

#119

**CITY OF SEATTLE**

**ORDINANCE**

COUNCIL BILL 117894

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4 AN ORDINANCE relating to the Department of Parks and Recreation; authorizing the  
5 Superintendent to enter into a lease agreement with Interbay N.W. Management, Inc., for  
6 the use, occupancy and operation of a 9-hole golf course and for providing services to the  
7 public at the Department of Parks and Recreation's Green Lake Pitch and Putt facility.

8 WHEREAS, The Department of Parks and Recreation's (DPR) Green Lake Pitch and Putt  
9 (GLPP) is a 9-hole beginner's golf course that has been available to Green Lake Park  
10 patrons for over fifty-three years and has proven to be a popular feature at the park; and

11 WHEREAS, DPR has issued a series of concession contracts and annual permits to golf  
12 operators from 1972 through 2006, including a Request for Proposal (RFP) process in  
13 2006 to manage the GLPP golf course for which Interbay N.W. Management was the  
14 selected proposer; and

15 WHEREAS, DPR ran a new publicly advertised Request for Proposal (RFP) process in 2012 to  
16 seek an operator for the GLPP golf course that could best demonstrate the ability to  
17 provide professional management as well as affordable, safe, and reliable service to park  
18 patrons while paying concession fees to DPR; and

19 WHEREAS, Interbay N.W. Management, Inc., was again selected as the successful proposer to  
20 the City of Seattle's 2012 RFP process; NOW, THEREFORE,

21 **BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:**

22 Section 1. The Superintendent of the Seattle Department of Parks and Recreation is  
23 authorized to execute, for and on behalf of the City of Seattle, a lease with Interbay N.W.  
24 Management, Inc., substantially in the form of the Green Lake Pitch and Putt Lease Agreement  
25 between the City of Seattle Department of Parks and Recreation and Interbay N.W.  
26 Management, Inc. attached hereto as Attachment 1, with the exception of minor, administrative,  
27 or non-substantive changes to the lease as the Mayor or Superintendent may deem necessary to  
28 carry out the purposes of this ordinance.

1           Section 2. This ordinance shall take effect and be in force thirty (30) days from and after  
2 its approval by the Mayor, but if not approved and returned by the Mayor within ten (10) days  
3 after presentation, it shall take effect as provided by Municipal Code Section 1.04.020.  
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1 Passed by the City Council the \_\_\_\_ day of \_\_\_\_\_, 2013, and  
2 signed by me in open session in authentication of its passage this  
3 \_\_\_\_ day of \_\_\_\_\_, 2013.

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5 \_\_\_\_\_  
6 President \_\_\_\_\_ of the City Council

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8 Approved by me this \_\_\_\_ day of \_\_\_\_\_, 2013.

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10 \_\_\_\_\_  
11 Michael McGinn, Mayor

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13 Filed by me this \_\_\_\_ day of \_\_\_\_\_, 2013.

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15 \_\_\_\_\_  
16 Monica Martinez Simmons, City Clerk

17 (Seal)

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19 Attachments:

20 Attachment 1: Green Lake Pitch and Putt Agreement between the City of Seattle Department of  
21 Parks and Recreation and Interbay N.W. Management, Inc.

22 Exhibit A to Attachment 1: Legal Description

23 Exhibit B to Attachment 1: Maintenance Responsibilities

**ATTACHMENT 1:**

**GREEN LAKE PITCH AND PUTT LEASE AGREEMENT**

**Between**

**THE CITY OF SEATTLE DEPARTMENT OF PARKS AND RECREATION**

**And**

**INTERBAY N. W. MANAGEMENT, INC.**

THIS LEASE ("Lease") is entered into this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by and between **THE CITY OF SEATTLE** ("City"), a city of the first class of the State of Washington, acting by and through its Seattle Department of Parks and Recreation ("Parks") and the Superintendent thereof ("Superintendent"), and Interbay N.W. Management, Inc. ("Lessee"), a corporation organized under the laws of the State of Washington.

AGREEMENT

IN CONSIDERATION of the mutual covenants contained herein, City and Lessee covenant and agree as follows:

**1. Lease Data; Exhibits.** The following terms shall have the following meanings, except as otherwise specifically modified in this Lease:

1.1 Premises. The "Premises" are commonly referred to as the Green Lake Pitch and Putt, including the main building (the "Building"), storage structures, and all grounds located within the fenced area located in the SW corner of Green Lake Park at N. 5701 E. Green Lake Way, Seattle, Washington 98103, situated on a portion of the real property legally described in Exhibit A.

1.2 Commencement Date. When signed by both parties following an authorizing ordinance by Seattle City Council.

1.3 Expiration Date. Five years from the Commencement Date noted in Section 1.2, unless the Term of this Lease is extended pursuant to Section 3.

1.4 Annual Operating Season. The Annual Operating Season begins on March 1<sup>st</sup> and ends on October 31<sup>st</sup> of each year throughout the Term of this Lease.

1.5 Rent and Additional Charges.

1.5.1 Rent. Lessee shall pay annual rent in the amount of \$14,000 (Fourteen thousand dollars) or 10.5% of Lessee's annual Gross Receipts, whichever is greater. Rent shall be made by installments as further described in Section 4.

1.5.2 Gross Receipts. As used in this Lease, "Gross Receipts" means the total income and value received by Lessee or any other person from the sale or rental of goods, and

sale of services, concessions, user fees, and business transactions of every kind occurring on the Premises without any deduction for costs of products sold, material used, labor, or other expenses whatsoever paid or accrued. "Gross Receipts" excludes Washington State Sales Tax and any other tax imposed by any government directly on sale of food, services or goods charged to the consumer although collected by the seller.

1.5.3 Additional Charges. Whether or not so designated, all other sums due from Lessee under this Lease, including but not limited to the utility charge in Section 7.1 and leasehold excise tax, shall constitute Additional Charges, payable when specified in this Lease.

1.6 Notice Addresses. All payments shall be delivered to:

Seattle Department of Parks and Recreation  
Contract Administration & Support Office  
ATTN: Charles Ng, Manager  
800 Maynard Avenue S. #300  
Seattle, Washington, 98134

Or to such other address as the Superintendent shall direct.

To Lessee:

Interbay N.W. Management, Inc.  
Attn: Marlene Taitch, President  
1524 Logan Avenue W.  
Seattle, Washington 98199

Or to Mailing address: P. O. Box 99223

1.7 Exhibits. The following exhibits are made a part of this Lease:

Exhibit A – Legal Description

Exhibit B – Maintenance Responsibilities

## 2. Premises.

2.1 Grant. City hereby leases to Lessee and Lessee hereby leases from City those certain premises referenced in Section 1.1 (the "Premises"), which are located on the real property described on Exhibit A.

2.2 Condition. City leases the Premises and Lessee accepts the Premises in their "as is" condition.

2.3 Permitted Use. Lessee shall use the Premises only for the purpose of managing and operating a public nine-hole golf course, for providing related services and concessions, and for intermittent rental of the Premises for golf related events and according to Section 6.1 ("Use of Premises"). Lessee shall not use the Premises for any purpose whatsoever other than the uses specifically permitted herein, nor fail to operate the golf concession continuously during the Annual Operating Season for the Term of this Lease, without the written consent of Parks. Securing the use of the Premises as a public golf concession is a material purpose and term of this Lease and Lessee's failure to use the Premises for the Permitted Use will be considered a Default of this Lease Agreement.

2.4 Common Areas. As used in this Lease, "Common Areas" means those areas of Green Lake Park designated by the Superintendent for use by the general public, which shall include parking lots and access walkways adjacent to the Premises. Lessee shall have the right to access to and non-exclusive use of the Common Areas in common with City and other park users. 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 Lessee to compensation or a reduction or abatement of rent.

2.5 Alterations. City, in its discretion, may increase, decrease or change the number, locations and dimensions of any adjacent parking lot, access walkways, Common Areas and other improvements that are not within the Premises. Such increase, decrease, or change shall not materially interfere with Lessee's business as permitted in Subsection 2.3, Permitted Use. City reserves the right from time to time (i) to install, use, maintain, repair, relocate and replace pipes, ducts, conduits, wires and appurtenant meters and equipment for service to the Premises, including the Building in areas above the suspended ceiling surfaces, below the floor surfaces, within the walls and elsewhere in the Building; (ii) to alter or expand the Building; and (iii) to alter, relocate or substitute any of the Common Areas. Parks reserves the right to close the Premises, or any portion thereof for making repairs or improvements. Parks will endeavor to give Lessee reasonable notice in advance of any such closure. Parks may close the Premises or any portion of the Premises without notice, in case of emergency.

### **3. Lease Term.**

3.1 Initial Term. This Lease shall be for a term ("Lease Term" or "Term") beginning on the Commencement Date specified in Subsection 1.2 and ending on the Expiration Date specified in Subsection 1.3, unless the Lease Term is terminated earlier in accordance with the provisions of this Lease or extended as provided in Subsection 3.2 below.

3.2 Extended Terms. At its sole discretion, Parks shall have the option to extend this Lease for up to one (1) successive individual extended term of five (5) years (the "Extended Term"). Parks may extend the Lease Term to include the Extended Term by giving Lessee written notice, at least one hundred and twenty (120) days prior to the beginning of the Extended Term, of (i) its intention to extend the Lease, and (ii) any increase in rent, and (iii) any change of the terms and conditions of the Lease. Lessee shall provide Parks with written notice of its acceptance of the Extended Term on the terms and conditions as specified by the Superintendent, no later than ninety (90) days prior to the beginning of the Extended Term. If Lessee fails to accept the Extended Term in the time required herein, Lessee's option to accept shall automatically expire, unless otherwise provided for in writing by the Superintendent. As used in this Lease, the "Lease Term" means the original term commencing on the Commencement Date and ending on the Expiration Date specified in Subsection 1.3, and all Extended Terms, if any.

### **4. Concession Fee/Annual Rent.**

4.1 Rent Commencement Date and Installments. Lessee shall commence paying rent on or before the 10<sup>th</sup> day of the first full month following the Commencement Date ("Rent Commencement Date"), and thereafter rent shall be paid by installments during the months of April through November ("Installment Months") for the duration of the Term. On or before the 10<sup>th</sup> day of each Installment Month, Lessee shall pay to City at the address and to the account specified by City, without notice or demand or any setoff or deduction whatsoever, in lawful money of the United States (a) an installment of the annual Rent in the amount of 10.5% of Lessee's Gross Receipts for the prior calendar month, subject to the Annual Rent Adjustment as described in Section 4.2; and (b) the utility charge under Section 7.1; and (c) the applicable amount of leasehold excise tax due under Section 8.1; and (d) Additional Charges as and when specified elsewhere in this Lease, but if not specified, then within ten (10) days after written demand.

4.2 Annual Rent Adjustment. On or before the 30th day of November 2013, and on or before the 30<sup>th</sup> day of each succeeding November throughout the Term, Lessee shall provide the City with verification of the preceding Annual Operating Season's Gross Receipts. In the event that 10.5% of Lessee's Gross Receipts for the preceding Annual Operating Season is less than fourteen thousand dollars (\$14,000), Lessee shall pay to the City that amount necessary to bring the total Rent paid for the current calendar year to fourteen thousand dollars (\$14,000) (the "Annual Rent Adjustment"). Additionally, in the event that 10.5% of Lessee's Gross Rentals for the preceding Annual Operating Season exceeds fourteen thousand dollars (\$14,000), Lessee shall pay the City that amount necessary to bring the total amount of Rent paid for the current calendar year to 10.5% of Lessee's Gross Receipts. Payment of the Annual Rent Adjustment is due on or before November 30th of each year during the Term.

4.3 Late Charge; Interest. If Lessee fails to pay the City any sum when due, such amount shall bear interest at the rate of 12% per annum from the date due until the date paid.

4.4 Returned Check, Insufficient Funds. If any payment or check for payment is returned for insufficient funds, Lessee shall owe as an administrative charge an additional Twenty Dollars (\$20), or such larger sum as may be established by ordinance.

## 5. FINANCIAL RECORDS/ AUDIT

5.1. Concessionaire's Records. The Concessionaire shall maintain at the Concession Premises a clear and documented set of books, records, documents and other evidence reflecting all business activity conducted at the Concession Premises, including cash register tapes, credit card charge records and any other data relating to the determination of Gross Receipts and the calculation of the Concession Fee.

5.2. Audit. Concessionaire shall permit its records to be inspected by the City, with reasonable notice, and Concessionaire's records shall be subject to copying and audit by the Department, the City, the Office of the State Auditor, and other officials so authorized by law, rule, regulation, or contract. The Concessionaire shall ensure that this right of inspection, audit and copying is a condition of any sub-concession agreement or other arrangement under which any person or entity other than Concessionaire is permitted to carry on a business activity in, on, or from the Concession Premises. The Concessionaire shall not be required to staff the City's audit of Concessionaire's financial records, and the City shall solely bear the costs associated with its inspection of Concessionaire's financial activity under this Agreement.

5.3. Retention. The Concessionaire shall retain all financial books, records, documents, cash register tapes, credit card records and other material relevant to the financial activity under this agreement for six (6) years after the expiration or termination of any calendar year under the Agreement. The obligations in Section 5 shall survive termination or expiration of the Agreement for the applicable duration of any statute of limitations.

5.4. Cash Register. The Concessionaire shall enter all sales on a type of cash register or POS System that records and identifies the date, type of sale, and the amount of each transaction and that is equipped with a cumulative, non-alterable accounting control mechanism.

5.5. Record Keeping Subject to Approval. Concessionaire shall not change record keeping methods or change or discontinue use of the cash register or POS System without the Superintendent's written authorization.

5.6. Annual Report. By March 31 of each year during the Term, Concessionaire shall submit to Parks an annual report, in a form acceptable to the Superintendent, detailing expenses, revenues, maintenance and operation for the Green Lake Pitch and Putt.



## 6. Lessee's Operations.

6.1 Use of Premises. Lessee shall use the Premises only for the Permitted Use specified in Section 2.3 as City's willingness to enter into this Lease with Lessee was predicated, in part, on the nature of Lessee's business, and the compatibility of such business with the use of the Premises. Lessee shall promptly comply, at its sole cost and expense, with such reasonable rules and regulations relating to the use of the Premises and Common Areas as City, from time to time, may promulgate. In the event of any conflict between the rules and regulations promulgated by City and the terms of this Lease, the terms of this Lease shall prevail.

The Lessee is authorized to charge golf fees for the use of the Premises, equipment, food amenities, and supplies consumed or used by the public as set forth on a published fee sheet which shall be prepared and posted by Lessee. The Lessee may also license the use of the Premises to third parties for events within the scope of the Permitted Use, and subject to the hours of operation and other requirements of this Lease Agreement. The lessee shall pay to the City 10.5% of the gross receipts from these events from third parties in accordance to the payment schedule noted in Section 4.1(a).

6.2 Staffing of Premises. The Lessee shall provide qualified personnel in sufficient numbers to meet the program staffing needs during all hours of operation. The Lessee shall review the conduct of any of its staff whose activities may be inconsistent with the proper administration of the Premises and take such action as is necessary to fully correct the situation.

### 6.3 Compliance with Laws; Nondiscrimination.

6.3.1 Lessee 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, or for any purpose offensive to the standards of the community. Lessee shall promptly comply, at its sole cost and expense, with all laws, ordinances and regulations now in force or hereafter adopted relating to or affecting the condition, use or occupancy of the Premises, provided that Lessee shall not be responsible for maintaining in compliance with laws those portions not within the Premises and as such are the City's responsibility to maintain under terms of this Lease.

6.3.2 Without limiting the generality of Subsection 6.3.1; Lessee agrees to and shall comply with all applicable equal employment opportunity and nondiscrimination laws of the United States, 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.

6.4 Liens and Encumbrances. Lessee shall keep the Premises free and clear of, and shall indemnify, defend and hold City harmless from, any and all, liens and encumbrances arising or growing out of any act or omission, or breach of this Lease or its use, improvement or occupancy of the Premises by Lessee or any of its principals, officers, employees or agents or subtenants. Lessee shall inform the City in writing of any lien filed against the Premises within

ten (10) days of the filing date of the lien. If any lien is so filed against the Premises, Lessee shall either cause the same to be fully discharged and released of record within ten (10) days after City's written demand therefor or, within such period, provide City with cash or other security acceptable to City in an amount equal to one and one-half (1½) times the amount of the claimed lien as security for its prompt removal. City shall have the right to disburse such security to cause the removal of the lien if City deems such necessary, in City's sole discretion.

6.5 Hazardous Substances. Lessee shall not, without City's prior written consent, keep on or about the Premises any substance designated as, or containing any component now or hereafter designated as hazardous, dangerous, toxic or harmful and/or subject to regulation under any federal, state or local law, regulation or ordinance ("Hazardous Substances"), except customary office, kitchen, cleaning and other related supplies in normal quantities handled in compliance with applicable laws. With respect to any Hazardous Substances stored with City's consent, Lessee shall promptly, timely and completely comply with all governmental requirements for reporting and record keeping; submit to City true and correct copies of all reports, manifests and identification numbers at the same time as they are required to be and/or are submitted to the appropriate governmental authorities; within five (5) days after City's request therefor, provide evidence satisfactory to City of Lessee's compliance with all applicable governmental rules, regulations and requirements; and comply with all governmental rules, regulations and requirements regarding the proper and lawful use, sale, transportation, generation, treatment and disposal of Hazardous Substances. Any and all costs incurred by City and associated with City's inspections of the Premises and City's monitoring of Lessee's compliance with this Subsection 6.5, including City's attorneys' fees and costs, shall be Additional Charges and shall be due and payable to City within ten (10) days after City's demand therefor, if Lessee's violation of this Subsection 6.5 is discovered as a result of such inspection or monitoring.

6.6 Cleanup costs. Lessee shall be fully and completely liable to City for any and all cleanup costs and expenses and any and all other charges, expenses, fees, fines, penalties (both, civil and criminal) and costs imposed with respect to Lessee's use, disposal, transportation, generation and/or sale of Hazardous Substances in or about the Premises. Lessee shall indemnify, defend and hold City harmless from any and all of the costs, fees, penalties, charges and expenses assessed against, or imposed, upon City (as well as City's attorneys' fees and costs) as a result of Lessee's use, disposal, transportation, generation and/or sale of Hazardous Substances on or about the Premises. The indemnification obligation of this subsection shall survive the expiration or earlier termination of this Lease.

## 7. Utilities.

7.1 General. Lessee shall pay when due to the appropriate providers, all charges for utilities for the Premises, including but not limited to electricity, water and sewer services, and data and telecommunications services. Lessee shall pay three hundred dollars (\$300.00) each month during the Annual Operating Season (March through October) for water used for irrigation of the golf course since there is no separate meter to document actual usage. In the

event an upgrade to this system is made and a meter installed, the Lessee would then pay the actual amount of water use per meter readings during the operating months.

7.2 Refuse Collection; Recycling of Waste Materials. Lessee shall provide all necessary housekeeping and janitorial services for the Premises to a level consistent with other similar Parks' facilities and operations and to the Superintendent's reasonable satisfaction. Lessee shall be responsible for proper storage and removal of trash, litter pickup and recycling consistent with City standards.

7.3 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. 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 Lessee or relieve Lessee from any of Lessee's obligations hereunder or to give Lessee a right of action against City for damages. Lessee 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 Lessee's use of the Premises. City shall provide Lessee 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 Lessee. 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 Lessee. If utilities are interrupted at the Premises during the Operating Season so as to render them unfit for the Permitted Uses three (3) or more days, then Lessee's Rent and Additional Charges 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 month.

## 8. Licenses and Taxes.

8.1 Without any deduction or offset whatsoever, Lessee shall be liable for, and shall pay prior to delinquency, all taxes, license and excise fees and occupation taxes covering the business conducted on the Premises and all personal property taxes and other impositions levied with respect to all personal property located at the Premises; Lessee shall be responsible for, and shall pay prior to delinquency, all fees, charges, or costs, for any governmental inspections or examinations relating to Lessee's use and occupancy of the Premises; and pay all taxes on the leasehold interest created by this Lease (e.g., leasehold excise taxes), which amount as of the Commencement Date is 12.84% of Rent and is subject to change.

8.2 Contests. Lessee shall have the right to contest the amount and validity of any taxes by appropriate legal proceedings, but this shall not be deemed or construed in any way as relieving Lessee of its covenant to pay any such taxes. City shall not be subjected to any liability or for the payment of any costs or expenses in connection with any such proceeding brought by Lessee, and Lessee hereby covenants to indemnify and hold City harmless from any such costs or expenses. The indemnification obligation of this subsection shall survive the expiration or earlier termination of this Lease.

**9. Alterations by Lessee.**

9.1 Lessee shall not make any alterations, additions or improvements in or to the Building or Premises without first submitting to the City professionally-prepared plans and specifications for such work and obtaining City's prior written approval thereof. Lessee covenants that it will cause all alterations, additions and improvements to the Premises to be completed at Lessee's sole cost and expense by a contractor approved by City 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 first-class, 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' systems; (e) does not unreasonably disrupt public use of adjacent Park areas; (f) is in conformity with all applicable city, state, and federal regulations, including those referenced in Sections 6.3.1 and 6.3.2 and (g) does not invalidate or otherwise affect the construction or any system warranty then in effect with respect to the Building or Premises. Lessee shall secure all governmental permits and approvals required for the work; shall comply with all other applicable governmental requirements and restrictions; and reimburse City for any and all expenses incurred in connection therewith. Except as provided in Section 13.4 with regard to concurrent negligence, Lessee 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 Lessee's performance of such alterations, additions and improvements, including, but not limited to, all which arise from or out of Lessee's breach of its obligations under terms of this Section 9.

9.2 Alterations. All alterations, additions and improvements (expressly including all light fixtures; heating and ventilation units; floor, window and wall coverings; and electrical wiring) shall become the property of City at the expiration or termination of this Lease without any obligation on its part to pay for any of the same, except the foregoing shall not apply to Lessee's moveable trade fixtures and appliances and equipment not affixed to the Premises (including without limitation furniture, computers, point of sale systems and registers). At City's request, Lessee shall execute a deed or bill of sale in favor of City with respect to such alterations and/or improvements. Notwithstanding the foregoing, Lessee shall remove all or any portion of such alterations and/or improvements on the expiration or termination of this Lease if City specifically so directs, in writing, at the time of City's issuance of its approval thereof. Within ninety (90) days after the completion of any alteration, addition or improvement to the Premises, Lessee 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 Lessee.

9.3 ADA Requirements. In any alteration of the Premises, Lessee shall comply with all applicable laws and regulations including but not limited to the Americans with Disabilities Act (ADA) and its design standards under both Titles II and III thereof.

**10. Care of Premises.**

10.1 General Obligation. Lessee shall take good care of the Premises and shall reimburse City for all damage done to the Premises that results from any act or omission of Lessee or any of Lessee's officers, contractors, agents, invitees, licensees or employees, including, but not limited to, cracking or breaking of glass.

10.2 Custodial Service for Premises. Lessee shall at its own expense, at all times, keep the Premises and areas immediately adjacent thereto in a neat, clean, safe, and sanitary condition; and keep the glass of all windows and doors serving such areas clean and presentable. Lessee shall furnish all cleaning supplies and materials needed to operate such areas in the manner prescribed in this Lease; Lessee shall provide all necessary janitorial service to adequately maintain the inside of such areas using a company reasonably approved by City. Lessee shall be responsible for keeping the areas immediately adjacent to the perimeter of such areas free of litter and clean of spills resulting from Lessee's operations. Lessee shall also maintain the Premises in a clean, orderly and neat fashion and to a standard established for other similar golf facilities (provided that Lessee shall not be responsible for maintaining those portions of the Premises that are City's responsibility to maintain under terms of this Lease), permitting no objectionable odors to be emitted from the Premises and shall neither commit waste nor permit any waste to be committed thereon. Lessee shall not permit any accumulation of trash on or about the Premises. Lessee shall not create or contribute to the creation of a nuisance in or near the Premises.

If, after City provides written notice to Lessee of Lessee's failure to comply with this Section, Lessee fails to take good care of such areas, City, at its option, may do so, and in such event, upon receipt of written statements from City, Lessee shall promptly pay the entire actual and reasonable cost thereof as an Additional Charge. City shall have the right to enter the Premises for such purposes. City shall not be liable for interference with light, air or view.

All major repairs necessary to maintain the Premises (including the structural aspects and exterior of the building), the Common Areas, and the heating, ventilation, utility, electric and plumbing and other systems and equipment serving the Premises in a reasonably good operating condition and the Parks maintenance responsibilities listed in Exhibit B shall be performed by City at its expense. The foregoing sentence does not extend to maintenance occasioned by an act or omission of Lessee 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 rent arising by reason of City's making of repairs, alterations or improvements.

Lessee shall be responsible for repairs and routine maintenance of the Premises, including responsibilities for the interior structures, the heating, ventilation, utility, electric, plumbing, and other systems and equipment serving the Building and routine maintenance of the golf greens, including Parks approved fertilizing methodologies and materials, landscaping and plantings, turf repairs, and the Lessee maintenance responsibilities listed in Exhibit B of this Lease so that the Premises is in a reasonably good operating condition.

10.3 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. Lessee 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 art work may be granted, granted upon one or more conditions, or withheld in City's discretion.

10.4 Lessee's Indemnification of City against Liability under Visual Artists Rights Act of 1990. Lessee 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 (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 breach of Subsection 10 of this Lease; or (d) any violation of the Visual Artists Rights Act of 1990, as now existing or hereafter amended; by Lessee or any of its officers, employees or agents. 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 Lease.

## 11. Signs and Advertising.

11.1 Signs, Generally. Lessee 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 the Superintendent's prior written consent. Lessee shall remove all signage at the expiration or earlier termination of this Lease and repair any damage or injury to the Premises, unless the City authorizes in writing to the Lessee that such signage may be left in place.

11.2 On-Premises Signs. Lessee may install approved permanent exterior signage. Temporary signs or banners not more than 24 square feet in size may be displayed on or about the Premises to advertise a special event at the Premises beginning two weeks immediately before the event advertised, through the conclusion of such event. New exterior signage shall include the Premises' name, Lessee's name and the Parks logo and shall be constructed in a style and size consistent with the Parks sign policy. Preexisting internal and external signage that has been installed prior to the execution of this lease are exempt from this requirement.

11.3 Recognition. Lessee shall include a statement and the Parks logo in its printed materials stating, in effect, that: "We would like to thank the Seattle Department of Parks and Recreation for providing a location for the Green Lake Pitch and Putt Facility."

## 12. Surrender of Premises.

12.1 General Matters. At the expiration or sooner termination of the Lease Term, Lessee shall return the Premises to City in the same condition in which received on the

Commencement Date (or, if altered, then the Premises shall be returned in such altered condition unless otherwise directed by City pursuant to Section 9), reasonable wear and tear, casualty and condemnation damages not resulting from or contributed to by negligence of Lessee, excepted. Prior to such return, Lessee shall remove its moveable trade fixtures and appliances and equipment that have not been attached to the Premises, and shall repair any damage resulting from their removal. In no event shall Lessee remove floor coverings; heating or ventilating equipment; lighting equipment or fixtures; or floor, window or wall coverings unless otherwise specifically directed by City in writing at the time when City's approval of their installation is issued. Lessee's obligations under this Section 12 shall survive the expiration or termination of this Lease. Lessee shall indemnify City for all damages and losses suffered as a result of Lessee's failure to remove voice and data cables, wiring and communication lines and moveable trade fixtures and appliances and to redeliver the Premises on a timely basis.

12.2 Cable and Wiring. Notwithstanding any provision to the contrary in this Lease and if the City so directs, on or by the Expiration Date, or if this Lease is terminated before the Expiration Date, within fifteen (15) days after the effective termination date, whichever is earlier, Lessee shall remove all voice and data communication and transmission cables and wiring installed by or for Lessee to serve any telephone, computer or other equipment located in that portion of the Premises. Cables and wiring shall include all of the same located within the interior and exterior walls, through or above the ceiling, through or below the floor, vertical or horizontal risers, raceways, conduits, channels, or connection openings of such portion of the Premises to be vacated and surrendered to City as of such Expiration Date or earlier termination date. Lessee shall leave the mud rings, face plates and floor boxes in place.

### 13. Waiver; Indemnification.

13.1 Lessee's Indemnification. Except as otherwise provided in this section, Lessee shall indemnify, defend (using legal counsel reasonably acceptable to City) and save City, City's officers, agents, employees and contractors harmless from all claims, suits, losses, damages, fines, penalties, liabilities and expenses (including City's actual and reasonable personnel and overhead costs and attorneys' fees and other costs incurred in connection with claims, regardless of whether such claims involve litigation) 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 out of or in connection with (i) Lessee's occupation, use or improvement of the Premises, or that of any of its employees, agents or contractors, (ii) Lessee's breach of its obligations hereunder, or (iii) any act or omission of Lessee or any subtenant, licensee, assignee or concessionaire of Lessee, or of any officer, agent, employee, guest or invitee of any of the same in or about the Premises/Building.

13.2 Lessee agrees that the foregoing indemnity specifically covers actions brought by its own employees. This indemnity with respect to acts or omissions during the Lease Term shall survive termination or expiration of this Lease. The foregoing indemnity is specifically and expressly intended to constitute a waiver of Lessee's immunity under Washington's Industrial Insurance Act, RCW Title 51, to the extent necessary to provide City with a full and complete indemnity from claims made by Lessee and its employees, to the extent of their negligence.

Lessee shall promptly notify City of casualties or accidents occurring in or about the Premises. **CITY AND LESSEE ACKNOWLEDGE THAT THEY SPECIFICALLY NEGOTIATED AND AGREED UPON THE INDEMNIFICATION PROVISIONS OF THIS SECTION 13.**

13.3 Lessee's Release of Claims. Lessee hereby fully and completely waives and releases all claims against City to the extent a loss or damage is covered by insurance for any losses or other damages sustained by Lessee or any person claiming through Lessee resulting from any accident or occurrence in or upon the Premises, including but not limited to any defect in or failure of Building equipment; any failure to make repairs; any defect, failure, surge in, or interruption of Building facilities or services; any defect in or failure of Common Areas; broken glass; water leakage; the collapse of any Building component; or any act, omission or negligence of co-tenants, licensees or any other persons or occupants of the Premises.

13.4 City's Release of Claims. City hereby fully and completely waives and releases all claims against Lessee to the extent a loss or damage is caused by City's negligence, willful misconduct or breach of this Lease.

#### 14. Insurance.

14.1 Minimum Insurance Coverages and Limits of Liability. Throughout the entire Lease Term, Lessee shall maintain in full force and effect, at no expense to City, insurance coverages and limits of liability of not less than those specified below:

##### 14.1.1 COMMERCIAL GENERAL LIABILITY ("CGL") insurance including:

- Premises/Operations
- Products/Completed Operations
- Personal/Advertising Injury
- Contractual
- Stop Gap/Employers Liability
- Independent Contractors
- Host Liquor

Such insurance must provide minimum limits of liability of \$2,000,000 each occurrence combined single limit bodily injury and property damage ("CSL") except:

- \$1,000,000 each offense Personal/Advertising Injury
- \$1,000,000 each accident/disease/employee Stop Gap (alternatively, may be evidenced as Employer's Liability insurance under Part B of a Workers Compensation insurance policy);

14.1.2 AUTOMOBILE LIABILITY insurance, including coverage for owned, non-owned, leased or hired vehicles, as appropriate, with a minimum limit of liability of \$1,000,000 CSL;

14.1.3 WORKERS COMPENSATION insurance securing Lessee's liability for industrial injury to its employees in accordance with the provisions of Title 51 of the



Revised Code of Washington; provided, that if Lessee is qualified as a self-insurer in accordance with chapter 51.14 of the Revised Code of Washington, Lessee shall certify that qualification by a letter that is signed by a corporate officer of Lessee and delivered to the City that sets forth Lessee's self-insured retention and the limits of liability any excess workers compensation policy covering its employees; and,

14.1.4 PROPERTY INSURANCE under which (i) the Building, (ii) Lessee's furniture, fixtures, equipment and inventory ("Business Contents") and (iii) any alterations, additions and improvements that Lessee makes to the Building ("Tenant Improvements") are insured throughout the Lease Term in an amount equal to the replacement cost thereof and not subject to any coinsurance clause against all risks of direct physical loss or damage, including earthquake and flood. Such insurance shall also include coverage for loss from business interruption and extra expense, with sufficient coverage and limits of liability to provide for the payment of rent and other fixed costs during any interruption of Lessee's business due to casualty covered by Property Insurance. The Building shall be insured at the inception of this Agreement for a value of not less than \$151,200 plus the total design and construction cost, including sales tax, of Tenant Improvements, if any, and the amount of insurance shall be annually adjusted upward at the factor of 1.02 (2%) upon each policy anniversary. During any such time when the Building is undergoing structural alteration, builder's risk shall be placed if the property insurer so requires. The deductible for said property insurance shall not exceed \$2,500 without the City's written authority.

14.2 General Requirements Regarding Lessee's Insurance. (Not Applicable to Workers Compensation)

14.2.1 The liability insurance required by Subsections 14.1.1 (CGL insurance) and 14.1.2 (Automobile insurance) shall include the City of Seattle as an additional insured for primary and non-contributory limits of liability.

14.2.2 The limits of liability specified in Subsection 14.1.1 and 14.1.2 for CGL and Automobile insurance are minimum limits of liability only and, aside from the limits of liability of each policy, shall not be construed to limit the liability of Lessee or any of its insurers. The City shall be an additional insured for the full available limits of liability under each policy Lessee's insurance program, whether such limits are primary, excess, contingent or otherwise. For the purpose of this Subsection, the term "insurance" shall include self-insurance, including but not limited to any form of risk financing.

14.2.3 The property insurance required by Subsection 14.1.4 as respects the Building only (excluding Business Contents and Tenant Improvements) shall include the City of Seattle either as an additional insured or additional named insured and shall also provide a waiver of subrogation in favor of the City. Separately, Lessee shall waive all rights of recovery in favor of the City.

14.2.4 All insurance required hereunder shall be subject to reasonable approval by the City as to insurer, form and coverage. All insurance policies shall be issued by a

company 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 or issued as surplus lines under the provisions of chapter 48.15 Revised Code of Washington (RCW).

14.2.5 No insurance policy may be cancelled without a thirty (30) day written notice of such cancellation, except ten a (10) day written notice as respects to cancellation for non-payment of premium except as may otherwise be specified in RCW 48.18.290 (Cancellation by insurer.). The City and the Lessee 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, pledgee, or other person shown by the policy to have an interest in any loss which may occur thereunder." Written notice shall mailed to the City of Seattle (Attention: Risk Management), P. O. Box 94669, Seattle, WA 98124-4669 or delivered electronically by fax to number (206) 470-1270 or by email to riskmanagement@seattle.gov.

14.2.6 Any deductible or self-insured retention in excess of \$10,000 must be disclosed to, and shall be subject to reasonable approval by, the City. The cost of any claim payments falling within the deductible shall be the responsibility of Lessee.

14.2.7 Any deductible or self-insured retention ("S.I.R.") must be disclosed to, and shall be subject to reasonable approval by, the City. Lessee shall cooperate to provide such information as the City may reasonably deem to be necessary to assess the risk bearing capacity of the Lessee 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 Lessee. 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 Lessee or a contracted third party claims administrator, Lessee 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.

14.2.8 The City shall have the right to periodically review the appropriateness of insurance coverages and limits of liability stated herein in view of inflation and/or changing industry conditions and to require an increase in such coverage or limits upon ninety (90) days prior written notice.

14.3 Evidence of Insurance (Does not apply to Workers Compensation). As evidence of insurance coverage, on or before the Commencement Date, and thereafter, not later than five (5) days prior to the expiration or renewal date of each such policy, the following certification must be delivered to the City at its address as specified in Subsection 1.6 hereof with a copy delivered electronically by fax to fax number (206) 470-1270 or by email to riskmanagement@seattle.gov.

14.3.1 A copy of the CGL additional insured policy provision(s), whether blanket or designated additional insured language, shall be provided that documents that the City of Seattle is (i) an additional insured, and (ii) that such additional insured status is primary and non-contributory with any insurance or self-insurance that the City maintains. If this

documentation is not available because policies have not been issued, received and/or reviewed, a binder of insurance that evidences additional insured status for primary and non-contributory limits may be substituted.

14.3.2 Documentation shall be provided that coverage will not be cancelled without at least thirty (30) days written notice of such cancellation, except at least ten (10) days written notice as respects cancellation for non-payment of premium, unless otherwise specified in RCW 48.18.290 (Cancellation by insurer).

14.4 Lessee's Contractors. Prior to Lessee permitting any contractor to mobilize on the Premises for the purpose of structural renovation or new construction (including Tenant Improvements) of the Building, Lessee shall require in writing that the contractor (i) indemnify and hold the City of Seattle harmless to the same extent to which Lessee is required to do so under Section 14. (Waiver; Indemnification), and (ii) be required to comply with the insurance provisions under this Section 14 to the same extent to which Lessee is required to do so, including furnishing evidence of insurance as required by Subsection 14.3.

14.5 Assumption of Risk. The placement and storage of Lessee's Business Contents and other personal property in or about the Premises shall be the responsibility, and at the sole risk, of Lessee.

15. Damage or Destruction. If the Building is rendered partially or wholly untenable by fire or other casualty:

15.1 The Lessee shall proceed with reasonable diligence as soon as sufficient insurance and/or other funds are available therefore (in any event, within twenty-four (24) months from the date of the occurrence of a fire or other casualty), to prepare plans and specifications for, and thereafter to carry out, all work necessary to repair or replace the Building or any portions thereof that were damaged or destroyed by a fire or other casualty. The Lessee shall secure in writing the City's approval of (1) all design plans and of Lessee's engineer or architect, if required, and construction contractors, and (2) final acceptance. However, the City retains the sole option to not repair or replace the Building for any reason, in which case the City shall advise Lessee of City's election to terminate this Lease by giving at least a thirty (30) day notice to Lessee; in this eventuality, the City shall retain the insurance proceeds for the Building or any portions thereof that were damaged or destroyed by a fire or other casualty.

15.2 Unless the City elects not to repair or replace the Building, Lessee shall proceed with reasonable diligence as soon as sufficient insurance and/or other proceeds and other funds are available therefore (in any event, within twenty-four (24) months from the date of the occurrence of a fire or other casualty), to repair or replace contents that have been damaged or destroyed.

15.3 If the Building cannot be repaired or replaced within twenty-four (24) months from the date of the occurrence of the fire or other casualty, or if thirty percent (30%) or more of

the Building interior area is damaged or destroyed, Lessee may terminate this Lease upon sixty (60) days' written notice to the City.

15.4 Rent and Additional Charges shall be abated in the proportion that the untenable portion of the Building bears to the whole Building, in the City's sole determination, for the period from the date of the fire or other casualty until either the completion of the repairs and restoration or the termination of this lease at the City's option as provided herein.

15.5 Except in the event of City's gross negligence, intentional misconduct or breach of this Lease, City shall not be liable to Lessee for damages, compensation or other sums for inconvenience, loss of business or disruption arising from any repairs to or restoration of any portion of the Building or to the termination of this Lease as provided herein.

**16. Assignment or Sublease.**

16.1 Lessee shall not sublet or encumber the whole or any part of the Premises, nor shall this Lease 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, whose consent may be given or withheld in his or her sole discretion. The granting of consent to a given transfer shall not constitute a waiver of the consent requirement as to future transfers. Any assignment or sublease, without City's prior written consent, at City's option, shall be void. No assignment or sublease shall release Lessee from primary liability hereunder. Each assignment and sublease shall be by an instrument in writing in form satisfactory to City. If Lessee is a corporation, then any transfer of this Lease by merger, consolidation or liquidation, or any direct or indirect change, in the ownership of, or power to vote the majority of, Lessee's outstanding voting stock, shall constitute an assignment for the purposes of this Lease. If Lessee is a partnership, then a change in general partners in the voting or decision-making control of the partnership shall also constitute an assignment. This provision does not preclude Lessee from subcontracting out for routine maintenance and programming services.

**17. Assignment by City.** If City sells or otherwise transfers the Premises, or if City assigns its interest in this Lease, such purchaser, transferee, or assignee thereof shall be deemed to have assumed City's obligations under this Lease arising after the date of such transfer, and City shall thereupon be relieved of all liabilities under this Lease arising thereafter, but this Lease shall otherwise remain in full force and effect. Lessee shall attend to City's successor, which assumes and agrees to perform all of City's obligations under this Lease.

**18. Eminent Domain.**

18.1 Taking. If all of the Premises are taken by Eminent Domain, this Lease shall terminate as of the date Lessee is required to vacate the Premises and all Rent and Additional Charges shall be paid to that date. The term "Eminent Domain" shall include the taking or

damaging of property by, through or under any governmental or statutory authority, and any purchase or acquisition in lieu thereof, whether the damaging or taking is by government or any other person. If a taking of any part of the Premises by Eminent Domain renders the remainder thereof unusable for the business of Lessee, in the reasonable judgment of City, the Lease may, at the option of either party, be terminated by written notice given to the other party not more than thirty (30) days after City gives Lessee written notice of the taking, and such termination shall be effective as of the date when Lessee is required to vacate the portion of the Premises so taken.

If this Lease is so terminated, all Rent and Additional Charges shall be paid to the date of termination. Whenever any portion of the Premises is taken by Eminent Domain and this Lease is not terminated, City, at its expense, shall proceed with all reasonable dispatch to restore, to the extent of available proceeds and to the extent it is reasonably prudent to do so, the remainder of the Premises to the condition they were in immediately prior to such taking, and Lessee, at its expense, shall proceed with all reasonable dispatch to restore its personal property and all improvements made by it to the Premises to the same condition they were in immediately prior to such taking, to the extent award is available therefor. The Rent and Additional Charges payable hereunder shall be reduced from the date Lessee is required to partially vacate the Premises in the same proportion that the Rentable Area taken bears to the total Rentable Area of the Premises prior to taking.

18.2 Award. Except as otherwise provided below, City reserves all rights to the entire damage award or payment for any taking by Eminent Domain, and Lessee waives all claim whatsoever against City for damages for termination of its leasehold interest in the Premises or for interference with its business. Lessee hereby grants and assigns to City any right Lessee may now have or hereafter acquire to such damages and agrees to execute and deliver such further instruments of assignment as City, from time to time, may request. Lessee, however, shall have the right to claim from the condemning authority all compensation that may be recoverable by Lessee on account of any loss incurred by Lessee in moving Lessee's merchandise, furniture, trade fixtures and equipment and the cost of restoring its personal property and improvements made by it to the Premises.

## 19. Default by Lessee.

19.1 Definition. If Lessee violates, breaches, or fails to keep or perform any term, provision, covenant, or any obligation of this Lease; or if Lessee files or is the subject of a petition in bankruptcy, or if a trustee or receiver is appointed for Lessee's assets or if Lessee makes an assignment for the benefit of creditors, or if Lessee is adjudicated insolvent, or becomes subject to any proceeding under any bankruptcy or insolvency law whether domestic or foreign, or liquidated, voluntarily or otherwise, or if Lessee abandons the Premises as more specifically provided under Section 19.4; then Lessee shall be deemed in default ("Default").

19.2 City Remedies. If Lessee has defaulted and such Default continues or has not been remedied to the reasonable satisfaction of the Superintendent within fifteen (15) days after written notice to Lessee of any monetary Default, or within thirty (30) days after written notice

to Lessee of any non-monetary Default, then City shall have the following nonexclusive rights and remedies at its option: (1) to cure such default on Lessee's behalf and at Lessee's sole expense and to charge Lessee for all actual and reasonable costs and expenses incurred by City in effecting such cure as an Additional Charge; (2) to terminate this Lease; provided, however, that if the nature of Lessee's obligation (other than monetary obligations and other than vacation or abandonment of the Premises) is such that more than thirty (30) days is required for performance, then Lessee shall not be in default if it commences performance within such thirty (30) day period and thereafter diligently prosecutes the same to completion.

19.3 Reentry by City upon Termination. Upon the termination of this Lease, City may reenter the Premises, take possession thereof, and remove all persons therefrom, for which actions Lessee shall have no claim thereon or hereunder. Lessee shall be liable and shall reimburse City upon demand for all actual and reasonable costs and expenses of every kind and nature incurred in retaking possession of the Premises. If City retakes the Premises, City shall have the right, but not the obligation, to remove therefrom all or any part of the personal property located therein and may place the same in storage at any place selected by City, including a public warehouse, at the expense and risk of Lessee. City shall have the right to sell such stored property, after reasonable prior notice to Lessee 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 Lessee to City; the balance, if any, shall be paid to Lessee.

19.4 Vacation or Abandonment. If Lessee vacates or abandons the Premises in their entirety and fails to reoccupy them within thirty (30) days after City (1) delivers a notice to Lessee's notice address set forth in Section 1.6 above demanding such re-occupancy and (2) mails by certified or registered mail a copy of the notice to any forwarding address given by Lessee to City in writing, Lessee shall be in Default under this Lease.

19.5 City's Non-exclusive Remedies upon Termination due to Default of Lessee. Notwithstanding any reentry by City and anything to the contrary in this Lease, if the City terminates this Lease due to the Default of Lessee, the liability of Lessee for all sums due under this Lease provided herein shall not be extinguished for the balance of the Term of this Lease. Lessee shall also be liable to City for any other amount (excluding consequential or specific damages) necessary to compensate City for all the detriment proximately caused by Lessee's failure to perform its obligations under this Lease or that in the ordinary course of things would be likely to result therefrom, including but not limited to, any costs or expenses incurred in maintaining or preserving the Premises after such Default, and any costs incurred in authorizing others the use and occupancy of the Premises and in preparing the Premises for such use and occupancy, and such other amounts in addition to or in lieu of the foregoing as may be permitted from time to time by the laws of the State of Washington. The provisions of this Subsection 19.5 shall survive the expiration or earlier termination of this Lease.

20. City's Remedies Cumulative; Waiver. City's rights and remedies hereunder are not exclusive, but cumulative, and City's exercise of any right or remedy due to a default or breach

by Lessee shall not be deemed a waiver of, or alter, affect or prejudice any other right or remedy that City may have under this Lease or by law or in equity. Neither the acceptance of rent nor any other act or omission of City at any time or times after the happening of any event authorizing the cancellation or forfeiture of this Lease shall operate as a waiver of any past or future violation, breach or failure to keep or perform any covenant, agreement, term or condition hereof or to deprive City of its right to cancel or forfeit this Lease, upon the written notice provided for herein, at any time that cause for cancellation or forfeiture may exist, or be construed so as to estop City at any future time from promptly exercising any other option, right or remedy that it may have under any term or provision of this Lease.

**21. Default by City.** City shall be in default if City fails to perform its obligations under this Lease within thirty (30) days after its receipt of notice of nonperformance from Lessee; 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, Lessee 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.

**22. Termination for Convenience.** Notwithstanding anything else in this Lease to the contrary, the City may, at any time and without liability of any kind to Lessee, terminate this Lease upon sixty (60) days' written notice to Lessee if the City determines that the Premises are required for a different public purpose.

**23. Attorneys' Fees.** If either party retains the services of an attorney in connection with enforcing the terms of this Lease, each party agrees to bear its own attorneys' fees and costs.

**24. Access by City.** City and its agents shall have the right to enter the Premises at any reasonable time to examine the same, and to show them to prospective purchasers, lenders or tenants, and to make such repairs, alterations, additions or improvements to the Premises as City may deem necessary or desirable. If Lessee is not personally present to permit entry and an entry is necessary in an emergency, City may enter the same by master key or may forcibly enter the same, without rendering City liable therefor, except in the event of City's gross negligence or intentional misconduct. Nothing contained herein shall be construed to impose upon City any duty of repair or other obligation not specifically stated in this Lease. Lessee shall change the locks to the Premises only through City and upon paying City for all actual and reasonable costs related thereto.

**25. Holding Over.** Unless otherwise agreed in writing by the parties hereto, any holding over by Lessee after the expiration of the Lease Term, whether or not consented to by City, shall be construed as a tenancy from month-to-month on the terms and conditions set forth herein. Either party may terminate any holdover tenancy by written notice delivered to the other party not later than twenty (20) days prior to the end of the final month. If Lessee fails to surrender the Premises upon the expiration or termination of this Lease without City's written consent, Lessee shall indemnify, defend and hold harmless City from all losses, damages, liabilities and expenses resulting from such failure, including, without limiting the generality of the foregoing, any claims made by any succeeding tenant arising out of such failure. Lessee's obligations under this paragraph shall survive expiration or termination of this Lease.

26. **Notices.** Any notice, demand or request required hereunder shall be given in writing to the party's address set forth in Subsections 1.6 hereof by any of the following means: (a) personal service; (b) commercial or legal courier; or (c) registered or certified, first class mail, postage prepaid, return receipt requested. Such addresses may be changed by notice to the other parties given in the same manner as above provided. Notices shall be deemed to have been given upon the earlier of actual receipt, as evidenced by the deliverer's affidavit, the recipient's acknowledgment of receipt, or the courier's receipt, except in the event of attempted delivery during the recipient's normal business hours at the proper address by an agent of a party or by commercial or legal courier or the U.S. Postal Service but refused acceptance, in which case notice shall be deemed to have been given upon the earlier of the day of attempted delivery, as evidenced by the messenger's affidavit of inability to deliver stating the time, date, place and manner in which such delivery was attempted and the manner in which such delivery was refused, or on the day immediately following deposit with such courier or, if sent pursuant to subsection (c), forty-eight (48) hours following deposit in the U.S. mail.

27. **Successors or Assigns.** All of the terms, conditions, covenants and agreements of this Lease shall extend to and be binding upon City, Lessee and, subject to the terms of Sections 16 and 17, their respective heirs, administrators, executors, successors and permitted assigns, and upon any person or persons coming into ownership or possession of any interest in the Premises by operation of law or otherwise.

28. **Authority and Liability.** Lessee warrants that this Lease has been duly authorized, executed and delivered by Lessee, and that Lessee has the requisite power and authority to enter into this Lease and perform its obligations hereunder. Lessee covenants to provide City with evidence of its authority and the authorization of this Lease upon request. All persons and entities named as Lessee herein shall be jointly and severally liable for Lessee's liabilities, covenants and agreements under this Lease.

29. **Partial Invalidity.** If any court determines that any provision of this Lease or the application hereof to any person or circumstance is, to any extent, invalid or unenforceable, the remainder of this Lease, or application of such provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby and each other term, covenant or condition of this Lease shall be valid and be enforced to the fullest extent permitted by law.

30. **Force Majeure.** Neither City nor Lessee shall be deemed in default hereof nor liable for damages arising from its failure to perform its duties or obligations hereunder if such is due to any cause beyond its reasonable control, including, but not limited to an act of Nature, act of civil or military authority, fire, flood, windstorm, earthquake, strike or labor disturbance, civil commotion, delay in transportation, governmental delay, or war; provided, however, that the foregoing shall not excuse Lessee from the timely payment of Rent and Additional Charges due hereunder, when due.

31. **Counterparts.** The parties may execute this Lease in counterparts, which, taken together, constitute the entire Lease.



32. **Headings.** The section headings used in this Lease are used for purposes of convenience and do not alter in any manner the content of the sections.

33. **Context.** Whenever appropriate from the context, the use of any gender shall include any other or all genders, and the singular shall include the plural, and the plural shall include the singular.

34. **Time of Essence; Time Calculation Method.** Time is of the essence with respect to this Lease. Except as otherwise specifically provided, any reference in this Lease to the word "day" means a "calendar day"; provided, however, that if the final day for any action required hereunder is a Saturday, Sunday or City holiday, such action shall not be required until the next succeeding day that is not a Saturday, Sunday or City holiday. Any reference in this Lease to the word "month" means "calendar month."

35. **Continuous Operation.** Lessee shall keep the Premises open and use them to transact business with the public daily during the Annual Operating Season and for hours as designated below or as otherwise may be designated by the Superintendent. Subject to the Superintendent's prior reasonable approval, Lessee may, upon posting a written notice to the public of not less than one (1) week in duration prior to any approved closure, close the Premises or a portion thereof for a reasonable period for repairs or any approved remodeling, or for taking inventory. Lessee shall close to accommodate reasonable operational requirements of City's business, upon thirty (30) days' prior written notice to Lessee, and Lessee shall immediately close in the case of any emergency as determined by the Superintendent; provided, however, that if Lessee shall close pursuant to this sentence at the direction of City, and if Lessee remains closed at the direction of City for more than three (3) days, then Lessee's Rent and Additional Charges shall be prorated for the duration of the closure in the proportion that the number of days of the closure bears to the number of days of the month. Lessee shall furnish an approved sign at the Premises entrance advising the public of any approved closure, unless closed at the direction of City.

Approved hours of operation of the business conducted on the Premises are as follows:

Monday through Friday—regular office hours in main office room	9:00 am	Dusk
Monday through Friday—greens and facilities available for programs and rentals	9:00 am	Dusk
Saturday and Sundays	9:00 am	Dusk

36. **Standards.** Lessee recognizes that, although it is operating its facilities as an independent operator, the Seattle Department of Parks and Recreation is organized and exists for the purpose of maintaining park and recreation facilities for the use and enjoyment of the general public. Lessee, its agents and employees, will devote their efforts toward rendering courteous

service to the public as though they were employees of the City, with a view of adding to the enjoyment of the patrons of this recreational facility. Lessee shall operate and conduct the facilities on the Premises in a businesslike manner, and will not permit any conduct on the part of Lessee's employees, which would be detrimental to City's operations.

**37. City's Control of Premises and Vicinity.** All common and other facilities provided by City in or about the Premises are subject to the City's exclusive control and management by City. Accordingly, City may do any and all of the following (among other activities in support of Parks or other municipal objectives), all without incurring any liability whatsoever to Lessee:

37.1 Change of Vicinity. City may increase, reduce, or change in any manner whatsoever the number, dimensions, and locations of the walks, buildings, landscaping, exhibit, service area, and parking areas in the vicinity of the Premises.

37.2 Traffic Regulation. City may regulate all traffic within and adjacent to the Premises, including the operation and parking of vehicles of Lessee and its invitees, employees, and patrons.

37.3 Display of Promotional Materials. City may erect, display, and remove promotional exhibits and materials and permit special events on property adjacent to and nearby the Premises.

37.4 Promulgation of Rules. City may promulgate, from time to time, reasonable rules and regulations regarding the use and occupancy of any Parks property including, but not limited to, the Premises.

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

**38. Miscellaneous.**

38.1 Entire Lease; Applicable Law. This Lease and the Exhibits attached hereto, and by this reference incorporated herein, set forth the entire agreement of City and Lessee concerning the Premises, and there are no other agreements or understanding, oral or written, between City and Lessee concerning the Premises. Any subsequent modification or amendment of this Lease shall be binding upon City and Lessee only if reduced to writing and signed by them. This Lease shall be governed by, and construed in accordance with the laws of the State of Washington.

38.2 Negotiated Lease. The parties to this Lease acknowledge that it is a negotiated agreement, that they have had the opportunity to have this Lease reviewed by their respective legal counsel, and that the terms and conditions of this Lease are not to be construed against any party on the basis of such party's draftsmanship thereof.

38.3 No Partnership. City shall in no event be construed to be a partner, associate, or joint venturer of the Concessionaire or any party associated with the Lessee. The Lessee shall not create any obligation or responsibility on behalf of City or bind City in any manner.



## EXHIBIT A TO ATTACHMENT 1

### Legal Description

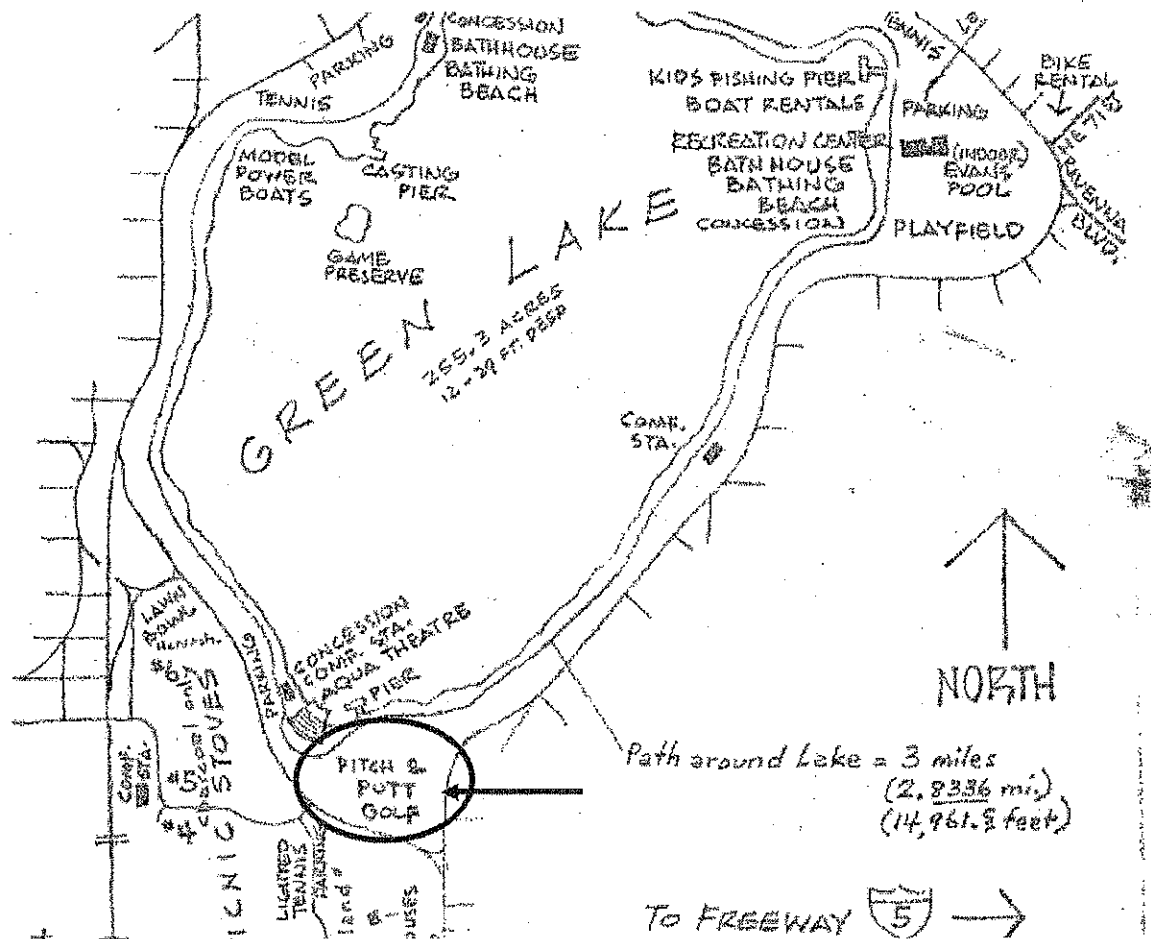
#### Real property in King County, Washington, to wit:

Those parts of the NW1/4 and SW1/4 of Section 5; the NE1/4, SE1/4 and SW1/4 of Section 6; the NE1/4 and NW1/4 of Section 7; the NW1/4 of Section 8, all in Township 25 North, Range 4 East W.M. more particularly described as being all of Green Lake and all shore and uplands bordering thereon and lying on the inner or lakeside of a line described as the marginal lines of West Green Lake Way, Aurora Avenue North, West Green Lake Drive North, East Green Lake Drive North and East Green Lake Way North as these roads encircle Green Lake.

Tax parcel Numbers: Entire Green Lake Park - 952810-0790

**Green Lake Pitch and Putt - 955120 0005**

(Note: The Green Lake Pitch and Putt is situated in the SW corner of Green Lake Park.)



## **EXHIBIT B TO ATTACHMENT 1 - MAINTENANCE RESPONSIBILITIES**

### **LESSEE MAINTENANCE RESPONSIBILITIES:**

- Creating, planting, and maintaining several flowerbeds/gardens around entrance and clubhouse
- Purchasing and maintaining greens mowers
- Purchasing and maintaining trim mowers
- Mowing greens
- Mowing aprons/fringe
- Daily ball mark repair
- Necessary irrigation/hand watering of greens
- Necessary irrigation/watering of some fairways
- Over seeding of greens
- Leaf, limb, and pinecone removal on course
- Edging around sidewalks, clubhouse, and tee areas
- Fertilizing greens
  - When the lessee fertilizes the greens, they will notify Parks with the date, formulation and quantity. Parks will provide that information to the Friends of Green Lake, per their request.
- Fungiciding greens / Disease control
  - Also, when lessee applies fungicide, herbicide, or any other type of pesticide, it must be done by a licensed applicator; and the complete report must be submitted to Parks within 24 hours.
- Paint clubhouse exterior & interior
- Changing cups on greens
- Keeping clubhouse neat & clean
- Replace clubhouse windows and doors as necessary
- Maintaining trees and shrubs
- Maintaining grass growth along interior perimeter of fence line (Interior only as permitted by insurance restrictions)
- Weed eating around trees, shrubs, and flowerbeds
- Verdicut greens
- Furnishing and maintaining:
  - Rubber (black) tee mats
  - Practice (green) mats with rubber tees
  - Hole cups, poles and flags
  - Putting cups, poles and flags
  - Ball washer & towels
  - Signs – as needed
  - Trash receptacles at each tee and various locations in and, around the clubhouse (which are all sorted and recycled)
  - Benches for each tee area
  - Two approved storage/utility buildings

- Mowing of fairways
- Aerating the greens 2 times per year
- Top dressing the greens 2 times per year
- Periodic aerating of fairway
- Overseed (till, compost, and seed) grass areas around tee boxes

**PARKS MAINTENANCE RESPONSIBILITIES:**

- Furnishing hoses & quick coupler sprinklers as needed
- Maintaining sprinkler system
- Trimming/maintaining larger trees on course (due to insurance restrictions)
- Maintaining the exterior perimeter fence line (due to insurance restrictions)  
Parks will maintain the exterior of the perimeter fence line; however, we request that all debris piles will be at the compost/debris area near the maintenance equipment entrance, no longer along the exterior of the fence.
- Removal of compost/debris near maintenance equipment entrance as needed  
Lessee will contact Parks if additional removal is needed due to smell, etc.
- Replace clubhouse gutters & downspouts  
Parks will maintain through the work order system. Lessee must call their Contract Administration contact to submit work orders.
- Furnishing/maintaining picnic benches around clubhouse  
Parks will maintain through the work order system. Lessee must call their Contract Administration contact to submit work orders.

**FISCAL NOTE FOR NON-CAPITAL PROJECTS**

<b>Department:</b>	<b>Contact Person/Phone:</b>	<b>CBO Analyst/Phone:</b>
Parks and Recreation	Charles Ng/684-8001 Rita Hollomon/684-8008	Jeff Muhm /684-8049

**Legislation Title:**

AN ORDINANCE relating to the Department of Parks and Recreation; authorizing the Superintendent to enter into a lease agreement with Interbay N.W. Management, Inc., for the use, occupancy and operation of a 9-hole golf course and for providing services to the public at the Department of Parks and Recreation's Green Lake Pitch and Putt facility.

**Summary of the Legislation:**

The proposed legislation authorizes the Superintendent of the Department of Parks and Recreation (Superintendent) to enter into a five-year lease agreement with Interbay N.W. Management, Inc. to manage the Green Lake Pitch and Putt golf course located at Green Lake Park. The proposed lease includes an option to extend the lease term for five years at the discretion of the Superintendent.

**Background:**

The Department of Parks and Recreation's (DPR) Green Lake Pitch and Putt is a 9-hole beginner's golf course that has been available to Green Lake Park patrons for over fifty-three years and has proven to be a popular feature at the park. DPR managed the facility for almost 20 years and decided in the early 1970's that it was more efficient and effective to have a professional golf operator manage and operate this facility. DPR thus issued a series of concession contracts and annual permits to golf operators from 1972 through 2012 to manage the Green Lake golf course.

The current lease agreement expired and DPR conducted a standard Request for Proposal (RFP) process. The successful bidder needed to demonstrate the ability to provide professional management as well as affordable, safe, and reliable service to park patrons. In exchange for the right to manage the facility, the successful bidder is required to provide maintenance, the required insurance, golf instruction, and rent payment of a minimum of \$70,000 to the City of Seattle (City) over the five-year term of the lease. Interbay N.W. Management, Inc. responded to the RFP and was approved by the Superintendent as the most qualified bidder for the new five-year lease agreement.



Please check one of the following:

This legislation does not have any financial implications.

This legislation has financial implications.

Appropriations: N/A

Fund Name and Number	Department	Budget Control Level*	2013 Appropriation	2014 Anticipated Appropriation
TOTAL	N/A	N/A	N/A	N/A

Appropriations Notes: None

Anticipated Revenue/Reimbursement Resulting from this Legislation:

Fund Name and Number	Department	Revenue Source	2013 Revenue	2014 Revenue
Park and Recreation Fund (10200)	Parks and Recreation	Green Lake Pitch and Putt lease payment	\$14,000	\$14,000
TOTAL			\$14,000	\$14,000

Revenue/Reimbursement Notes:

Historically, Green Lake Pitch and Putt has been open from March through October each year with no minimum payment plan required of the concessionaire. The new lease agreement requires Interbay N.W. Management, Inc. to make a minimum payment of \$14,000 per year or 10.5% of gross sales, whichever is greater; as well as pay \$300 per operating month towards the irrigation water utility cost.

Total Regular Positions Created, Modified, or Abrogated through this Legislation, Including FTE Impact: N/A

Position Title and Department	Position # for Existing Positions	Fund Name & #	PT/FT	2013 Positions	2013 FTE	2014 Positions*	2014 FTE*
TOTAL	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Position Notes: None.

**Do positions sunset in the future?** N/A

**Spending/Cash Flow:** N/A

Fund Name & #	Department	Budget Control Level*	2013 Expenditures	2014 Anticipated Expenditures
<b>TOTAL</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>

Spending/Cash Flow Notes: None

**Other Implications:**

- a) **Does the legislation have indirect financial implications, or long-term implications?**  
No.
- b) **What is the financial cost of not implementing the legislation?**  
Without a concessionaire to operate Green Lake Pitch and Putt, DPR would forego at least \$14,000 per year of income and there would be a loss of golfing services to the public at the GLPP course. Conducting another RFP would consume additional resources.
- c) **Does this legislation affect any departments besides the originating department?**  
No.
- d) **What are the possible alternatives to the legislation that could achieve the same or similar objectives?**  
DPR lacks the staffing and funding to directly operate the GLPP facility. The Department would have to hire and train new staff to operate the facility, which would require new resources and take longer to begin operations.
- e) **Is a public hearing required for this legislation?**  
No.
- f) **Is publication of notice with *The Daily Journal of Commerce* and/or *The Seattle Times* required for this legislation?**  
No; however the RFP was publicly advertised in *The Daily Journal of Commerce* at the beginning of the process.
- g) **Does this legislation affect a piece of property?**  
Yes – a map is attached as Exhibit A to Attachment 1 of the Ordinance.
- h) **Other Issues:**  
N/A

**List attachments to the fiscal note below:**

Attachment A: Contract Summary

Attachment A to FISC

Seattle Department of Parks and Recreation

**CONTRACT SUMMARY**

May 15, 2013

**Name of Contracting Party/ Lessee/ Concessionaire/Other:** Interbay N.W. Management, Inc.

**Contract Type:** Lease Agreement

**Non-Profit**  **or For Profit**

**New or Renewal (or extension of existing Lease)** New – with the same concessionaire who has been operating this concession for 20+ years. They were selected as a result of an advertised Request for Proposal (RFP) process.

**Term of Original Agreement:** Five years with an option to extend an additional five years.

**Purpose of Agreement:** To enter into a five-year Lease Agreement with Interbay N.W. Management, Inc. to provide concession services, manage, and operate the Green Lake Pitch and Putt golf course for the public.

**Public Benefit:** The proposed five-year Lease Agreement would save the Department of Parks and Recreation (DPR) an estimated \$10,000 annually or \$50,000 over the five-year term in utility, operations, and maintenance costs and provide an estimated \$70,000 in revenue to the Department over the term of the initial five-year agreement.

Without a concessionaire to operate the Green Lake Pitch and Putt, there would be a loss of golfing programming services to the public. Conducting another RFP would consume additional resources.

**Brief description, overview, history, general terms, and other pertinent info:**

Green Lake Pitch and Putt is a 9-hole beginner's golf course that has been available to Green Lake Park patrons for over fifty-three years and has proven to be a popular feature at the park. DPR managed the facility for almost 20 years and decided in the early 1970's that it was more efficient and effective to have professional golf operators manage and operate the course. DPR thus issued a series of concession contracts and annual permits to golf operators from 1972 through 2012 to manage the Green Lake Pitch and Putt golf course. The 2012 RFP resulted in the selection of Interbay N.W. Management, Inc as the most qualified operator.



City of Seattle  
Office of the Mayor

August 13, 2013

Honorable Sally J. Clark  
President  
Seattle City Council  
City Hall, 2<sup>nd</sup> Floor

Dear Council President Clark:

I am pleased to transmit the attached proposed Council Bill, which authorizes a five-year lease agreement with Interbay N.W. Management, Inc. (Interbay NW), for the purpose of managing the Department of Parks and Recreation's (DPR) Green Lake Pitch and Putt nine-hole golf course. The proposed lease agreement includes an option for a five-year extension period at the discretion of the Superintendent of Parks and Recreation.

The current lease agreement expired and DPR conducted a Request for Proposal (RFP) process. Interbay NW responded to the RFP and was approved by the Superintendent as the most qualified bidder. Interbay NW has managed the Green Lake Pitch and Putt golf course for over 20 years and is a respected and successful facility operator. In exchange for the right to manage the facility, Interbay NW will provide routine maintenance, insurance, golf instruction, and a minimum rent payment to the City of \$70,000 over the term of the initial five year lease; as well as \$300 per operating month for irrigation water utilities.

This lease agreement will continue the long standing tradition of providing the public with a well managed, nine-hole, beginner's golf course at Green Lake Park. Thank you for your consideration of this legislation. If you have questions, please contact Charles Ng at 684-8001.

Sincerely,

Michael McGinn  
Mayor of Seattle

cc: Honorable Members of the Seattle City Council