

**ATTACHMENT A:**

**LEASE TERMINATION AGREEMENT**

**LEASE TERMINATION AMENDMENT**

This Lease Termination Amendment ("Agreement") is made as of this \_\_\_\_\_ day of \_\_\_\_\_, 2013, by and between **King County**, a political subdivision of the State of Washington ("Lessor"), and **Covington Golf Course, Inc**, a Washington Corporation ("Lessee"), as follows:

**RECITALS**

A. Lessor and Lessee entered into a Lease Agreement dated April 14, 1993, an Agreement and Amendment of Lease dated June 14, 2001, and a Lease Amendment dated August 13, 2012 (collectively the "Lease") including certain Premises as legally described therein. The Premises constitutes a portion of Lessee's facility known as the Elk Run Golf Course and is comprised of a strip of land approximately 300 feet in width located on the perimeter of Lessor's Summit Pit Roads Maintenance Facility ("Summit Pit").

B. Lessor and Lessee desire to amend the Lease to provide for termination of the Lease, in lieu of condemnation, subject to payment of a termination fee and other terms and conditions, as provided herein.

NOW, THEREFORE, the parties, in consideration of the mutual benefits contained herein, agree as follows:

**1. TERMINATION OF THE LEASE**

Section 3 of the Lease is amended and replaced with the following:

Lessee hereby agrees to continue to operate the Elk Run Golf Course, including the portion located on the Premises, as a full service, eighteen (18) hole, public access golf course until the Lease expires or terminates as provided herein.

Lease Termination – Lessor and Lessee hereby agree to terminate the Lease on the later of Lessor's six (6) months' prior written notice to Lessee or, absent such notice, December 31, 2014, with payment of a termination fee as provided below.

Termination Fee – The termination fee payable by Lessor to Lessee in consideration of the termination of this Lease shall be Two Million Eight Hundred Fifty-Four Thousand Dollars (\$2,854,000.00). Such termination fee shall be due and payable on or before the effective date of termination of this Lease as provided herein. Lessor and Lessee agree that the payment of said termination fee shall represent full settlement and satisfaction of Lessee's right, title and interest under the Lease.

Lessee's Authority – By signing where indicated below, the undersigned Daryl Connell and Roy Humphreys represent and warrant to Lessor that they (d/b/a Covington Golf

Course) are the only "Lessee" under the Lease, the Lease has not been assigned or transferred to any other persons or entity, and that they have the authority to terminate the Lease without the consent of any other persons or entity.

## **2. IMPROVEMENTS**

As stated in Section 5.A. of the General Terms and Conditions of the Lease, all buildings and other improvements on the Premises shall become the property of Lessor on the date the Lease terminates without compensation to the Lessee. Lessor shall have the option, to be exercised on expiration or earlier termination of the Lease, to require the Lessee, at Lessee's expense, to remove any or all of such buildings on the leased Premises. The Lessee shall have the right to remove any personal property including, without limitation, the irrigation pumps, controllers and irrigation heads, and transfer to other property any permits and licenses related to the operation of its business prior to the date the Lease terminates, thereby allowing the continued operation of a nine (9) hole golf course on the Lessee's adjacent real property.

## **3. MUTUAL RELEASE**

In consideration of the provisions of Agreement and the Lease as amended, and subject to Section 1 above, effective as of the Termination Date Lessor and Lessee hereby release and forever discharge each other and their respective partners, officers, directors, agents, trustees, beneficiaries, and employees, of and from any and all claims, acts, damages, demands, rights of action and causes of action which each party ever had, now has, or in the future may have, against the other, arising from or in any way connected with the leased Premises or the Lease; provided, nothing herein shall be deemed to release either party from their respective obligations under this Agreement and the Lease as amended.

## **4. EFFECT ON OTHER TERMS**

Except as amended herein, all terms, conditions and obligations contained in the original Lease, or amendments to the original Lease, remain in full force and effect.

## **5. COUNCIL APPROVAL**

This Agreement shall be effective after execution by the Parties and approval by ordinance of the King County Council.

## **6. NOTICE**

Notice of lease termination shall be provided to Lessee consistent with the notice provisions set forth in the original Lease.

## **7. ACCESS**

In the event that this Lease is terminated pursuant to the process set forth herein, Lessor, including its successors and assigns, may enter the Property any time after notice of termination has been given, and upon reasonable prior notice, for the purposes of inspection, survey, soil analysis or for any other purpose reasonably related to the future site development of the Property. Access may be limited, at Lessee's discretion, so as not to unreasonably interfere with Lessee's use of the property.

IN WITNESS WHEREOF, the parties hereto have executed this Lease Amendment Adding Termination Option as of the date first herein written.

**LESSEE:**

**Covington Golf Course, Inc.**, a Washington corporation

By: *Dave Council*  
President

By: *[Signature]*

By: *Sec / Treas*

**LESSOR:**

**King County**, a political subdivision of the State of Washington

By: \_\_\_\_\_

Its: \_\_\_\_\_

Its: \_\_\_\_\_

**APPROVED AS TO FORM:**

By: \_\_\_\_\_

Its: \_\_\_\_\_