

LEASE
(PORT TOWNSEND MUNICIPAL GOLF PARK)
Between the City of Port Townsend and the Friends of the Port
Townsend Golf Park
January 1, 2024, to December 31, 2046

THIS LEASE is entered into by and between the City of Port Townsend, a Washington municipal corporation ("City"), as lessor, and Friends of the Port Townsend Golf Park, a Washington nonprofit organization ("Friends"), as lessee. This Lease is intended to define the rights and responsibilities of the parties regarding the Golf Park leasehold interests and associated personal and public property.

AGREEMENT

- 1. Lease.** Subject to the terms of this Lease, the City hereby leases to Friends all of the lands and premises comprising the nine-hole Golf Park ("Golf Park"), the area marked "effective Golf Park boundary" on the map attached as Exhibit A ("Leased Premises"); provided that when housing is established on the southern-most parcel (949818301) of the premises, the boundaries of the 'Premises' for the lessee shall be adjusted and that portion on which housing is located will be removed from the Friends Premises by an amendment to this lease. (ref Exhibit H)
- 2. Term of Lease.** This Lease shall commence on January 1, 2024, and shall extend through and expire on December 31, 2025. During this initial 2-year period, the Friends will prepare a Business and Capital Investment Plan for long-term operations including a report on the completion of the Phase 1 milestones and metrics (Exhibit G) The report will be provided to city staff by August 1, 2025. The Friends and city staff will review this report and consider additions or modifications to the metrics. Upon successful completion of the phase one metrics and review and analysis by the city staff that the Business Plan demonstrates the golf course will be a financially sustainable operation, the Friends shall have the right to a written notification from the City before October 31, 2025, to extend this lease for an additional twenty-year term. Should the Friends fail to meet the phase one metrics, the City may terminate the lease effective on December 31, 2025.
- 3. Rent.** In consideration of the many public benefits that the Friends will provide throughout the term of this lease, and with the understanding that the Friends as a non-profit organization will work in collaboration with the City to improve the Golf Park property, enhance native plantings, expand recreational opportunities, and increase public access to the Golf Park property, there will be no rent paid to the City for the initial two-year term of this lease. Beginning in year 3 and continuing throughout the Phase 3 period of milestones as defined in Exhibit G, the rent due to the City shall be 4% of gross receipts. (The Phase 3 milestones include a period of significant capital investment in the Golf Park by the Friends.) Beginning with Phase 4 in 2036, and assuming gross annual receipts reach \$500,000 (in 2024 dollars) by 2036, the rent shall increase to 6% of gross receipts for the remainder of the lease, provided however, that should the Friends reach \$1,000,000 in gross receipts (in 2024 dollars) at any time after 2036, the rent (Section 3 of the Agreement) shall be reopened to

negotiation for increased rent for the subsequent years of the lease based on the financial model and forecast submitted by the Friends and with the intent of providing for the continued successful operation of the Golf Park property, as well as for sharing of any significant net revenue generated.

- a. **Gross Operating Receipts.** The Friends shall receive all rent, payments, donations, and revenue generated from all activities and any sub-leases within the premises. "Gross Operating Receipts" for purposes of calculating rent payments shall mean total income generated from the operation of the Friends' facilities within the Golf Park including daily annual course and user fees, driving range and cart rentals, subleases, concession agreements, facility rentals, direct food and beverage sales completed by Friends (third party sales will be based on the rent charged to the third party), and the sale of other goods and services from or on the Premises. Gross Operating Receipts shall exclude, without limitation, donations, public and philanthropic grants, sponsorships, in-kind gifts, and Lodging Tax allocations or other public funding.

- b. **Leasehold Excise Tax:** The parties recognize that Washington State law may require that the Friends pay leasehold excise tax on the fair market value of the lease which the parties agree is \$10,000 per year for the initial two-year term in which no rent is paid. The Friends will pay leasehold excise tax as if the rent were \$10,000 per year unless they receive documentation from the Washington State Department of Revenue that the Friends are exempt from property tax.

- c. **Capital Reserve Fund.** Rent paid to the City will be placed into a segregated Golf Park capital reserve fund dedicated to fund capital improvement, including deferred maintenance projects and leasehold improvements, within the Golf Park Premises. The purpose of the Golf Park Capital Reserve Fund is to have resources available to plan and implement capital improvements to enhance the Premises for the public and for course users, and to help fund the obligations of the City as lessor and the Friends as lessee for their respective responsibilities in Exhibit F of the Agreement. Allowed uses of the funds include but are not limited to the following:
 - a. Contracts for planning, architectural, engineering, legal, or similar services in support of the development of capital improvements for the Premises.
 - b. Funds specifically allocated to deferred capital improvements including deferred maintenance and leasehold improvements.
 - c. Expenses necessary to solicit and evaluate potential development proposals for the Premises.
 - d. Matching funds for grants related to the development and/or improvement of the Premises.
 - e. Other similar projects that improve the Premises for public uses

- d. **Capital Investment Plan.** The Parties shall be responsible for funding their respective shares of capital improvements, subject to the available funding of each party. The purpose of the Capital Reserve Fund is to supplement that funding. By August 1 of each year, representatives from Friends and the City shall meet to review the fund balance and capital investment priorities and will recommend which capital projects or deferred maintenance needs should be funded for the following year from the Capital Reserve Fund. Every five years the Parties shall prepare a Capital Investment Plan for the next ensuing five (5) years of the Lease Term with recommendations for capital priorities and funding to be submitted to the City Council.

4. Accounting Procedures.

- a. **Accounting method.** The Friends shall install and maintain a system of records and account of fees, gross revenues, expenditures, and other financial aspects of the Golf Park so that the accounts of fees and gross revenues can be readily ascertained. Accounting established for the Golf Course operation shall be maintained separately from the accounting system used for any other business operated by The Friends.
- b. **Inspection of records.** Upon reasonable notice, the City or its authorized auditors and representatives shall have the right at any time to audit, inspect and reproduce any of the Friends's accounts and all other business and payroll records related to the Golf Park and facilities. The Friends shall maintain and preserve all such records for at least six (6) years after the termination of this Lease.
- c. **Quarterly reports.** The Friends shall maintain adequate and complete records showing the total gross revenues from all sources of revenue from the Golf Park operation and shall deliver to the City Finance Director a quarterly report of such gross revenues on a form acceptable, together with the Friends's B&O Tax Report to the State of Washington Department of Revenue. The quarterly report shall also include the following:
- Number of rounds sold
 - Number of rounds played
 - Number of season passes sold
 - Number of tournaments and participants
 - Number of fundraisers/events and participants
 - Public benefits provided, as reported on the metrics in Exhibit G
 - Hours of public access
 - Where possible, the number of people using public access
 - Number of volunteer hours

The quarterly report shall be submitted to the City by the last day of the next month following the end of the quarter, showing the accounting of gross revenues for the previous quarter.

- d. **Annual report.** The Friends shall submit to the City an annual profit and loss statement for the entire operation of the leased facilities by March 30th of each year related to the preceding calendar year, commencing March 30, 2025.
- i. **Public Benefits.** A central element of this Lease is the identification of and the Friends' commitment to the ongoing provision of certain public benefits as described herein. The Public Benefits generally include, but are not limited to, the following: operation of the property as a Golf Park open and accessible to the public including trail access; provision of services and programs consistent with use as a 9-hole golf course; provision of new park facilities and programs (e.g., putt-putt, disc and foot golf) conducive to public enjoyment of the property; community events and

programming; restoration of the native prairie and other native areas; turf and grounds enhancements; and contributions to capital projects to better serve the public as provided herein; as well as provision of ancillary benefits to the Port Townsend community resulting from such operation of the Golf Park. The Parties acknowledge that the scope and nature of Public Benefits may change as the Golf Park matures. A Public Benefits Report outlining the progress of specified metrics identified in the Milestones and Phasing Plan (Exhibit G) shall be included as a part of the Annual Report from Friends to the City.

5. **City Representative.** Except for the financial reporting obligations and auditing procedures as provided herein, the City representative shall be the Facilities and Parks Manager who shall be generally responsible for administering and monitoring this Lease and ensuring compliance with its terms. The Friends shall first address all concerns to the Facilities and Parks Manager. For this Lease, all references to the Facilities and Parks Manager shall also include his or her designee. For all financial reporting obligations and auditing procedures, the City representative shall be the City's Finance Director or designee.

6. **General Duties and Responsibilities of the Friends.** The Friends agree to:

- a. Provide all services consistent with federal, state, and local law and not discriminate based on any protected class.
- b. Increase access to the golf parkland to the general public by Friends' phasing plan (see **Exhibit G**).
- c. Have knowledge and understanding of the principles and practices of Golf Park management and implement and utilize such principles and practices in the operation of the leased course and facilities.
- d. Cooperate with the Facilities and Parks Manager or his or her designee.
- e. Furnish the personnel, material, supplies, equipment, services, supervision, and administration necessary to:
- f. Operate the Golf Park and driving range including collecting all fees, scheduling tournaments, arranging reservations, sending golfers to the tee, starting golfers in proper intervals, renting golf carts, and any other activities necessary for the Golf Park operation.
- g. Open the Golf Park and facilities daily as necessary to adequately serve the public using the Golf Park. The specific hours of operation may vary with the season and weather conditions.
- h. Regulate the play and conduct of all persons who are accessing and using the golf facilities on the Golf Park during the hours the Golf Park is open for golf play.

- i. Maintain a safe environment (by standard protocols for golf courses) at the Golf Park facility to prevent injury to workers, Golf Park users, and the Golf Park and restaurant patrons.
- j. Collect all fees and record all transactions for green fees and other fees.
- k. Provide competent personnel necessary for the operation and maintenance of the Golf Park and facilities, supervise their work and pay for their services at the Friends's sole expense.
- l. Maintain the course itself and facilities in the same or better condition existing at the commencement of this Lease.
- m. The Friends will be responsible for the repair and maintenance of the irrigation system.
- n. Not commit, permit, or allow any nuisance, waste, or injury in or upon the Golf Park, facilities, or any portion thereof, nor permit use of the Golf Park for any illegal or immoral purpose.
- o. Pro shop operation. The Friends shall be responsible for the operation of the pro shop.
- p. Restaurant/food service. The Friends will be responsible for the reasonable operation, management, and supervision of food and beverage services in the restaurant and/or clubhouse either directly or through a third-party contract. The Friends may provide food and beverage services at other locations throughout the Golf Park, by the allowances of the food service and state liquor licenses held either by the Friends or through a third-party contractor.
- q. The Friends shall use and maintain the premises, buildings, and other improvements solely to operate, manage, maintaining, and preserving a municipally owned Golf Park facility consistent with the Friends's goals and phasing plan; of operating the 9-hole golf course and ancillary facilities; and for increasing access to the parkland, including events and activities, and no other purpose without the City's written permission.
- r. The Premises shall be operated by Friends under the identifying name of Port Townsend Golf Park, provided that Friends shall be entitled to use or operate under such names, brands, or graphic logos Friends deems in the best interest of its marketing and promotion of the premises, provided any signs to the property indicate the name of the property remains Port Townsend Golf Park.
- s. The Friends will meet with City staff every quarter to coordinate operations and will provide an annual report to the City Council.
- t. The Friends are responsible for the operation and maintenance of any capital improvements made by the Friends.

7. **Golf Park Management Practices/Satisfactory Certification.** The Friends agree to

operate and maintain the Golf Park and facilities by industry best management practices.

8. Maintenance.

- a. The Friends recognize that the Golf Park is surrounded by residential neighborhoods and homes and agree that the City's noise ordinance will be followed when performing all activities.
- b. That a full-time experienced Certified Golf Course Superintendent or equivalent be on staff and overseeing operations, or that progress toward attaining certification by the course superintendent be underway.
- c. Golf Park greens, tee, fairways, and rough.
 - (1) The City acknowledges that the Friends will minimize mowing and incorporate natural lawn practices as much as feasible to keep the greens, tees, fairways, and roughs playable.
 - (2) The Friends shall make applications of fertilizer as required for the fairways, tees, greens, and roughs. The Friends will test the soil for fertility no less frequently than annually. The Friends shall notify the City of the soil test results and follow any recommendations in the test reports. Fertilizer shall be applied at agronomic rates.
 - (3) The Friends shall apply a top-dressing material to all greens during the annual golfing season.
 - (4) All greens shall be verticut as needed during the annual golf season. All greens shall be aerified and sanded once or twice during the annual golfing season.
 - (5) The cups and tee markers shall be repositioned twice weekly during the annual golfing season or as play and weather conditions dictate.
 - (6) Each sand trap shall be edged or trimmed no less than two (2) times during the annual golfing season. Adequate sand depth will be maintained in the sand traps.
 - (7) The Friends shall mow, fertilize, and maintain in good appearance all grounds and plantings around the clubhouse.
- d. Herbicides, fungicides, pesticides, and chemicals other than fertilizers. For all applications, the Friends shall:
 - (1) Provide to the Facilities and Parks Manager a list of applications including EPA registration numbers, material safety data sheets, and the name(s) and address(es) of the person(s) who make(s) the application. All fungicides,

pesticides, and chemicals shall be applied by a person with a certified applicator's license with proper public notification and at minimal feasible levels.

- (2) Provide notification to the Facilities and Parks Manager in advance of all applications.
 - (3) Post the Golf Park with signs approved by the Facilities and Parks Manager in advance of the application and for 24 hours after the application or for as long as the chemicals remain active, at the entrance to the Golf Park.
 - (4) Be responsible for appropriate and safe storage of all herbicides, fungicides, pesticides, and chemicals by local, state, and federal laws.
 - (5) Apply all applications by all applicable standards and by a certified applicator as required.
 - (6) Assure that no herbicides, fungicides, pesticides or other chemicals discharge directly or indirectly into the Golf Park pond and its buffer as shown on the map in **Exhibit D**, and the native plant preserve.
- e. Applicator Compliance: The City shall have the option of checking applicator compliance through the State Department of Agriculture Pesticide Management Division or any other State division with jurisdiction over pesticide control and management.
- f. Elimination/reduction in the use of chemicals. The parties acknowledge that there is a strong public interest in, and support for, reducing and eliminating the need for the use of fertilizers, herbicides, fungicides, and all other noxious chemicals and that the City desires to work toward such reduction and elimination. The Friends agree to work with the City in good faith and become knowledgeable in alternative, environmentally preferable methods of maintaining the Golf Park.
- g. Other maintenance tasks. The Friends shall also be responsible for the following maintenance tasks:
- (1) Incidental parking lot and driveway cleanup.
 - (2) Routine maintenance and janitorial services for the clubhouse pro shop and any and all food service operations and keeping the same in a clean and satisfactory condition at all times.
 - (3) Repair/replacement of all lights.
 - (4) General garbage/trash pickup.

- (5) Cleaning/maintenance of restroom facilities.
 - (6) Maintenance of any buildings, sheds, and cooking equipment and facilities.
 - (7) Maintenance of all equipment associated with or used by the Golf Park operations.
 - (8) Maintenance, monitoring, and repair of all service lines, main lines, and sprinkler heads for the water irrigation system. This includes providing new or replacement parts.
 - (9) General landscaping maintenance. The Friends may perform selective pruning and removal of trees subject to permits, to improve the course of play and safety of the golf course and to ensure the health of greens and tees, as well as removal to facilitate the transition to a 'Links' style course as the course was originally configured. The Friends will not remove any tree over 12-inch caliper at breast height without the prior written approval of the Facilities and Parks Manager, which shall not be unreasonably withheld. The Friends will replace any removed trees that with at least two healthy trees. Replacement tree size and type must be approved by the Facilities and Parks Manager. Tree replacement may be at other locations around the golf park, and replacement trees can be banked for credit for future removed trees. The Friends will be subject to any tree code or permits needed. As part of the business and management plan that will be prepared during the first two years of operation, the Friends will address tree removal and new landscaping necessary to realize the objectives of improved maintenance and the transition to a Links style course.
- h. The Friends, at its sole cost and expense, shall provide all equipment and supplies necessary for the proper maintenance of the Golf Park and facilities, except as set forth in this Lease.
 - i. The Friends shall notify City of any hazardous conditions that become apparent to the Friends or its employees.

Attached as **Exhibit F - Table of Assets and Responsibility** is a list of assets and a table showing responsibility for their capital and routine maintenance. The table is illustrative only, and in the event of a conflict between the table and this Lease, the terms of this Lease control.

9. **City Responsibilities.** The City agrees to the following maintenance and repair responsibilities:

- a. The City will maintain the structural aspects and systems of the clubhouse and other

existing buildings, including the two sheds (for example, the roof, foundation, and exterior walls, and heating, electrical, and plumbing systems), except that the Friends shall be responsible for incidental maintenance and repairs (for example, replacement of faucet washers, etc.), and damage caused by the Friends or the Friends's customers (for example, damage to carpet from golf shoes). The City shall be responsible for periodically replacing the carpet (see **Exhibit F -Table of Assets and Responsibility**). In the event of damage to the clubhouse or other buildings from fire or casualty, then the same shall be repaired by the City to the extent of insurance proceeds payable to the City, and the City shall promptly repair, restore, and rebuild the clubhouse or other buildings in the same condition as it was immediately prior to the damage or destruction. Nothing prevents the City at its cost from upgrading the clubhouse in such a situation, as determined in the sole discretion of the City.

- b. The City will maintain the native plant preserve signs, Chief Chetzemoka statue, and čičmōhán Trail signs and features.
- c. The City will be responsible for reasonable capital improvements and maintenance to the driveway and parking area (but not incidental cleanup which is the Friends's responsibility.) The City will be responsible for and maintain the water well. The City will be responsible to maintain the playground, if constructed, and any other facilities constructed by the City that are not a part of the Friend's leasehold interests.
- d. The City shall not be responsible for any interruption or disturbance of the Friends's business or occupancy because of City's maintenance or repair of any items or for any damage, injury, or loss for failure to maintain or repair of any items.
- e. The City, in collaboration with the Friends, reserves the right to continue to explore and select an available location for other limited municipal purposes, provided that any such location will not be within the area set aside for future housing (Exhibit H); will not inhibit other public recreational opportunities planned for the Golf Park by the Friends; will not impact the golf course operations; and will not restrict or hinder the Friends' ability to operate a successful business model for the golf course operations nor any other facilities operated by the Friends.

City responsibilities are subject to availability of funds as determined by the City.

10. City's Capital improvement. In addition to the above, the City has the right to make whatever capital improvements it deems necessary or desirable at any time without expense to the Friends, in accordance with and to enhance the uses described in the 22-year Phasing Plan for the Golf Park. Before making any such improvements, the City shall meet with the Friends to discuss the effect of the improvement and the making of such improvement upon the Friends's operation of the Leased Premises. The Friends shall make itself available for such discussions. The City shall make reasonable efforts to minimize and limit any adverse effect of any such improvement or the making of such improvement upon the Friends's operation of the Leased Premises. However, even if reasonable inconveniences or interruptions of the Friends's operation of the Golf Park occur because of the City's making any capital improvement, the Friends shall not be relieved of any of its obligations under this Lease. The City shall not be liable to the Friends for any reasonable interruptions of, or costs or damages to, the Friends's

operation that may result from the City's making any capital improvements, whether the capital improvements are made directly to, on, or about the Leased Premises.

a. Housing plan for the southern parcel (949818301). The Parties acknowledge that the City desires to plan for and construct housing on the southern-most parcel of the Premises as conceptually illustrated in Exhibit I. The City reserves the right to use that area for future housing as part of the lease. It is also recognized that there are funding, sequencing and timing considerations for the Friends that the housing construction triggers as it involves realigning the course layout, reestablishing turf and greens, and construction of alternative driving range facilities. The Parties agree that it is in the interest of both parties to develop a project design, sequencing and funding solution that addresses the needs of both parties. To that end, the Friends and City agree to work cooperatively with the Friends' course designer and the City's housing and site plan designer to develop a conceptual site plan that incorporates housing within the boundaries of said parcel and also develops a course layout option that preserves a competitive 9-hole golf course site plan. The City shall be responsible for the funding of any and all housing site and development plans. Following, or in conjunction with, the conceptual site plan, the parties will work cooperatively to prepare a Capital Improvement and Funding Plan for the relocation and installation of these Golf Park facilities or improvements to be in alignment with the plan. The funding for any Golf Park or course modifications shall be eligible for funds from the capital reserve fund established in section 3.C above. Once the City has initiated a site development plan, the City and Friends shall mutually develop a sequencing and implementation plan, which will provide the Friends with a minimum of two years to make course changes while at the same time keeping the course operational and open to the public during that period.

11. Improvements.

- a. **Ownership.** During and after the term of the Lease, the City shall retain underlying fee title, interests and ownership of the Golf Park premises and all existing facilities and any facilities constructed in the future. All improvements upon the premises, and all improvements made and buildings and structures constructed shall become the property of the City immediately and shall be surrendered to the City upon termination from whatever cause or upon cancellation of the Lease, in good condition (reasonable wear and tear excepted).
- b. **Notice.** During the term of this Lease, the Friends shall give written notice to the Facilities and Parks Manager in advance of any proposed improvements, including capital improvements, to the premises, grounds, buildings or structures covered by this Lease, or of any proposed new buildings and facilities. No such improvement may be made before the written consent of the Facilities and Parks Manager, who may require plans and specifications depending on the extent of improvements, and may require approval of the City Council. The City shall not unreasonably withhold consent for such improvements that conform to the phasing plan and upon the Friends's

compliance with the provisions of this Lease regarding contracting for work and services, including, as necessary, permitting, public bidding, and prevailing wage requirements. The Friends may, at its own cost and expense, make interior alterations and capital improvements to the buildings in an amount not to exceed \$50,000 per building without the consent of the City for such things as partitions, doors, cabinetry, and appliance installation, and may make golf course improvements such as moving and rebuilding tee boxes, greens and other improvements to the grounds. Any alteration that requires structural components of the buildings require advance written approval from the City.

- c. Permits. It shall be the Friend's responsibility to prepare design plans as needed and to obtain any permits, as applicable, for any such improvements and/or capital construction,
12. Fundraising. The Friends recognize its distinct status as the official nonprofit for the Golf Park property. Accordingly, Friends reaffirms its responsibilities to raise funds for underwriting general operations and programs and for capital improvement projects within the Premises. The parties acknowledge that it is in their mutual interest to develop a cooperative fundraising strategy. The City and Friends shall meet annually with the City representative in advance of the City's budget planning process and before grant application deadlines, to assess if any projects or programs being considered on the leased premises could be eligible for public funding and whether or not a project or program may be submitted for its funding consideration and how the parties may work cooperatively on grant applications that benefit either party. The City may apply for other grants that the Friends may not be eligible for and the parties can mutually agree on the type and amount of local matching funds to be provided by the Friends.
13. Maintenance of Pond. The City has the right to design and construct mitigation and storm drainage facilities in the general area of the Golf Park pond. The City retains the right to use the Leased Premises during the construction and maintenance of such facilities and will not be held responsible for any disruption of operations.

The Friends shall not encroach on the pond or its associated buffers, as shown on the attached **Exhibit D**, in any manner unless authorized by the City and the State Department of Fish & Wildlife, except that The Friends are authorized and required to pick up and remove trash from the pond and pond area with no damage to the area. The Friends shall comply with all applicable state, federal or local statutes, regulations, and ordinances, including the State Department of Fish & Wildlife rules and regulations. To the extent that the State modifies or changes the buffers described in **Exhibit D**, the parties agree that the state identification of the appropriate buffers shall control.

The Friends are allowed to trim vegetation in the wetlands buffer area as a continued maintenance practice to maintain proper sight lines for safe play. Vegetation shall be cut using an arm-riding lawn mower or by hand to a height no less than 3 feet. The Friends can request the City to trim vegetation in the wetland buffer area if the Friend's efforts to maintain site lines are not successful, but no more than once per year. The allowed area for vegetation trimming is identified in **Exhibit E**.

14. **Native Plant Preserve.** The native plant areas as legally described in **Exhibits C-1 and C- 2** attached to this Lease are understood to be preserved areas of native prairie plants and foliage. The Friends agree concerning such areas as follows.

- a. The public shall generally have access to these areas, so long as they do not interfere with or obstruct the operation of the Golf Park and the use of the Golf Park for playing golf.
- b. The Friends shall not in any way or manner disturb the areas.
- c. The Friends shall not do or perform any maintenance in or upon these areas without the written consent or direction of the Facilities and Parks Manager. The City shall be responsible for clearing trash from these areas.
- d. The Friends shall not plant any trees or tall shrubs or do any other act, which would shade the areas from the south.
- e. The Friends shall not directly apply in or upon the areas any herbicides, pesticides, or fertilizers, or water the areas.
- f. It is understood and agreed that the reserve areas shall be maintained and under the exclusive control of the City, or its employees, contractors, or other parties under the direction of the City, and shall be available for viewing by members of the public, as outlined in this section.
- g. The Friends will collaborate with the Native Plant Society, which contractually maintains this land, to recognize, preserve, and expand the native prairie as is feasible.

15. **Utilities.**

a. **Water service.**

(1) **Provision of water.** The City has installed a water well at the golf course to provide an alternative source of water supply in the event of an emergency that results in the loss of water from the City's main source of supply as well as to serve as the source of supply for irrigation water for the golf park property. This non-potable well irrigation water reduces the need to use city-treated drinking water for irrigation purposes. The City agrees to provide irrigation water to the Golf Park via the water well at the golf course as a primary supply; except, that the City reserves the right to restrict and/or eliminate water service whenever the City, through its Public Works Director, deems it necessary for the public health, safety and welfare in the City's role as water purveyor. Notwithstanding this right to restrict or eliminate water service, the City acknowledges the implications of eliminating water service at dry times of the year and directs the Facilities and Parks Manager to work with the Friends and make all reasonable efforts to avoid permanent damage to the greens; ***however, in no event*** shall the City be liable for any such damage.

(2) **Conservation.** The Friends agree to work towards water conservation or reuse to the greatest extent possible.

(3) **Water Charges.** The city will provide a maximum of 9,000,000 gallons of water annually and pay for the electricity to run the well at no charge to the Friends for the first two years of the lease, in consideration of the public benefits provided by the Friends and in the establishment of plantings. Beginning after the two years, the Friends and the City will split the cost of water 50/50 for the next five years. Following these five years, the Friends will pay for all irrigation water use at the irrigation well rate of up to 9,000,000 gallons and the utility costs to run the pump. The City will provide the Friends monthly water consumption reports so the Friends may monitor use. The Friends agree that once 7,000,000 gallons of irrigation water have been consumed in a calendar year, irrigation may be reduced to tees and greens only to mitigate water use. If water consumption for irrigation is projected to exceed 9,000,000 gallons per calendar year the Friends will notify the Facilities and Parks Manager to negotiate how best to accommodate the additional use and cost. If the Friends and the Facilities and Parks Manager cannot agree, the decision will be made by a mutually agreed arbitrator, which decision shall be final. The parties further agree to revisit that maximum amount as necessary and revise it if the City deems it necessary due to its obligations as water purveyor. The Friends shall pay for all water utility services to the clubhouse at the current commercial rates.

b. **Other utilities.** The Friends shall pay all other utility charges, including electricity, telephone service, gas, sewer, storm drainage, potable water, and trash collection.

16. **Inspection of the Premises.** The City shall have the right to enter and inspect the premises during the duration of this Lease during normal hours of operation. The Friends shall provide a copy of the key to the Leased Premises to the Facilities and Parks Manager and shall not change the locks without prior notice to the City. Absent emergencies the City shall provide the Friends with 24 hours' advance notice of visits to non-public areas of the Golf Park premises and facilities.

17. **Independent Contractor.** The parties agree and acknowledge that The Friends is a non-profit corporation in the State of Washington and not an agent or employee of the City and that no liability shall attach to the City because of the acts or omissions of the Friends, its employee's agents, or assigns. The Friends shall have no authority to execute agreements or to make commitments on behalf of the City, and nothing contained in this Lease shall be deemed to create the relationship of employer and employee or principal and agent between the City and the Friends.

18. **Subcontracting.** The Friends agree to be responsible for the standards of performance of

any subcontractor. The Friends agree to assure that the work or services performed by any subcontractor shall satisfy the terms of this Lease. The Friends agree that no subcontractor shall relieve the Friends of any obligation under this Lease. All subcontractors shall first be approved by the Public Works Director or as provided in **Paragraph 23 (Assignments and Encumbrances)**.

19. **Taxes and Fees.** As an independent contractor, the Friends acknowledge that it is responsible for payment of any local, state, or federal taxes or fees concerning the Friends' agents and employees, any taxes or licenses applicable to the Friends's business activity at the Golf Park and facilities, and all taxes levied upon the leasehold interest in the lease premises or the structures, improvements or other property on the premises. The Friends shall pay all license or permit fees required by local ordinances or state or federal law.

20. **No Partnership.** It is understood and agreed that nothing contained within this Lease shall be construed as creating or constituting a partnership or joint venture between the parties.

21. **Compliance with Laws.** The Friends shall promptly comply with all laws, orders, and regulations of federal, state, and local laws, ordinances, and codes and shall save the City harmless concerning any damages arising from any tort done in performing any of the operations embraced by this Lease. The Friends shall at all times comply with all provisions of the rules and regulations issued thereunder and shall save and hold the city harmless from any claims, actions, demands, or expenses arising out of such legislation, rules, and regulations.

The Friends covenants and agrees that it has not used any chemical, including but not limited to herbicides, pesticides, and fertilizers, that is not approved for such use by local, state, and federal regulations and that those chemicals have been applied and/or disposed of in the manner required by such regulation and in compliance with the manufacturer's specifications and recommendations.

22. **Indemnification.** The Friends shall defend, indemnify, and hold harmless the City, its officers, officials, employees, and volunteers from and against any claims, suits, actions, or liabilities for injury or death of any person, or for loss or damage to property, which arises out of the Friends' use of Premises, or from the conduct of the Friends' business, or from any activity, work or thing done, permitted, or suffered by the Friends in or about the Premises, except only such injury or damage as shall have been occasioned by the sole negligence of the City.

The City shall defend, indemnify, and hold harmless the Friends, its officers, officials, employees, and volunteers from and against any claims, suits, actions, or liabilities for injury or death of any person, or for loss or damage to property, which arises out of the City's negligence, including uses of the Premises by activities on the property that are not the Friend's direct activities. Items that are examples of non-Friend's activities will be any community garden, play structure, walking trail corridors, or other businesses or non-profits that are co-located on the Premises.

In the event of liability for damages arising out of bodily injury to persons or damages to property caused by or resulting from the concurrent negligence of the Friends and the City, its officers, officials, employees, and volunteers, each party's liability hereunder shall only be to the extent of

each party's negligence.

The parties agree that the City desires to install additional facilities for the general public at the Golf Park. The parties agree that when and if the City installs additional facilities, the parties will execute an addendum to this agreement for the specific roles and responsibilities regarding City-installed facilities.

23. Insurance. The Friends shall procure and maintain for the duration of the Lease, insurance against claims for injuries to persons or damage to property which may arise from or in connection with the Friends's operation and use of the leased premises.

- a. No Limitation. The Friends's maintenance of insurance as required by the Lease shall not be construed to limit the liability of The Friends to the coverage provided by such insurance, or otherwise limit the City's recourse to any remedy available at law or in equity.
- b. Minimum scope of Insurance. The Friends shall obtain insurance of the types described below:
 - (1) Commercial General Liability insurance shall be written on the Insurance Services Office (ISO) occurrence form CG 00 01 and shall cover premises and contractual liability. The City shall be named as an insured on the Friends's Commercial General Liability insurance policy using ISO Additional Insured-Managers or Lessors of Premises Form CG 20 11 or a substitute endorsement providing equivalent coverage.
 - (2) Property insurance shall be written on an all-risk basis.
- c. Minimum Amounts of Insurance. The Friends shall maintain the following insurance limits:
 - (1) Commercial General Liability insurance shall be written with limits no less than \$2,000,000 for each occurrence, \$2,000,000 general aggregate.
 - (2) Property insurance shall be written covering the full value of The Friends's property and improvements with no coinsurance provisions.
- d. Other Insurance Provisions. The Friends' Commercial General Liability insurance policy or policies are to contain or be endorsed to contain, that they shall be primary insurance concerning the City. Any Insurance self-insurance or insurance pool coverage maintained by the City shall be more than the Friends' insurance and shall not contribute to it.
- e. Acceptability of Insurers. Insurance is to be placed with insurers with a current A.M. Best rating of not less than A: VII

- f. Verification of Coverage. The Friends shall furnish the City with original certificates and a copy of the amendatory endorsements, including but not necessarily limited to the additional insured endorsement, evidencing the insurance requirements of the Friends.
- g. Waiver of subrogation. The Friends and City hereby release and discharge each other from all claims losses and liabilities arising from or caused by any hazard covered by property insurance on or in connection with the premises or said building. This release shall apply only to the extent that such claim, loss, or liability is covered by insurance.
- h. City's Property Insurance. The City shall purchase and maintain during the term of the Lease all-risk property insurance covering buildings on the Leased Premises for their full replacement value without any coinsurance provisions.
- i. Notice of Cancellation. The Friends shall provide the City with written notice of any policy cancellation within two business days of its receipt of such notice.
- j. Failure to Maintain Insurance. Failure on the part of the Friends to maintain the insurance as required shall constitute a material breach of this Lease, upon which the City may, after giving five business days' notice to the Friends to correct the breach, terminate the Lease or, at its discretion, procure or renew such insurance and pay any premiums in connection therewith, with any sums so expended to be repaid to the City on demand.

24. Assignments & Encumbrances. The parties acknowledge and agree that the Friends may not assign, transfer, or sublease all or any part of this Lease, or the responsibilities, operations, or interests under this Lease without the express written consent of the City, as evidenced by a City Council Resolution and the signature of the City Manager, which consent shall not be unreasonably withheld. Notwithstanding the foregoing, the Friends may contract with a third party for food, beverage, and restaurant operations, and various rentals and with a third party for events held on the premises.

Additionally, it shall not pledge or allow the use of its interests in this Lease or any leasehold rights as security or collateral for any loans or debts of any kind or suffer to permit any mechanics' or material man's liens to be filed against the interest of the City. During the term of this Lease, the Friends shall not incur any debts associated with the operation of the Leased Premises, except for accounts payable for the ordinary operation of the Golf Park, without the prior written consent of the Facilities and Parks Manager.

Any unauthorized assignment, sublease, transfer, debts, or attempted or actual use of rights under this Lease, or any leasehold interest as collateral or security for any loan by the Friends shall be void and shall constitute a breach of this Lease, entitling the City to exercise all remedies herein and as outlined in the Lease.

At least sixty (60) days before any proposed assignment, transfer, or sublease, The Friends shall

notify the City in writing of the proposed assignment, transfer, or sublease, to allow the City to commence its due diligence and review of the proposed assignment, transfer or sublease. The Friends shall provide the City with information concerning the proposed assignment, transfer, or sublease, and in addition, shall provide information requested by the City (which the City shall endeavor to request within 20 days of the date first notified by the Friends), to allow the City to conduct its due diligence and review. The City shall use its best efforts to complete its due diligence and review within 60 days of the date notified by The Friends, unless for good cause the City needs additional time to complete its due diligence and review. Information the City will need to conduct its due diligence and review includes Golf Park experience of the assignee, transferee, and sublessee; ownership of the proposed assignee, transferee, sublessee (including principals); history of suits and acclaims; the most recent five years' year-end financial statements prepared and certified by a certified public accountant, including latest balance sheet and income statement.

25. Defaults/Termination. Any or all of the following shall be considered events of default of this Lease:

- a. If the Friends fail to perform or default on any of terms of this lease by the City, or in the observance or performance of any of the covenants, agreements, commitments, or conditions contained in the Lease, and if any such default continues un-remedied or agreement to remedy has not been reached, for sixty (60) days after written notice from the City of the nature of such default or failure to perform has been mailed to the Friends; or
- b. If the Friends make an assignment of its property for the benefit of creditors or encumbers the property in violation of **paragraph 23** herein; or
- c. If the Friends petitions any court to be adjudged a bankrupt; or
- d. If a petition in bankruptcy is filed in any court against the Friends; or
- e. If the Friends is judicially determined to be insolvent; or
- f. If the Friends is adjudged bankrupt; or
- g. If a receiver or other officer is appointed to take charge of the whole or any part of the Friends's property or to wind up or liquidate its affairs; or
- h. If the Friends seek a reorganization under any of the terms of the Federal Bankruptcy Code, as amended, or under any insolvency laws; or
- i. If the Friends admits, in writing, its inability to pay its debts as they become due; or
- J. If any final judgment is rendered against the Friends and remains unsatisfied for thirty (30) days from the date on which it shall become final; or
- k. If the Friends fail to maintain the insurance required herein and/or fail or refuse to provide the City with certificates of insurance as required herein; or

- l. If the Friends abandon the golfing facilities; or
 - m. If the Friends fail to provide the City with the required reports per **Paragraph 4**; or
 - n. If the Friends fail to implement the phasing plan and meet the metrics in general accordance with the Friends phasing plan as shown in Exhibit G, provided that written notice and the ability to cure have been met under item a. above.
- 26. Liens.** Except as authorized and provided for in Section 11 Improvements above, the Friends shall not allow or authorize improvements to the Leased Premises without the prior written consent of the City. The Friends agree that it shall pay, or cause to be paid, all costs and expenses for work done and for materials delivered to the premises and shall keep the premises and all buildings and improvements free and clear of any mechanic's materialman's and other liens for work or labor done, services performed, or materials furnished for or in connection with The Friends's operations under this Lease. The Friends' failure to perform under **Paragraph 24** shall constitute a breach and default under the terms of the Lease.
- 27. Enforcement.** The parties shall have all remedies available under law and equity in the event of breach or default of this Lease.
- 28. Costs and Attorneys' Fees.** In the event any action is brought by either party to enforce the terms of this Lease or for breach of this Lease by the other party, the parties agree that the non-prevailing party shall pay to the substantially prevailing party reasonable attorneys' fees (including the reasonable value of services rendered by the City Attorney) and costs and disbursements incurred by such party.
- 29. Nondiscrimination.** During the term of this Lease, neither The Friends nor its agents, subcontractors, or employees, shall discriminate based on race, creed, color, national origin, families with children, sex, marital status, sexual orientation, age, honorably discharged veteran or military status, genetic information, or the presence of any sensory, mental, or physical disability or the use of a trained dog guide or service animal by a person with a disability in employment or application for employment or in the administration or delivery of services or any other benefits under the Lease. The Friends shall comply with all applicable federal, state, or local laws, executive orders, and regulations.
- 30. Applicable Law; Venue.** This Lease shall be governed by the laws of Washington State. The venue for any action under this Lease shall be in Jefferson County, Washington.
- 31. No Waiver.** Failure by the City to enforce any condition, requirement, responsibility, or provision of this Lease shall not be construed as a waiver of the City's right to subsequently enforce that condition, requirement, responsibility, or provision of this Lease, or to fully enforce any other condition, requirement, responsibility, or provision.
- 32. Entire Agreement; Amendments.** This Lease as amended and its Exhibits represent the entire and integrated agreement between the City and the Friends. This Lease may be amended only by a written instrument signed by both the City and the Friends.

33. **Representatives: Notices.** For purposes of administration of this Lease, the representative of the City and the representative of the Friends are outlined in this section below. Any notice shall be delivered personally or may be mailed by certified mail, return receipt requested, to the other party. In the case of notice by mail, notice shall be deemed given on the date of postmark of the return receipt.

CITY OF PORT TOWNSEND

Facilities and Parks Manager
250 Madison Street, Suite 2R
Port Townsend, WA 98368
Telephone: (360) 379-5096 Fax: (360) 385-7675

**THE FRIENDS OF THE PORT
TOWNSEND GOLF PARK**

1948 Blaine Street
Port Townsend, WA 98368
Telephone: (360) 385-4547

34. **Successors and Assigns.** This Lease shall be binding upon the parties, their heirs, personal representatives, successors, and assigns, however, no assignment, transfer, or sublease is effective without prior written approval of the City as provided in **Paragraph 23 -Assignments and Encumbrances.**

35. **Council Approval.** Reserved.

36. **Advice of Counsel.** The parties warrant and represent to each other that they have had representation by legal counsel or have had the opportunity to be represented by legal counsel during all stages in the negotiation of this Lease. The parties further agree that they have participated in the negotiating and drafting of this Lease and stipulate that this Lease shall not be construed more favorably concerning either party.

37. **Corporate Authority.** Each individual executing this Lease on behalf of the corporation represents and warrants he/she is duly authorized to execute and deliver this Lease on behalf of the corporation and that the Lease is binding upon the corporation by its terms.

38. **Condition of Premises Upon Termination.** Upon termination of this Lease for any reason, the Friends shall surrender the premises and buildings (together with any alterations or replacements) in good order and in like condition and repair except for reasonable wear and tear.

39. **Performance of Agreement: Relations to Lease.** City's agreement to this Lease is conditioned upon the Friend's complete performance of all terms and conditions of this Lease. The Friends stipulate and agree that the City may enter the premises to monitor The Friends' performance of this Lease and to familiarize the City with the operation of the Golf Park facilities. Absent In emergencies, the City shall provide The Friends with advance notice of such visits to the non-public areas of the Golf Park.

40. **Condemnation.** Nothing prevents the City, acting in its governmental capacity, from exercising power of condemnation under law to acquire The Friends's interest in the Lease.

41. **Arbitration.** Any controversy or claim arising out of or related to this Lease or the breach or alleged breach thereof shall be settled by a panel of three arbitrators one of whom shall be selected by the City, one by the Friends, and the third selected jointly by the first two arbitrators. The parties hereto agree that any decision of the arbitrators shall be binding upon both jurisdictions thereof. Any costs, expenses, and legal fees incurred in arbitration shall be awarded as determined in the course of the arbitration and may be awarded to the substantially prevailing party. The jurisdiction for any arbitration action shall be Jefferson County.

42. **Entire Agreement: Revocation of Prior Agreements.** This Lease contains the entire agreement of the parties hereto concerning the leasing and use and occupancy of the Premises and use of the Property and no other agreement, statement, promise, representation, or understanding by any party hereto or any of their respective agents, representatives, employees, or principals that is not contained in this Lease is hereby mutually rescinded and revoked and shall not be binding or valid.

43. **City Representative.** Except for the financial reporting obligations and auditing procedures as provided herein, the City representative shall be the Facilities and Parks Manager. This Lease supersedes and terminates in its entirety and any other agreements or leases between the parties.

44. **Effective Date of this Lease.** This Lease shall be effective on January 1, 2024.

45. **Other.**

a. **Statue.** This Lease does not include a statue of Chief Chetzemoka located on the Leased Premises, which the City may remove and relocate if the City determines it appropriate to do so.

b. Either party may record this Lease, or a memorandum of Lease, at that party's sole expense.

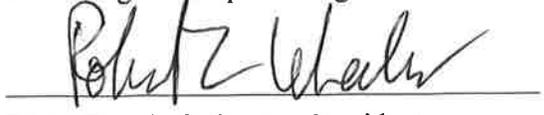
IN WITNESS WHEREOF, the City and the Friends have executed this Lease as of the date and year last written below.

CITY OF PORT TOWNSEND,
Washington municipal corporation



By its City Manager, John Mauro

The FRIENDS of Port Townsend Golf Park,
a Washington nonprofit organization



By its Board of Directors President

Robert L. Wheeler

Date 12/15/23

Date 12/15/23

Approved as to Form: _____

City of Port Townsend, City Attorney

EXHIBITS

A	Map of Leased Premises	1 page
B	Easement portions reserved and retained by City	2 pages
C	Native Plant Area Legal Description Trace "A" & "B"	2 pages
D	Golf Park Pond Area Topography Map	1 page
E	Pond Vegetation Area Allowed to be Trimmed	1 page
F	Table of Assets and Responsibility	2 pages
G.	Timed Phasing for Public Access	3 pages
H.	Permanent Affordable Housing Area	1 page

EXHIBIT A
Effective Golf Park Boundary

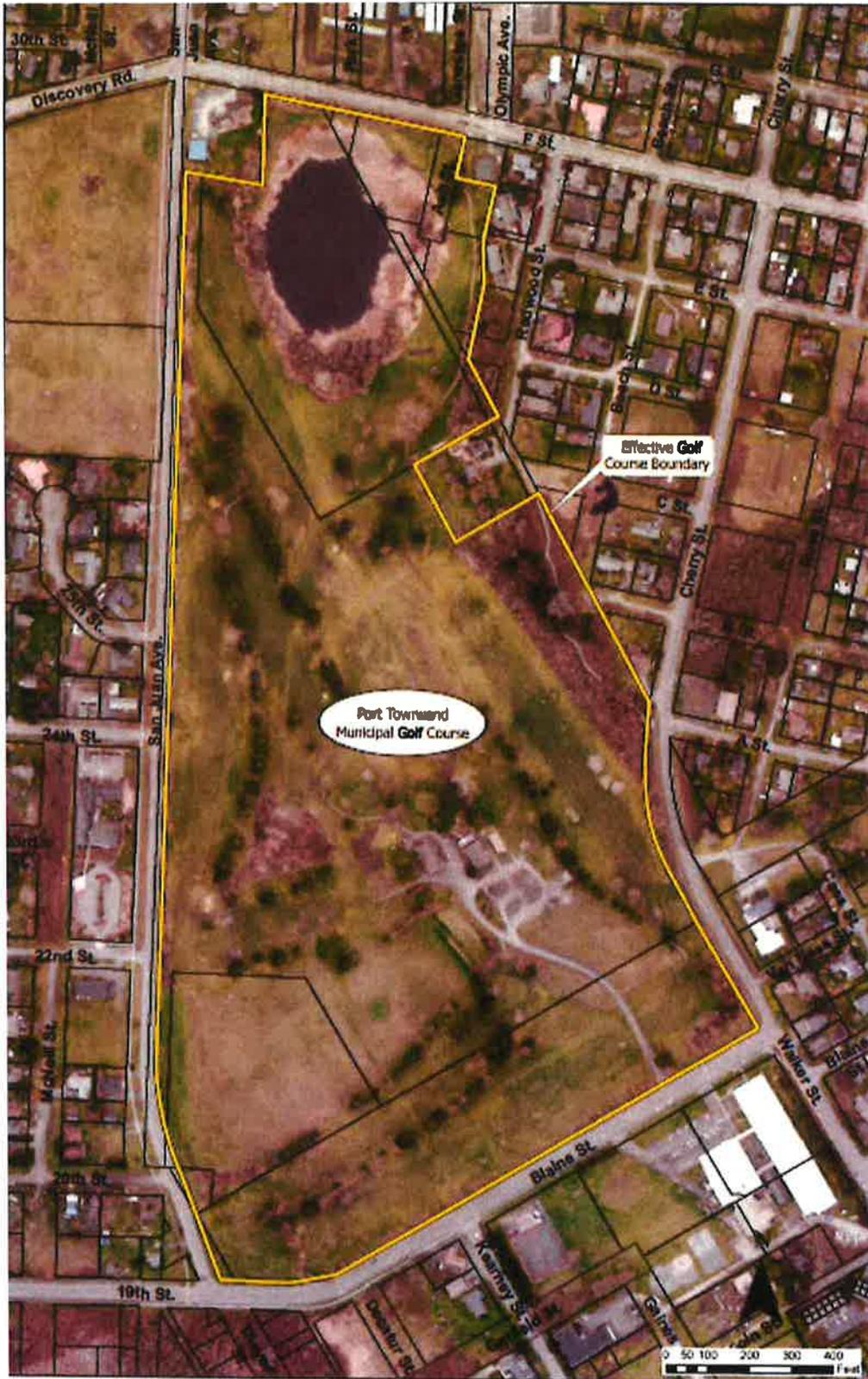


EXHIBIT B

The following portions of the premises are reserved for and retained by the City:

1. Prairie Plant Areas (two): Legally described as follows:

[See Exhibit C "Native Plan Area Legal Description Tract A and Tract B attached]

2. Road Easement. An easement, fifteen feet in width, running over the existing road across the Golf Park from Blaine Street to the Clubhouse, measured seven and a half feet on each side of the center line thereof. The City may go upon the property to locate stakes or other markers establishing the same. This easement is for the following purposes:

- a. Ingress and egress over, under, upon, and through said street for any public utilities; for access to the conference center and parking area by the public; for access to the prairie plant area described above; and for purpose of maintenance, repair, widening, and all or any other type of work upon said road, together with all slopes, cuts and fills and related work or improvement thereto; and for the exercise of all other rights of the City under this Lease.

- b. This easement is for the benefit of the City, its employees, contractors, and assigns, and all or any part of the public generally as determined by the City. The City may specifically grant utility easements to utility districts or companies.

3. Parking Lot Easement. An easement in, over, under, upon, and through the entire area of the existing parking lot, for maintenance, repair, improvement or expansion, access to and maintenance of the well, and for the parking of vehicles in connection with the use and enjoyment of the conference center and any expansion thereof, and the prairie plant areas, to be used by the City, its contractors, assigns and all or any part of the public generally as determined by the City.

4. Building Expansion and Use. An easement seventy-five feet in width, encircling the entire new building to be constructed, as measured seventy-five feet from each outer wall, for future expansion of the building to be constructed on the premises, in, over, under, and upon the premises, together with the right to use adjacent areas for all construction, maintenance and repairs thereof. In the event the City elects to expand the building, including but not limited to, additional conference/meeting room area or facilities, that portion of the building and land shall be retained by the City in fee simple, and controlled and operated by it, unless the City and Lessee renegotiate and agree in writing upon rent and other lease terms for the lease of such additions to the Lessee. In the event such expansion is made, the easements set forth herein shall also serve the same for construction, maintenance, repair and the use and enjoyment thereof by the City, its contractors, assigns, and the public generally.

5. Utility Easements. An easement in, over, under, upon, and through the entire Leased Premises, including but not limited to the pond, for construction, installation, maintenance, repair, use, and operation of all public utilities, including but not limited to water,

sewer, electric, telephone, cable television, and stormwater drainage. Utilities shall be installed and maintained in a manner with minimum interference with the use of the Golf Park. Without limiting the foregoing, the City retains the right to use the existing pond and any expansion thereof for stormwater utility purposes, including but not limited to installation construction, maintenance repair, and use of a stormwater utility system in, over, under, upon and through said pond, together with all lines, ditches, trenches or culverts to and from the same to connect with city streets and facilities, and the operation of any pumps, equipment and other facilities necessary thereto.

6. Land directly north of the clubhouse, or a location near the clubhouse mutually agreed to, to install a nature play structure for the community.

EXHIBIT C-1
Native Plant Area Legal Description Tract "A"

A portion of the L.B. Hastings Donation Land Claim Number 39 in Section 2, Township 30 North, Range 1 West, Willamette Meridian, is described as follows:

Beginning at the Southwest corner of Section 2 from which the West Quarter corner of Section 2 bears North 2°-02'-07" East, 2640.20 feet distant; thence along said Section line a distance of 486.80 feet; thence North 82°-46'-59" East, a distance of 1011.40 feet to the True Point of Beginning of Native Plant Area "A"; thence North 82°-47'-00" East, a distance of 83.93 feet; thence South 64°-07'-54" East, a distance of 129.02 feet; thence South 44°-35'-10" East, a distance of 89.91 feet; thence South 59°-42'-36" West, a distance of 162.30 feet to a point on the Northeasterly margin of the access easement to the City of Port Townsend Spring Valley Golf Park; thence Northwesterly along the arc of the curve, the center of which bears South 54°- 11'-40" West, having a central angle of 36°-45'-12" and a radius of 225.80 feet, a distance of 144.84 feet; thence North 72°-33'-32" West, a distance of 110.43 feet; thence Northwesterly along the arc of a curve, the center of which bears North 17°-26'-28" East, having a central angle of 8°-09'-09" and a radius of 250.51 feet, a distance of 35.64 feet; thence North 64°-43'-03" East, a distance of 145.55 feet to the True Point of Beginning of Native Plant Area "A"; said Native Plant Area "A" having an area of 0.89 acres.

Situated in Jefferson County, Washington.

EXHIBIT C-2
Native Plant Area Legal Description Tract "B"

A portion of the L.B. Hastings Donation Land Claim Number 39 in Section 2, Township 30 North, Range 1 West, Willamette Meridian, is described as follows:

Beginning at the Southwest corner of Section 2 from which the West Quarter corner of Section 2 bears North 2°-02'-07" East, 2640.20 feet distant; thence along said Section line a distance of 368.59; thence North 88°-29'-53" East, a distance of 1071.37 feet to the True Point of Beginning of Native Plant Area "B"; thence North 71°-52'-29" West, a distance of 62.45 feet; thence North 66°-48'-43" West, a distance of 63.36 feet; thence North 33°-26'-06" West, a distance of 31.06 feet; thence North 51°-36'-46" West, a distance of 36.91 feet; thence North 64°-01'-20" West, a distance of 39.54 feet; thence North 26°-47'-26" West, a distance of 45.28 feet to a point on the Southwesterly margin of the access easement to the City of Port Townsend Spring Valley Golf Park; thence Southeasterly along the arc of a curve, the center of which bears North 30°-0'-16" East, having a central angle of 12°-33'-48" and radius of 265.51 feet, a distance of 58.22 feet; thence South 72°-33'-32" East, a distance of 110.43 feet; thence Southeasterly along the arc of a curve, the center of which bears South 17°-26'-27" West, having a central angle of 41°-42'-02" and a radius of 210.80 feet, a distance of 153.42 feet; thence South 88°-29'-53" West, a distance of 56.76 feet to the True Point of Beginning of Native Plant Area "B"; said Native Plant Area "B" having an area of 0.32 acres.

Situated in Jefferson County, Washington.

EXHIBIT D
Golf Park Pond Area

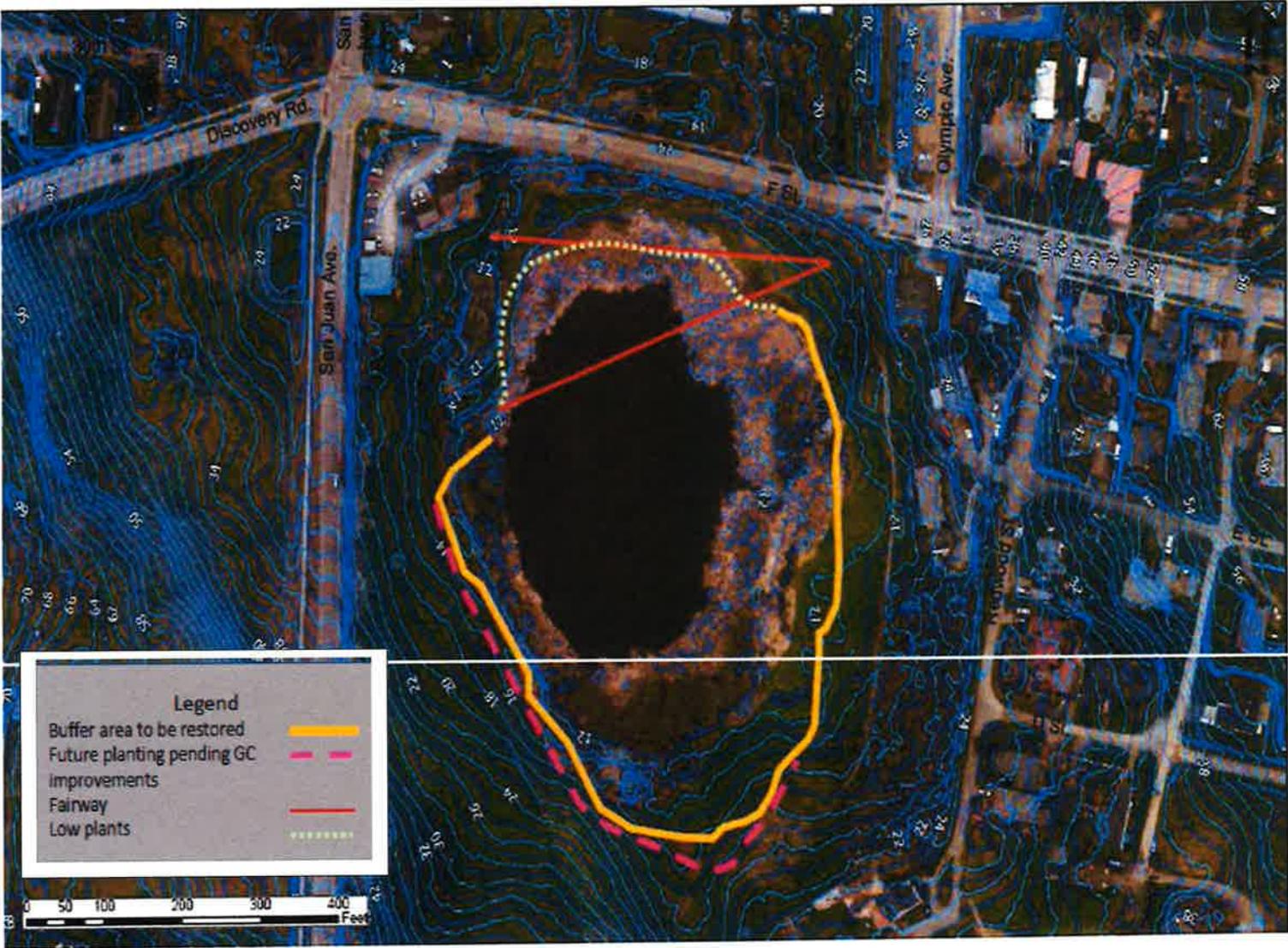


EXHIBIT
E
Pond Vegetation Area Allowed to be Trimmed

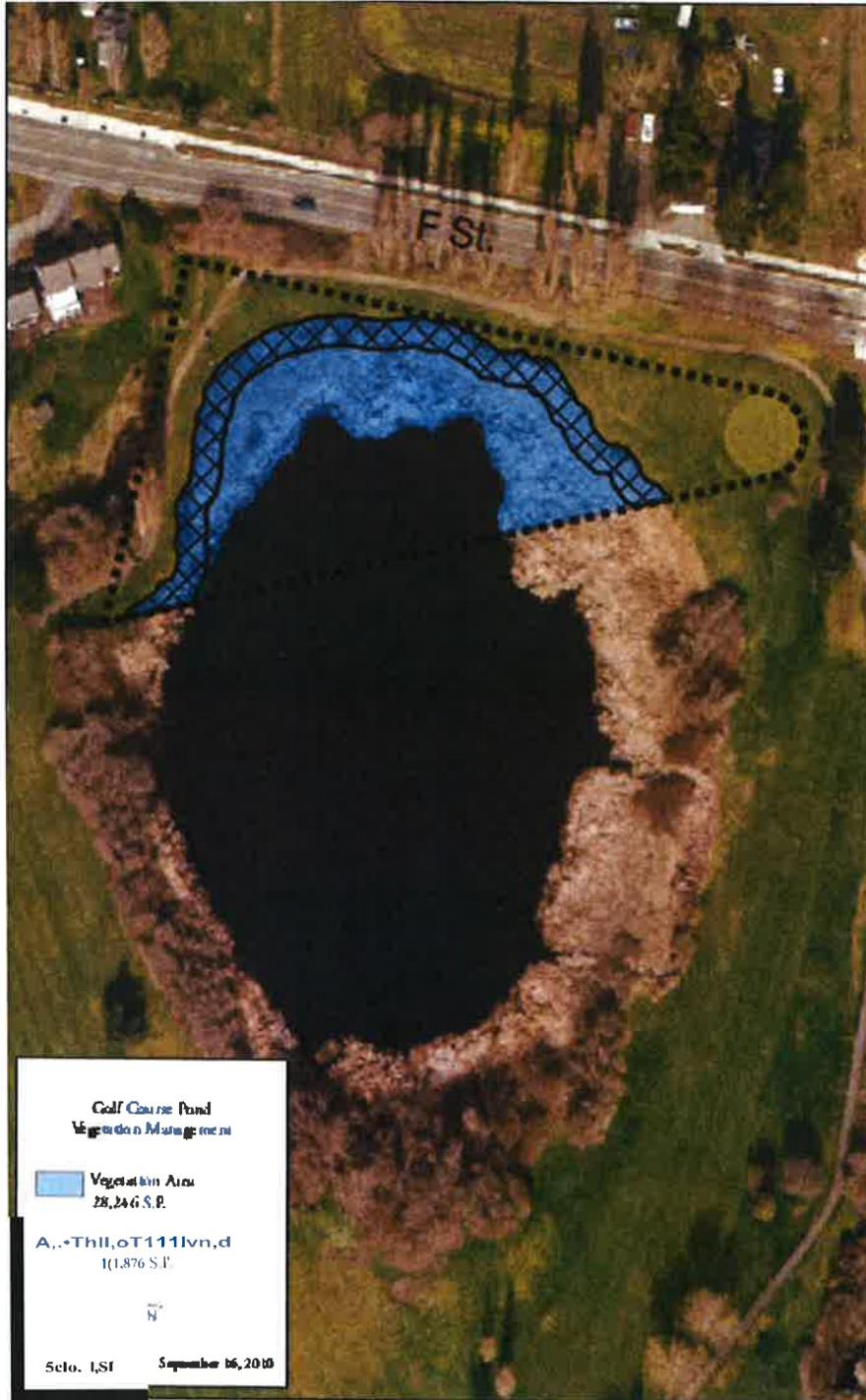


EXHIBIT F
Table of Assets and Responsibilities

	Ownership	Responsibility for capital expenses	Responsibility for routine maintenance
	All are Cities except as otherwise stated	All are Cities except as otherwise stated	All are The Friends except as otherwise stated
Clubhouse			
Structural			
Ex. Painting			
Int. Painting		The Friends	
Interior alterations			
Mech., elec., plumbing		From the wall in, Friends	
Walk-in cooler	The Friends	The Friends	
Carpet			
Hood vent/Fire Suppression System		The Friends	
Standing Bar		The Friends	
New (2004) Gas/Fuel Tanks and Pumps	#2- see note		#2- see note
Car Shed		The Friends	
Maintenance Building		The Friends	
Parking Lot			City, #3 - see note
Irrigation System		The Friends	
Service Lines			City, #4 - see note
Sprinkler Parts	#5 - see note	The Friends	
Control Boxes			
Existing fence			
Signage			
Landscaping (other than golf course greens, tees, fairways and rough)			#6 - see note
Well, pump, pumphouse	The City	The City	The City

Annually, no later than August 15 (to allow time for City budgeting for planned improvements for the following year), the Friends and the Facilities and Parks Manager, or designees, shall meet to review and

identify items needing structural or routine maintenance, to develop or update a schedule of items for maintenance and repair in the upcoming calendar year.

For maintenance and repair items that the Friends identify should be accomplished by the City, The Friends shall notify the City in writing (fax, email, memo) of the item and the expected repair. The writing is to document the item for the City records and to allow the City to schedule the repair consistent with other City responsibilities and priorities. The Friends shall provide notice to the Facilities and Parks Manager. The foregoing written notice requirement does not apply in an emergency. Before the City response, The Friends shall take responsible steps to avoid loss or damage (for example, shutting off the water, or barricading the dangerous area).

Notes

#2 - The Friends are responsible for the proper disposal of tanks installed. The Friends are responsible for lubrication, painting, and routine maintenance of new tanks and pumps.

#3 - The Friends are responsible for routine cleanup of the parking area.

#4 - The Friends are responsible for incidental maintenance of service lines.

#5 - All sprinkler parts, even if purchased by The Friends in the past, are owned by the City; EXCEPT, parts purchased by The Friends that are not installed as sprinklers or incorporated into the irrigation system remain The Friends, but are available for use and maintenance and repair.

#6 - Routine maintenance includes regular removal of noxious weeds within the Golf Park area, including scotch broom, poison hemlock

Exhibit G

Lease Phasing and Milestones

Phase 1: 2024-2025	Phase 2: 2026-2030	Phase 3: 2031 - 2035	Phase 4: 2036-2046
<p>2-year Study Period</p> <p>Business Planning and Initial Public Access Actions</p>	<p>5-year milestones</p> <p>Investment and Full Implementation Phase with Public Programs Underway</p>	<p>5-year milestones</p> <p>Major Capital Investments Phase</p>	<p>10-year milestones</p> <p>Operation of Model Links Golf Park and Public Access Programs</p>
<p><u>Park Operations Goals</u> Initial renovations and improvements are completed; maintenance operations are underway; needed equipment is secured; train operations staff & volunteers</p>	<p><u>Park Operations Goals</u> Undertake capital improvements based on business and investment plans and phasing plans; operations team is fully in place; volunteer programs underway</p>	<p><u>Park Operations Goals</u> Continue targeted investment in course improvements such that the course is operated as a destination links course</p>	<p><u>Park Operations Goals</u> Links course becomes a statewide model of the 9-hole course</p>
<p><u>Financial Planning & Governance</u> Data collection and tracking of operations; prepare business and capital investment plan; develop marketing & fundraising plans; 2-year milestones are reached and a 20-year commitment in place</p> <p>Metric: Produce a business plan that projects financial sustainability on an achievable timeline and lays out the metrics for subsequent phases</p>	<p><u>Financial Planning & Governance</u> Implement marketing plan; new board members replace interim board; ongoing fundraising; capital campaign is completed to fund phased improvements</p> <p>Metric: To be determined by the business plan submitted in Phase 1 Study Period</p>	<p><u>Financial Planning & Governance</u> Marketing partnerships are fully developed and utilized; visitor packages with hotels in place; annual financial sponsorships are secured; annual charity events are fully scheduled and underway</p> <p>Metric: To be determined by a business plan submitted in Phase 1 Study Period</p>	<p><u>Financial Planning & Governance</u> NP generates funds to contribute to other community causes</p> <p>Metric: To be determined by a business plan submitted in Phase 1 Study Period</p>

<p><u>Community Access</u> Improve community access through near term successes; evaluate trial course play closure times; install E/W trail; verify trail plan locations. Utilize the driving range and welcome center building to hold seasonal concerts and events. The City, in collaboration with the Friends, reserves the right to continue to explore and select an available location for other municipal purposes, provided that it will not interfere with the area set aside for possible future housing, other recreational opportunities planned for the Golf Park nor hinder the Friends' ability to operate a successful business model for the golf course operations.</p> <p>Metric: E/W trail will be installed and open to the public; signage for the trail will be installed; a plan for the layout of the N/S trail and subsequent trails will be produced; the golf course will be closed to play for at least the equivalent of 6 full days a year for public access; at least 4 community events will be held a year during first 2 years; produce a plan that sets thresholds for increasing community usage for metrics in subsequent phases</p>	<p><u>Community Access</u> Trail installation continues; N/S trail completed; wayfinding design is completed; regular course closure times established; year-round event and concert programming is underway</p> <p>Metric: the N/S trail will be completed and open to the public; the wayfinding plan will be submitted to the City for approval; additional community events will be scheduled per year per threshold established after 2-year Study Period; full programming of community and visitor use (meetings, weddings, etc.)</p>	<p><u>Community Access</u> Continue trail improvements; install wayfinding, signage, and lighting; public access modes are well-defined and used</p> <p>Metric: Wayfinding and trail beacons (as approved) will be installed; new trails will be installed and open to the public per the plan generated in the Phase 1 Study Period</p>	<p><u>Community Access</u> Golf park grounds are a well-established community treasure</p> <p>Metric: To be determined in future collaboration with City Staff</p>
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<p><u><i>Expand Recreation Uses</i></u> Design and fund miniature golf; continue and expand the cross country team and other uses; school and family programs defined; disc and foot golf are integrated into operations</p> <p>Metric: Disc and foot golf targets are installed to allow for rounds of golf by these user groups; plans for additional programming will be produced</p>	<p><u><i>Expand Recreation Uses</i></u> Install miniature golf; ongoing programming connections with youth and family</p> <p>Metric: Miniature golf operations are fully underway; additional metrics are to be determined by the plan produced in Phase 1 Study Period</p>	<p><u><i>Expand Recreation Uses</i></u> Connections with school programs are fully underway; family-friendly programming is well-established</p> <p>Metric: To be determined by plans produced in Phase 1</p>	<p><u><i>Expand Recreation Uses</i></u> Maintain existing established programs and continue to explore new ones</p> <p>Metric: To be determined in future collaboration with City Staff</p>
<p><u><i>Build Partnerships</i></u> Develop uses and agreements with service clubs, tribes, schools, Native Plant Society, and other community groups; convene technical advisory committee; continue the practice of holding fundraising tournaments to benefit local organizations</p> <p>Metric: Invitations will be sent to as many local groups as possible with the goal of a minimum of 4 groups to be in partnership with the Golf Park</p>	<p><u><i>Build Partnerships</i></u> Continue work, programs, & fundraisers with community groups; consult regularly with the technical advisory committee</p> <p>Metric: Continue to invite additional groups with the goal of adding at least 2 new partnership groups that will access the golf park per year; host at least 6 annual fundraising events for community groups and/or charities each year</p>	<p><u><i>Build Partnerships</i></u> Continue to identify compatible associations and resources</p> <p>Metric: Continue practice of invitations to groups; increase annual fundraising events in number/amount raised</p>	<p><u><i>Build Partnerships</i></u> Continue ongoing outreach efforts to groups in the community</p> <p>Metric: Maintain the practice of regularly inviting groups to utilize the facilities; continue to increase annual fundraising events in number/amount raised</p>
<p><u><i>Facilities Improvements</i></u> Main buildings cleaned and updated: welcoming entry, pro shop, first floor and basement improvements; expand meeting and community uses; maintenance buildings cleaned and in full use</p> <p>Metric: The existing “clubhouse” will be refurbished & rebranded as a welcome center; it will be publicly advertised that it is available for rent for community use by organizations & private individuals</p>	<p><u><i>Facilities Improvements</i></u> Plan for welcome center renovation complete; capital campaign initiated and completed; revised food and beverage services</p> <p>Metric: The plan for remodel/expansion of the welcome center facilities will be completed, which will determine the metrics in subsequent phases</p>	<p><u><i>Facilities Improvements</i></u> Undertake remodel and expansion of welcome center facilities; expanded food and beverage services</p> <p>Metric: Work completed on remodel/expansion of the welcome center facilities and/or restaurant per plan produced in Phase 2</p>	<p><u><i>Facilities Improvements</i></u> Continue facilities improvements as planned in Phase 2</p> <p>Metric: Work completed on remodel/expansion of the welcome center facilities and/or restaurant per plan produced in Phase 2</p>

<p><u>Grounds and Turf</u> Initial irrigation upgrades; initial tee and greens improvements, per David Hein Report</p> <p>Metric: Improved condition of the golf course; updated irrigation installed; native areas will be enhanced by 10% per year; turf management plan will be produced by the superintendent which will determine the metrics in subsequent phases</p>	<p><u>Grounds and Turf</u> Expanded irrigation system upgrades; continue upgrade of tees, greens</p> <p>Metric: Turf management plan produced by the superintendent fully implemented; native plantings established</p>	<p><u>Grounds and Turf</u> Native plantings are well integrated into the links course; low water use irrigation fully implemented</p> <p>Metric: Reduction in irrigation water consumption</p>	<p><u>Grounds and Turf</u> Continue to maintain and improve the grounds</p> <p>Metric: A revised and updated turf management plan will be produced</p>
<p><u>Environmental Stewardship</u> Identify and expand native and prairie planting areas; adopt sustainable turf management practices; wildlife plan for course-wide enhancements</p> <p>Metric: turf & grounds management plan produced by the superintendent to include details on transition to sustainable practices</p>	<p><u>Environmental Stewardship</u> Continue expansion of prairie and native plantings; implement sustainable turf management practices; seek certifications</p> <p>Metric: turf & grounds management with sustainable practices to be implemented</p>	<p><u>Environmental Stewardship</u> Continue native plantings; utilize model sustainable turf management practices</p> <p>Metric: Continue turf & grounds management with sustainable practices. Revise management plan if needed.</p>	<p><u>Environmental Stewardship</u> Links course and associated plantings are well established; Continue with sustainable, organic, turf management practices</p> <p>Metric: Continue turf & grounds management with sustainable practices.</p>
<p><u>Technical Advances</u> New electronic controls for sprinklers; transition to electric equipment and carts</p>	<p><u>Technical Advances</u> Target full fleet of electric equipment and carts; apply for a solar grant</p>	<p><u>Technical Advances</u> All electric equipment; install solar array if the grant is received; solar trail lighting</p>	<p><u>Technical Advances</u> Continued technical innovations and upgrades</p>
<p><u>Other Capital Improvements</u> Friends to work collaboratively with the City on locating and applying for a grant for a nature playground</p>	<p><u>Other Capital Improvements</u> City installs playground; temporary amphitheater in use; explore permanent amphitheater and driving range construction options</p>	<p><u>Other Capital Improvements</u> Construct amphitheater and driving range facilities per plan (dependent on the future of the driving range)</p>	<p><u>Other Capital Improvements</u> To be determined in future collaboration with City staff</p>
<p><u>Affordable Housing</u> Evaluate golf course design and operations in collaboration with City housing initiates and site planning, if underway.</p>	<p><u>Affordable Housing</u> If/when the City proceeds with exploring housing on the Blaine St. parcel (timing not tied to this phasing schedule), City- and Friends will collaborate on the best site design for the course and housing and the connection between them</p>	<p><u>Affordable Housing</u> As funding is available, The City and Friends continue to work collaboratively on the implementation and potential installation of course changes and housing site planning per the terms of the lease.</p>	<p><u>Affordable Housing</u> Once city housing is funded and moving forward, the leased Premises will be amended to reflect the new boundaries for housing on the Blaine Street parcel.</p>

EXHIBIT H



**HOUSING
DEVELOPMENT**