AGENDA

REGULAR MEETING
DES MOINES CITY COUNCIL
21630 11th Avenue South, Des Moines, City Council Chambers

May 2, 2013 - 7:00 p.m.

CALL TO ORDER

PLEDGE OF ALLEGIANCE

ROLL CALL

CORRESPONDENCE

COMMENTS FROM THE PUBLIC

BOARD & COMMITTEE REPORTS/COUNCILMEMBER COMMENTS

PRESIDING OFFICER'S REPORT

ADMINISTRATION REPORTS

CONSENT CALENDAR

Page 1 Item 1: DEPARTMENT OF NATURAL RESOURCES TIDELANDS LEASE – AMENDMENT I

Motion is to approve Aquatic Lands Agreement Amendment I (to Lease No. 20-A09080) with the Department of Natural Resources, correcting surveyor's errors and extending the lease termination date; and to authorize the City Manager to execute Amendment I substantially in the form as attached.

OLD BUSINESS

1. APPOINTMENT OF NEW COUNCILMEMBER

NEXT MEETING DATE

May 9, 2013 Regular City Council Meeting

ADJOURNMENT

AGENDA ITEM

BUSINESS OF THE CITY COUNCIL
City of Des Moines, WA

SUBJECT: Department of Natural Resources Tidelands Lease - Amendment 1

ATTACHMENTS:

1. Aquatic Lands Agreement Amendment I
2. Aquatic Land Lease No. 20-A09080

FOR AGENDA OF: May 2, 2013

DEPT. OF ORIGIN: Marina

DATE SUBMITTED: April 24, 2013

CLEARANCES:
[X] Legal JG
[ ] Finance N/A
[X] Marina
[ ] Parks, Recreation & Senior Services N/A
[ ] Planning, Building & Public Works N/A
[ ] Police N/A
[ ] Courts N/A

APPROVED BY CITY MANAGER
FOR SUBMITTAL: AJ

Purpose and Recommendation

The purpose of this agenda item is to request Council's approval of amendments to the City's Aquatic Lands Lease with the Department of Natural Resources (DNR) for Marina permitted uses.

Suggested Motion

MOTION: "I move to approve Aquatic Lands Agreement Amendment I (to Lease No. 20-A09080) with the Department of Natural Resources, correcting surveyor's errors and extending the lease termination date; and to authorize the City Manager to execute Amendment I substantially in the form as attached."

Background

The new Aquatic Lands Lease Agreement with the State Department of Natural Resources for the aquatic lands used in conjunction with the City's Marina operation was signed in August of 2012. That lease contained surveyor's errors that will be corrected by Amendment I.

Discussion

When the original lease was transcribed by DNR, the total square footage of one of the leased areas, Lease Area B, was inserted in Sec. 2.1 "Permitted Use" instead of the total for all three of the leased areas. The correct Sec. 2.1 will read as follows:

> **2.1 Permitted Use.** Tenant shall use the Property for a rock breakwater, public fishing pier, parking lot, restroom, open and -covered moorage and vessel access channel to the Marina (the "Permitted Use"), and for no other purpose. This is a mixed use, with ~~44,363~~374,880 square feet of water dependent use, ~~7,417~~9,587 square feet of non-water dependant use, and ~~22,993~~110,860 square feet of public access. Exhibit B describes the Permitted Use in detail. The Permitted Use is subject to additional obligations in Exhibit B.

The end date for the term of the lease is also being modified to reflect a 30-year term from the date of the original Lease execution. The amended Sec. 3.1 will read as follows:

> **3.1 Term Defined.** The term of this Lease is thirty (30) years, (the "Term"), beginning on the 1st day of July 2012, (the "Commencement Date"), and ending on the 30th day of June, ~~2041~~2042 (the "Termination Date"), unless terminated sooner under the terms of the lease.

Financial Impact

There will be no changes to the lease rate as a result of this amendment and no change in the financial impact.

Recommendation or Conclusion

The staff recommends that the Council approve Amendment No. 1 to the City's Aquatic Lands Lease.

Concurrence

The City Attorney's Office concurs with the staff recommendation.

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Attachment #1

When recorded, return to:
Des Moines Marina
22307 Dock Ave S
Des Moines, WA 98198-4690

WASHINGTON STATE DEPARTMENT OF
Natural Resources
Peter Goldmark - Commissioner of Public Lands

AQUATIC LANDS AGREEMENT AMENDMENT I

Lease No. 20-A09080

Grantor: Washington State Department of Natural Resources
Grantee(s): City of Des Moines
Legal Description: Section 8, Township 22 North, Range 4 East, W.M.
Assessor's Property Tax Parcel or Account Number: N/A
Assessor's Property Tax Parcel or Account Number for Upland parcel used in conjunction with this Easement: 2009004515

THIS LEASE AMENDMENT is made by and between the STATE OF WASHINGTON, acting through the Department of Natural Resources ("State"), and the CITY OF DES MOINES a Government Agency/Entity "Tenant".

BACKGROUND

Lease No. 20-A09080 was entered into on the 1st day of July, 2012, by and between CITY OF DES MOINES as Tenant and the STATE OF WASHINGTON, acting by and through the Department of Natural Resources, as landlord ("State"), and recorded with the King County Auditor's office under recording number N/A (the "Agreement").

The parties now desire to amend this Agreement under the following terms and conditions:

THEREFORE, the parties agree as follows:

SECTION 1 AMENDMENTS

Subsections 2.1 and 3.1 of the Lease are amended to read as specified below.

2.1 Permitted Use. Tenant shall use the Property for a rock breakwater, public fishing pier, parking lot, restroom, open and covered moorage, and vessel access channel to the marina (the "Permitted Use"), and for no other purpose. This is a mixed use, with 374,880 square feet of water-dependent use, 9,587 square feet of nonwater-dependent use, and 110,860 square feet of public access. Exhibit B describes the Permitted Use in detail. The Permitted Use is subject to additional obligations in Exhibit B.

3.1 Term Defined. The term of this Lease is thirty (30) years (the "Term"), beginning on the 1st day of July, 2012 (the "Commencement Date"), and ending on the 30th day of June, 2042 (the "Termination Date"), unless terminated sooner under the terms of this Lease.

SECTION 2 EFFECTIVE DATE

The amended provisions shall become effective as of April 1, 2013.

SECTION 3 NO RELEASE

State is not releasing any previous Assignor from fully performing the provisions of the Agreement in effect at the time of such assignment or as otherwise agreed in writing between the State, previous Assignor, and the Grantee.

SECTION 4 WARRANTIES

Tenant represents and warrants to State that (i) the Agreement is in full force and effect; (ii) Tenant is not in default or breach of the Agreement; (iii) Tenant has no knowledge of any claims, offsets, or defenses of the Tenant under the Agreement; and (iv) to the best of Tenant's knowledge, the Property is in full compliance with all applicable federal, state, and local governmental permits, rules, ordinances, and laws.

SECTION 5 CONFIRMATION OF AGREEMENT

All other terms of the Agreement not inconsistent with this Amendment are hereby affirmed and ratified.

SECTION 6 RECORDATION

At Tenant's expense and no later than thirty (30) days after receiving the fully-executed Agreement, Tenant shall record this Agreement in the county in which the Property is located. Tenant shall include the parcel number of the upland property used in conjunction with the Property, if any. Tenant shall provide State with recording information, including the date of recordation and file number. If Tenant fails to record this Agreement, State may record it and Tenant shall pay the costs of recording upon State's demand.

THIS AGREEMENT requires the signature of all parties and is executed as of the date of the last signature below.

CITY OF DES MOINES

Dated: ____________________, 20__

____

By: ANTHONY A. PIASECKI

Title: City Manager

As Directed by the Des Moines City Council in Open Public Meeting on _____________, 2013

Address: 21630 11th Ave S, Suite A,
Des Moines, WA 98198

Approved as to Form this day of , 2013
_________________________, Des Moines City Attorney

STATE OF WASHINGTON
DEPARTMENT OF NATURAL RESOURCES

Dated: ____________________, 20__

____

By: PETER GOLDMARK

Title: Commissioner of Public Lands

Address: Shoreline District Aquatics
950 Farman Ave N
Enumclaw, WA 98022-9282

Approved as to Form this
This 28 day of September 2011
Janis Snoey, Assistant Attorney General

REPRESENTATIVE ACKNOWLEDGMENT

STATE OF WASHINGTON)
) ss
County of)

I certify that I know or have satisfactory evidence that ANTHONY A. PIASECKI is the person who appeared before me, and said person acknowledged that he signed this instrument, on oath stated that he was authorized to execute the instrument and acknowledged it as the CITY MANAGER of the CITY OF DES MOINES to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: ____________________, 20__

(Seal or stamp)

____
(Signature)

____
(Print Name)

Notary Public in and for the State of Washington, residing at

____

My appointment expires ______________

STATE ACKNOWLEDGMENT

STATE OF WASHINGTON)
) ss
County of)

I certify that I know or have satisfactory evidence that PETER GOLDMARK is the person who appeared before me, and said person acknowledged that he signed this instrument, on oath stated that he was authorized to execute the instrument and acknowledged it as the COMMISSIONER OF PUBLIC LANDS, and ex officio administrator of the DEPARTMENT OF NATURAL RESOURCES of the State of Washington to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: ____________________, 20__

(Seal or stamp)

____
(Signature)

____
(Print Name)

Notary Public in and for the State of Washington, residing at

____

My appointment expires ______________

When recorded, return to:
Des Moines Marina
22307 Dock Ave S
Des Moines, WA 98198-4690

WASHINGTON STATE DEPARTMENT OF
Natural Resources
Peter Goldmark - Commissioner of Public Lands

AQUATIC LANDS LEASE

Lease No. 20-A09080

Grantor: Washington State Department of Natural Resources
Grantee(s): City of Des Moines
Legal Description: Section 8, Township 22 North, Range 4 East, W.M.
Assessor's Property Tax Parcel or Account Number: N/A
Assessor's Property Tax Parcel or Account Number for Upland parcel used in conjunction with this lease: 2009004515

THIS LEASE is between the STATE OF WASHINGTON, acting through the Department of Natural Resources ("State"), and the CITY OF DES MOINES, a Government Agency/Entity ("Tenant").

BACKGROUND

Tenant desires to lease the aquatic lands commonly known as Elliott Bay, which are tidelands and bedlands located in King County, Washington, from State, and State desires to lease the property to Tenant pursuant to the terms and conditions of this Lease. State has authority to enter Lease under Chapter 43.12, Chapter 43.30 and Title 79 of the Revised Code of Washington (RCW).

THEREFORE, the Parties agree as follows:

SECTION 1 PROPERTY

1.1 Property Defined.

(a) State leases to Tenant and Tenant leases from State the real property described in Exhibit A together with all the rights of State, if any, to improvements on and easements benefiting the Property, but subject to the exceptions and restrictions set forth in this Lease (collectively the "Property").

(b) This Lease is subject to all valid interests of third parties noted in the records of King County, or on file in the Office of the Commissioner of Public Lands, Olympia, Washington; rights of the public under the Public Trust Doctrine or federal navigation servitude; and treaty rights of Indian Tribes.

(c) This Lease does not include a right to harvest, collect or damage natural resources, including aquatic life or living plants; water rights; mineral rights; or a right to excavate or withdraw sand, gravel, or other valuable materials.

(d) State reserves the right to grant easements and other land uses on the Property to others when the easement or other land uses will not interfere unreasonably with the Permitted Use.

1.2 Survey and Property Descriptions.

(a) Tenant prepared Exhibit A, which describes the Property. Tenant warrants that Exhibit A is a true and accurate description of the Lease boundaries and the improvements to be constructed or already existing in the Lease area. Tenant's obligation to provide a true and accurate description of the Property boundaries is a material term of this Lease.

(b) State's acceptance of Exhibit A does not constitute agreement that Tenant's property description accurately reflects the actual amount of land used by Tenant. State reserves the right to retroactively adjust rent if at any time during the term of the Lease State discovers a discrepancy between Tenant's property description and the area actually used by Tenant.

1.3 Inspection. State makes no representation regarding the condition of the Property, improvements located on the Property, the suitability of the Property for Tenant's Permitted Use, compliance with governmental laws and regulations, availability of utility rights, access to the Property, or the existence of hazardous substances on the Property. Tenant inspected the Property and accepts it "AS IS."

SECTION 2 USE

2.1 Permitted Use. Tenant shall use the Property for a rock breakwater, public fishing pier, parking lot, restroom, covered moorage and vessel access chanel to the marina (the "Permitted Use"), and for no other purpose. This is a mixed use, with 44,363 square feet of water-dependent use, 7,417 square feet of nonwater-dependent use, and 22,993 square feet of public access. Exhibit B describes the Permitted Use in detail. The Permitted Use is subject to additional obligations in Exhibit B.

2.2 Restrictions on Permitted Use and Operations. The following limitations apply to the Property and adjacent state-owned aquatic land. Tenant's compliance with the following does not limit Tenant's liability under any other provision of this Lease.

(a) Tenant shall not cause or permit:

(1) Damage to natural resources, except to the extent expressly permitted in Exhibit B,

(2) Waste, or

(3) Deposit of material, unless approved by State in writing and except to the extent expressly permitted in Exhibit B. This prohibition includes deposit of fill, rock, earth, ballast, wood waste, refuse, garbage, waste matter, pollutants of any type, or other matter.

(b) Tenant shall not cause or permit scour or damage to aquatic land and vegetation. This prohibition includes the following limitations:

(1) Tenant shall not use or allow use of a pressure washer to clean underwater surfaces unless the water is deeper than seven (7) feet at the time.

(2) Tenant shall not allow moorage or anchorage of vessels in water more shallow than seven (7) feet at the extreme low tide or water.

(3) If anchoring, Tenant shall use and shall require use of anchor lines with midline floats.

(c) Tenant shall not construct new bulkheads or place hard bank armoring.

(d) Tenant shall not construct or install new covered moorage or boat houses.

(e) Unless approved by State in writing, and except as expressly permitted in Exhibit B, Tenant shall not cause or permit dredging on the Property. State will not approve dredging unless (1) required for flood control, maintenance of existing vessel traffic lanes, or maintenance of water intakes and (2) consistent with State's management plans, if any. Tenant shall maintain authorized dredge basins in a manner that prevents internal deeper pockets.

(f) Tenant shall limit the number of residential slips, and shall manage residential uses on the Property, in accordance with the provisions of WAC 332-30-171 and as specified in Exhibit B.

(g) Tenant shall not allow or authorize new floating houses

2.3 Conformance with Laws. Tenant shall, at all times, keep current and comply with all conditions and terms of permits, licenses, certificates, regulations, ordinances, statutes, and other government rules and regulations regarding Tenant's use or occupancy of the Property.

2.4 Liens and Encumbrances. Unless expressly authorized by State in writing, Tenant shall keep the Property free and clear of liens or encumbrances arising from the Permitted Use or Tenant's occupancy of the Property.

SECTION 3 TERM

3.1 Term Defined. The term of this Lease is thirty (30) years (the "Term"), beginning on the 1st day of July, 2012 (the "Commencement Date"), and ending on the 30th day of June, 2041 (the "Termination Date"), unless terminated sooner under the terms of this Lease.

3.2 Renewal of the Lease. This Lease does not provide a right of renewal. Tenant may apply for a new lease, which State has discretion to grant. Tenant must apply for a new lease at least one (1) year prior to Termination Date. State will notify Tenant within ninety (90) days of its intent to approve or deny a new Lease.

3.3 End of Term.

(a) Upon the expiration or termination of this Lease, Tenant shall remove Improvements in accordance with Section 7, Improvements, and surrender the Property to State in the same or better condition as on the Commencement Date, reasonable wear and tear excepted.

(b) Definition of Reasonable Wear and Tear.

(1) Reasonable wear and tear is deterioration resulting from the Permitted Use that has occurred without neglect, negligence, carelessness, accident, or abuse of the Property by Tenant or any other person on the premises with the permission of Tenant.

(2) Reasonable wear and tear does not include unauthorized deposit of material prohibited under Paragraph 2.2 regardless of whether the deposit is incidental to or the byproduct of the Permitted Use.

(c) If Property is in worse condition, excepting for reasonable wear and tear, on the surrender date than on the Commencement Date, the following provisions apply.

(1) State shall provide Tenant a reasonable time to take all steps necessary to remedy the condition of the Property. State may require Tenant to enter into a right-of-entry or other use authorization prior to the Tenant entering the Property if the Lease has terminated.

(2) If Tenant fails to remedy the condition of the Property in a timely manner, State may take steps reasonably necessary to remedy Tenant's failure. Upon demand by State, Tenant shall pay all costs of State's remedy, including but not limited to the costs of removing and disposing of material deposited improperly on the Property, lost revenue resulting from the condition of the Property, and administrative costs associated with the State's remedy.

3.4 Holdover.

(a) If Tenant remains in possession of the Property after the Termination Date, the occupancy will not be an extension or renewal of the Term. The occupancy will be a month-to-month tenancy, on terms identical to the terms of this Lease, which either Party may terminate on thirty (30) days' written notice.

(1) The monthly rent during the holdover will be the same rent that would be due if the Lease were still in effect and all adjustments in rent were made in accordance with its terms.

(2) Payment of more than the monthly rent will not be construed to create a periodic tenancy longer than month-to-month. If Tenant pays more than the monthly rent and State provides notice to vacate the property, State shall refund the amount of excess payment remaining after the Tenant ceases occupation of the Property.

(b) If State notifies Tenant to vacate the Property and Tenant fails to do so within the time set forth in the notice, Tenant will be a trespasser and shall owe the State all amounts due under RCW 79.02.300 or other applicable law.

SECTION 4 RENT

4.1 Annual Rent.

(a) Until adjusted as set forth below, Tenant shall pay to State an annual rent of One Hundred Seven Thousand One Hundred Fifteen Dollars and Fifty-One Cents ($107,115.51), consisting of Eighty Four Thousand Three Hundred Forty-Six Dollars and Seventy-Three Cents ($84,346.73) related to the water-dependent use and, Twenty-Two Thousand Seven Hundred Sixty-Eight Dollars and Seventy-Eight Cents ($22,768.78) related to the nonwater-dependent use.

(b) The annual rent, as it currently exists or as adjusted or modified (the "Annual Rent"), is paid in quarterly installments, each of which is equal to one-fourth (1/4) of the then-current Annual Rent. The first installment, in the amount of Twenty-Six Thousand Seven Hundred Seventy-Eight Dollars and Eighty-Eight Cents ($26,778.88), is due and payable in full on or before the Commencement Date and subsequent installments shall be due and payable in full on or before the same day of each third month thereafter. Any payment not paid by State's close of business on the date due is past due.

4.2 Payment Place. Tenant shall make payment to Financial Management Division, 1111 Washington St SE, PO Box 47041, Olympia, WA 98504-7041.

4.3 Adjustment Based on Use. Annual Rent is based on Tenant's Permitted Use of the Property, as described in Section 2 above. If Tenant's Permitted Use changes, the Annual Rent shall be adjusted as appropriate for the changed use.

4.4 Rent Adjustment Procedures.

(a) Notice of Rent Adjustment. State shall provide notice of adjustments to the Annual Rent allowed under Paragraphs 4.5/4.6(b) to Tenant in writing no later than ninety (90) days after the anniversary date of the Lease.

(b) Procedures on Failure to make Timely Adjustment. If the State fails to provide the notice required in Paragraph 4.4(a), State shall not collect the adjustment amount for the year in which State failed to provide notice. Upon providing notice of adjustment, State may adjust and prospectively bill Annual Rent as if missed or waived adjustments had been implemented at the proper interval. This includes the implementation of any inflation adjustment.

4.5 Rent Adjustments for Water-Dependent Uses.

(a) Inflation Adjustment. State shall adjust water-dependent rent annually pursuant to RCW 79.105.200-.360, except in those years in which State revalues the rent under Paragraph 4.5(b) below. This adjustment will be effective on the anniversary of the Commencement Date.

(b) Revaluation of Rent. At the end of the first four-year period of the Term, and at the end of each subsequent four-year period, State shall revalue the water-dependent Annual Rent in accordance with RCW 79.105.200-.360.

(c) Rent Cap. State shall increase rent incrementally in compliance with RCW 79.105.260 as follows: If application of the statutory rent formula for water-dependent uses would result in an increase in the rent attributable to such uses of more than fifty percent (50%) in any one year, State shall limit the actual increase implemented in such year to fifty percent (50%) of the then-existing rent. In subsequent, successive years, State shall increase the rental amount incrementally until the State implements the full amount of increase as determined by the statutory rent formula.

4.6 Rent Adjustments for Nonwater-Dependent Uses.

(a) Inflation Adjustment. Except in those years in which State revalues the rent under Paragraph 4.5(b) below, State shall adjust nonwater-dependent rent annually on the Commencement Date. Adjustment is based on the percentage rate of change in the previous calendar year's Consumer Price Index published by the Bureau of Labor Statistics of the United States Department of Commerce, for the Seattle-Tacoma-Bremerton CMSA, All Urban Consumers, all items 1982-84 = 100. If publication of the Consumer Price Index is discontinued, State shall use a reliable governmental or other nonpartisan publication evaluating the information used in determining the Consumer Price Index.

(b) Revaluation of Rent.

(1) At the end of the first four-year period of the Term, and at the end of each subsequent four-year period, State shall revalue the nonwater-dependent Annual Rent to reflect the then-current fair market rent.

(2) If State and Tenant cannot reach agreement on the fair market rental value, the Parties shall submit the valuation to a review board of appraisers. The board must consist of three members, one selected by and at the cost of Tenant; a second member selected by and at the cost of State; and a third member selected by the other two members with the cost shared equally by State and Tenant. The decision of the majority of the board binds the Parties. Until the Parties agree to, or the review board establishes, the new rent, Tenant shall pay rent in the same amount established for the preceding year. If the board determines additional rent is required, Tenant shall pay the additional rent within ten (10) days of the board's decision. If the board determines a refund is required, State shall pay the refund within ten (10) days of the board's decision.

SECTION 5 OTHER EXPENSES

5.1 Utilities. Tenant shall pay all fees charged for utilities required or needed by the Permitted Use.

5.2 Taxes and Assessments. Tenant shall pay all taxes (including leasehold excise taxes), assessments, and other governmental charges applicable or attributable to the Property, Tenant's leasehold interest, the improvements, or Tenant's use and enjoyment of the Property.

5.3 Right to Contest. If in good faith, Tenant may contest any tax or assessment at its sole cost and expense. At the request of State, Tenant shall furnish reasonable protection in the form of a bond or other security, satisfactory to State, against loss or liability resulting from such contest.

5.4 Proof of Payment. If required by State, Tenant shall furnish to State receipts or other appropriate evidence establishing the payment of amounts this Lease requires Tenant to pay.

5.5 Failure to Pay. If Tenant fails to pay amounts due under this Lease, State may pay the amount due, and recover its cost in accordance with Section 6.

SECTION 6 LATE PAYMENTS AND OTHER CHARGES

6.1 Failure to Pay Rent. Failure to pay rent is a default by the Tenant. State may seek remedies under Section 14 as well as late charges and interest as provided in this Section 6.

6.2 Late Charge. If State does not receive full rent payment within ten (10) days of the date due, Tenant shall pay to State a late charge equal to four percent (4%) of the unpaid amount or Fifty Dollars ($50), whichever is greater, to defray the overhead expenses of State incident to the delay.

6.3 Interest Penalty for Past Due Rent and Other Sums Owed.

(a) Tenant shall pay interest on the past due rent at the rate of one percent (1%) per month until paid, in addition to paying the late charges determined under Paragraph 6.2. Rent not paid by the close of business on the due date will begin accruing interest the day after the due date.

(b) If State pays or advances any amounts for or on behalf of Tenant, Tenant shall reimburse State for the amount paid or advanced and shall pay interest on that amount at the rate of one percent (1%) per month from the date State notifies Tenant of the payment or advance. This includes, but is not limited to, State's payment of taxes of any kind, assessments, insurance premiums, costs of removal and disposal of materials or Improvements under any provision of this Lease, or other amounts not paid when due.

6.4 Referral to Collection Agency and Collection Agency Fees. If State does not receive full payment within thirty (30) days of the due date, State may refer the unpaid amount to a collection agency as provided by RCW 19.16.500 or other applicable law. Upon referral, Tenant shall pay collection agency fees in addition to the unpaid amount.

6.5 No Accord and Satisfaction. If Tenant pays, or State otherwise receives, an amount less than the full amount then due, State may apply such payment as it elects. State may accept payment in any amount without prejudice to State's right to recover the balance of the rent or pursue any other right or remedy. No endorsement or statement on any check, any payment, or any letter accompanying any check or payment constitutes accord and satisfaction.

6.6 No Counterclaim, Setoff, or Abatement of Rent. Except as expressly set forth elsewhere in this Lease, Tenant shall pay rent and all other sums payable by Tenant without the requirement that State provide prior notice or demand. Tenant's payment is not subject to counterclaim, setoff, deduction, defense or abatement.

SECTION 7 IMPROVEMENTS

7.1 Improvements Defined.

(a) "Improvements," consistent with RCW 79.105 through 79.145, are additions within, upon, or attached to the land. This includes, but is not limited to, fill, structures, bulkheads, docks, pilings, and other fixtures.

(b) "Personal Property" means items that can be removed from the Property without (1) injury to the Property or Improvements or (2) diminishing the value or utility of the Property or Improvements.

(c) "State-Owned Improvements" are Improvements made or owned by State. State-Owned Improvements includes any construction, alteration, or addition to State-Owned Improvements made by Tenant.

(d) "Tenant-Owned Improvements" are Improvements authorized by State and (1) made by Tenant or (2) acquired by Tenant from the prior tenant.

(e) "Unauthorized Improvements" are Improvements made on the Property without State's prior consent or Improvements made by Tenant that do not conform to plans submitted to and approved by the State.

7.2 Existing Improvements. On the Commencement Date, the following Improvements are located on the Property: A rock breakwater, fishing pier, parking lot, restroom and covered moorage slips. The Improvements are Tenant-Owned Improvements.

7.3 Construction, Major Repair, Modification, and Demolition.

(a) This Paragraph 7.3 governs construction, alteration, replacement, major repair, modification, demolition, and deconstruction of Improvements ("Work"). Section 11 governs routine maintenance and minor repair.

(b) All Work must conform to requirements under Paragraph 7.4. Paragraph 11.3, which applies to routine maintenance and minor repair, also applies to all Work under this Paragraph 7.3.

(c) Except in an emergency, Tenant shall not conduct Work, without State's prior written consent, as follows:

(1) State may deny consent if State determines that denial is in the best interests of the State or if proposed Work does not comply with Paragraphs 7.4 and 11.3. State may impose additional conditions reasonably intended to protect and preserve the Property. If Work is for removal of Improvements at End of Term, State may waive removal of some or all Improvements.

(2) Except in an emergency, Tenant shall submit to State plans and specifications describing the proposed Work at least sixty (60) days before submitting permit applications to regulatory authorities unless Tenant and State otherwise agree to coordinate permit applications. At a minimum, or if no permits are necessary, Tenant shall submit plans and specifications at least ninety (90) days before commencement of Work.

(3) State waives the requirement for consent if State does not notify Tenant of its grant or denial of consent within sixty (60) days of submittal.

(d) Tenant shall notify State of emergency Work within five (5) business days of the start of such Work. Upon State's request, Tenant shall provide State with plans and specifications or as-builts of emergency Work.

(e) Tenant shall not commence or authorize Work until Tenant has:

(1) Obtained a performance and payment bond in an amount equal to one hundred twenty-five percent (125%) of the estimated cost of construction. Tenant shall maintain the performance and payment bond until Tenant pays in full the costs of the Work, including all laborers and material persons.

(2) Obtained all required permits.

(f) Before completing Work, Tenant shall remove all debris and restore the Property to an orderly and safe condition. If Work is intended for removal of Improvements at End of Term, Tenant shall restore the Property in accordance with Paragraph 3.3, End of Term.

(g) Upon completing work, Tenant shall promptly provide State with as-built plans and specifications.

(h) State shall not charge rent for authorized Improvements installed by Tenant during this Term of this Lease, but State may charge rent for such Improvements when and if Tenant or successor obtains a subsequent use authorization for the Property and State has waived the requirement for Improvements to be removed as provided in Paragraph 7.5.

7.4 **Standards for Work.** Tenant shall comply with State's Standards for Improvements current at the time Tenant submits plans and specifications for State's approval in accordance with Paragraph 7.3(b).

(a) Standards for Work

(1) State will not approve plans to construct new Improvements or expand existing Improvements in or over habitats designated by State as important habitat. Tenant shall confirm location of important habitat on Property, if any, with State before submitting plans and specifications in accordance with Paragraph 7.3.

(2) Tenant shall not install skirting on any overwater structure.

(3) Tenant shall not conduct in-water Work during the following time periods:

Work Prohibited	Species
July 2 to March 2	All Salmonid Species
July 16 to February 15	Bull Trout

If the Washington Department of Fish and Wildlife or other regulatory agency establishes different standards, Tenant shall meet the most protective standard. Tenant shall not conduct in-water Work during time periods prohibited for such work under WAC 220-110-271, Prohibited Work Times in Saltwater, as amended, or as otherwise directed by the Washington Department of Fish and Wildlife (WDFW).

(4) Where Work is in or within 200 feet of spawning habitat for Pacific Herring (Clupea harengus), Surf Smelt (Hypomesus pretiosus), and Sand Lance (Ammodytes hexapterus), Tenant shall construct all new or expansions to existing Improvements to avoid (1) removal of shoreline vegetation within the Property that provides shading to the upper intertidal zone, (2) changes in typical spawning behavior, (3) destruction or disturbance of spawning substrate or aquatic vegetation used for spawning, and (4) interruption of existing sediment transport mechanisms such as longshore current or wave energy.

(5) Tenant shall meet the following minimum sewage management standards. If, at the time Tenant applies for regulatory permits, a regulatory agency requires more or fewer facilities, Tenant shall comply with the standard requiring more facilities.

(i) Tenant shall provide at least 1 (one) sewage pumpout facility in all marinas with more than 10 boat slips.

(ii) Tenant shall provide sewage management facilities at a ratio of at least 1 (one) pumpout station and 1 (one) dump station per every 300 boats over 16 feet in length.

(iii) For marinas with 100 or less boats with a holding tank or portable toilet, Tenant shall provide sewage holding tank capacity in a ratio of at least 15 gallons per boat. Sewage holding tanks must have a minimum capacity of 300 gallons. For marinas with more than 100 boats with a holding tank or portable toilet, Tenant shall provide at sewage holding tank with a capacity of at least 2,000 gallons.

7.5 Tenant-Owned Improvements at End of Lease.

(a) Disposition

(1) Tenant shall remove Tenant-Owned Improvements in accordance with Paragraph 7.3 upon the expiration, termination, or cancellation of the Lease unless State waives the requirement for removal.

(2) Tenant-Owned Improvements remaining on the Property on the expiration, termination or cancellation date shall become State-Owned Improvements without payment by State, unless State elects otherwise. State may refuse or waive ownership. If RCW 79.125.300 or 79.130.040 apply at the time this Lease expires, Tenant could be entitled to payment by the new tenant for Tenant-Owned Improvements.

(3) If Tenant-Owned Improvements remain on the Property after the expiration, termination, or cancellation date without State's consent, State may remove all Improvements and Tenant shall pay State's costs.

(b) Conditions Under Which State May Waive Removal of Tenant-Owned Improvements.

(1) State may waive removal of some or all Tenant-Owned Improvements whenever State determines that it is in the best interests of the State and regardless of whether Tenant re-leases the Property.

(2) If Tenant re-leases the Property, State may waive requirement remove Tenant-Owned Improvements. State also may consent to Tenant's continued ownership of Tenant-Owned Improvements.

(3) If Tenant does not re-lease the Property, State may waive requirement to remove Tenant-Owned Improvements upon consideration of a timely request from Tenant, as follows:

(i) Tenant must notify State at least one (1) year before the Termination Date of its request to leave Tenant-Owned Improvements.

(ii) State, within ninety (90) days of receiving Tenant's notification, will notify Tenant whether State consents to some or all Tenant-Owned Improvements remaining. State has no obligation to grant consent.

(iii) State's failure to respond to Tenant's request to leave Improvements within ninety (90) days is a denial of the request.

(c) Tenant's Obligations if State Waives Removal.

(1) Tenant shall not remove Improvements if State waives the requirement for removal of some or all Tenant-Owned Improvements.

(2) Tenant shall maintain such Improvements in accordance with this Lease until the expiration, termination, or cancellation date. Tenant is liable to State for cost of repair if Tenant causes or allows damage to Improvements State has designated to remain.

7.6 Disposition of Unauthorized Improvements.

(a) Unauthorized Improvements belong to State, unless State elects otherwise.

(b) State may either:

(1) Consent to Tenant ownership of the Improvements, or

(2) Charge rent for use of the Improvements from the time of installation or construction and

(i) Require Tenant to remove the Improvements in accordance with Paragraph 7.3, in which case Tenant shall pay rent for the Improvements until removal, or

(ii) Consent to Improvements remaining and Tenant shall pay rent for the use of the Improvements, or

(iii) Remove Improvements and Tenant shall pay for the cost of removal and disposal, in which case Tenant shall pay rent for use of the Improvements until removal and disposal.

7.7 Disposition of Personal Property.

(a) Tenant retains ownership of Personal Property unless Tenant and State agree otherwise in writing.

(b) Tenant shall remove Personal Property from the Property by the Termination Date. Tenant is liable for damage to the Property and Improvements resulting from removal of Personal Property.

(c) State may sell or dispose of all Personal Property left on the Property after the Termination Date.

(1) If State conducts a sale of Personal Property, State shall apply proceeds first to the State's administrative costs in conducting the sale, second to payment of amount that then may be due from the Tenant to the State. State shall pay the remainder, if any, to the Tenant.

(2) If State disposes of Personal Property, Tenant shall pay for the cost of removal and disposal.

SECTION 8 ENVIRONMENTAL LIABILITY/RISK ALLOCATION

8.1 Definitions.

(a) "Hazardous Substance" means any substance that now or in the future becomes regulated or defined under any federal, state, or local statute, ordinance, rule, regulation, or other law relating to human health, environmental protection, contamination, pollution, or cleanup.

(b) "Release or threatened release of Hazardous Substance" means a release or threatened release as defined under any law described in Paragraph 8.1(a).

(c) "Utmost care" means such a degree of care as would be exercised by a very careful, prudent, and competent person under the same or similar circumstances; the standard of care applicable under the Washington State Model Toxics Control Act ("MTCA"), Chapter 70.105 RCW, as amended.

(d) "Tenant and affiliates" when used in this Section 8 means Tenant or Tenant's subtenants, contractors, agents, employees, guests, invitees, licensees, affiliates, or any person on the Property with the Tenant's permission.

(e) "Liabilities" as used in this Section 8 means any claims, demands, proceedings, lawsuits, damages, costs, expenses, fees (including attorneys' fees and disbursements), penalties, or judgments.

8.2 General Conditions.

(a) Tenant's obligations under this Section 8 extend to the area in, on, under, or above

(1) The Property and

(2) Adjacent state-owned aquatic lands if affected by a release of Hazardous Substances that occurs as a result of the Permitted Use.

(b) Standard of Care.

(1) Tenant shall exercise the utmost care with respect to Hazardous Substances.

(2) Tenant shall exercise utmost care for the foreseeable acts or omissions of third parties with respect to Hazardous Substances, and the foreseeable consequences of those acts or omissions, to the extent required to establish a viable, third-party defense under the law.

8.3 Current Conditions and Duty to Investigate.

(a) State makes no representation about the condition of the Property. Hazardous Substances may exist in, on, under, or above the Property.

(b) This Lease does not impose a duty on State to conduct investigations or supply information to Tenant about Hazardous Substances.

(c) Tenant is responsible for conducting all appropriate inquiry and gathering sufficient information about the existence, scope, and location of Hazardous Substances on or near the Property necessary for Tenant to meet Tenant's obligations under this Lease and utilize the Property for the Permitted Use.

8.4 Use of Hazardous Substances.

(a) Tenant and affiliates shall not use, store, generate, process, transport, handle, release, or dispose of Hazardous Substances, except in accordance with all applicable laws.

(b) Tenant shall not undertake, or allow others to undertake by Tenant's permission, acquiescence, or failure to act, activities that result in a release or threatened release of Hazardous Substances.

(c) If use of Hazardous Substances related to Tenant's use or occupancy of the Property results in violation of law:

(1) Tenant shall submit to State any plans for remedying the violations, and

(2) Tenant shall implement any remedial measures to restore the Property or natural resources that State may require in addition to remedial measures required by regulatory authorities.

(d) Tenant shall comply with the provisions of Chapter 90.56 RCW Oil and Hazardous Substance Spill Prevention and Response Act. Tenant shall develop, update as necessary and operate in accordance with a plan of operations consistent with the requirements of Chapter 90.56 RCW. Failure to comply with the requirements of Chapter 90.56 is a default under Section 14.

(e) Tenant shall incorporate best management practices to prevent the release of chemical contaminants, wastewater, garbage and other pollutants, as specified in Resource Manual for Pollution Prevention in Marinas published by the Washington Department of Ecology, publication number 98-11, available at http://www.ecy.wa.gov/biblio/9811.html. If the Department of Ecology or other regulatory agency establishes different standards, Tenant shall meet the most protective standard.

8.5 Management of Contamination, if any.

(a) Tenant and affiliates shall not undertake activities that:

(1) Damage or interfere with the operation of remedial or restoration activities, if any;

(2) Result in human or environmental exposure to contaminated sediments, if any;

(3) Result in the mechanical or chemical disturbance of on-site habitat mitigation, if any.

(b) If requested, Tenant shall allow reasonable access to:

(1) Employees and authorized agents of the Environmental Protection Agency, the Washington State Department of Ecology, health department, or other similar environmental agencies; and
(2) Potentially liable or responsible parties who are the subject of an order or consent decree that requires access to the Property. Tenant may negotiate an access agreement with such parties, but Tenant may not unreasonably withhold such agreement.

8.6 Notification and Reporting.

(a) Tenant shall immediately notify State if Tenant becomes aware of any of the following:
  (1) A release or threatened release of Hazardous Substances;
  (2) Any new discovery of or new information about a problem or liability related to, or derived from, the presence of Hazardous Substances;
  (3) Any lien or action arising from Hazardous Substances;
  (4) Any actual or alleged violation of any federal, state, or local statute, ordinance, rule, regulation, or other law pertaining to Hazardous Substances;
  (5) Any notification from the US Environmental Protection Agency (EPA) or the Washington State Department of Ecology (DOE) that remediation or removal of Hazardous Substances is or may be required at the Property.

(b) Tenant's duty to report under Paragraph 8.6(a) extends to lands described in Paragraph 8.2(a) and to any other property used by Tenant in conjunction with the Property if a release of Hazardous Substances on the other property could affect the Property.

(c) Tenant shall provide State with copies of all documents Tenant submits to any federal, state or local authorities concerning environmental impacts or proposals relative to the Property. Documents subject to this requirement include, but are not limited to, applications, reports, studies, or audits for National Pollution Discharge and Elimination System Permits; Army Corps of Engineers permits; State Hydraulic Project Approvals (HPA); State Water Quality certification; Substantial Development permit; and any reporting necessary for the existence, location, and storage of Hazardous Substances on the Property.

8.7 Indemnification.

(a) Tenant shall fully indemnify, defend, and hold State harmless from and against Liabilities that arise out of, or relate to:
  (1) The use, storage, generation, processing, transportation, handling, or disposal of any Hazardous Substance by Tenant and affiliates occurring whenever Tenant occupies or has occupied the Property;
  (2) The release or threatened release of any Hazardous Substance resulting from any act or omission of Tenant and affiliates occurring whenever Tenant occupies or has occupied the Property.

(b) Tenant shall fully indemnify, defend, and hold State harmless for Liabilities that arise out of or relate to Tenant's breach of obligations under Paragraph 8.5.

(c) Tenant has no duty to indemnify State for acts or omissions of third parties unless and only if an administrative or legal proceeding arising from a release or threatened release of Hazardous Substances finds or holds that Tenant failed to exercise care as described in Paragraph 8.2(b)(2). In such case, Tenant shall fully indemnify, defend, and hold State harmless from and against Liabilities arising from the acts or omissions of third parties in relation to the release or threatened release of Hazardous Substances. This includes Liabilities arising before the finding or holding in the proceeding.

8.8 Reservation of Rights.

(a) For Liabilities not covered by the indemnification provisions of Paragraph 8.7, the Parties expressly reserve and do not waive any rights, claims, immunities, causes of action, or defenses relating to Hazardous Substances that either Party may have against the other under law.

(b) The Parties expressly reserve all rights, claims, immunities, and defenses either Party may have against third parties. Nothing in this Section 8 benefits or creates rights for third parties.

(c) The allocations of risks, Liabilities, and responsibilities set forth in this Section 8 do not release either Party from or affect the liability of either Party for Hazardous Substances claims or actions by regulatory agencies.

8.9 Cleanup.

(a) If Tenant's act, omission, or breach of obligation under Paragraph 8.4 results in a release of Hazardous Substances that exceeds the threshold limits of any applicable regulatory standard, Tenant shall, at Tenant's sole expense, promptly take all actions necessary or advisable to clean up the Hazardous Substances in accordance with applicable law.

(b) Tenant may undertake a cleanup of the Property pursuant to the Washington State Department of Ecology's Voluntary Cleanup Program, provided that Tenant cooperates with the Department of Natural Resources in development of cleanup plans. Tenant shall not proceed with Voluntary Cleanup without the Department of Natural Resources approval of final plans. Nothing in the operation of this provision is an agreement by the Department of Natural Resources that the Voluntary Cleanup complies with any laws or with the provisions of this Lease. Tenant's completion of a Voluntary Cleanup is <u>not</u> a release from or waiver of any obligation for Hazardous Substances under this Lease.

8.10 Sampling by State, Reimbursement, and Split Samples.

(a) State may enter the Property and conduct sampling, tests, audits, surveys, or investigations ("Tests") of the Property at any time to determine the existence, scope, or effects of Hazardous Substances.

(b) If such Tests, along with any other information, demonstrate a breach of Tenant's obligations regarding Hazardous Substances under this Lease, Tenant shall promptly reimburse State for all costs associated with the Tests, provided State gave Tenant thirty (30) calendar days advance notice in non-emergencies and reasonably practical notice in emergencies.

(c) In non-emergencies, Tenant is entitled to obtain split samples of Test samples, provided Tenant gives State written notice requesting split samples at least ten (10) calendar days before State conducts Tests. Upon demand, Tenant shall promptly reimburse State for additional cost, if any, of split samples.

(d) If either Party conducts Tests on the Property, the conducting Party shall provide the other with validated final data and quality assurance/quality control/chain of custody information about the Tests within sixty (60) calendar days of a written request by the other party, unless Tests are part of a submittal under Paragraph 8.6(c) in which case Tenant shall submit data and information to State without written request by State. Neither party is obligated to provide any analytical summaries or the work product of experts.

8.11 Closeout Assessment.

(a) State may require Tenant to conduct a Closeout Environmental Assessment ("Closeout Assessment") prior to Termination of the Lease.

(b) The purpose of the Closeout Assessment is to determine the existence, scope, or effects of Hazardous Substances on the Property and associated natural resources. The Closeout Assessment may include sediment sampling.

(c) No later than one hundred eighty (180) calendar days prior to the Termination Date, or within ninety (90) days of valid notice to early termination, State shall provide Tenant with written notice that State requires a Closeout Assessment.

(d) Within sixty (60) days of State's notice that Closeout Assessment is required and before commencing assessment activities, Tenant shall submit a proposed plan for conducting the Closeout Assessment in writing for State's approval.

(e) If State fails to approve or disapprove of the plan in writing within sixty (60) days of its receipt, State waives requirement for approval.

(f) Tenant shall be responsible for all costs required to complete planning, sampling, analyzing, and reporting associated with the Closeout Assessment.

(g) If the initial results of the Closeout Assessment disclose that Hazardous Substances may have migrated to other property, State may require additional Closeout Assessment work to determine the existence, scope, and effect of Hazardous Substances on adjacent property, any other property subject to use by Tenant in conjunction with its use of the Property, or on associated natural resources.

(h) Tenant shall submit Closeout Assessment to State upon completion.

(i) As required by law, Tenant shall report to the appropriate regulatory authorities if the Closeout Assessment discloses a release or threatened release of Hazardous Substances.

SECTION 9 ASSIGNMENT AND SUBLETTING

9.1 State Consent Required. Tenant shall not convey, transfer, or encumber any part of Tenant's interest in this Lease or the Property without State's prior written consent, which State shall not unreasonably condition or withhold.

(a) In determining whether to consent, State may consider, among other items, the proposed transferee's financial condition, business reputation and experience, the nature of the proposed transferee's business, the then-current value of the Property, and such other factors as may reasonably bear upon the suitability of the transferee as a tenant of the Property. State may refuse its consent to any conveyance, transfer, or encumbrance if it will result in a subdivision of the leasehold. Tenant shall submit information regarding any proposed transferee to State at least thirty (30) days prior to the date of the proposed transfer.

(b) State reserves the right to condition its consent upon:
  (1) changes in the terms and conditions of this Lease, including, but not limited to, the Annual Rent; and/or
  (2) the agreement of Tenant or transferee to conduct Tests for Hazardous Substances on the Property or on other property owned or occupied by Tenant or the transferee.

(c) Each permitted transferee shall assume all obligations under this Lease, including the payment of rent. No assignment, sublet, or transfer shall release, discharge, or otherwise affect the liability of Tenant.

(d) State's consent under this Paragraph 9.1 does not constitute a waiver of any claims against Tenant for the violation of any term of this Lease.

9.2 Rent Payments Following Assignment. The acceptance by State of the payment of rent following an assignment or other transfer does not constitute consent to any assignment or transfer.

9.3 Terms of Subleases.

(a) Tenant shall submit the terms of all subleases to State for approval.

(b) Tenant shall incorporate the following requirements in all subleases:
  (1) The sublease must be consistent with and subject to all the terms and conditions of this Lease;
  (2) The sublease must provide that this Lease controls if the terms of the sublease conflict with the terms of this Lease;
  (3) The term of the sublease (including any period of time covered by a renewal option) must end before the Termination Date of the initial Term or any renewal term;
  (4) The sublease must terminate if this Lease terminates for any reason;
  (5) The subtenant must receive and acknowledge receipt of a copy of this Lease;
  (6) The sublease must prohibit the prepayment to Tenant by the subtenant of more than the annual rent;
  (7) The sublease must identify the rental amount subtenant is to pay to Tenant;
  (8) The sublease must provide that there is no privity of contract between the subtenant and State;
  (9) The sublease must require removal of the subtenant's Improvements and Personal Property upon termination of the sublease;
  (10) The subtenant's permitted use must be within the scope of the Permitted Use; and
  (11) The sublease must require the subtenant to meet all obligations of Tenant under Section 10, Indemnification, Financial Security, and Insurance.

9.4 Short-Term Subleases of Moorage Slips. Short-term subleasing of moorage slips for a term of less than one year does not require State's written consent or approval pursuant to Paragraphs 9.1 or 9.3. Tenant shall conform moorage sublease agreements to the sublease requirements in Paragraph 9.3.

SECTION 10 INDEMNITY, FINANCIAL SECURITY, INSURANCE

10.1 Indemnity.

(a) Tenant shall indemnify, defend, and hold State, its employees, officers, and agents harmless from Claims arising out of the use, occupation, or control of the Property by Tenant, its subtenants, contractors, agents, invitees, guests, employees, affiliates, licensees, or permittees.

(b) "Claim" as used in this Paragraph 10.1 means any financial loss, claim, suit, action, damages, expenses, fees (including attorneys' fees), penalties, or judgments attributable to bodily injury, sickness, disease, death, and damages to tangible property, including, but not limited to, land, aquatic life, and other natural resources. "Damages to tangible property" includes, but is not limited to, physical injury to the Property and damages resulting from loss of use of the Property.

(c) State shall not require Tenant to indemnify, defend, and hold State harmless for claims that arise solely out of the willful or negligent act of State or State's elected officials, employees, or agents.

(d) Tenant waives its immunity under Title 51 RCW to the extent it is required to indemnify, defend, and hold State and its agencies, officials, agents, or employees harmless.

(e) Section 8, Environmental Liability/Risk Allocation, exclusively shall govern Tenant's liability to State for Hazardous Substances and its obligation to indemnify, defend, and hold State harmless for Hazardous Substances.

10.2 Insurance Terms.

(a) Insurance Required.

(1) Tenant certifies that it is self-insured for all the liability exposures, its self-insurance plan satisfies all State requirements, and its self-insurance plan provides coverage equal to that required in this Paragraph 10.2 and by Paragraph 10.3, Insurance Types and Limits. Tenant shall provide to State evidence of its status as a self-insured entity. Upon request by State, Tenant shall provide a written description of its financial condition and/or the self-insured funding mechanism. Tenant shall provide State with at least thirty (30) days' written notice prior to any material changes to Tenant's self-insured funding mechanism.

(2) Unless State agrees to an exception, Tenant shall provide insurance issued by an insurance company or companies admitted to do business in the State of Washington and have a rating of A- or better by the most recently published edition of Best's Reports. Tenant may submit a request to the

risk manager for the Department of Natural Resources to approve an exception to this requirement. If an insurer is not admitted, the insurance policies and procedures for issuing the insurance policies shall comply with Chapter 48.15 RCW and 284-15 WAC.

(3) All general liability, excess, umbrella, property, builder's risk, and pollution legal liability insurance policies must name the State of Washington, the Department of Natural Resources, its elected and appointed officials, agents, and employees as an additional insured.

(4) All insurance provided in compliance with this Lease must be primary as to any other insurance or self-insurance programs afforded to or maintained by State.

(b) Waiver.

(1) Tenant waives all rights against State for recovery of damages to the extent insurance maintained pursuant to this Lease covers these damages.

(2) Except as prohibited by law, Tenant waives all rights of subrogation against State for recovery of damages to the extent that they are covered by insurance maintained pursuant to this lease.

(c) Proof of Insurance.

(1) Tenant shall provide State with a certificate(s) of insurance executed by a duly authorized representative of each insurer, showing compliance with insurance requirements specified in this Lease and, if requested, copies of policies to State.

(2) The certificate(s) of insurance must reference additional insureds and the Lease number.

(3) Receipt of such certificates or policies by State does not constitute approval by State of the terms of such policies.

(d) State must receive written notice before cancellation or non-renewal of any insurance required by this Lease, as follows:

(1) Insurers subject to RCW 48.18 (admitted and regulated by the Insurance Commissioner): If cancellation is due to non-payment of premium, provide State ten (10) days' advance notice of cancellation; otherwise, provide State forty-five (45) days' advance notice of cancellation or non-renewal.

(2) Insurers subject to RCW 48.15 (surplus lines): If cancellation is due to non-payment of premium, provide State ten (10) days' advance notice of cancellation; otherwise, provide State thirty (30) days' advance notice of cancellation or non-renewal.

(e) Adjustments in Insurance Coverage.

(1) State may impose changes in the limits of liability for all types of insurance as State deems necessary.

(2) Tenant shall secure new or modified insurance coverage within thirty (30) days after State requires changes in the limits of liability.

(f) If Tenant fails to procure and maintain the insurance described above within fifteen (15) days after Tenant receives a notice to comply from State, State may either:

(1) Deem the failure an Event of Default under Section 14, or

(2) Procure and maintain comparable substitute insurance and pay the premiums. Upon demand, Tenant shall pay to State the full amount paid by State, together with interest at the rate provided in Paragraph 6.2 from the date of State's notice of the expenditure until Tenant's repayment.

(g) General Terms.

(1) State does not represent that coverage and limits required under this Lease are adequate to protect Tenant.

(2) Coverage and limits do not limit Tenant's liability for indemnification and reimbursements granted to State under this Lease.

(3) The Parties shall use any insurance proceeds payable by reason of damage or destruction to property first to restore the real property covered by this Lease, then to pay the cost of the reconstruction, then to pay the State any sums in arrears, and then to Tenant.

10.3 Insurance Types and Limits.

(a) General Liability Insurance.

(1) Tenant shall maintain commercial general liability insurance (CGL) or marine general liability (MGL) covering claims for bodily injury, personal injury, or property damage arising on the Property and/or arising out of Tenant's use, occupation, or control of the Property and, if necessary, commercial umbrella insurance with a limit of not less than One Million Dollars ($1,000,000) per each occurrence. If such CGL or MGL insurance contains aggregate limits, the general aggregate limit must be at least twice the "each occurrence" limit. CGL or MGL insurance must have products-completed operations aggregate limit of at least two times the "each occurrence" limit.

(2) CGL insurance must be written on Insurance Services Office (ISO) Occurrence Form CG 00 01 (or a substitute form providing equivalent coverage). All insurance must cover liability arising out of premises, operations, independent contractors, products completed operations, personal injury and advertising injury, and liability assumed under an insured contract (including the tort liability of another party assumed in a business contract) and contain separation of insured (cross-liability) condition.

(3) MGL insurance must have no exclusions for non-owned watercraft.

(b) Workers' Compensation.

(1) State of Washington Workers' Compensation.

(i) Tenant shall comply with all State of Washington workers' compensation statutes and regulations. Tenant shall provide workers' compensation coverage for all employees of Tenant. Coverage must include bodily injury (including death) by accident or disease, which arises out of or in connection with Tenant's use, occupation, and control of the Property.

(ii) If Tenant fails to comply with all State of Washington workers' compensation statutes and regulations and State incurs fines or is required by law to provide benefits to or obtain coverage for such employees, Tenant shall indemnify State. Indemnity shall include all fines; payment of benefits to Tenant, employees, or their heirs or legal representatives; and the cost of effecting coverage on behalf of such employees.

(2) Longshore and Harbor Workers' and Jones Acts. Longshore and Harbor Workers' Act (33 U.S.C. Section 901 *et seq.*) and/or the Jones Act (46 U.S.C. Section 688) may require Tenant to provide insurance coverage in some circumstances. Tenant shall ascertain if such insurance is required and, if required, shall maintain insurance in compliance with law. Tenant is responsible for all civil and criminal liability arising from failure to maintain such coverage.

(c) Employers' Liability Insurance. Tenant shall procure employers' liability insurance, and, if necessary, commercial umbrella liability insurance with limits not less than One Million Dollars ($1,000,000) each accident for bodily injury by accident or One Million Dollars ($1,000,000) each employee for bodily injury by disease.

10.4 Financial Security.

(a) At its own expense, Tenant shall procure and maintain during the Term of this Lease a corporate security bond or provide other financial security that State, at its option, may approve ("Security"). Tenant shall provide Security in an amount equal to Zero Dollars ($0), which is consistent with RCW 79.105.330, and secures Tenant's performance of its obligations under this Lease, with the exception of the obligations under Section 8, Environmental Liability/Risk Allocation. Tenant's failure to maintain the Security in the required amount during the Term constitutes a breach of this Lease.

(b) All Security must be in a form acceptable to the State.

(1) Bonds must be issued by companies admitted to do business within the State of Washington and have a rating of A-, Class VII or better, in the most recently published edition of Best's Reports, unless State approves an exception. Tenant may submit a request to the risk manager for the Department of Natural Resources for an exception to this requirement.

(2) Letters of credit, if approved by State, must be irrevocable, allow State to draw funds at will, provide for automatic renewal, and comply with RCW 62A.5-101, *et. seq.*

(3) Savings account assignments, if approved by State, must allow State to draw funds at will.

(c) Adjustment in Amount of Security.

(1) State may require an adjustment in the Security amount:

(i) At the same time as revaluation of the Annual Rent,

(ii) As a condition of approval of assignment or sublease of this Lease,

(iii) Upon a material change in the condition or disposition of any Improvements, or

(iv) Upon a change in the Permitted Use.

(2) Tenant shall deliver a new or modified form of Security to State within thirty (30) days after State has required adjustment of the amount of the Security.

(d) Upon any default by Tenant in its obligations under this Lease, State may collect on the Security to offset the liability of Tenant to State. Collection on the Security does not (1) relieve Tenant of liability, (2) limit any of State's other remedies, (3) reinstate or cure the default or (4) prevent termination of the Lease because of the default.

SECTION 11 ROUTINE MAINTENANCE AND REPAIR

11.1 State's Repairs. This Lease does not obligate State to make any alterations, maintenance, replacements, or repairs in, on, or about the Property, or any part thereof, during the Term.

11.2 Tenant's Repairs and Maintenance.

(a) Routine maintenance and repair are acts intended to prevent a decline, lapse or, cessation of the Permitted Use and associated Improvements. Routine maintenance or repair is the type of work that does not require regulatory permits.

(b) At Tenant's own expense, Tenant shall keep and maintain the Property and all Improvements in good order and repair and in a safe condition. State's consent is not required for routine maintenance or repair.

(c) At Tenant's own expense, Tenant shall make any additions, repairs, alterations, maintenance, replacements, or changes to the Property or to any Improvements on the Property that any public authority may require. If a public authority requires work beyond the scope of routine maintenance and repair, Tenant shall comply with Section 7 of this Lease.

11.3 Limitations. The following limitations apply whenever Tenant conducts maintenance, repair or replacement. The following limitations also apply whenever Tenant conducts maintenance, repair, or replacement on the exterior surfaces, features, or fixtures of a floating house.

(a) Tenant shall not use or install treated wood at any location above or below water, except that Tenant may use treated wood for above water structural framing.

(b) Tenant shall not use or install tires (for example, floatation or fenders) at any location above or below water.

(c) Tenant shall install only floatation material encapsulated in a shell resistant to ultraviolet radiation and abrasion. The shell must be capable of preventing breakup and loss of flotation material into the water.

(d) Tenant shall orient night lighting to minimize the amount of light shining directly on the water.

(e) Tenant shall not allow new floating structures to come in contact with underlying tidelands ("ground out"). Tenant must either (1) locate all new floating structures in water too deep to permit grounding out or (2) install stoppers sufficient to maintain a distance of at least 1.5 feet (0.5 meters) between the bottom of the floats and the substrate.

SECTION 12 DAMAGE OR DESTRUCTION

12.1 Notice and Repair.

(a) In the event of damage to or destruction of the Property or Improvements, Tenant shall promptly give written notice to State. State does not have actual knowledge of the damage or destruction without Tenant's written notice.

(b) Unless otherwise agreed in writing, Tenant shall promptly reconstruct, repair, or replace the Property and Improvements as nearly as possible to its condition immediately prior to the damage or destruction in accordance with Paragraph 7.3, Construction, Major Repair, Modification, and Demolition and Tenant's additional obligations in Exhibit B, if any.

12.2 State's Waiver of Claim. State does not waive any claims for damage or destruction of the Property unless State provides written notice to Tenant of each specific claim waived.

12.3 Insurance Proceeds. Tenant's duty to reconstruct, repair, or replace any damage or destruction of the Property or any Improvements on the Property is not conditioned upon the availability of any insurance proceeds to Tenant from which the cost of repairs may be paid. The Parties shall use insurance proceeds in accordance with Paragraph 10.2(g)(3).

12.4 Rent in the Event of Damage or Destruction. Unless the Parties agree to terminate this Lease, there is no abatement or reduction in rent during such reconstruction, repair, and replacement.

12.5 Default at the Time of Damage or Destruction. If Tenant is in default under the terms of this Lease at the time damage or destruction occurs, State may elect to terminate the Lease and State then shall have the right to retain any insurance proceeds payable as a result of the damage or destruction.

SECTION 13 CONDEMNATION

13.1 Definitions.

(a) "Taking" means that an entity authorized by law exercises the power of eminent domain, either by judgment, settlement in lieu of judgment, or voluntary conveyance in lieu of formal court proceedings, over all or any portion of the Property and Improvements. This includes any exercise of eminent domain on any portion of the Property and Improvements that, in the judgment of the State, prevents or renders impractical the Permitted Use.

(b) "Date of Taking" means the date upon which title to the Property or a portion of the Property passes to and vests in the condemner or the effective date of any order for possession if issued prior to the date title vests in the condemner.

13.2 Effect of Taking. If there is a taking, the Lease terminates proportionate to the extent of the taking. If this Lease terminates in whole or in part, Tenant shall make all payments due and attributable to the taken Property up to the date of taking. If Tenant has pre-paid rent and Tenant is not in default of the Lease, State shall refund Tenant the pro rata share of the pre-paid rent attributable to the period after the date of taking.

13.3 Allocation of Award.

(a) The Parties shall allocate the condemnation award based upon the ratio of the fair market value of (1) Tenant's leasehold estate and Tenant-Owned Improvements and (2) State's interest in the Property; the reversionary interest in Tenant-Owned Improvements, if any; and State-Owned Improvements, if any.

(b) If Tenant and State are unable to agree on the allocation, the Parties shall submit the dispute to binding arbitration in accordance with the rules of the American Arbitration Association.

SECTION 14 DEFAULT AND REMEDIES

14.1 Default Defined. Tenant is in default of this Lease on the occurrence of any of the following:

(a) Failure to pay rent or other expenses when due;

(b) Failure to comply with any law, regulation, policy, or order of any lawful governmental authority;

(c) Failure to comply with any other provision of this Lease;

(d) Commencement of bankruptcy proceedings by or against Tenant or the appointment of a trustee or receiver of Tenant's property.

14.2 Tenant's Right to Cure.

(a) A default becomes an "Event of Default" if Tenant fails to cure the default within the applicable cure period following State's written notice of default. Upon an Event of Default, State may seek remedies under Paragraph 14.3.

(b) Unless expressly provided elsewhere in this Lease, the cure period is ten (10) days for failure to pay rent or other monetary defaults; for other defaults, the cure period is thirty (30) days.

(c) For nonmonetary defaults not capable of cure within thirty (30) days, State will not unreasonably withhold approval of a reasonable alternative cure schedule. Tenant must submit a cure schedule within thirty (30) days of a notice of default. The default is not an Event of Default if State approves the schedule and Tenant works diligently and in good faith to execute the cure. The default is an Event of Default if Tenant fails to timely submit a schedule or fails to cure in accordance with an approved schedule.

(d) State may elect to deem a default by Tenant as an Event of Default if the default occurs within six (6) months after a default by Tenant for which State has provided notice and opportunity to cure and regardless of whether the first and subsequent defaults are of the same nature.

14.3 Remedies.

(a) Upon an Event of Default, State may terminate this Lease and remove Tenant by summary proceedings or otherwise.

(b) If the Event of Default (1) arises from Tenant's failure to comply with restrictions on Permitted Use and operations under Paragraph 2.2 or (2) results in damage to natural resources or the Property, State may enter the Property without terminating this Lease to (1) restore the natural resources or Property and charge Tenant restoration costs and/or (2) charge Tenant for damages. On demand by State, Tenant shall pay all costs and/or damages.

(c) Without terminating this Lease, State may relet the Property on any terms and conditions as State may decide are appropriate.

(1) State shall apply rent received by reletting: (1) to the payment of any indebtedness other than rent due from Tenant to State; (2) to the payment of any cost of such reletting; (3) to the payment of the cost of any alterations and repairs to the Property; and (4) to the payment of rent and leasehold excise tax due and unpaid under this Lease. State shall hold and apply any balance to Tenant's future rent as it becomes due.

(2) Tenant is responsible for any deficiency created by the reletting during any month and shall pay the deficiency monthly.

(3) At any time after reletting, State may elect to terminate this Lease for the previous Event of Default.

(d) State's reentry or repossession of the Property under Paragraph 14.3 is not an election to terminate this Lease or cause a forfeiture of rents or other charges Tenant is obligated to pay during the balance of the Term, unless (1) State gives Tenant written notice of termination or (2) a legal proceeding decrees termination.

(e) The remedies specified under this Paragraph 14.3 are not exclusive of any other remedies or means of redress to which the State is lawfully entitled for Tenant's breach or threatened breach of any provision of this Lease.

SECTION 15 ENTRY BY STATE

State may enter the Property at any reasonable hour to inspect for compliance with the terms of this Lease, to monitor impacts to habitat, or survey habitat and species. Tenant grants State permission to cross Tenant's upland and aquatic land property to access the Property. State shall provide at least 24 hours notice before entering Tenant's property. State may coordinate the site inspection with Washington State Department of Ecology or other regulatory authorities, if appropriate. Provision for periodic inspection does not preclude State's option to inspect at other times. State's failure to inspect the Property does not constitute a waiver of any rights or remedies under this Lease.

SECTION 16 DISCLAIMER OF QUIET ENJOYMENT

16.1 No Guaranty or Warranty.

(a) State believes that this Lease is consistent with the Public Trust Doctrine and that none of the third-party interests identified in Paragraph 1.1(b) will materially or adversely affect Tenant's right of possession and use of the Property, but State makes no guaranty or warranty to that effect.

(b) State disclaims and Tenant releases State from any claim for breach of any implied covenant of quiet enjoyment. This disclaimer and release includes, but is not limited to, interference arising from exercise of rights under the Public Trust Doctrine; Treaty rights held by Indian Tribes; and the general power and authority of State and the United States with respect to aquatic lands and navigable waters.

(c) Tenant is responsible for determining the extent of Tenant's right to possession and for defending Tenant's leasehold interest.

16.2 Eviction by Third-Party. If a third-party evicts Tenant, this Lease terminates as of the date of the eviction. In the event of a partial eviction, Tenant's rent obligations abate as of the date of the partial eviction, in direct proportion to the extent of the eviction; this Lease shall remain in full force and effect in all other respects.

SECTION 17 NOTICE AND SUBMITTALS

Following are the locations for delivery of notice and submittals required or permitted under this Lease. Any Party may change the place of delivery upon ten (10) days written notice to the other.

State: DEPARTMENT OF NATURAL RESOURCES
Shoreline District Aquatics
950 Farman Ave N
Enumclaw, WA 98022-9282

Tenant: CITY OF DES MOINES
22307 Dock Ave S
Des Moines, WA 98198-4690

The Parties may deliver any notice in person, by facsimile machine, or by certified mail. Depending on the method of delivery, notice is effective upon personal delivery, upon receipt of a confirmation report if delivered by facsimile machine, or three (3) days after mailing. All notices must identify the Lease number. On notices transmitted by facsimile machine, the Parties shall state the number of pages contained in the notice, including the transmittal page, if any.

SECTION 18 MISCELLANEOUS

18.1 Authority. Tenant and the person or persons executing this Lease on behalf of Tenant represent that Tenant is qualified to do business in the State of Washington, that Tenant has full right and authority to enter into this Lease, and that each and every person signing on behalf of Tenant is authorized to do so. Upon State's request, Tenant shall provide evidence satisfactory to State confirming these representations.

18.2 Successors and Assigns. This Lease binds and inures to the benefit of the Parties, their successors, and assigns.

18.3 Headings. The headings used in this Lease are for convenience only and in no way define, limit, or extend the scope of this Lease or the intent of any provision.

18.4 Entire Agreement. This Lease, including the exhibits and addenda, if any, contains the entire agreement of the Parties. This Lease merges all prior and contemporaneous agreements, promises, representations, and statements relating to this transaction or to the Property.

18.5 Waiver.

(a) The waiver of any breach or default of any term, covenant, or condition of this Lease is not a waiver of such term, covenant, or condition; of any subsequent breach or default of the same; or of any other term, covenant, or condition of this Lease. State's acceptance of a rental payment is not a waiver of any preceding or existing breach other than the failure to pay the particular rental payment that was accepted.

(b) The renewal of the Lease, extension of the Lease, or the issuance of a new lease to Tenant, does not waive State's ability to pursue any rights or remedies under the Lease.

18.6 Cumulative Remedies. The rights and remedies under this Lease are cumulative and in addition to all other rights and remedies afforded by law or equity or otherwise.

18.7 Time is of the Essence. TIME IS OF THE ESSENCE as to each and every provision of this Lease.

18.8 Language. The word "Tenant" as used in this Lease applies to one or more persons and regardless of gender, as the case may be. If there is more than one Tenant, their obligations are joint and several. The word "persons," whenever used, shall include individuals, firms, associations, and corporations. The word "Parties" means State and Tenant in the collective. The word "Party" means either or both State and Tenant, depending on the context.

18.9 Invalidity. The invalidity, voidness, or illegality of any provision of this Lease does not affect, impair, or invalidate any other provision of this Lease.

18.10 Applicable Law and Venue. This Lease is to be interpreted and construed in accordance with the laws of the State of Washington. Venue for any action arising out of or in connection with this Lease is in the Superior Court for Thurston County, Washington.

18.11 Statutory Reference. Any reference to a statute means that statute as presently enacted or hereafter amended or superseded.

18.12 Recordation. At Tenant's expense and no later than thirty (30) days after receiving the fully-executed Lease, Tenant shall record this Lease in the county in which the Property is located. Tenant shall include the parcel number of the upland property used in conjunction with the Property, if any. Tenant shall provide State with recording information, including the date of recordation and file number. If Tenant fails to record this Lease, State may record it and Tenant shall pay the costs of recording upon State's demand.

18.13 Modification. No modification of this Lease is effective unless in writing and signed by both Parties. Oral representations or statements do not bind either Party.

18.14 Survival. Any obligations of Tenant not fully performed upon termination of this Lease do not cease, but continue as obligations of the Tenant until fully performed.

18.15 Exhibits. All referenced exhibits are incorporated in the Lease unless expressly identified as unincorporated.

THIS AGREEMENT requires the signature of all Parties and is effective on the date of the last signature below.

Dated: Aug. 23, 2012

As approved by the Des Moines City Council on Jan. 12, 2012

CITY OF DES MOINES

BY: ANTHONY A. PIASECKI

Title: City Manager

Address: 22307 Dock Ave S
Des Moines, WA 98198-4690

Phone: 206-824-5700

Approved to Form:
Assistant City Attorney

Dated: September 17, 2012

STATE OF WASHINGTON
DEPARTMENT OF NATURAL RESOURCES

By: PETER GOLDMARK

Title: Commissioner of Public Lands

Address: Shoreline District Aquatics
950 Farman Ave N
Enumclaw, WA 98022-9282

Approved as to form this
12 day of March, 2010
Janis Snoey, Assistant Attorney General

REPRESENTATIVE ACKNOWLEDGMENT

STATE OF WASHINGTON)
) ss
County of King)

I certify that I know or have satisfactory evidence that ANTHONY A. PIASECKI is the person who appeared before me, and said person acknowledged that he signed this instrument, on oath stated that he was authorized to execute the instrument and acknowledged it as the CITY MANAGER of the CITY OF DES MOINES to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: August 23, 2012

(Seal or stamp)

SANDRA L. PAUL
STATE OF WASHINGTON
NOTARY PUBLIC
COMMISSION EXPIRES
10-05-14

Sandra L. Paul
(Signature)

Sandra L. Paul
(Print Name)

Notary Public in and for the State of Washington, residing at King County

My appointment expires October 5, 2014

STATE ACKNOWLEDGMENT

STATE OF WASHINGTON)
) ss
County of Thurston)

I certify that I know or have satisfactory evidence that PETER GOLDMARK is the person who appeared before me, and said person acknowledged that he signed this instrument, on oath stated that he was authorized to execute the instrument and acknowledged it as the COMMISSIONER OF PUBLIC LANDS, and ex officio administrator of the DEPARTMENT OF NATURAL RESOURCES of the State of Washington to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: 9/17, 2012

(Signature)

(Seal or stamp)

Brenda Treadwell
(Print Name)

BRENDA TREADWELL
COMMISSION EXPIRES
NOTARY
PUBLIC
FEB. 25, 2016
STATE OF WASHINGTON

Notary Public in and for the State of Washington, residing at Shelton

My appointment expires 2/25/2016

EXHIBIT A
"The Property"

LEASE AREA "A"

THAT PORTION OF THE BED OF ADMIRALTY INLET, OWNED BY THE STATE OF WASHINGTON, BELOW THE LINE OF EXTREMEM LOW TIDE, SITUATED IN FRONT OF GOVERNMENT LOTS 1 AND 2, SECTION 17, TOWNSHIP 22 NORTH, RANGE 4 EAST, W.M., DESCRIBED AS FOLLOWS:

COMMENCTING AT THE MONUMENT AT THE INTERSECTION OF SOUTH 227TH STREET AND 6TH AVENUE SOUTH (THE MONUMNET AT THE INTERSECTION OF SOUTH 226TH STREET AND 6TH AVENUE SOUTH BEARS NORTH 00 DEGREES 58' 22" WEST A DISTANCE OF 459.93 FEET);
THENCE SOUTH 00 DEGREES 54' 42" EAST, 465.00 FEET;
THENCE SOUTH 88 DEGREES 30' 58" WEST, 780.00 FEET, MORE OR LESS, TO THE HISTORIC LOCATION OF THE LINE OF EXTREME LOW TIDE AND THE POINT OF BEGINNING;
THENCE CONTINUING SOUTH 88 DEGREES 30' 58" WEST; 131.50 FEET;
THENCE NORTH 09 DEGREES 08' 02" WEST, 482.50 FEET;
THENCE NORTH 11 DEGREES 36' 02" WEST, 511.00 FEET;
THENCE NORTH 08 DEGREES 24' 02" WEST, 505.00 FEET;
THENCE NORTH 16 DEGREES 21' 02" WEST, 303.67 FEET TO POINT "A" WHICH IS MORE OR LESS THE HISTORIC LOCATION OF THE LINE OF EXTREME LOW TIDE;
THENCE SOUTH 40 DEGREES 57' 07" EAST ALONG THE HISTORIC LOCATION OF THE LINE OF EXTREME LOW TIDE, MORE OR LESS, A DISTANCE OF 341.20 FEET;
THENCE SOUTH 24 DEGREES 20' 01" EAST ALONG THE HISTORIC LOCATION OF THE LINE OF EXTREME LOW TIDE, MORE OR LESS, A DISTANCE OF 300.11 FEET;
THENCE SOUTH 30 DEGREES 36' 28" EAST ALONG THE HISTORIC LOCATION OF THE LINE OF EXTREME LOW TIDE, MORE OR LESS, A DISTANCE OF 128.61 FEET;
THENCE SOUTH 05 DEGREES 54' 54" EAST ALONG THE HISTORIC LOCATION OF THE LINE OF EXREME LOW TIDE, MORE OR LESS, A DISTANCE OF 170.32 FEET;
THENCE SOUTH 04 DEGREES 41' 19" WEST ALONG THE HISTORIC LOCATION OF THE LINE OF EXTREME LOW TIDE, MORE OR LESS, A DISTANCE OF 158.50 FEET;
THENCE SOUTH 20 DEGREES 33' 01" EAST ALONG THE HISTORIC LOCATION OF THE LINE OF EXTREME LOW TIDE, MORE OR LESS, A DISTANCE OF 115.44 FEET;
THENCE SOUTH 01 DEGREE 32' 00" WEST ALONG THE HISTORIC LOCATION OF THE LINE OF EXTREME LOW TIDE, MORE OR LESS, A DISTANCE OF 484.49 FEET;
THENCE SOUTH 19 DEGREES 55' 02" EAST ALONG THE HISTORIC LOCATION OF THE LINE OF EXTREME LOW TIDE, MORE OR LESS, A DISTANCE OF 98.08 FEET;
THENCE SOUTH 04 DEGREES 16' 40" WEST ALONG THE HISTORIC LOCATION OF THE LINE OF EXTREME LOW TIDE, MORE OR LESS, A DISTANCE OF 110.98 FEET TO THE POINT OF BEGINNING;

SUBJECT TO A DES MOINES SEWER DISTRICT SEWER OUTFALL EASEMENT, DNR APPLICATION NUMBER 25261.

SUBJECT TO A PUGET SOUND POWER AND LIGHT COMPANY SUBMARINE CABLES EASEMENT, DNR APPLICATION NUMBER 27510.

CONTAINING, MORE OR LESS, 327,579 SQUARE FEET OR 7.52 ACRES;

Record of survey prepared by Reid Middleton, filed July 17, 2008 in Book 249 of Surveys at page 248-250 under AFN 20080716900002 in the Records of King County.

LEASE AREA "B"

THE UNPLATTED FIRST CLASS TIDELANDS OF THE CITY OF DES MOINES, OWNED BY THE STATE OF WASHINGTON, DESCRIBED AS FOLLOWS:

COMMENCING AT THE AFOREMENTIONED POINT "A";
THENCE NORTH 40 DEGREES 57' 12" WEST, ALONG THE HISTORIC LOCATION OF THE LINE OF EXTREME LOW TIDE, MORE OR LESS, A DISTANCE OF 27.75 FEET;
THENCE NORTH 38 DEGREES 30' 27" WEST, ALONG THE HISTORIC LOCATION OF THE LINE OF EXTREME LOW TIDE, MORE OR LESS, A DISTANCE OF 126.31 FEET TO THE POINT OF BEGINNING;
THENCE NORTH 34 DEGREES 43' 00" WEST, ALONG THE HISTORIC LOCATION OF THE LINE OF EXTREME LOW TIDE, MORE OR LESS, A DISTANCE OF 132.80 FEET;
THENCE NORTH 61 DEGREES 34' 11" EAST 525.46 FEET, MORE OR LESS, TO THE HISTORIC LOCATION OF THE LINE OF MEAN LOW TIDE;
THENCE SOUTH 63 DEGREES 14' 30" EAST, ALONG THE HISTORIC LOCATION OF THE LINE OF MEAN LOW TIDE, MORE OR LESS, A DISTANCE OF 160.77 FEET;
THENCE SOUTH 61 DEGREES 34' 11" WEST 602.70 FEET TO THE POINT OF BEGINNING;

SUBJECT TO A PUGET SOUND POWER AND LIGHT COMPANY SUBMARINE CABLES EASEMENT, DNR APPLICATION NUMBER 21507.

SUBJECT TO A COMCAST OF WASH. IV, INC. SUBMARINE CABLE EASEMENT PER DNR EASEMENT NO. 51-075015.

CONTAINING 74,458 SQUARE FEET OR 1.71 ACRES, MORE OR LESS.

Record of survey prepared by Hansen Surveying, filed July 26, 2012 with the King County Recorder's Office under recording No. 20120726900001.

LEASE AREA "C"

THAT PORTION OF THE BED OF PUGET SOUND, OWNED BY THE STATE OF WASHINGTON, BELOW THE LINE OF EXTREME LOW TIDE, SITUATED IN FRONT OF GOVERNMENT LOTS 2 AND 3, SECTION 8 AND GOVERNMENT LOTS 1 AND 2, SECTION 17, TOWNSHIP 22 NORTH, RANGE 4 EAST, W.M., DESCRIBED AS FOLLOWS:

COMMENCING AT THE AFOREMENTIONED POINT "A";
THENCE NORTH 40 DEGREES 57' 12" WEST, ALONG THE HISTORIC LOCATION OF THE LINE OF EXTREME LOW TIDE, MORE OR LESS, A DISTANCE OF 27.75 FEET;
THENCE NORTH 38 DEGREES 30' 27" WEST, ALONG THE HISTORIC LOCATION OF THE LINE OF EXTREME LOW TIDE, MORE OR LESS, A DISTANCE OF 126.31 FEET;
THENCE NORTH 34 DEGREES 43' 00" WEST, ALONG THE HISTORIC LOCATION OF THE LINE OF EXTREME LOW TIDE, MORE OR LESS, A DISTANCE OF 132.80 FEET;
THENCE NORTH 05 DEGREES 52' 06" WEST, ALONG THE HISTORIC LOCATION OF THE LINE OF EXTREME LOW TIDE, MORE OR LESS, A DISTANCE OF 82.19 FEET TO THE POINT OF BEGINNING;
THENCE SOUTH 83 DEGREES 32' 53" WEST 155.97 FEET;
THENCE SOUTH 65 DEGREES 41' 40" WEST 15.52 FEET;
THENCE SOUTH 24 DEGREES 12' 18" EAST 134.03 FEET;
THENCE SOUTH 65 DEGREES 47' 42" WEST 200.00 FEET;
THENCE NORTH 24 DEGREES 12' 18" WEST 440.00 FEET;
THENCE NORTH 65 DEGREES 47' 42" EAST 200.00 FEET;
THENCE SOUTH 24 DEGREES 12' 18" EAST 275.97 FEET;
THENCE NORTH 65 DEGREES 41' 40" EAST 20.17 FEET;
THENCE NORTH 83 DEGREES 32' 53" EAST 161.08 FEET;
THENCE SOUTH 05 DEGREES 42' 06" EAST 30.00 FEET TO THE POINT OF BEGINNING.

SUBJECT TO A PUGET SOUND POWER AND LIGHT COMPANY SUBMARINE CABLES EASEMENT, DNR APPLICATION NUMBER 21507.

SUBJECT TO A COMCAST OF WASH, IV, INC. SUBMARINE CABLE EASEMENT PER DNR EASEMENT NO. 51-075015.

CONTAINING 93,291 SQUARE FEET OR 2.14 ACRES, MORE OR LESS.

Record of survey prepared by Hansen Surveying, filed July 26, 2012 with the King County Recorder's Office under recording No. 20120726900001.

EXHIBIT B
"Permitted Use"

1. DESCRIPTION OF PERMITTED USE

A. Existing Facilities.

- Rock breakwater, access channel, and covered moorage slips (Lease Area A)
- Restroom and parking lot, access channel and public access (Lease Area B)
- Public pier (Lease Area C)

There are no residential slips on SOAL and no floating homes on SOAL.

B. Proposed Facilities.

No new facilities are proposed

2. ADDITIONAL OBLIGATIONS

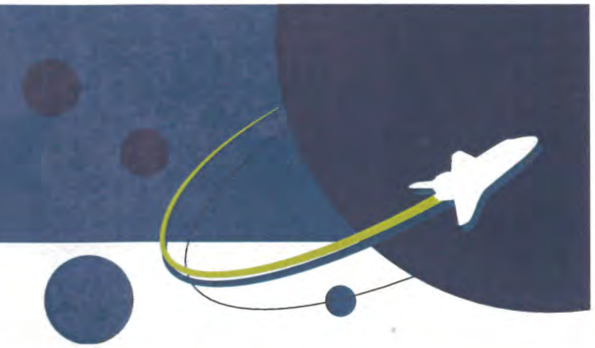
(a) Tenant shall post clearly the following sign provided by State "Enjoy your Washington State-owned Aquatic Lands" sign.

(b) Tenant shall post clearly all national and state oil and chemical spill hotlines.

(c) Tenant shall post clearly the location of the nearest sewage pumpout facility.

COUNCIL MEETING HANDOUTS

2013 Annual Tourism Networking Meeting



Program Agenda

5:00pm
Registration and Check-in

5:15pm
Welcome
Trip Switzer
Vice President of Development, Museum of Flight

Jim Dever, MC
Reporter, *KING5 Evening Magazine*

Keynote Address
Eric Anderson
Co-Founder & Chairman, Space Adventures, Ltd.

Special Presentations
Jane Kilburn
Director of Tourism, Port of Seattle

Louise Stanton-Masten
Executive Director, Washington Tourism Alliance

Tom Norwalk
President & CEO, Visit Seattle

Sharon Linton
Marketing & Communications Manager, Visit Bellevue Washington

2012 Annual Report
Katherine Kertzman
Executive Director, Seattle Southside Visitor Services

Tourism Promotion Area
Michael Schabbing
General Manager, Courtyard by Marriott Seattle Southcenter
TPA Steering Committee Member

6:30pm
Networking
Buffet and passed hors d'oeuvres, raffle prize giveaway throughout event. Must be present to win.

Menu by McCormick & Schmick's:
Smoked Sea Scallop Comet wrapped in Pancetta;
Chicken Satay Meteor with Thai Peanut Dipping Sauce;
Shrimp & Corn Asteroid Fritter Bites with Creole Remoulade;
Spicy Tuna Tartare in Sesame Rocket Cones;
Galaxy Pinwheel Sandwiches;
Shooting Star Truffled Deviled Eggs;
Fruit & Cheese Celestial Skewers;
Vegetarian Sprocket Spring Roll served with Sweet Chili Sauce;
Stellar Pink Peppercorn crusted Pork Tenderloin on a Crostini;
Constellation of Rustic Vegetables & Artisan Cheeses

Dessert: Mini House-made Moon Pies;
Salted Moon Truffle Bites with Pistachio & Coconut

No-Host Bar: Beer, Wine and Non-Alcoholic Beverages;
Signature Cocktail: Creamcicle Tangtini - Pinnacle Whipped Vodka, OJ, Half & Half over ice (One signature cocktail included with registration).

To INFINITY and BEYOND!

Thank you to our prize sponsors:

Cedarbrook Lodge
Gift certificate good towards a farm-to-table culinary adventure at Copperleaf Restaurant. Value: $125.00.

DoubleTree by Hilton Seattle Airport
Certificate good for one night superior accommodations including tax and parking.

Greenwood Space Travel Supply Co.
An astronaut food picnic pack including astronaut ice cream and space food emergency ration bars all packed in a thermally lined container perfect for terrestrial meals.

Hilton Seattle Airport
Certificate good for one night deluxe accommodation including tax and parking.

iFLY Seattle
Gift certificate for you and a friend to begin your flying experience and 'Earn your Wings.'

MasterPark
Gift certificate good for complimentary valet parking at any of the 4 MasterPark locations for 7 days.

Museum of Flight
An exclusive 30 minute tour of the Space Shuttle Trainer Crew Compartment and a commemorative patch or pin to signify that you have completed your training experience.

Seattle Airport Marriott
A certificate good for one complimentary weekend night stay and breakfast for two in the Aqua Terra Restaurant of the Seattle Airport Marriott.

Seattle Repertory Theatre
Two complimentary tickets to Boeing Boeing, good for any performance May 1 through May 19, 2013.

Thank you to our event sponsors:

THE MUSEUM OF Flight

CATERING BY M&S McCORMICK & SCHMICK'S

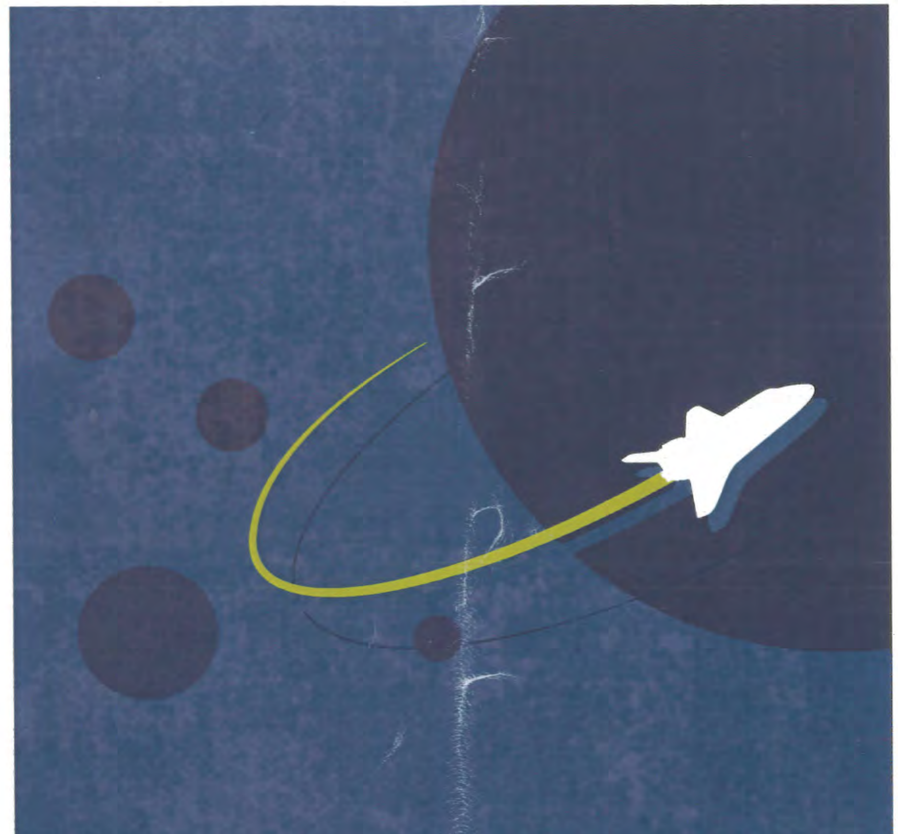
Pedersen's THE CELEBRATION EXPERTS

THE ORIGINAL 70 PINNACLE PROOF WHIPPED

PROLINE / avidex AV RENTAL AND SERVICES

SEATTLE SOUTHSIDE

3100 S. 176th St. Seattle, WA 98188 | 206.575.2489

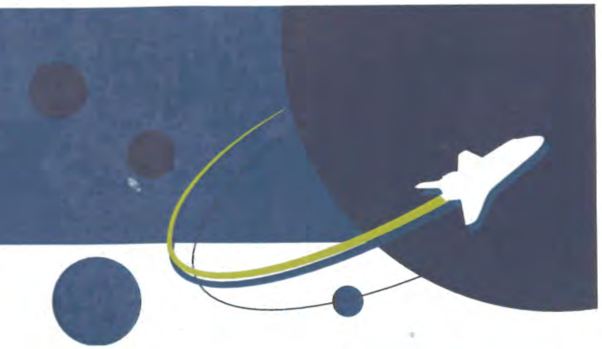


SEATTLE SOUTHSIDE

2013 Annual Tourism Networking Meeting Program Agenda

Museum of Flight, Space Gallery | May 1, 2013

2013 Annual Tourism Networking Meeting



Dear Partners and Tourism Advocates,

As the official destination marketing organization of the cities of Tukwila, SeaTac, Kent and Des Moines, Seattle Southside provides leadership and services to competitively market the destination. This function helps create jobs, grow tax revenue, and improve quality of life for residents and businesses. Seattle Southside has nurtured a powerful and effective travel brand over the past several years, building awareness of member cities as a collective destination and contributing to economic growth. Now, it is time to take that brand to the next level.

Southside hoteliers have come together to express interest in creating a Tourism Promotion Area. With Washington State being the only state in the country without a state funded tourism office, timing of this initiative is critical to remain competitive.

Our goal for the upcoming years will be to position Seattle Southside as a destination of choice for leisure, group, and business travelers while enhancing the image, confidence and economic strength of the community.

I know working together is the key to our success and I look forward to the upcoming challenges and achievements that lie ahead.
Sincerely,

Katherine Kertzman

Katherine Kertzman,
Executive Director

City of SeaTac Mayor - Tony Anderson

Tourism is a major contributor to the economic vitality of the City of SeaTac and helps to define our image as the place where "everywhere's possible." The Seattle-Tacoma International Airport welcomed 33 million travelers through the gates in 2012 and many of these tourists stay in our hotels, dine in our restaurants and enjoy our wonderful parks.

City of Kent Mayor - Suzette Cooke

As evidenced by the 15,000 visitors that attended the Hilton HHonors Skate America event last fall, tourism is a huge economic driver for Kent. Visitor spending reduces household taxes and creates jobs for our residents.

City of Tukwila Mayor - Jim Haggerton

With the recent adoption of the City of Tukwila's first Strategic Plan, tourism has become even more vital as we develop into the city of opportunity and the community of choice by providing superior services that support a safe, inviting and healthy environment for our residents, businesses and guests.

City of Des Moines Mayor - Dave Kaplan

Des Moines is an economically thriving community that maximizes the potential of its natural assets. We encourage high economic impact development such as tourism as part of a multi-faceted approach to improving the local economy.

To INFINITY and BEYOND!

U.S. Travel Means Big Business

Travel and tourism is one of America's largest industries

- Each U.S. household would pay $1,055 more in taxes without the tax revenue generated by the travel and tourism industry.
- Direct spending by resident and international travelers in the U.S. averaged $2.2 billion a day, $92.8 million an hour, $1.5 million a minute and $25,700 a second.

Travel and tourism is America's largest services export industry

- $152.4 billion in travel exports and the $110.5 billion in travel imports creates $42 billion in balance of travel trade surplus for the U.S.

Travel and tourism is one of America's largest employers

- Supported 14.4 million jobs, including 7.5 million directly in the travel industry and 6.9 million in other industries.
- 1 out of every 8 jobs in the U.S. depends on travel and tourism.
- Generated $194.6 billion in payroll for those employed directly in U.S. travel.

Source: U.S. Travel Association.

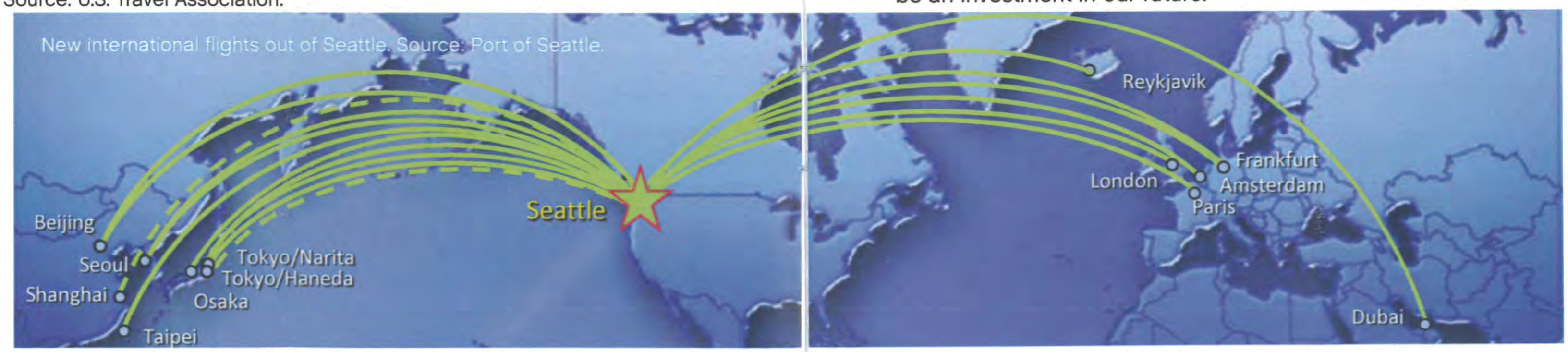
Tourism is an Economic Driver

Washington State

Tourism is an essential industry in Washington State. It is Washington's fourth largest export industry by Gross Domestic Product, with $16.9 billion in total direct tourist spending in 2012. More than $1 billion in local and state tax revenues are contributed by visitors to our state, equivalent to almost $400 for every household in the state. For many communities and regions of this state, tourism represents a significant percentage of their local economy. Without a statewide marketing program and platform upon which those communities and regions can promote their attractions they will continue to lag in the economic recovery.

King County

Forty percent of travel in Washington State occurs in King County. In 2012, tourists in King County spent $8.1 billion which generated nearly $500 million in state and local tax receipts. Accommodations and food spending make up the majority of visitor spending King County. Tourism officials have been working together to ensure the tourism industry stays healthy. By cultivating new opportunities that drive economic development and marketing to international travelers, tourism will continue to be an investment in our future.



Seattle Southside 2012 Preliminary Report

Visitor Spend & Hotel/Motel Report

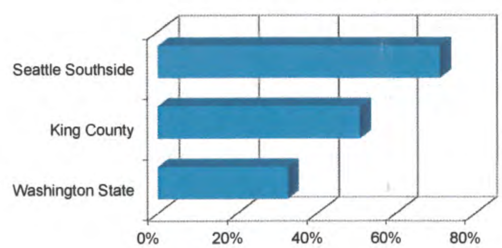
Nearly 30 percent of King County hotel rooms are located in Seattle Southside. Seattle Southside Visitor Services spent 2012 focusing on group sales and promoting leisure travel through trade show attendance, conference and familiarization tours, advertising, social media, public relations and other targeted marketing campaigns.

Seattle Southside is well on the way to recovery. The preliminary 2012 impact estimates for the four cities within Seattle Southside show visitors spent $625 million in the region generating $63.8 million in state and local taxes.

Travel spending in Seattle Southside increased by 5.8 percent from 2011 to 2012. Employment grew by 4.6 percent – an indication that the stagnation in employment growth following the recession is finally subsiding. This is the strongest growth in employment since 2005.

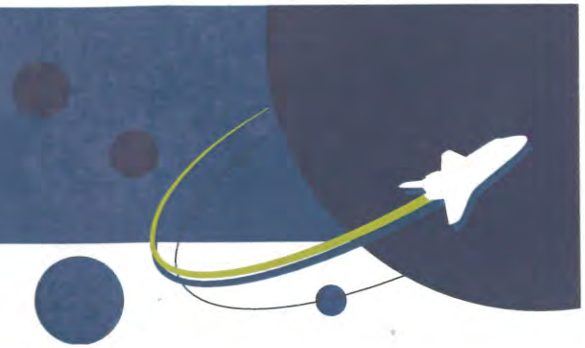
	2011	2012	% Change
Travel Spending	$591.4M	$625.7M	+5.8%
Local/State Taxes Generated	$60.7M	$63.8M	+5.1%
Employment: Jobs	5,010	5,240	+4.6%
Employment: Wages	$172.3M	$185.2M	+7.4%

Hotel/Motel Visitor-Nights



Almost 75 percent of all tourist nights in Seattle Southside are attributable to Hotel/Motel stays. This percentage is much greater than for King County which is just over 40 percent and Washington State which is nearly 30 percent.

Source: Dean Runyan Associates 2012p report of 2013.

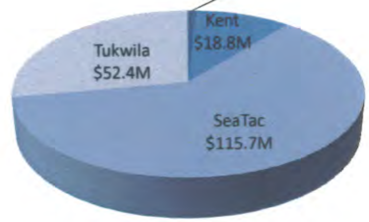


Overnight Tourist Expenditures

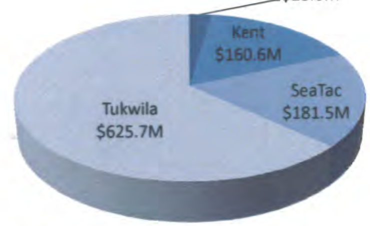
	Travel Party	Party Size	Length Stay
Hotel / Motel	$877	2.2	2.4
Other	$254	2.1	3.7
All Overnight	$742	2.1	2.7

In 2011, the average expenditure totaled: $740 with a length of stay of two days. In 2012, travel parties spent $877 in expenditures and the length of stay went up 20 percent. This is the first measureable increase in Average Length of Stay for the Seattle Southside area since the Seattle Southside Travel Impacts reports by Dean Runyan Associates have been collected. Tourists are finding reasons to stay longer and spend more in shops, restaurants and attractions.

Lodging Sales

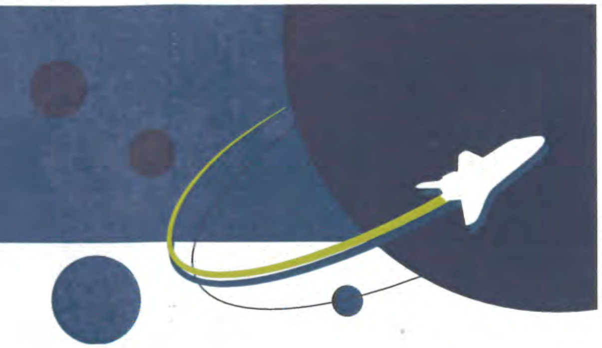


Travel Spending



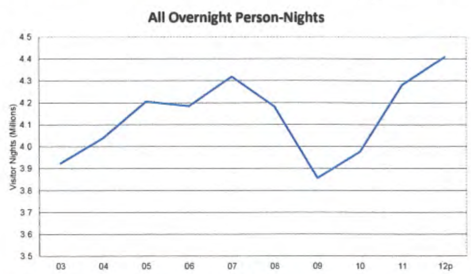
Source: Dean Runyan Associates 2012p report of 2013.

A regional approach to tourism promotion has been the creed for Seattle Southside and these charts reinforce that point. Although SeaTac has 60 percent of all lodging sales, Tukwila has the greatest estimated visitor spending with its share of sales in food services, entertainment, and retail. The regional approach permits capitalization on each of the cities' strengths, including waterfront and family attractions, unique museums and thrilling sporting events and close proximity to adventures of all kind.



2012 Preliminary Report

Seattle Southside Arrivals



Visitor arrivals (domestic only) to Sea-Tac Airport have increased for the thrid year in a row.

The estimate of all overnight tourist-nights (the number of nights that all individual tourists stayed in Seattle Southside) is shown in the chart to the left.

The overall increasing trend in tourist volume corresponds to the increasing trends in travel spending and related impacts shown previously. Seattle Southside hosted over 4.4M tourist nights in 2012.

Source: Dean Runyan Associates 2012p report of 2013.

	2010	2011	2012	% Change
Occupancy	64.8	68.0	70.2	+3.4%
ADR	86.96	88.80	91.89	+3.5%
Supply	3,200,210	3,216,380	3,263,032	+1.5%
Demand	2,073,548	2,185,919	2,290,176	+4.9%
Revenue	180,305,879	194,098,978	210,435,071	+8.5%

Source: 2012 Smith Travel Research, Inc.

Constant steady improvement. That is what is coming from the hotel side. Seattle Southside is nearly to a full recovery from the recession and 2013 should continue that trend. One of the key indicators of growth to focus on is the increase in occupancy rate. With a 3.4 percent increase, this is especially promising because with more of our rooms full it means more people are being employed to support the guests.

Outcomes & Opportunities

Shoulder Season Campaigns

In the past, Seattle Southside has implemented a variety of shoulder season campaigns. Last year with the help of the Seattle Seahawks, a new package was introduced geared specifically to weekend shoulder season travelers. The Football Fanatic hotel package exceeded expectations and will make a strong return in the fall of 2013.

Cruise packages remain a focus, encouraging travelers to extend their stay in Seattle Southside. And the ever popular Fly Fresh and shopping packages continue to yield room nights.

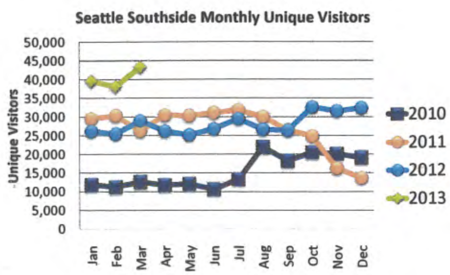
Social Media

Along with targeted campaigns, Seattle Southside continues to enhance the perception of the region through public relations and social media efforts. With more than 9,000 Facebook fans, nearly 2,000 Twitter followers, and 1,000 Pinterest pins, an active presence is maintained on several mediums.

Outcomes & Opportunities

Search Engine Optimization

Through the years, SeattleSouthside.com has shown steady growth. Thanks in part to a new design and marketing strategies, specifically search engine optimization.



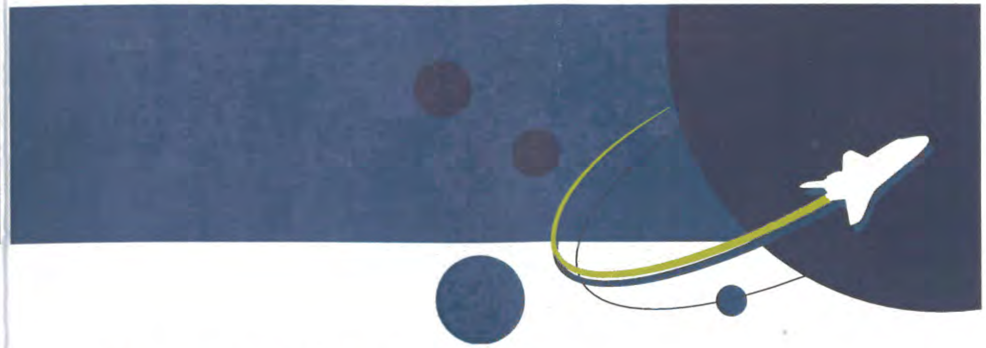
In addition to SEO efforts, Seattle Southside staff focused on adding compelling content to improve natural search and help maintain high placement in the search engines.

This year's first quarter numbers show the website is already performing quite well over previous years.

Internship Program

The Seattle Southside internship program provides students outstanding exposure to the destination marketing industry. The Visitor Center offers an exciting opportunity for college students to turn their leadership potential into valuable professional experience to get a head start in their career. Interns learn the power of quality communication, peer support and excellent customer service through the program.

Top: Laura Landwehr and Indah Fitria
Bottom: Michelle Meeks, Melanie Veyrier and Gizem Karadoglar



Outcomes & Opportunities

Visitor Services

In 2012, the Visitor Center had direct contact with more than 40,000 people through emails, phone calls and walk-ins. That is up 6.5 percent from 2011. This growth can be attributed to increased signage and web visits.

When the website shows growth in unique visits, the Visitor Center experiences increased interactions in phone and email inquiries. With the additional signage from the Port of Seattle's new Rental Car Facility directing travelers to the Visitor Center, there was an increase in walk-in traffic.

Last year, Visitor Center staff hosted several local familiarization tours geared towards increased product knowledge and cross selling local businesses. These tours bring frontline staff together to experience what Seattle Southside has to offer first-hand so they are able to better relay information to their traveling guests.

DMAI Annual Convention

Last summer Seattle Southside had the opportunity to send the entire staff to Destination Marketing Association International's Annual Convention since it was held in Seattle. Ashley Comar, the Marketing Communications Manager, was named one of 30 under 30 emerging leaders of the national destination marketing industry.

Outcomes & Opportunities

Group Sales

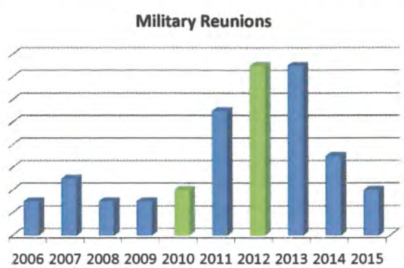
Military reunions remain good business for Seattle Southside properties, both big and small. They represent valuable off-peak room nights. In 2010, the first Conference and Familiarization (ConFAM) tour for military reunion planners was held. Staff planned the conference, transportation and tours, scheduled entertainment and worked closely with area businesses to generate sponsorships and oversee logistics. The hard work paid off in the form of group bookings and nationwide media attention.

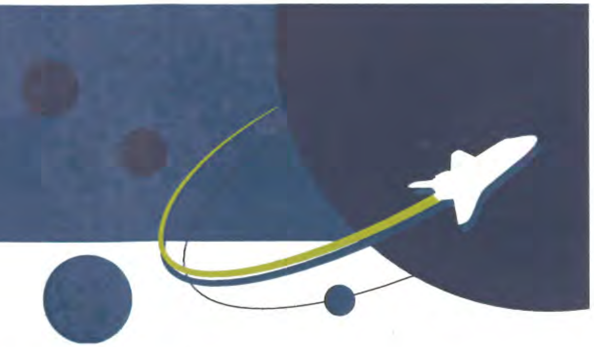
In April 2012, Seattle Southside hosted another ConFAM. Planners from across the nation participated, booked groups and once again, positive media attention was generated. Area businesses, including the Museum of Flight, continue to believe in this initiative and have generously donated over $50,000 in services to support these ConFAM events.

Because of the increased emphasis on recruiting military reunions, reunion activity tripled. This niche market will continue to be a major focus in the future.

With the goal of more sales strategies in mind, staff will leverage a presence with C-vent and DMAI's Empowermint to make sales outreach efforts more efficient and strategic. By partnering with DMOs around the state to represent Washington State at events such as Go West Summit, NTA, International Pow Wow and MPI Cascadia, staff will build relationships with meeting and event planners, make sales calls and travel to trade shows around the country to focus on bringing meetings and events to Seattle Southside.

ConFAM attendees at the Museum of Flight.





Outcomes & Opportunities

Return on Investment

Last year Seattle Southside began using DMAI's performance measurement tracking tools and was one of the first DMOs in the state to begin reporting performance outcomes and ROI in this manner.

This year Seattle Southside staff touched 6,425 room nights and generated over an estimated $8.1 million in tourist spending.

SSVS		Estimated Tourist Spend
Visitor Center	184 reservations	$161,368
Online	1,349 reservations	$1,183,073
Groups	3,954 room nights	$1,466,934
Football Packages	53 reservations	$46,481
Shuttle Riders	28,750 riders	$4,311,900
Promo Hotel Sites	157 reservations	$137,689
Hotel Sites	912 reservations	$799,824
Total Tourist Spend		**$8,107,269**

Total Estimated Tourist Spend: $8,107,269

Program Budget: $1,888,861

ROI = $5.84 in direct tourist spend to $1 invested

Source: Dean Runyan Associates & Destination Marketing Association International.

Outcomes & Opportunities

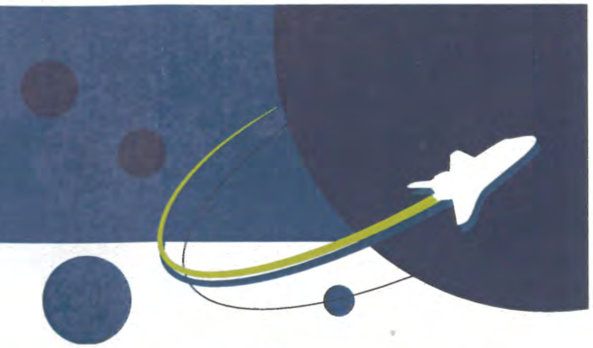
Tourism Promotion Area

Seattle Southside staff will work with partnering cities and ratepayers to create a Tourism Promotion Area (TPA) to help the region remain competitive with other destinations around Washington State. The TPA will help grow Seattle Southside's leisure travel market and group sales with an emphasis on weekends in the shoulder season.

The TPA will provide the opportunity for new product development driving these markets.

The Steering Committee made up of ratepayers, drafted several ideas and initiatives for how they would like to see the additional funds used. They would like to continue Seattle Southside's branding efforts, generate more exposure and revenue, encouraging visitor spending thus creating more jobs and economic development for Seattle Southside.

- Development of area marketing campaigns and area events
- Partnership development
- Increased public relations outreach
- Addition of dedicated sales staff
- Expanded Visitor Center operation
- Development of sales tools and resources
- Advocacy and support for statewide tourism marketing



Seattle Southside Tourism Promotion Area Steering Committee

Vickie Molzer, Holiday Inn Express Hotel & Suites Seattle-Sea-Tac Airport
Frank Welton, DoubleTree by Hilton Seattle Airport & Hilton Seattle Airport and Conference Center
Maureen Huffman, Embassy Suites Seattle-Tacoma International Airport
Perry Wall, Clarion Hotel SeaTac International Airport
Michael Schabbing, Courtyard by Marriott Seattle Southcenter
Caroline Curtis, BMI Hospitality Management
Scott Ostrander, Cedarbrook Lodge

Photo by Amos Morgan Photography