

AGREEMENT BETWEEN THE CITY OF SNOQUALMIE AND THE YMCA OF GREATER SEATTLE FOR OPERATION AND MAINTENANCE OF THE SNOQUALMIE COMMUNITY CENTER

I
RECITALS

A. The City of Snoqualmie (the "**City**") is a municipal corporation located in East King County, and is authorized to provide social services and recreation programming and services for its residents as a public purpose.

B. The YMCA of Greater Seattle (the "**YMCA**") is a 501(c)(3) non-profit organization experienced in youth development, health and wellness and social responsibility programming, operation and maintenance of program/membership/community recreational facilities.

C. The City owns certain real property in the Snoqualmie Ridge Neighborhood Center specifically designated for a community center in the Mixed Use Final Plan for Snoqualmie Ridge approved September 15, 1995 (the "**Community Center Site**").

D. The City intends to call for bids and enter into a "Lease – Lease-back Agreement for the Snoqualmie Community Center (the "**Community Center**")", pursuant to which the City will lease the Community Center Site to a developer for the purpose of construction of a community center facility, to be leased back to the City with an option to purchase. The City will cause the facilities to be constructed to be suitable for use as a YMCA. The City intends to exercise its option to purchase immediately upon completion of construction of the Community Center facility.

E. In lieu of operating and maintaining the Community Center itself, the City desires to contract with the YMCA to operate and maintain the Community Center to provide social services and recreation programming and services for its residents on the terms and conditions set forth below.

II
AGREEMENT

1. Subject to all of the terms and conditions set forth herein, as of the effective date hereof the YMCA shall take possession of and equip, operate, maintain and repair the Community Center building (the "**Premises**") for the term of this Agreement as a YMCA facility, and except as otherwise provided, be solely responsible for all costs thereof of whatever nature, including provision of recreational and social services, and equipping, operation, maintenance and repair of the Premises and the Community Center. The YMCA shall operate the Community Center as a the YMCA facility in accordance with all policies applicable to other the YMCAs in the Greater Seattle area, and provide all normal social services and recreational and other services to the same level generally provided by other the YMCAs of comparable size in King County, Washington.

2. The YMCA shall establish a Snoqualmie Branch Advisory Board to advise on the setting of policy, provide advocacy and conduct fund raising activities for the Community Center's operations within the guidelines set by the YMCA of Greater Seattle. The Snoqualmie Branch Advisory Board shall consist of between fifteen (15) and twenty-five (25) persons selected by the YMCA in consultation with the City, at least two-thirds (2/3rd) of whom shall be residents or owners or operators of businesses in the City of Snoqualmie. The YMCA shall have the right, in accordance with its policies, to reject or dismiss Branch Advisory Board members who in the sole discretion of the YMCA do not meet their obligations of membership.

3. It is agreed and acknowledged that the rental value of the Premises that would be chargeable by the City is less than the value to the City of (1) the recreational programming services to be provided by the YMCA plus (2) the costs of operation, maintenance and repair of the Premises to be assumed by the YMCA, and that the social services, recreational programming and services and Premises care provided to the City by the YMCA fully compensate the City for the rental value of the Premises.

4. In recognition of the public/private collaboration created by this Agreement, residents of the City of Snoqualmie shall receive a fifty percent (50%) reduction in the YMCA joining fees in each category of membership and shall receive a fifteen percent (15%) reduction in annual membership fees. Membership in the YMCA shall entitle members use of all the YMCA branch facilities in King County and at any YMCA in the United States that recognizes the "YMCA Away" program.

5. Initial membership purchase choices for the Community Center will include: 1) local facility membership for use and participation at the Snoqualmie YMCA only at a rate of 85% of the Greater Seattle YMCA joining fees and monthly membership dues to which the additional resident discounts will apply for Snoqualmie citizen; and 2) YMCA of Greater Seattle facility membership for use and participation at all YMCA of Greater Seattle branches at regularly advertised rates to which the additional resident discounts will apply for Snoqualmie citizens. The local facility-only membership option will expire upon expansion of the facility located in Snoqualmie to include either a full-sized gym or an aquatics center. Financial assistance is available for those who cannot afford membership or program fees.

6. Upon request, the YMCA will provide the City of Snoqualmie with a community benefit report for the Center including a statistical analysis of the services provided. The report shall include at a minimum but not be limited to: the number, attendance and dollar amount of non-member rentals, attendance at special events, the number of Snoqualmie residents with active membership at the Community Center, and the number receiving financial assistance. The YMCA shall not refuse admission or services to any person on the basis of inability to pay membership or usage fees. In order to offset the cost of providing services to persons unable to pay normal YMCA membership or usage fees, the City shall pay the YMCA One Hundred Thousand Dollars (\$100,000) per year (the "Offset Fee"), subject to review every three (3) years, provided, this sum shall be solely payable from human services mitigation payments to the City from the Snoqualmie Tribe's impact mitigation fund under the agreement between the City and the Snoqualmie Tribe as amended in 2008, and the City will not be obligated to pay the

Offset Fee if funds are not received from the Snoqualmie Tribe. The YMCA will use these funds solely to support and make accessible both program and membership opportunities for participants at the YMCA located in Snoqualmie, and will post a sign in the YMCA acknowledging the Snoqualmie Tribe as the source of the funds for the Offset Fee.

7. The term of this Agreement shall commence upon the date the YMCA takes possession of the Premises, which shall be not more than forty-five (45) days after the exercise of the option to purchase by the City under the Lease – Lease-back Agreement (the “**Commencement Date**”), and shall terminate forty (40) years after the Commencement Date.

8. The YMCA shall maintain and repair the Premises in a good and functional condition, and make all required repairs within a reasonable time period, and be responsible for all costs of whatever nature for operation, maintenance and repair of the interior and exterior the Premises, and all systems therein. The City shall be responsible for the normal maintenance of the grounds surrounding the Premises as part of the Neighborhood Center Community Park, to the same maintenance standards applicable to City parks generally. The City shall not, however, be responsible for clean-up of the grounds necessitated by the YMCA programming or functions held outdoors on the grounds, which shall be the responsibility of the YMCA to clean up.

9. The City shall maintain casualty insurance on the building, and liability insurance for claims or liabilities arising from incidents on the grounds of the community center, i.e., outside the Community Center building. The City insurance will be provided through the Washington Cities Insurance Authority pool. The YMCA shall provide liability insurance against claims for personal injuries and damages to property which may arise from the YMCA’s programming, operation, maintenance and repair of the Community Center. The cost of such insurance shall be paid by the YMCA and shall be within limits acceptable to the City of Snoqualmie but no less than \$1,000,000 bodily injury per person, \$1,000,000 for each additional occurrence, \$1,000,000 for property damage and \$1,000,000 excess liability umbrella subject to review every five years. The YMCA shall also maintain casualty insurance on the Community Center building, as its interests may appear. Each party shall indemnify the other against any loss, liability, claim, cost or expense (including reasonable attorneys’ fees and court costs) to the extent caused by the negligent acts or omissions or willful misconduct of the other party, its employees, agents, or representatives.

10. The YMCA shall make meeting rooms and other facilities available to the City of Snoqualmie at reasonable times and on reasonable advance notice for community events at no cost, subject to the YMCA’s normal scheduling policies. The YMCA will use its best efforts to accommodate scheduling of these community activities to include possible use of gym facilities for town hall meetings and community meeting rooms for meetings of the City Council committees, advisory boards to the City of Snoqualmie, staff and others, subject to advance notice. The YMCA shall make one meeting room and one youth drop-in facility available to citizens of Snoqualmie without requiring membership or rental fees. The YMCA shall in good faith cooperate in the scheduling of those facilities and will in no case discriminate based on race, religion, political affiliation or sexual orientation. The YMCA shall also offer a reasonable non-member rental rate for other facilities that is available to members of the general public. The non-member rate shall be established on an annual basis.

11. The YMCA and the Neighborhood Center Community Park shall share the parking facilities now present and hereafter constructed upon the Neighborhood Center Community Park / Community Center site for the parking of vehicles for their employees, members and invitees.

12. The facilities on the Premises shall be operated only by the YMCA or another 501(c)(3) organization whose use of the facility does not constitute an unrelated non-charitable trade or business use. The YMCA may subcontract with other service providers for use of a portion of the Premises, provided, all such subcontracts shall require the City approval, which shall not be unreasonably withheld, conditioned or delayed.

13. The City may terminate this Agreement for breach by the YMCA, provided, the City shall give the YMCA written notice of the alleged breach and the YMCA shall have a one year period in which to cure the breach. If the breach is cured within the one year period, the notice shall be of no force or effect. The YMCA may terminate this Agreement for its financial inability to continue to operate the facility or for the City's breach of this Agreement on one year's notice to the City. The City may terminate this Agreement without cause on one year's notice to the YMCA at any point after seven years of operation.

14. The YMCA may raise Capital funds to support and further develop the Community Center Facility. The YMCA may also make capital replacement investments during the course of the lease such as roof replacement or HVAC replacement. Upon termination of the contract by the City, the City shall be obligated to repay the YMCA for capital investment based on a 40-year depreciation schedule or an agreed upon "useful life" depreciation schedule for capital replacement items as determined by the Modified Accelerated Cost Recovery System (MACRS) and required in the federal income tax code. Termination by the YMCA shall not result in the YMCA receiving repayment for any capital investments in the Community Center Facility.


15. In case of any dispute, claim or controversy arising out of or relating to this Agreement or the breach, termination, enforcement, interpretation or validity thereof, the party deeming itself aggrieved shall promptly notify the other party to this Agreement in writing of the dispute, but in any event within fifteen (15) days after the dispute arises. If the parties shall have failed to resolve the matter within 15 days of delivery of such notice, each party shall nominate a senior officer of its management with authority to bind such party to meet at a mutually agreeable location to attempt to resolve the dispute. Should the senior officers be unable to resolve the matter within 15 days of their nomination, the parties shall submit the matter to mediation before a jointly selected mediator as a condition precedent to pursuing other alternative dispute procedures or litigation, provided, if either party shall fail to participate in mediation the other party may proceed to arbitration. If mediation shall fail to resolve such dispute, claim or controversy by mediation, such dispute, claim or controversy, including the determination of the scope or applicability of this agreement to arbitrate, shall be determined by arbitration in Seattle, Washington before one arbitrator. The arbitration shall be administered by the Seattle office of JAMS pursuant to its Streamlined Arbitration Rules and Procedures. This

clause shall not preclude parties from seeking provisional remedies in aid of arbitration from a court of appropriate jurisdiction.

16. This Agreement contains the entire agreement of the parties regarding the operation of the Community Center, and may be amended only in a writing signed by both parties.

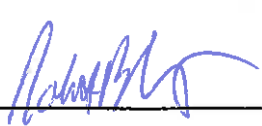
17. This Agreement is contingent upon the City providing for construction of a Community Center facility as set forth in Recital D above. In the event a Community Center facility is not constructed within three years of the date of this Agreement, then this Agreement shall terminate and be of no further force or effect.

THE CITY OF SNOQUALMIE



Signed: March 22, 2010

THE YMCA OF GREATER SEATTLE



Signed: March 22, 2010