sail Sand Point and will ensure the expanded use of Building 11.

2. CAPITAL IMPROVEMENT PROGRAM

Does this legislation create, fund, or amend a CIP Project? Yes No

f. Climate Change Implications

1. Emissions: Is this legislation likely to increase or decrease carbon emissions in a material way?

N/A

2. Resiliency: Will the action(s) proposed by this legislation increase or decrease Seattle's resiliency (or ability to adapt) to climate change in a material way? If so, explain. If it is likely to decrease resiliency in a material way, describe what will or could be done to mitigate the effects.

N/A

g. If this legislation includes a new initiative or a major programmatic expansion: What are the specific long-term and measurable goal(s) of the program? How will this legislation help achieve the program's desired goal(s)?

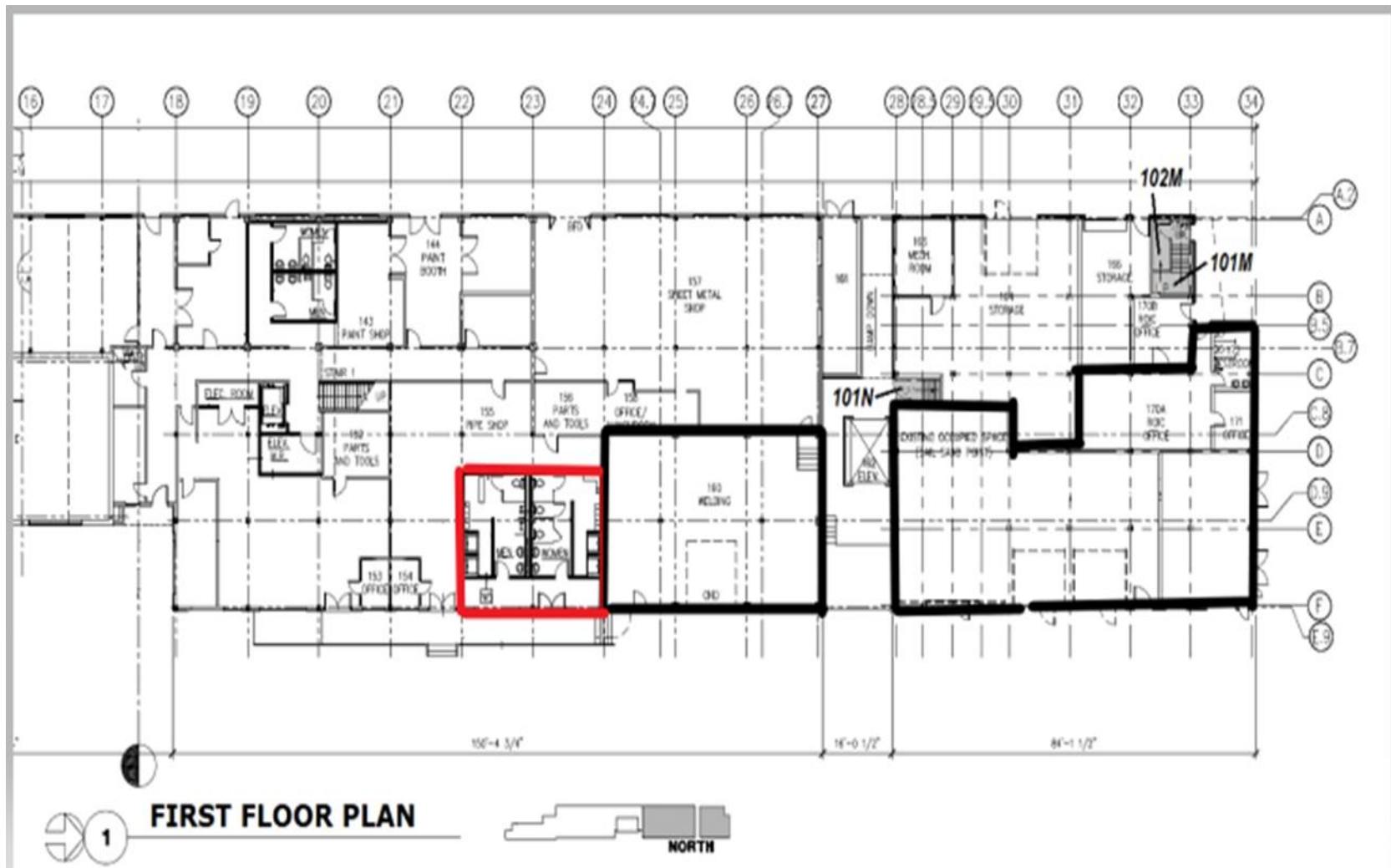
The main purpose of this legislation is to further the mutually beneficial relationship between SPR and Sail Sand Point as the public recreation missions of both entities continue to align. Additionally, this legislation will allow Sail Sand Point to implement capital improvements to preserve the Building 31 Historic Boathouse that is in disrepair and expand the use of Building 11 in Warren G. Magnuson Park.

Summary Attachments:

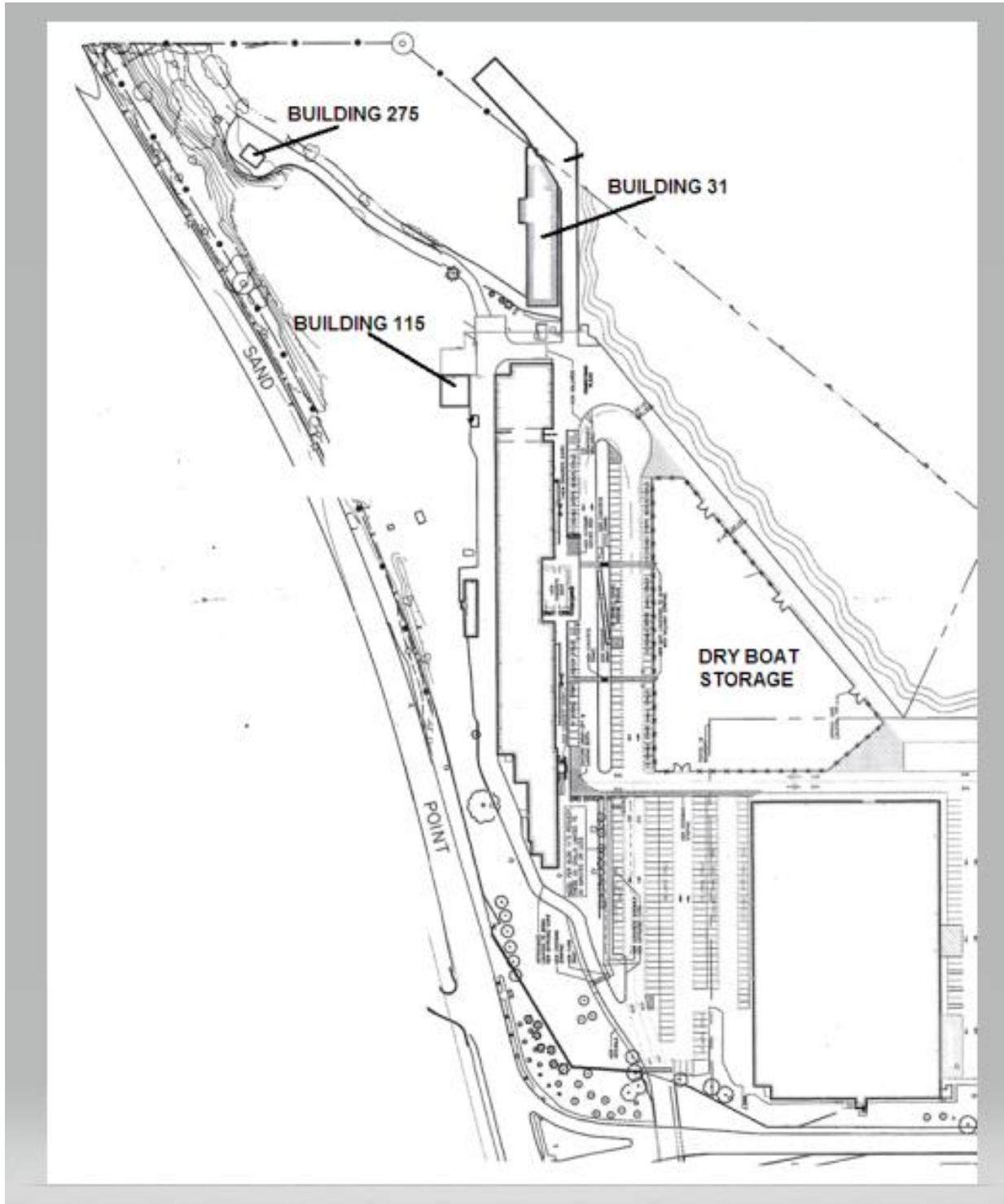
Summary Exhibit A - Floor Plan

Summary Exhibit B - Property Map

Summary Exhibit A
Building 11 / Sail Sand Point Offices, Board Room, Restroom
Building 11 / Room 160
Building 11 / Outdoor Restrooms



**Summary Exhibit B – Property Map
Buildings 31 (Boathouse), Building 115, and Building 275 Dry Boat Storage**



Sail Sand Point Concession Agreement

City Council Public Assets and Homelessness Committee

July 7, 2023

Seattle Parks and Recreation



City of Seattle 84

Seattle Parks and Recreation and Sail Sand Point propose establishing a new Concession Agreement



Sail Sand Point

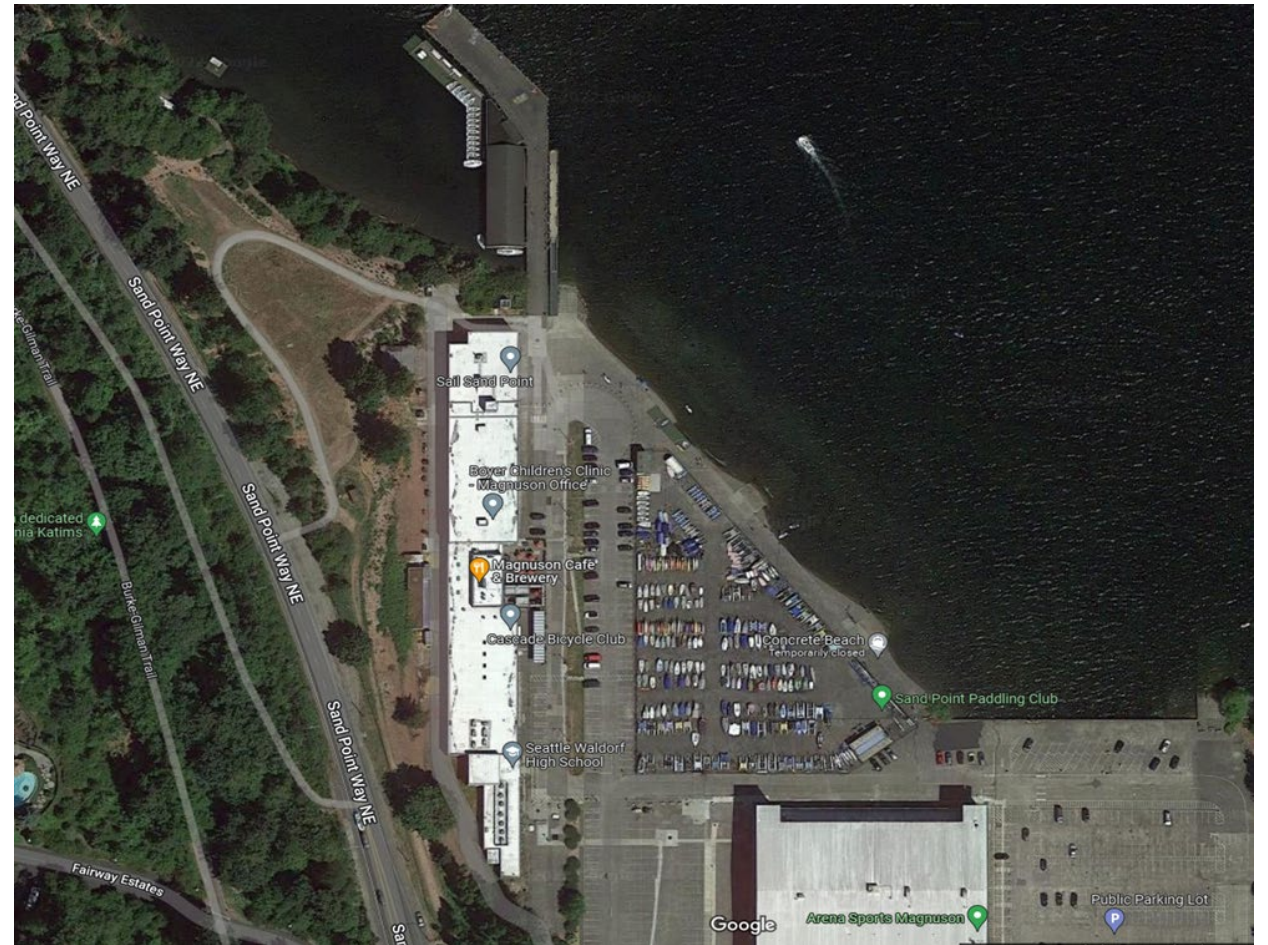
- Operating in north shore area of Magnuson Park since the late 1990s
- Sail Sand Point's mission is to "bring joy and life-enhancing benefits of sailing and small boats to people of all ages, abilities, and backgrounds."



Sail Sand Point

- SPR and Sail Sand Point (SSP): 25-year relationship at Magnuson Park
- Current agreement final holdover from the Building 11 LLC
- SSP will serve more than 15,000 people through 2023 programs
- Partnerships: Mercy Housing NW, Solid Ground, Seattle Children's Hospital, Washington Autism Alliance, Children's Home Society, Outdoors for All, Boys and Girls Clubs, YWCA and YMCA
- Over \$300,000 in public benefit value since 2018

Sail Sand Point Premises



Current Lease Agreement

- Executed between Building 11 LLC and SSP
- Agreement inherited by SPR in 2013
- Extends out to 2059
- Does not provide tenant improvement opportunities
- Does not reflect SSP's full operational footprint
- Contains outdated public benefit language

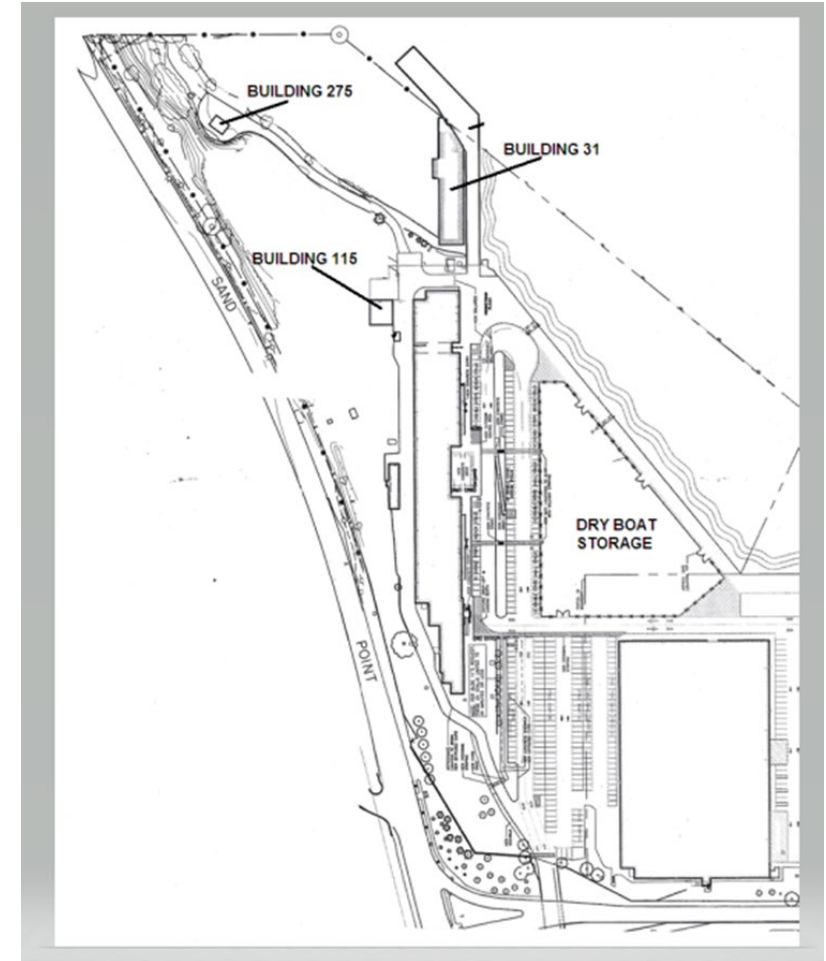


New Concession Agreement Summary

Initial Term	15 years
Initial Term Value	\$810,181 (after offsets)
Mutual Extension Options	1 st Option: 10 years 2 nd Option: 5 years
Tenant Improvement Allowance	50%
Additional Requirements	Annual public benefit reporting Annual fundraising reports Building 11 restroom maintenance

Proposed Updated Premises

- New agreement reflects all areas used by Sail Sand Point
- Redevelopment and activation opportunities



Public Benefits

- Annual reporting plan
- Agreement outlines an example menu of options
- Many public benefits geared toward Sand Point residents
- Future Swim Seattle partner

Examples of Public Benefit

Free public bathroom access

Access to free lifejackets and wetsuits

Program scholarships (Up to 100%)

Boat Storage Discounts (Up to 50%)

Group Discounts (Up to 100%)

Free and discounted open boating passes

Opportunities

Building Redevelopment

- Building 31 boathouse
- Building 11 Room 160
- Building 115



Building 31



Building 115

Opportunities



Strengthening the Relationship

- Public benefit exhibit
- Outdoor dry boat storage: 10% annual revenue to SPR
- Building 11 restroom management

Questions?

