



KING COUNTY

1200 King County Courthouse
516 Third Avenue
Seattle, WA 98104

Signature Report

March 18, 2014

Ordinance 17773

Proposed No. 2014-0069.1

Sponsors McDermott

1 AN ORDINANCE authorizing the King County executive
2 to enter into a lease termination agreement with Covington
3 Golf Course, Inc., as tenant, concerning a lease agreement
4 located in council district nine.

5 STATEMENT OF FACTS:

- 6 1. King County entered into a lease agreement dated April 14, 1993, as
7 amended ("the lease") with Covington Golf Course, Inc. ("Covington"),
8 doing business as Elk Run Golf Course, for fifty-eight acres of King
9 County property ("the leasehold") to be utilized as a portion of
10 Covington's Elk Run Golf Course.
- 11 2. The leasehold surrounds the King County road maintenance division's
12 southeast regional roads maintenance facility commonly known as
13 Summit Pit.
- 14 3. King County is considering the sale of a portion of Summit Pit,
15 including the leasehold, and desires to terminate the lease in order to
16 convey clear title to the purchaser.
- 17 4. The facilities management division has negotiated a lease termination
18 agreement with Covington.

19 BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

20 SECTION 1. The executive is authorized to execute a lease termination
21 agreement with Covington Golf Course, Inc., in substantially the form of Attachment A

22 to this ordinance and to take all actions necessary to implement the terms of the lease
23 termination agreement.
24

Ordinance 17773 was introduced on 3/3/2014 and passed by the Metropolitan King County Council on 3/17/2014, by the following vote:

Yes: 9 - Mr. Phillips, Mr. von Reichbauer, Mr. Gossett, Ms. Hague,
Ms. Lambert, Mr. Dunn, Mr. McDermott, Mr. Dembowski and Mr.
Upthegrove
No: 0
Excused: 0

KING COUNTY COUNCIL
KING COUNTY, WASHINGTON



Larry Phillips, Chair

ATTEST:



Anne Noris, Clerk of the Council

RECEIVED
2014 MAR 21 PM 3:57
CLERK
KING COUNTY COUNCIL

APPROVED this 21 day of MARCH, 2014.



Dow Constantine, County Executive

Attachments: A. Lease Termination Agreement

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:

LESSOR:

Covington Golf Course, Inc., a Washington corporation

King County, a political subdivision of the State of Washington

By: *Dyle Council*
President

By: _____

By: *[Signature]*

Its: _____

By: *Sec. / Treas.*

Its: _____

APPROVED AS TO FORM:

By: _____

Its: _____