

Diana Dupuis
Director



STATE OF WASHINGTON
WASHINGTON STATE PARKS AND RECREATION COMMISSION

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Item E-1: Fort Worden Historical State Park – Centrum Lease

EXECUTIVE SUMMARY: This item asks the Washington State Parks and Recreation Commission to delegate to the Director authority to enter into a long-term lease agreement with Centrum for their use of several buildings at Fort Worden Historical State Park. This action supports the Commission’s Biennial Priority to strengthen strategic relationships to advance the agency’s priorities and secure ongoing support through collaboration with sister agencies, stakeholders, and partners.

SIGNIFICANT BACKGROUND: Fort Worden Historical State Park (Fort Worden) in Port Townsend, Washington, covers 433.55 acres and features a campus of historic buildings from its time as a U.S. Army defense project. Commissioned at the turn of the 20th Century as part of a coastal defense system called the “Triangle of Fire,” Fort Worden was designed to protect the Puget Sound from invasion. Its guns were never fired, and by the 1920s, advances in naval technology and airpower limited the effectiveness of coastal forts. The fort was deactivated in 1953, and it became a state park in 1973.

From the beginning, Fort Worden’s campus tenants included community groups with arts, education, military history, and recreation missions, offering something for every visitor to the park. Whether a visitor is drawn to the outdoors or intrigued by history, they’ll find plenty to enjoy on scenic hiking trails, sandy beaches, or the historic military structures that tell the story of the park’s past. The area also offers opportunities for kayaking, wildlife observation, and peaceful moments by the sea. Cultural programming adds to the experience, with workshops, festivals, and live performances hosted by local organizations like Centrum. From recreation to relaxation to special events like weddings, Fort Worden blends natural beauty with meaningful activities for a truly memorable visit.

Since 1974, Centrum has been a nonprofit leader in arts programming at Fort Worden, producing workshops, performances, and artist residencies that draw participants from around the globe. In addition to offering extensive cultural programming, Centrum provides crucial financial support to the park through grant funding and private donations. It also supports subtenants such as Copper Canyon Press, Madrona MindBody Institute, Corvidae Press, and Rainshadow Recording, each contributing to the creative and educational ecosystem of the campus. Just in the last three (3) years, Centrum has raised over \$15 million for capital improvements at Fort Worden, and they are aiming to continue investing millions more through grants, private donations, and capital fundraising campaigns.

In 2013, the Port Townsend Public Development Authority (PDA) entered into a 50-year Master Lease agreement with Washington State Parks to manage and improve portions of the historic campus. Over time, the PDA experienced financial and operational challenges, and in 2025, management responsibilities transitioned back to Washington State Parks.

Following the PDA's declaration of insolvency and its intent to seek dissolution by the City of Port Townsend, the PDA was placed under a court receivership. The court-appointed receiver did not assume or reject Centrum's lease with the PDA, so it was terminated along with the PDA's Master Lease when the receiver did not assume the Master Lease within the time period prescribed by law. After State Parks obtained leave from the receivership proceeding to regain possession of the campus, State Parks implemented interim month-to-month leases as a short-term solution. Centrum is now pursuing a long-term lease, in part to strengthen its eligibility for grant funding and fundraising. Centrum believes that a lease term of 35 years, with the option of amending it for an additional 35 years, would best meet their needs.

In preparation for entering into longer-term leases with the tenants at Fort Worden, State Parks contracted an appraisal firm to determine current fair market rent for the park's leased buildings. State Parks intends to use these rates to enter into negotiations with Centrum and the other Fort Worden tenants.

Staff are working on a new administrative policy and procedure relating to rent credit at Fort Worden. See Appendix 3 – DRAFT Fort Worden Lease, Exhibit K – DRAFT Rent Credit Policy (Pol 65-56) and Procedure (Pro 65-56-1). If approved by the Director, the policy will provide rent credit to tenants who undertake approved maintenance, repair, restoration, or improvement work on their leased buildings at their own expense. The policy is intended to encourage tenant investment in the preservation and enhancement of the park's historic buildings, to support the long-term sustainability and aesthetic integrity of the park, to provide a transparent framework for evaluating and approving tenant-funded work, and to ensure that all work aligns with the historic preservation mission of the park and the agency. Furthermore, tenant investments and improvements are critical to addressing the large, deferred maintenance backlog that exists at Fort Worden and that cannot be achieved with historic or current capital appropriations. The policy would formalize rent credit agreements in the form of lease amendments.

Upon approval of this Commission action, staff will continue working to finalize policy and procedures related to rent credit for the Director's approval, and will subsequently work with Centrum to finalize lease terms. If so desired, additional opportunities for Commissioners to engage on the final lease terms can be provided via the Real Estate Committee prior to executing the final agreement.

RESTRICTIONS

RCW 79A.05-025 requires that leases of parkland or property for a period exceeding 20 years require an affirmative vote of at least 5 members of the commission, so Centrum's request for a 35-year lease, with the option of an amendment for an additional 35 years, exceeds the Director's authority. See Appendix 2: Legal Authority.

LEGAL AUTHORITY

RCW 79A.05.025 – Chair—Meetings—Quorum—Lease of parkland or property

RCW 79A.05.030 – Powers and duties – Mandatory.

STAFF RECOMMENDATION:

Staff recommends that the Commission delegates to the Director authority to enter into a lease with Centrum with a term of 35 years, with the option of amending for an additional 35 years. See Appendix 3: DRAFT Fort Worden Historical State Park Lease Agreement (Centrum). Staff further recommends that the Commission delegates to the Director authority to amend the lease for the purpose of allowing rent credit for building improvements, consistent with the final, approved rent credit policy and authority to add or remove buildings from the lease as needs change over time.

SUPPORTING INFORMATION

Appendix 1: Fort Worden Historical State Park Vicinity Map and Subject Area

Appendix 2: Legal Authority

Appendix 3: DRAFT Fort Worden Historical State Park Lease Agreement (Centrum)

ACTION REQUESTED OF COMMISSION:

That the Washington State Parks and Recreation Commission

1. Delegate to the Director or designee authority to negotiate and finalize a lease agreement with Centrum that is substantially in the form of that in Appendix 3, for a term of 35 years, with the option of amending for an additional 35 years.
2. Delegate to the Director or designee authority to amend the Centrum lease for the purpose of allowing rent credit for building improvements, consistent with a Director-approved rent credit policy.
3. Delegate to the Director or designee authority to amend the Centrum lease to add or remove buildings.

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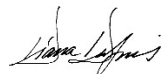
Chris Gourley, SEPA Review: After reviewing the document, this agenda item does not need review under SEPA. According to the definitions found in WAC 197-11-704, delegation of authority is neither a project nor non-project action because delegation of authority does not involve a decision on policies, plans, or programs. Therefore, this agenda item does not trigger the obligation to engage in SEPA analysis.

Van Church, Fiscal Impact Statement: The action requested has nominal fiscal impact at this time. Future fiscal impacts are expected and will be determined when an agreement is reached. Expected future fiscal impacts will involve operating revenue in-flows and possibly the need to adjust spending authority for increased expenditures. Potential future fiscal impacts may also involve capital funding sources.

Andy Woo, Assistant Attorney General: Reviewed as of September 25, 2025.

Heather Saunders, Parks Development Director

Approved for transmittal to Commission by:



Diana Dupuis, Director

APPENDIX 1
FORT WORDEN HISTORICAL STATE PARK
VICINITY MAP AND SUBJECT AREA



Fort Worden
Historical State Park
Commercial Lease
L339000CEN2



0 100 200 300 400 500 ft

Data in these maps were compiled for cartographic purposes. Due to the variability of the source information, the Washington State Parks & Recreation Commission cannot accept responsibility for errors or omissions, and, therefore, there are no warranties which accompany this material.

Number	Name	ACAP Ref	Expiration
25	THEATER	A06655	Lease
26	MCCURDY PAVILION (BALLOON HANG)	A06312	Lease
200	OFFICE	A05703	Lease
205	ARTS BUILDING	A03682	Corvide Press - Sublease
223	CENTRUMCONFERENCE CNTR BLDG	A06292	Lease
255	PROGRAM HOUSING	A03352	Lease
256	PROGRAM HOUSING	A08107	Lease
259	PROGRAM HOUSING	A06039	Lease
260	PROGRAM HOUSING	A03717	Lease
261	PROGRAM HOUSING	A02408	Lease
275	PROGRAM HOUSING	A06322	Lease
310	GYM	A09538	Madrona MindBody Institute - Sublease
313	COPER CANYON PRESS	A00093	Copper Canyon Press - Sublease
315	STUDIO / WORD SCHOOL	A05677	Rainshadow Recording Studio - Sublease
356	STORAGE	A05063	Lease

APPENDIX 2

LEGAL AUTHORITY

RCW 79A.05.025

Chair—Meetings—Quorum—Lease of parkland or property.

- (1) The commission shall elect one of its members as chair. The commission may be convened at such times as the chair deems necessary, and a majority shall constitute a quorum for the transaction of business.
- (2) The lease of parkland or property for a period exceeding 20 years requires the affirmative vote of at least five members of the commission.
- (3) The lease at Saint Edward state park may only include the following:
 - (a) The main seminary building;
 - (b) The pool building;
 - (c) The gymnasium;
 - (d) The parking lot located in between locations identified in (a), (b), and (c) of this subsection;
 - (e) The parking lot immediately north of the gymnasium; and
 - (f) Associated property immediately adjacent to the areas listed in (a) through (e) of this subsection.

RCW 79A.05.070

Powers and duties—Mandatory.

The commission shall:

- (1) Have the care, charge, control, and supervision of all parks and parkways acquired or set aside by the state for park or parkway purposes.
- (2) Adopt policies, and adopt, issue, and enforce rules pertaining to the use, care, and administration of state parks and parkways. The commission shall cause a copy of the rules to be kept posted in a conspicuous place in every state park to which they are applicable, but failure to post or keep any rule posted shall be no defense to any prosecution for the violation thereof.
- (3) Permit the use of state parks and parkways by the public under such rules as shall be adopted.
- (4) Clear, drain, grade, seed, and otherwise improve or beautify parks and parkways, and erect structures, buildings, fireplaces, and comfort stations and build and maintain paths, trails, and roadways through or on parks and parkways.
- (5) Grant concessions or leases in state parks and parkways upon such rentals, fees, or percentage of income or profits and for such terms, in no event longer than 80 years and upon such conditions as shall be approved by the commission.
 - (a) Leases exceeding a 20-year term, or the amendment or modification of these leases, shall require a vote consistent with RCW 79A.05.025(2).
 - (b) If, during the term of any concession or lease, it is the opinion of the commission that it would be in the best interest of the state, the commission may, with the consent of the concessionaire or lessee, alter and amend the terms and conditions of such concession or lease.
 - (c) Television station leases shall be subject to the provisions of RCW 79A.05.085.

- (d) The rates of concessions or leases shall be renegotiated at five-year intervals. No concession shall be granted which will prevent the public from having free access to the scenic attractions of any park or parkway.
- (6) Employ such assistance as it deems necessary. Commission expenses relating to its use of volunteer assistance shall be limited to premiums or assessments for the insurance of volunteers by the department of labor and industries, compensation of staff who assist volunteers, materials and equipment used in authorized volunteer projects, training, reimbursement of volunteer travel as provided in RCW 43.03.050 and 43.03.060, and other reasonable expenses relating to volunteer recognition. The commission, at its discretion, may waive commission fees otherwise applicable to volunteers. The commission shall not use volunteers to replace or supplant classified positions. The use of volunteers may not lead to the elimination of any employees or permanent positions in the bargaining unit.
- (7) By majority vote of its authorized membership, select and purchase or obtain options upon, lease, or otherwise acquire for and in the name of the state such tracts of land, including shore and tide lands [shorelands and tidelands], for park and parkway purposes as it deems proper. If the commission cannot acquire any tract at a price it deems reasonable, it may, by majority vote of its authorized membership, obtain title thereto, or any part thereof, by condemnation proceedings conducted by the attorney general as provided for the condemnation of rights-of-way for state highways. Option agreements executed under authority of this subsection shall be valid only if:
- (a) The cost of the option agreement does not exceed one dollar; and
 - (b) Moneys used for the purchase of the option agreement are from (i) funds appropriated therefor, or (ii) funds appropriated for undesignated land acquisitions, or (iii) funds deemed by the commission to be in excess of the amount necessary for the purposes for which they were appropriated; and
 - (c) The maximum amount payable for the property upon exercise of the option does not exceed the appraised value of the property.
- (8) Cooperate with the United States, or any county or city of this state, in any matter pertaining to the acquisition, development, redevelopment, renovation, care, control, or supervision of any park or parkway, and enter into contracts in writing to that end. All parks or parkways, to which the state contributed or in whose care, control, or supervision the state participated pursuant to the provisions of this section, shall be governed by the provisions hereof.
- (9) Within allowable resources, maintain policies that increase the number of people who have access to free or low-cost recreational opportunities for physical activity, including noncompetitive physical activity.
- (10) Adopt rules establishing the requirements for a criminal history record information search for the following: Job applicants, volunteers, and independent contractors who have unsupervised access to children or vulnerable adults, or who will be responsible for collecting or disbursing cash or processing credit/debit card transactions. These background checks will be done through the Washington state patrol criminal identification section and may include a national check from the federal bureau of investigation, which shall be through the submission of fingerprints. A permanent employee of the commission, employed as of July 24, 2005, is exempt from the provisions of this subsection.

APPENDIX 3
DRAFT FORT WORDEN HISTORICAL STATE PARK
LEASE AGREEMENT (CENTRUM)

FORT WORDEN HISTORICAL STATE PARK
COMMERCIAL LEASE # L339000CEN2

BY THIS LEASE (hereafter “Lease”), the State of Washington, acting by and through the Washington State Parks and Recreation Commission (“State”) leases to Centrum Foundation (“Lessee”), certain real property situated in Jefferson County, Washington. Said property and rights leased hereby (and, as the context may require, improvements to the property) are referred to as “the Property” and are legally described in the attached Exhibit A – Legal Description and Exhibit B – Use Area Map. All exhibits to this Lease are attached hereto and by this reference incorporated herein.

AUTHORITY

State is acting under those authorities granted to State by RCW 79A.05.070 and Washington State Parks and Recreation Commission action of March 22, 2018, Policy 55-06-1 (Less Than Fee Simple Real Estate Transactions) and November 21, 2019, Policy 25-07-1 (Delegations of Authority for Real Estate Transactions and Service).

EXHIBITS

Exhibit A – Legal Description

Exhibit B – Use Area Map

Exhibit C – Inadvertent Discovery Plan (IDP)

Exhibit D – Tree Activity Worksheet (TAW)

Exhibit E – DRAFT Rental Fee Summary

Exhibit F – Resource Use Reporting Template

Exhibit G – Memorandum of Lease

Exhibit H – Fort Worden Historical State Park Campus Maintenance

Exhibit I – Building 200 Dunbar Room

Exhibit J – Signage Throughout the Fort Worden Campus

Exhibit K – DRAFT Rent Credit Policy (Pol 65-56) and Procedure (Pro 65-56-1)

***highlighted text** indicates DRAFT versions that will be updated prior to executing the final lease

STATE ENVIRONMENTAL POLICY ACT (SEPA)

Following review, staff determined that the granting of this lease is categorically exempt from the procedural requirements of the State Environmental Policy Act of 1971 (SEPA) under WAC 197-11-800(5), (3), and (2)(d)(ix). Consequently, no further SEPA documentation is required prior to the execution of this lease.

1. PREMISES

- 1.1 Premises.** For and in consideration of Lessee's promise to pay the rent and other conditions as described in this Lease, and the performance of the other obligations of Lessee under this Lease, State leases to Lessee and Lessee leases from State, the Property described above for Lessee, its customers, invitees, sublessees, and employees, subject to easements and encumbrances of record as of the date of execution of this Lease.

Not included in this Lease are rights to any valuable materials, merchantable timber, water rights, or any other right to excavate or withdraw minerals, gas, oil, or other material, except as specifically granted by this Lease. State does not guarantee the continued present status of light, air, and view over any portion of the Property adjoining or in the vicinity of the Property.

- 1.2 Condition of Property.** Lessee accepts the Property in its present condition "AS IS, WHERE IS." Lessee has had an opportunity to inspect the Property, including its suitability for the use(s) permitted by this Lease and construction of any improvements provided for in this Lease, and enters into this Lease solely in reliance on Lessee's own examination and not by reason of any representation by State, its employees, or its agents. Lessee places no reliance on any opinion, material, or information provided by or through State. State has no obligation to make any repairs, additions, or improvements to the Property, except as expressly provided in this Lease.
- 1.3 No Warranty of Quiet Possession.** State makes no warranty of quiet enjoyment of the Property.

2. TERM

- 2.1 Lease Term.** The term of this Lease is thirty-five (35) years, with the option of amending for an additional thirty-five (35) years, commencing on last date of signature, which shall be referred to as the "Commencement Date" of this Lease, and ending on June 30, 2061, which (or such earlier date in the event the Lease term is terminated prior to such date) shall be referred to as the "Termination Date" of this Lease. The period from the Commencement Date to the Termination Date shall be referred to as the "Term" of this Lease.
- 2.2 Holdover.** This Lease shall terminate without further notice at the expiration of the Term. Any holding over by Lessee without the express written consent of State shall not constitute a renewal or extension of this Lease or give Lessee any

rights in or to the Property, and such occupancy shall be construed to be a tenancy from month-to-month on all the same terms and conditions as set forth in this Lease, insofar as they are applicable to a month-to-month tenancy, except that the rent shall increase to an amount equal to Two Hundred Percent (200%) of the amount of rent due for the last month of the Term of this Lease.

- 2.3 Condition at End of Lease Term.** Upon vacating the Property, Lessee must leave the Property and all improvements thereon to which State has gained title according to Section 7 (Improvements, Alterations) in the state of repair and cleanliness required to be maintained by Lessee during the term of this Lease and must peaceably and quietly surrender the same to State.

3. RENT AND OTHER REQUIRED PAYMENTS

- 3.1 Rent.** Lessee agrees to pay State rent in the amount of \$19,620.83 per month. See Exhibit E – DRAFT Rental Fee Summary.

- 3.2 Adjustment of Rent.** The rent will increase three percent (3%) annually. Additionally, every five (5) years, fair market rental value will be determined and an increase or decrease adjustment will be determined through a general licensed appraiser utilizing current market data.

- 3.3 Rent Credit.** Rent may be adjusted through a Lease Amendment subject to State's Policy and Procedure on Rent Credit (Pol 65-56 and Pro 65-56, or as updated). Refer to Exhibit K – DRAFT Rent Credit Policy (Pol 65-56) and Procedure (Pro 65-56-1).

- 3.4 Failure to Adjust Not a Waiver.** Failure of State to adjust rent pursuant to Section 3.2 (Adjustment of Rent) will not be a waiver by State of the right to adjust rent at the end of any subsequent five (5) year period. State retains the right, for so long as this Lease remains in effect, to adjust rent at the end of any five (5) year period, as though all prior adjustments had been made in accordance with the above provisions.

3.5 Leasehold Tax.

- a. If pursuant to RCW 82.29A a leasehold tax is imposed on this Lease or any interest created by this Lease at any time during the Term, Lessee must pay such leasehold tax.
- b. Per RCW 82.29A.130, Exemptions – Certain property (Effective until January 1, 2034), certain leasehold interests in property that is listed on any federal or state register of historical sites or wholly contained within a designated national historical reserve under 16 U.S.C. Sec. 461, shall be exempt from leasehold tax.
- c. Lessee is solely responsible for completion and submittal of any and all waivers or forms in relation to leasehold tax and/or leasehold tax exemption(s).

3.6 Other Taxes and Governmental Charges. In addition to any leasehold tax, Lessee must pay any other taxes or other governmental charges of any kind applicable or attributable to the Property at all times during the Term of this Lease.

- a. The term “tax” or “taxes” means all taxes and other governmental charges, general and special, ordinary and extraordinary, of any kind whatsoever, applicable or attributable to the Property and Lessee’s use and enjoyment thereof, excluding Assessments which shall be paid as set forth in Section 3.9 (Assessments), and any leasehold tax.

3.7 Assessments. Lessee shall not cause or suffer the imposition of any assessment upon the Property without the prior written consent of State. In the event any assessment is proposed that affects the Property, Lessee shall promptly notify State of such proposed assessment after Lessee has knowledge or receives notice thereof. Any assessment upon the Property shall be made in compliance with all applicable statutes, including, but not limited to, RCW 79.44. During the Term of this Lease, Lessee shall pay the total amount of all assessments levied with respect to the Property and the leasehold estate created by this Lease. In no event shall State be obligated to pay any assessment or any portion thereof levied or created during the Term, irrespective of whether such assessment or any portion thereof was specifically allocated to the Property or State’s reversionary interest therein. No assessment shall be payable in installments without State’s prior written consent, which State may condition upon the posting by Lessee of a satisfactory bond guaranteeing the payment of such installments as they become due.

The term “assessment” or “assessments” means all assessments for public improvements or benefits assessed, levied, imposed upon, or that become due and payable or a lien upon the Property, any improvements thereon, the leasehold estate created by this Lease, or any part thereof.

3.8 Payment Date and Proof (Leasehold Tax, Taxes, Assessments, Other Governmental Charges). All payments by Lessee for any leasehold tax, taxes, assessments, or other governmental charges shall be made by Lessee on or before ten (10) days before the last day on which such payments or any installment may be made without penalty or interest. Lessee shall furnish to State receipts or other appropriate evidence establishing the payment of such amounts. Lessee may comply with this requirement by retaining a tax service to notify State when such payments have been paid.

3.9 Utilities and Other Expenses. During the term of this Lease, Lessee shall pay all expenses incurred by Lessee as described in Exhibit H – Fort Worden Historical State Park Campus Maintenance. Lessee is so obligated whether or not such expenses are billed to Lessee, to State, or to any other party. Lessee shall indemnify, defend, and hold State harmless against and from any loss, liability, or expense resulting from any failure of Lessee to pay all such charges when due.

All service lines of such utilities shall be installed and connected to existing public utilities at no cost to State.

3.10 Construction Bond. If State approves any new construction that is not offset by rent credit, Lessee must obtain and maintain a performance bond for all construction activities, covering 100% of the estimated costs, issued by an authorized surety. This bond must be effective until project completion, with proof provided before starting, ensuring compliance with Washington State laws.

3.11 No Counterclaim, Setoff, or Abatement of Rent or Other Sums Owed. Rent, additional rent, if any, and all other sums for which Lessee is obligated to pay State under this Lease shall be paid without notice, demand, counterclaim, setoff, deduction, or defense and without abatement, and the obligations and liabilities of Lessee shall in no way be released, discharged, or otherwise affected (except as expressly provided in this Lease) by reason of:

- a. Any damage to or destruction of or any taking of the Property or any part thereof, except as provided in Section 9 (Condemnation);
- b. Any restriction of or prevention of or interference with any use of the Property or any part thereof;
- c. Any title defect or encumbrance or any eviction from the Property or any part thereof by title paramount or otherwise;
- d. Any bankruptcy, insolvency, reorganization, composition, adjustment, dissolution, liquidation, or other like proceeding relating to State, or any action taken with respect to this Lease by any trustee or receiver of State, or by any court, in any such proceeding;
- e. Any claim which Lessee has or might have against State;
- f. Any failure on the part of State to perform or comply with any of the terms hereof or of any other agreement with Lessee; or
- g. Any other occurrence whatsoever, whether similar or dissimilar to the remedy consequent upon a breach thereof, and no submission by Lessee or acceptance by State of full or partial rent during the continuance of any such breach, shall constitute a waiver for any such breach or of any such term.

No waiver of any breach shall affect or alter this Lease, which shall continue in full force and effect, or the respective rights of State and Lessee with respect to any other then-existing or subsequent breach.

3.12 Failure to Pay. In the event Lessee fails to pay any expense or amount due under this Lease, State may, but shall not be obligated to, pay any such amount, and the amounts so paid shall immediately be due and payable by Lessee to State and

shall thereafter bear interest at the rate specified in Section 3.16 (Interest Charged for Past-Due Rent and Other Sums Owed).

- 3.13 Interest Charged for Past-Due Rent and Other Sums Owed.** Lessee shall pay interest at the rate of one percent (1%) per month (or at such higher rate as may be authorized by statute after the Commencement Date), until paid, on rent or other sums owing under this Lease, commencing the date such rent or other sums are due and payable. Lessee must comply with all applicable provisions of RCW 43.17.240 relating to interest rates for debts owed to State.
- 3.14 Late Charge for Failure to Pay.** In the event Lessee fails to make any payment due under this Lease upon the date due, including but not limited to payment of rent, State shall be entitled to collect from Lessee a late charge equal to six percent (6%) of the amount of the delinquent payment.
- 3.15 Method of Payment.** All payments, including rent payments and payments for other sums owed, shall be made by check payable to State and mailed to the State Parks PO Box address listed in Section 11.20 (Notices and Submittals) with ATTN: Fiscal, or to any other payee as directed by State in writing, or mailed to any other address which State, or any successors-in-interest to State, may designate to Lessee in writing. Notwithstanding that payments may be made by mail, payments shall in any event be received by State on or before the date due as specified in this Lease.
- 3.16 Application of Payments.** Payments made under this Lease will be applied in the following order: (1) interest, (2) rent, (3) leasehold tax, and (4) other charges.

4. RESERVATIONS

- 4.1 Right of Entry and Inspection.** State, its employees, agents, and representatives have the right to enter and inspect the Property at all reasonable times to determine and secure compliance with this Lease. Failure to inspect or enforce compliance shall not be construed as a waiver of State's remedies in the event of default by Lessee, nor relieve Lessee of any liability to State for any breach of the terms, conditions, or requirements of this Lease.
- 4.2 Compatible Uses.** State reserves for itself, its successors, and assigns, the right at all times for any purpose to cross and re-cross the Property at any place or grade, to grant easements/licenses over or leases to the Property, to sell, or otherwise dispose of minerals, coal, oil, timber, gas, or other valuable materials from the Property insofar as State's activities on the Premises and any grant of rights State makes to any person or entity shall not unreasonably interfere with Lessee's permitted use(s) under this Lease. State also reserves the right for utility franchise and permit holders to enter upon the Property to maintain, repair, and enhance existing facilities and install new utilities and, for itself, to grant utility franchises and/or permits across the Property. Such installation will be accomplished in such a manner as to minimize any disruption to Lessee. Lessee will not disturb markers installed by a franchise/permit holder and will contact and provide notice to any

franchise/permit holder and all owners of underground facilities prior to excavation. Lessee must comply with all applicable provisions of RCW 19.122 relating to underground facilities.

- 4.3 Emergency Action.** State may take such emergency action as is necessary to protect the public health and welfare, including, but not limited to, temporarily closing or otherwise restricting Lessee's use of the Property. State shall not be liable to Lessee or any other party related to its decision to take, or not to take, such emergency action.

5. POSSESSION AND USE OF PROPERTY; RESTRICTIONS ON USE

- 5.1 Date.** Lessee shall have possession of the Property upon the Commencement Date.

- 5.2 Permitted Use.** The following uses of the Property are permitted: The following uses of the property are permitted: provision of arts education, classes, administration, residencies, workshops, and performances at Fort Worden Historical State Park. Additionally, Lessee has shared use of Building 200 – Dunbar Room (see Exhibit I – Building 200 Dunbar Room).

- a. Lessee shall have the right to place informational and directional signage in the park to inform the public about the location of and access to the Leased Facilities, subject to prior approval by State. In addition, Lessee may install temporary signage at the entrance to Premises to advertise special events on the campus, subject to prior approval by State as to size, location, and content and, as applicable, City of Port Townsend regulations. All Lessee temporary signage shall conform to the Fort Worden Historical State Park Campus signage guidelines. Refer to Exhibit J – Signage Throughout the Fort Worden Campus.
- b. Lessee shall seek approval from the Campus Business Manager for large events and special activities outside the scope of this Lease that could potentially impact park visitors. If requested, Lessee shall provide a management plan for approval to include traffic flow, parking, waste management, and other considerations.

No other uses are permitted, and the Property may not be used for any other purpose without State's prior written consent. As a condition of granting any such consent, State may require a current appraisal of the Property and an adjustment of the rent to reflect the then-current fair market rental rate of the Property as evidenced by any such appraisal.

- 5.3 Permittees.** Lessee may permit its respective employees, agents, contractors, sub-contractors, licensees, and their agents, herein individually referred to as "Permittee" and collectively referred to as "Permittees," to exercise the rights granted herein. Acts or omissions of the Permittees operating under this Lease

shall be deemed an act of the Lessee. Restrictions or requirements placed on the Lessee herein shall apply equally to the Permittees.

5.4 Discover Pass. Effective March 1, 2025, a Discover Pass will be required to be displayed on all vehicles entering and/or parking within Fort Worden State Park. Lessee, its employees, and customers shall be exempt from the Discover Pass requirement when entering or parking for Lessee business and when parking in approved parking areas adjacent to leased building(s), on the condition that approved vehicles clearly display an agency-issued Business Pass (Purple Pass) or other Lessee-specific, State-approved, guest pass with a clearly delineated expiration date. Lessee shall make ongoing good faith efforts to promote the public purchase of Discover Passes in support of Washington State Parks.

5.5 Authorized Improvements. All improvements outside the approved Project Plans and Specifications are prohibited. No improvements shall be made to or on the Property without prior written consent of State. Lessee shall obtain State's consent for improvements by submitting Project Plans and Specifications for the proposed improvements for State's review and approval. Submit to LandAgreements@parks.wa.gov.

After obtaining State's consent, Lessee may, at its sole expense, make those improvements or alterations to the Property as Lessee desires, provided that any repairs, improvements, or alterations by Lessee may only be done at times and in conformity with Project Plans and Specifications approved in advance in writing by State. Lessee shall make all such improvements and alterations in accordance with all applicable laws, rules, regulations, ordinances, and requirements. Lessee shall complete, at its sole expense, any alterations to the Property required because of Lessee's improvements and alterations, including any alterations required under the Americans with Disabilities Act. Lessee shall reimburse State for any cost incurred by State in the event State is required to assist in obtaining any approvals.

No construction on any improvements shall be undertaken until Lessee shall have procured and paid for all required permits, licenses, and authorizations, and shall have furnished State evidence thereof. All construction and other work on the improvements shall be done in a good and workmanlike manner, with material (when not specifically described in the Project Plans and Specifications approved by State) of the quality and appearance customary in the trade for first-class construction of the type of building in the area where the Property is located, and in compliance with all applicable building and zoning codes and other legal requirements, including the Americans with Disabilities Act.

Upon completion of construction, Lessee shall furnish State with a certificate of substantial completion executed by the architect for the Project, and a complete set of "as built" plans for the Project. Lessee shall thereafter furnish State with copies of the updated plans showing all changes and modifications thereto. Lessee shall also furnish to State copies of Certificates of Occupancy or other similar

documents issued to certify completion of construction in compliance with applicable requirements.

5.6 Appearance of Property. Lessee shall maintain the Property in a clean, orderly, and neat fashion to conform with the high standards of the Property, and neither commit waste nor permit any waste to be committed thereon. Lessee shall not burn any trash on or about the Property or permit any accumulation of trash. Lessee shall store all trash, refuse, and waste material so as not to constitute a health or fire hazard or nuisance, in adequately covered containers which are located within the Property and which are not visible to the general public.

5.7 Permits and Conformance with Laws. At its sole cost and expense, Lessee shall:

- a. Obtain all building permits and other required permits, licenses, permissions, consents, and approvals from governmental agencies or third parties in connection with this Lease, including for the construction, repair, or replacement or alteration of any improvements and for the installation and maintenance of any fixtures and/or equipment located on the Property. Lessee must provide copies of such permits, licenses, permissions, consents, and approvals to State upon request.
- b. Conform to all applicable laws, regulations, permits, orders, or requirements of any public authority affecting the Property and the use thereof, including the Americans with Disabilities Act.
- c. Lessee will use the Property in accordance with such rules and regulations not inconsistent with this Lease as may from time-to-time be made by State for the general safety, comfort, and convenience of State. In no event shall Lessee undertake or suffer any activity to be conducted upon the Property which constitutes a nuisance, which is immoral or obscene, or which is a threat to the welfare of the general public.

5.8 Lessee's Repairs and Maintenance. At all times during the Term of this Lease, Lessee shall, at its sole cost and expense, keep and maintain the Property and all improvements thereon, whether now existing or hereafter installed, and all facilities appurtenant thereto, whether now existing or hereafter installed, in good order and repair and safe condition, and the whole of the Property, including all improvements, facilities, and landscaping, in a clean, sanitary, and attractive condition. In carrying out the foregoing obligation, Lessee shall, at its sole cost and expense, make necessary repairs, restorations, and replacements. All such repairs, restorations, and replacements will be in quality and workmanship equal to the original work or installations. If Lessee fails to make such repairs, restorations, or replacements, State may make them at Lessee's expense and such expense will be collectible under section 3.14 (Failure to Pay). Lessee shall take all reasonable precautions to protect the Property and improvements thereon from fire, make every reasonable effort to report and suppress such fires as may affect the Property, and shall be subject to applicable fire laws affecting the Property.

As applicable, work shall conform to the Washington State Parks and Recreation Commission action of November 19, 2010, Policy 12-98-1 (Cultural Resources Management) and the Secretary of the Interior's Standards for the Treatment of Historic Properties ([36 CFR Part 68](#)).

These roles and responsibilities of the Parties are defined in Exhibit H – Fort Worden Historical State Park Campus Maintenance.

5.9 Road Use, Maintenance, and Repair. During the term of this Lease, Lessee is granted, subject to rights previously granted, a nonexclusive, nondivisible easement to use existing roads on the Property only for the permitted use(s) under this Lease.

- a. State reserves the right to build roads and grant to others easements or other rights or privileges to use new and existing roads. Lessee may not construct new roads or undertake any modification or alteration to existing roads without the prior written consent of State.
- b. Lessee must repair or cause to be repaired at its sole cost and expense damage caused or permitted by it to any roads on the Property that is in excess of that which would result from normal and prudent usage of said road. Lessee shall report any road damage immediately to the Campus Business Manager. Lessee must meet with State within thirty (30) days and provide a plan of operation for the repairs. If Lessee fails to make such repairs, State will collect cost of repairs under section 3.14 (Failure to Pay).

5.10 Hazardous, Toxic, or Harmful Substances

- a. **Deleterious Material.** Lessee will not make, or suffer to be made, any filling in of the Property or any deposit of rock, earth, ballast, refuse, garbage, waste matter, chemical, biological, or other wastes, hydrocarbons, any other pollutants, or other matter within or upon the Property, except as approved in writing by State, or unless expressly permitted by Section 5.2 (Permitted Use). If Lessee fails to remove all non-approved fill material, refuse, garbage, waste, or any other of the above materials from the Property, State may, but is not obligated to, remove such materials and charge Lessee for the cost of removal and disposal in accordance with Section 3.14 (Failure to Pay).
- b. **Hazardous, Toxic, or Harmful Substances**
 1. Lessee will not keep, use, generate, treat, store, or dispose of on or about the Property any Hazardous Material unless such are necessary to carry out Lessee's permitted use under Section 5.2 (Permitted Use) and unless Lessee fully complies with all federal, state, and local laws, regulations, statutes, and ordinances, now in existence or as subsequently enacted or amended. Lessee must

undertake all preventive, investigatory, or remedial actions (including emergency response, removal, and containment) that are either: (a) required by any applicable law or governmental authority; or (b) necessary to prevent or minimize property damage, personal injury, damage to the environment, or the threat of any such damage or injury, arising from the presence of Hazardous Material. Lessee must:

- (a) Immediately notify State of: (i) all spills, releases, or disposal of any Hazardous Material, or imminent threat thereof, on the Property or any properties adjacent to the Property; (ii) all failures or potential failures to comply with any federal, state, or local law, regulation, or ordinance, as now enacted or as subsequently enacted or amended; (iii) all inspections of the Property by, or any correspondence, orders, citations, or notifications from, any regulatory entity concerning Hazardous Materials or Environmental Law and the Property; (iv) all regulatory orders, complaints, lawsuits, or fines, or all responses or interim cleanup actions taken by or proposed to be taken by any government entity or private party relating to Hazardous Material or Environmental Law and to the Property or to Lessee's operations; and
- (b) On request, provide copies to State of any and all correspondence, pleadings, and/or reports received by or required of Lessee or issued or written by Lessee or on Lessee's behalf with respect to the use, presence, transportation, or generation of Hazardous Materials related to the Property or to Lessee's operations on the Property.

If Lessee fails to perform any of its obligations under this subsection, State may perform such obligations at Lessee's expense and such expense will be collectible under Section 3.14 (Failure to Pay). In performing any of Lessee's obligations under this subsection, State will at all times be deemed to be Lessee's agent and will not, by reason of such performance, be deemed to assume any responsibility or liability to Lessee. Lessee hereby authorizes State to take such actions as State deems necessary or appropriate in order to perform such of Lessee's obligations.

c. Liability and Indemnification Related to Hazardous Materials

Lessee will be fully and completely liable to State and must indemnify, defend, and save harmless State and its agencies, employees, officers, and agents with respect to any and all claims, judgments, damages, costs, fines, fees (including attorneys' fees and costs), penalties (civil and criminal), cleanup costs, liabilities, or losses (including but not limited to

diminution in value of the Property, damages for the loss or restriction on the use of rentable or usable space or of any adverse impact on marketing of space on the Property, and sums paid in settlement of claims, attorneys' fees, consultant fees, and expert fees) assessed against or imposed as a result of Lessee's use, disposal, transportation, storage, treatment, generation, and/or sale of Hazardous Materials or that of Lessee's employees, agents, assigns, sublessees, contractors, subcontractors, licensees, or invitees, and for any breach of this section. This indemnification of State by Lessee includes, but is not limited to, costs incurred in connection with any investigation of site conditions or any cleanup, remediation, removal, or restoration work required by any federal, state, or local governmental agency, political subdivision, lender, or buyer because of Hazardous Material present in the soil or groundwater on or under the Property, diminution in value of the Property, damages for the loss or restriction on use of rentable or usable space or of any amenity of the Property, damages arising from any adverse impact of marketing of the Property, and sums paid in settlement of claims, attorneys' fees, consultant fees, laboratory fees, and expert fees. Without limiting the foregoing, if the presence of any Hazardous Material on the Property caused or permitted by Lessee results in any contamination of the Property, Lessee must promptly take all actions at its sole expense as are necessary to return the Property to the condition existing prior to the contamination of the Property by any such Hazardous Material; provided, however, that State's approval of such action must first be obtained.

5.11 Preservation of Markers. Lessee shall not destroy any land survey corner monuments and reference points (including but not limited to corner markers, witness objects, or line markers) without prior written consent from State, which shall not be unreasonably withheld. Monuments or reference points that must necessarily be disturbed or destroyed during construction or operations must be adequately referenced and replaced, at Lessee's cost, under the direction of a State of Washington professional land surveyor, in accordance with all applicable laws of the State of Washington, including but not limited to RCW 58.24, and all relevant Department of Natural Resources regulations.

5.12 Archaeology and Cultural Resource Compliance. All construction and maintenance projects should be reviewed by State Parks archaeologists per [RCW 27.53.080](#) prior to any ground disturbance and are subject to all applicable cultural resource regulations and laws (e.g., Governor's Executive Order ([GEO 21-02](#)), [Section 106 of the National Historic Preservation Act of 1966](#) ([NHPA](#)), [RCW 27.53](#), [SEPA](#), etc.).

Per [RCW 27.53.080](#), cultural resource investigations are to be carried out by a [SOI qualified archaeologist](#) and only after appropriate agreement has been made between the professional archaeologist (in contract with the applicant) and State. A copy of such agreement must be filed with State.

If ground-disturbing activities encounter human skeletal remains during construction, then all activity will cease that may cause further disturbance to those remains. The area of the find will be secured and protected from further disturbance until State provides written notice to proceed.

Grantee must report the finding of human skeletal remains to the county medical examiner/coroner and local law enforcement immediately upon finding and in the most expeditious manner possible. Refer to Exhibit C – Inadvertent Discovery Plan (IDP) for contact information.

Immediately upon the finding of human skeletal remains, Grantee must ensure the remains will not be touched, moved, or further disturbed. The county medical examiner/coroner will assume jurisdiction over the human skeletal remains and make a determination of whether those remains are forensic or non-forensic. If the county medical examiner/coroner determines the remains are non-forensic, then they will report that finding to the [Department of Archeology and Historic Preservation \(DAHP\)](#), who will then take jurisdiction over the remains. [DAHP](#) will notify any appropriate cemeteries and all affected tribes of the found remains.

In the event cultural (archaeological) resources are found or unearthed during any work allowed by this Lease, Lessee must comply with provisions of [Chapter 27.44 RCW](#), [Chapter 27.53 RCW](#), and the rules and regulations of [DAHP](#), including compliance with all archaeological excavation permit requirements.

If cultural resources are discovered, Lessee must cease work immediately and contact State Parks' Archaeology Program Manager at the following email: Archaeology@parks.wa.gov.

5.13 Tree Removal. No trees are to be cut or removed from State's property without prior approval of State according to the policies of the Washington State Parks and Recreation Commission or as described in Lessee's plans. Please refer to Exhibit D – Tree Activity Worksheet.

5.14 Climate and Sustainability Reporting and Compliance

a. Data Sharing

Lessee agrees to monitor and report on their resource usage monthly, including but not limited to electricity, water, waste generation, and greenhouse gas (GHG) emissions, in accordance with RCW 70A.45.050, and in any standards and formats provided by State (Exhibit F – Resource Use Reporting Template). Lessee shall submit resource usage reports on an annual basis no later than the 1st day of February.

b. Audit and Inspection

State reserves the right to conduct audits and inspections to verify the accuracy of the resource usage reports submitted by Lessee. Lessee shall provide access to all relevant records and facilities for the purpose of these

audits and inspections. Lessee shall cooperate fully with State or any third-party auditor appointed by State.

c. **Notices and Submittals**

Climate and Sustainability reporting shall be sent to State Parks Climate and Sustainability Manager at: RUF@parks.wa.gov.

5.15 Compliance with Grant Funding. State will act in compliance with any deed restrictions or other requirements necessary for approval by the Washington State Recreation and Conservation Office (RCO) or other grant funding agency.

5.16 Tribal Communication. State is committed to the Centennial Accord and compliance with a government-to-government consultation process as co-stewards of the land with Indigenous Tribal Nations. With this commitment, State shall remain the primary source of contact via outreach, engagement, and communication with Tribal Nations. Lessee shall copy State's Tribal Relations Director on all written communication with Indigenous Tribes that relates to the Property and shall invite the Tribal Relations Director to participate in all phone, online, or in-person meetings with Tribal Nations or Representatives. Contact Parks' Tribal Relations Director at tribal.relations@parks.wa.gov.

6. LESSEE'S INDEMNITY; INSURANCE REQUIREMENTS

6.1 Indemnity. From and after the Commencement Date, Lessee releases and shall indemnify, defend (with counsel acceptable to State), and hold harmless State, its employees, officers, and agents from and against any and all claims arising out of the use, occupation, or control of the Property by Lessee, Lessee's sublessees, invitees, agents, employees, licensees, or permittees, or caused by the operation or failure to operate any buildings, facilities, equipment, improvements, or other property or fixtures on the Property, except as may arise solely out of the willful or grossly negligent acts of State or State's officials, employees, or agents. "Claim" as used in this section means any claim of any nature whatsoever for penalties, financial loss, damages (including but not limited to bodily injury, sickness, disease, or death, or injury to or destruction of property, land, and other natural resources including the loss of use thereof), costs or expenses (including but not limited to attorneys' fees), whether or not resulting in a suit or action or reduced to judgment. This release and the obligation to indemnify shall not be eliminated or reduced by the concurrent negligence of State, its officials, employees, or agents, except as provided in this section. To the extent that RCW 4.24.115 is applicable to any indemnification provision of this Lease, State and Lessee agree that provision shall not require Lessee to indemnify, defend, and save State harmless from State's sole or concurrent negligence, if any. Lessee waives its immunity under RCW Title 51 to the extent it is required to indemnify State. This subsection is in addition to and does not in any way limit or diminish Lessee's liability or indemnity obligations otherwise provided for in this Lease.

By requiring insurance, State does not represent that coverage and limits will be adequate to protect Lessee, and such coverage and limits shall not limit Lessee's liability under the indemnities and reimbursements granted to State in this Lease.

6.2 Insurance Policy Terms and Other Requirements. All policies of insurance under Section 6.3 shall:

- a. 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 A.M. Best's Reports. Any exception shall be reviewed and approved by State before the insurance contract is accepted. If an insurer is not admitted, all insurance policies and procedures for issuing the insurance policies must comply with RCW 48.15 and WAC 284-15.
- b. Name State, its officials, agents, and employees as additional insureds.
- c. Be written as primary policies not contributing with and not in excess of coverage that State may carry.
- d. Contain an endorsement providing that such insurance may not be materially changed, amended, or canceled with respect to State except as follows:
 1. Insurers subject to RCW 48.18 (admitted and regulated by the Insurance Commissioner): The insurer shall give State forty-five (45) days' advance notice of cancellation or non-renewal. If cancellation is due to non-payment of premium, State shall be given ten (10) days' advance notice of cancellation.
 2. Insurers subject to RCW 48.15 (surplus lines): State shall be given twenty (20) days' advance notice of cancellation. If cancellation is due to non-payment of premium, State shall be given ten (10) days' advance notice of cancellation.
- e. Contain an endorsement containing express waiver of any right of subrogation by the insurance company against State, its officials, agents, and employees.
- f. Provide that the insurance proceeds of any loss will be payable notwithstanding any act or negligence of Lessee that might otherwise result in a forfeiture of said insurance.
- g. Expressly provide that State shall not be required to give notice of accidents or claims and that State shall have no liability for premiums.
- h. Provide that all proceeds shall be paid jointly to State and Lessee.

- i. Before starting work on construction or alteration of any improvement on the Property, if any, Lessee shall furnish State with a certificate(s) of insurance, executed by a duly authorized representative of each insurer, showing compliance with the insurance requirements specified in this Lease and, if requested, copies of policies to State. The certificate of insurance shall reference State and the lease number. Lessee shall include all subcontractors as insured under all required insurance policies, or shall furnish separate certificates of insurance and endorsements for each subcontractor. Subcontractor(s) must comply fully with all insurance requirements of this Lease. Failure of subcontractor(s) to comply with insurance requirements does not limit Lessee's liability or responsibility.
- j. Lessee waives all rights against State for recovery of damages to the extent these damages are covered by general liability or umbrella insurance maintained pursuant to this Lease. Lessee covenants that no insurer shall hold any right of subrogation against State, except in the case (and only in the case) that such waiver of subrogation invalidates coverage under such policy. Where required by the policy, Lessee shall obtain an endorsement to evidence this waiver of subrogation by the insurance company against State and State's officials, employees, and agents.

6.3 Required Insurance. Lessee shall procure and maintain the following:

- a. **Commercial General Liability (CGL) Insurance.** Insurance written under Insurance Services Office (ISO) Form CG0001, or its equivalent, including contractual liability, covering all claims related to injuries or damages to persons or property sustained in, on, or about the Property, and the appurtenances thereto, including the sidewalks and alleyways adjacent thereto, if any, and covering all claims related to Lessee's use of the Property. Such insurance shall cover claims related to independent contractors, products, and completed operations, and personal and advertising injury, and shall contain separation of insured (cross-liability) condition. Such insurance must have liability limits of not less than \$5 million in respect to injury or death to any one person, not less than \$5 million in respect to any one occurrence or accident, and not less than \$5 million for property damage. Such limits may be achieved through the use of umbrella liability insurance sufficient to meet the requirements of this subsection for the Property.
- b. **Physical Property Damage Insurance**
 - 1. Physical property damage insurance covering all Lessee-funded improvements, fixtures, and equipment, located on or in, or constituting a part of, the Property. Such insurance shall be written on an all-risks basis and, at a minimum, cover the perils insured under ISO Special Causes of Loss Form Commercial Property (CP) 10 30, and cover the full replacement cost of the Lessee-funded improvements, fixtures, and equipment insured. Any

coinsurance requirement in the policy shall be waived. State shall be included as an insured and a loss payee under the property insurance policy. Lessee shall buy and maintain boiler and machinery insurance required by Lease documents or by law, covering real property and improvements, fixtures, and equipment from loss or damage caused by the explosion of steam boilers or pipes.

2. In the event of any loss, damage, or casualty that is covered by one or more of the types of physical property damage insurance described above, State and Lessee shall proceed cooperatively to settle the loss and collect the proceeds of such insurance, which shall be held in trust by State, including interest earned by State on such proceeds, for use according to the terms of this Lease. State and Lessee agree that such insurance proceeds shall be used to repair and restore damaged real property to its former condition and usefulness, or to repair and restore damaged improvements, fixtures, or equipment to their former condition and usefulness, or replacement of the same with equivalent or more suitable improvements, fixtures, or equipment.

3. When sufficient funds are available using insurance proceeds described above, State and Lessee shall continue with reasonable diligence to prepare plans and specifications for, and thereafter carry out, all work necessary to:

- (a) Repair and restore damaged building(s) and/or improvements to their former condition, or
- (b) Replace said building(s) and/or improvements with new building(s) and/or improvements on the premises of a quality and usefulness at least equivalent to, or more suitable than, damaged building(s) and/or improvements.

c. **Employer's Liability ("Stop Gap") Insurance.** Employer's liability insurance, and, if necessary, commercial umbrella liability insurance, with limits not less than \$1,000,000 each accident for bodily injury by accident or \$1,000,000 each employee for bodily injury by disease.

d. **Workers' Compensation Coverage.** Workers' compensation coverage for all employees of Lessee and employees of any subcontractor or subsubcontractor. Lessee shall comply with all State of Washington workers' compensation statutes and regulations. Coverage shall include bodily injury (including death) by accident or disease, which occurs out of or in connection with this Lease. Except as prohibited by law, Lessee waives all rights of subrogation against State for recovery of damages to the extent they are covered by workers' compensation, employer's

liability, commercial general liability, or commercial umbrella liability insurance.

If Lessee, subcontractor, or subsubcontractor fails to comply with any 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, Lessee shall indemnify State. Indemnity shall include all fines, payment of benefits to Lessee or subcontractor employees, or their heirs or legal representatives, and the cost of effecting coverage on behalf of such employees.

- e. **Business Auto Policy (BAP).** Business auto liability and, if necessary, commercial umbrella liability insurance with a limit not less than \$200,000 per accident. Such insurance shall cover liability arising out of "Any Auto." Business auto coverage shall be written on ISO Form CA 00 01, or substitute liability form providing equivalent coverage. If necessary, the policy shall be endorsed to provide contractual liability coverage and cover a "covered pollution cost or expense" as provided in the 1990 or later editions of CA 00 01. Lessee waives all rights against State for the recovery of damages to the extent they are covered by business auto liability or commercial umbrella liability insurance.
- f. **Builder's Risk Insurance.** Builder's risk insurance on the entire work during the period of construction, replacement, or material alteration of or on the Property or any improvements thereon is in progress and until completion of the Project and acceptance by State. Such insurance must be written on a completed value form and in any amount equal to the value of the completed building, subject to subsequent modifications to that sum. The insurance must be written on a replacement-cost basis. This insurance must name as insured State, Lessee, and all subcontractors and subsubcontractors in the work.

Such insurance shall be written to cover all risks of physical loss except those specifically excluded in the policy, including loss or damage caused by collapse. Such insurance shall cover the entire work at the site identified in Exhibit A – Legal Description and Exhibit B – Use Area Map, including reasonable compensation for architect's services and expenses made necessary by an insured loss. Insured property shall include portions of the work located away from the site but intended for use at the site, and shall also cover portions of the work in transit. The policy shall include as insured property scaffolding, falsework, and temporary buildings located at the site. The policy shall cover the cost of removing debris, including demolition as made legally necessary by the operation of any law, ordinance, or regulation.

Any deductible applicable to the insurance bought in compliance with the policy described above shall be identified in the Lease documents and the responsibility for paying the part of any loss not covered because of

application of deductible(s) shall be the responsibility of Lessee. If any part of any loss is not covered because of the application of a deductible amount not identified in the Lease documents, Lessee will pay such loss.

Lessee shall buy and maintain boiler and machinery insurance required by Lease documents or by law, covering insured objects during installation and until final acceptance by State. If testing is being performed, such insurance shall cover such operations. This insurance shall name as insureds State, Lessee, and all subcontractors and subsubcontractors in the work.

- 6.4 State's Acquisition of Insurance.** If Lessee at any time during the Term of this Lease fails to procure or maintain required insurance or to pay the premiums therefor, State may procure such substitute insurance as State deems appropriate (but shall be under no obligation to do so) and to pay any and all premiums thereon, and Lessee shall pay to State upon demand the full amount so paid and expended by State as provided by section 3.14 (Failure to Pay), together with interest thereon at the rate provided in section 3.15 (Interest Charged for Past-Due Rent and Other Sums Owed), from the date of such expenditure by State until repayment thereof by Lessee. Any policies of insurance obtained by State covering physical damage to the Property on any improvement thereon shall contain a waiver of subrogation against Lessee if and to the extent such waiver is obtainable and if Lessee pays to State on demand the additional costs, if any, incurred in obtaining such waiver. Any insurance or self-insurance procured or maintained by State shall be excess coverage, non-contributory, and for the benefit of State only.
- 6.5 Insurance Surveyor.** The determinations required under Section 8 (Damage/ Destruction) shall be made by an independent qualified insurance surveyor selected by State and Lessee, whose decision shall not be subject to arbitration. If State and Lessee cannot agree on the insurance surveyor within thirty (30) days after the date of such damage or destruction, then the same shall be appointed by the presiding judge of Thurston County Superior Court in the State of Washington upon the application of either State or Lessee.
- 6.6 Waiver of Subrogation.** Notwithstanding any provision in this Lease to the contrary, Lessee hereby waives any and all rights of recovery, claims, actions, or causes of action against State, its agents, officers, and employees for any injury, death, loss, or damage that may occur to persons or the premises, or any personal property of the such party therein, by reason of fire, the elements, or any other cause which is insured against under the terms of the policy of insurance that are maintained by Lessee or that Lessee is required to provide under this Lease, regardless of cause or origin, including negligence by State, its agents, officers, or employees, and Lessee covenants that no insurer shall hold any right of subrogation against State, except in the case (and only in the case) that such waiver of subrogation invalidates coverage under such policy.

7. IMPROVEMENTS, ALTERATIONS

- 7.1 Construction of Authorized Improvements.** The roles and responsibilities of the parties are defined in Exhibit H – Fort Worden Historical State Park Campus Maintenance, hereby attached and made part of this agreement.

No improvements shall be placed on the Property without prior written consent of State. Any contribution by State to major interior or exterior maintenance and repair is subject to its determination (made in its sole option) that funding is available and that such maintenance and repairs are required.

- 7.2 Unauthorized Improvements.** All improvements not approved in writing by State made on or to the Property shall immediately become the property of State or at State's option, may be required to be removed by Lessee at Lessee's sole cost. Lessee shall promptly reimburse State for any damage caused to the Property by the removal of any unauthorized improvement, whether removal is by Lessee or State, and for the cost of otherwise restoring the Property to the condition it was in prior to the construction of such unauthorized improvement.

7.3 Project Plans and Specifications

- a. Lessee must submit to State proposed Project Plans and Specifications in writing prior to any construction or reconstruction by Lessee of any improvements on the Property for written approval. In the event of an emergency requiring immediate action to protect persons or property, Lessee may take reasonable corrective action without prior notice to State. All construction or reconstruction must comply with applicable state and local laws. The Campus Business Manager will consult with the Historic Preservation Program to ensure that all work proposed is consistent with agency policy, the SOI Standards, and the Fort Worden Guidelines for Rehabilitation for routine maintenance, capital, or major repair projects.

No construction of any improvements on the Property will commence until Project Plans and Specifications are approved in writing by State.

- b. Project Plans and Specifications must include, without limitation, the following:
1. Map showing areas to be developed, location of improvements, and location of utility and other easements.
 2. Land clearing, leveling, and erosion control plans.
 3. List of proposed improvements, including specific physical characteristics and technical specifications.
 4. Estimated itemized cost of proposed improvements.
 5. Schedule of completion dates for proposed improvements.

6. Detailed description of activities to be conducted on the Property as a result of said development or improvements.
- c. State's review of any Plans or Specifications is solely for its own purposes, and State does not make any warranty concerning the appropriateness of any such Plans or Specifications for any other purpose. State's approval of (or failure to disapprove) any such Plans and Specifications shall not render State liable therefor, and Lessee hereby covenants and agrees to indemnify, defend, and hold State harmless from and against any and all claims arising out of or from the use of such Plans and Specifications.

7.4 Authorized Fixtures and Equipment. In accordance with Section 5.2 (Permitted Use), Lessee and its sublessees may place or install on the Property such trade fixtures and equipment as Lessee or its sublessees deem desirable for the conduct of business therein. Personal property, trade fixtures, and equipment used in the conduct of business by Lessee and its sublessees (as distinguished from fixtures and equipment used in connection with the operation and maintenance of the Property) placed by Lessee or its sublessees on or in the Property shall not become part of the real property, even if nailed, screwed, bolted, or otherwise fastened to the improvements or buildings on the Property, but will retain their status as personal property. Such personal property may be removed by Lessee or its sublessees at any time and so long as Lessee is not in default under this Lease and so long as any damage to the Property occasioned by such removal is thereupon repaired. All other fixtures, equipment, and improvements constructed or installed upon the Property will be deemed to become part of the real property and, upon the Termination Date, will become the sole and exclusive property of State, free of any and all claims of Lessee or any person or entity claiming by or through Lessee.

In the event Lessee or sublessees do not remove their personal property or trade fixtures as permitted by this section from the Property within forty-five (45) days following the Termination Date, State may at its election: (i) require Lessee to remove such property at Lessee's sole expense, (ii) treat said personal property and trade fixtures as abandoned, retaining said properties as part of the Property, or (iii) have the personal property and trade fixtures removed and stored at Lessee's expense. Lessee shall promptly reimburse State for any damage caused to the Property by the removal of personal property and trade fixtures, whether removal is by Lessee or State, and for the cost of otherwise restoring the Property to the condition it was in prior to the construction or installation of such personal property and trade fixtures. In addition to the remedies set forth in clauses (i), (ii), and (iii), State may charge Lessee rent for each day that Lessee's personal property and trade fixtures wrongly remain on the Property. Such rent will be at the rate in effect as of the Termination Date, charged on a pro rata basis.

7.5 Ownership and Disposition of Authorized Improvements

- a. During the Term of this Lease, all authorized improvements constructed by Lessee, including all additions, alterations, and improvements thereto or replacements thereof, and all appurtenant fixtures, machinery, and equipment installed therein, shall be the property of Lessee.
- b. Except as authorized by State in writing, at the expiration or earlier termination of this Lease, all improvements and all additions, alterations, and improvements thereto or replacements thereof, and all appurtenant fixtures, machinery, and equipment installed therein shall become the property of State, unless State requires their removal pursuant to subsection c. of this section. Lessee is entitled to remove at its sole cost and expense any improvements owned by Lessee that have been authorized for removal in writing by State and that can be removed without damage to the land or other improvements. Such removal shall be completed prior to or within one hundred and eighty (180) days after Termination Date.
- c. State may require Lessee to remove all improvements owned by Lessee, at Lessee's sole cost.

7.6 State's Repairs. State will not be required or obligated to make any changes, alterations, additions, improvements, or repairs in, on, or about the Property, or any part thereof, during the term of this Lease, except as stated in Exhibit H – Fort Worden Historical State Park Campus Maintenance.

7.7 Mechanics and Labor Liens. Lessee shall not permit any claim of lien made by any mechanic, materialman, laborer, or other similar liens to stand against the Property or improvements thereon for work or labor done, services performed, or materials used or furnished to be used in or about the Property for or in connection with any construction, maintenance, or repair thereon made or permitted to be made by Lessee, its agents, or sublessees. Lessee shall cause any such claim of lien to be fully discharged within thirty (30) days after the date of filing thereof; provided, however, that in the event Lessee, in good faith, disputes the validity or amount of any such claim of lien, and if Lessee shall give to State such security as State may reasonably require to insure payment thereof and prevent any sale, foreclosure, or forfeiture of the Property or any portion thereof by reason of such nonpayment, Lessee shall not be deemed to be in breach of this section so long as Lessee is diligently pursuing a resolution of such dispute with continuity and, upon entry of final judgment resolving the dispute, if litigation or arbitration results therefrom, discharges said lien within the time limits specified above.

7.8 Third-Party Claims. Lessee shall indemnify, defend, and hold harmless State and the Property from and against all claims and liabilities arising by virtue of or relating to construction of any improvements or repairs, restoration, or rebuilding made at any time to the Property or improvements thereon. Lessee shall regularly and timely pay any and all amounts properly payable to third parties with respect

to such work and will maintain its books and records as provided in Section 13.17 (Records), with respect to all aspects of such work and materials therefor, and will make them available for inspection by State or its representatives as requested, as provided in Section 13.18 (Right to Examine Books and Records).

8. DAMAGE/DESTRUCTION

8.1 Any insurance proceeds from Lessee's insurance payable by reason of damage or destruction to the Property or any improvements thereon shall be made available to pay the cost of such reconstruction, or otherwise applied to the cost of reconstruction. However, in the event Lessee is in default under the terms of this Lease at the time such damage or destruction occurs, State may elect to terminate this Lease, and State shall thereafter have the right to retain all insurance proceeds from Lessee's insurance payable as a result of such damage or destruction. Insurance proceeds in excess of the cost of such reconstruction shall be paid to State and Lessee pro-rated based upon the unexpired term of this Lease, with Lessee receiving the fraction thereof which is equal to the then remaining term divided by the original term of this Lease, and State receiving the remainder; provided, however, State shall have a lien on Lessee's share of such proceeds from Lessee's insurance to the extent Lessee has failed to pay any monies owed to State under the terms of this Lease.

8.2 Except as provided in Section 8.3, in the event of any damage to or destruction of the Property, or any improvements thereon, Lessee will promptly repair or restore the Property, or improvements, or both, as nearly as possible to its condition immediately prior to such damage or destruction, unless State and Lessee mutually agree in writing that such repair and restoration is not feasible. All such repair and restoration will be performed in accordance with the requirements of Section 7 (Improvements/Alterations). Lessee's duty to repair any damage or destruction of the Property or any improvements thereon shall not be conditioned upon the availability of any insurance proceeds from Lessee's insurance to Lessee from which the cost of repairs may be paid. Unless this Lease is terminated by mutual agreement, there shall be no abatement or reduction in rent during such repair and restoration.

As applicable, work shall conform to the Washington State Parks and Recreation Commission action of November 19, 2010, Policy 12-98-1 (Cultural Resources Management) and the Secretary of the Interior's Standards for the Treatment of Historic Properties ([36 CFR Part 68](#)).

8.3 In the event of any damage to or destruction of the Property, or any improvements thereon, occurring within the last five (5) years of the term of this Lease, and if such damage or destruction cannot be substantially repaired within one hundred eighty (180) days, either State or Lessee may elect by written notice to the other, within ninety (90) days after the date of such damage or destruction, to terminate this Lease. If neither State nor Lessee elects to terminate this Lease, the provisions of Section 8.1 apply. If either State or Lessee elects to terminate this Lease pursuant to this section, this Lease shall terminate one hundred twenty

(120) days after the date of such damage or destruction. Any insurance proceeds from Lessee's insurance payable shall be allocated between State and Lessee pro rata based upon the unexpired term of this Lease as specified in Section 8.1 and subject to State's claim against Lessee's share of such proceeds from Lessee's insurance in an amount equal to sums due from Lessee under this Lease.

9. ASSIGNMENT, SUBLEASE

9.1 Assignment. Lessee shall not hypothecate, mortgage, assign, transfer, or otherwise alienate this Lease, or any interest therein, or sublet all or substantially all the Property, without the prior written consent of State. In granting such consent, State shall be entitled to consider, among other items, the proposed assignee's financial condition, business reputation, nature of the proposed assignee's business, and such other factors as may reasonably bear upon the suitability of the assignee as a sublessee of the Property. In addition, State may condition its consent upon the right to receive one-half of the profit, if any, which Lessee may realize on account of such assignment, sublease, or transfer ("profit" shall mean any sum which the assignee, sublessee, or transferee is required to pay, or which is credited to Lessee as rent in excess of the rent required to be paid by Lessee under this Lease).

9.2 Right to Sublet. Except as provided in Section 9.1, Lessee shall have the right to sublet any part or parts of the Property, or improvements thereon, and to assign, encumber, or renew any sublease so long as:

- a. Lessee shall promptly, after execution of each sublease, furnish State a true copy thereof.
- b. Each sublease is expressly subordinate to the interests and rights of State in the Property and under this Lease, and the sublease requires the sublessee to take no action in contravention of the terms of this Lease.
- c. Each sublease is of a duration less than the Term of this Lease.

9.3 Assignment by State. If State sells or otherwise transfers the Property, or if State assigns its interest in this Lease, such purchaser, transferee, or assignee thereof will be deemed to have assumed State's obligations under this Lease, which arise on or after the date of sale or transfer, and State will thereupon be relieved of all liabilities under this Lease accruing from and after the date of such transfer or assignment, but this Lease will otherwise remain in full force and effect.

10. DEFAULT AND REMEDIES

10.1 Breach and Default. In the event of any breach of any provision of this Lease by Lessee, the breach shall be deemed a default entitling State to the remedies set forth in this Lease or otherwise available at law after State has delivered to Lessee

notice of the alleged breach and a demand that the same be remedied as required by this Lease.

If the breach pertains to a matter other than the payment of rent, Lessee shall not be in default after receipt of such notice if Lessee shall promptly commence to cure the breach and cures the breach within thirty (30) days after receipt of the notice.

If the breach pertains to the payment of rent, Lessee shall not be in default after receipt of such notice if Lessee cures the breach by paying all outstanding rent to State within fifteen (15) days after receipt of the notice.

If the breach is non-monetary in nature, and as determined by State, is not reasonably susceptible of being cured within thirty (30) days from the date of notice of the alleged breach (provided that the lack of funds, or the failure or refusal to spend funds, shall not be an excuse for a failure to cure), Lessee shall commence to cure such breach within the thirty (30) day period and diligently pursue cure with continuity to completion. If a breach has been cured within the grace periods permitted by this Section 10, it shall not constitute a default.

10.2 Multiple Default. If Lessee breaches any provision of this Lease three (3) times within twelve (12) months, whether the same provision or not, the third breach will be deemed “noncurable,” and this Lease may be terminated by State on thirty (30) days’ notice, without any opportunity for Lessee to cure the breach as provided in Section 10.

10.3 Remedies. Upon the occurrence of any default described in Section 10 (Breach and Default), State will have the option to pursue any one or more of the following remedies without any notice or demand whatsoever:

- a. Accelerate all rent payments due, in which case all rent will then become immediately due and payable.
- b. Terminate this Lease, in which event Lessee must immediately surrender the Property to State, and if Lessee fails so to do, State may, without prejudice to any other remedy that it may have for possession or arrearages in rent, enter upon and take possession of the Property and expel or remove Lessee and any other person who may be occupying the Property or any part thereof, without being liable for prosecution or any claim of damages therefor, and Lessee agrees to pay State on demand the amount of all loss and damage that State may suffer by reason of such termination, whether through inability to re-let the Property on satisfactory terms or otherwise.
- c. Enter upon the Property, without being liable for prosecution or any claim for damages therefor, and do whatever Lessee is obligated to do under the terms of this Lease; and Lessee agrees to reimburse State on demand for

any expenses that State may incur in thus effecting compliance with Lessee's obligations under this Lease.

- d. Seek damages from Lessee, including, but not limited to: all rentals lost, all legal expenses and other related costs incurred by State in restoring the Property to good order and condition, or in remodeling, renovating, or otherwise preparing the Property for re-letting, all costs (including without limitation any brokerage commissions and the value of State's time) incurred by State, plus interest thereon from the date of expenditure until fully repaid at the rate of twelve percent (12%) per annum.

10.4 Survival. All obligations of Lessee to be performed prior to the expiration or earlier termination will not cease upon the termination or expiration of this Lease and will continue as obligations until fully performed. All clauses of this Lease that require performance beyond the termination or expiration date will survive the termination or expiration date of this Lease.

10.5 State's Right to Cure Defaults. If Lessee fails to perform and is in default of any provision of this Lease, including those set forth in any plan of development and operation, State will have the option, but is not obligated, to make such performance after giving ten (10) days' written notice to Lessee. State's costs and expenses to correct Lessee's failure to perform will be reimbursed by Lessee.

10.6 Remedies Cumulative. The specified remedies to which State may resort under this Lease are cumulative and are not intended to be exclusive of any other remedies or means of redress to which State may lawfully be entitled in case of any default or threatened default by Lessee of any provision of this Lease.

10.7 Nonwaiver. Waiver by State of strict performance of any provision of this Lease will not be a waiver of or prejudice of State's right to require strict performance of the same provision in the future or of any other provision of this Lease. The acceptance of performance, rent, or any other sum owing by State following a breach by Lessee of any provision of this Lease will not constitute a waiver of any right of State with respect to such breach, and State will be deemed to have waived any right under this Lease only if State expressly does so in writing.

10.8 Force Majeure. Lessee's failure to comply with any provision of this Lease will be excused only if due to causes beyond Lessee's control and without the fault or negligence of Lessee, including acts of God, acts of a public enemy, acts of any government, fires, floods, epidemics, and strikes.

10.9 State's Lien. In addition to any statutory lien for rent in State's favor, State will have and Lessee hereby grants to State a continuing security interest for all rentals and other sums of money becoming due under this Lease from Lessee, upon all goods, wares, equipment, fixtures, furniture, inventory, accounts, Lease rights, chattel paper, and other personal property of Lessee situated on the Property, and such property will not be superior to Lessee's interests under this Lease.

11. GENERAL PROVISIONS

- 11.1 No Partnership.** State is not a partner nor a joint venturer with Lessee in connection with the activities conducted and business carried on under this Lease, and State has no obligation with respect to Lessee's debts or other liabilities.
- 11.2 Discrimination.** In operating under this Lease, Lessee will not conduct or suffer any unlawful discrimination against any person on the basis of race, color, creed, religion, sex, sexual orientation, age, or physical or mental disability or which otherwise violates applicable civil rights and anti-discrimination requirements, including but not limited to RCW 49.60.
- 11.3 Governing Law.** This Lease is governed by the laws of the State of Washington.
- 11.4 Interpretation.** This Lease has been submitted to the scrutiny of all parties hereto and their counsel, if desired, and will be given a fair and reasonable interpretation in accordance with the words hereof, without consideration or weight being given to its having been drafted by any party hereto or its counsel.
- 11.5 Interpretation and Numbering.** Part and section numbers, headings, or titles are for convenience only and are not to be construed to limit or to extend the meaning of any part of this Lease.
- 11.6 Partial Invalidity.** If any term or provision of this Lease or the application thereof to any person or circumstance to any extent is invalid or unenforceable, the remainder of this Lease, or the application of such term or provision to persons or circumstances other than those as to which it is invalid or unenforceable, will not be affected thereby, and each term and provision of this Lease will be valid and be enforced as written to the fullest extent permitted by law.
- 11.7 Amendments.** Any amendments, revisions, supplements, or additions to this Lease or the attached exhibits must be made in writing, executed by the parties hereto, and neither State nor Lessee will be bound by verbal or implied agreements. Such changes may be made by re-execution of the signature page and the deletion and addition of the appropriate new effective pages or exhibits governing the change, if any.
- 11.8 Entire Agreement.** This written Lease or its successor or replacement, including exhibits hereto, contains the entire agreement of State and Lessee hereto with respect to the matters covered hereby, and no other agreement, statement, or promise made by any party hereto, or to any employee, officer, or agent of any party hereto, which is not contained in this Lease, will be binding or valid.
- 11.9 Binding Effect.** Subject to the provisions of Section 10 (Assignment, Sublease), this Lease will be binding upon the parties hereto and upon their respective executors, administrators, legal representatives, successors, and assigns.

- 11.10 Time Is of the Essence.** Time is expressly declared to be the essence of this Lease and each and every covenant of Lessee under this Lease.
- 11.11 Estoppel Certificates.** State and Lessee agree from time-to-time to notify, acknowledge, and deliver to the other party a statement in writing certifying that this Lease is unmodified and in full force and effect (or if there have been modifications that the same is in full force and effect as modified and stating the modifications).
- 11.12 Memorandum of Lease.** Unless both parties consent thereto in writing, this Lease will not be recorded. State and Lessee agree to execute and record an instrument, in recordable form, substantially in the form attached hereto as Exhibit G – Memorandum of Lease, evidencing the Commencement Date and Expiration Date of this Lease. At the expiration or sooner termination of this Lease, Lessee will execute in recordable form and deliver to State a quit claim deed covering the Property.
- 11.13 Lessee's Liability.** Each Lessee, and all general partners of any partnership which is a Lessee, will be jointly and severally liable under this Lease.
- 11.14 State's Liability.** Lessee agrees that no trustee, officer, employee, or agent of State or any of its agencies will be personally liable for any obligation of State under this Lease, and that Lessee must look solely to the interests of State, or its constituent entities in the subject real estate, for the enforcement of any claims against State arising under this Lease.
- 11.15 Non-Applicability of Relocation Assistance.** Lessee acknowledges that this Lease does not at any time entitle Lessee to assistance under the Uniform Relocation and Real Property Acquisition Policy (RCW 8.26).
- 11.16 Personal Property.** State will not be liable in any manner for or on account of any loss of damage sustained to any property in or about the Leased Property, except for such claims or losses which may be caused by State or its authorized agents or employees.
- 11.17 Records.** Lessee shall prepare, maintain, and keep records in accordance with acceptable recordkeeping practices. A clear, complete, detailed record and accounting of business affecting payment due State shall be maintained at a location in Washington, for a period of at least four (4) years following payment of rent. Further, Lessee shall prepare, maintain, and keep records of management practices conducted on the Property, including, but not limited to, the use of pesticides, for the term of this Lease or as required by law or any permit.
- 11.18 Right to Examine Books and Records.** Lessee shall authorize and permit State or its agents to examine any and all books, records, and files of all kinds for the purpose of determining and enforcing compliance with the provisions of this Lease. Lessee shall make such books and records available for review at Lessee's offices within the state of Washington, or if Lessee no longer maintains an office

within this state, Lessee shall make such books and records available at State's headquarters. The acceptance by State of any payment shall be without prejudice to State's right to examine Lessee's books and records to verify the amount due to State.

11.19 Attorneys' Fees. If either party brings suit or submits to an alternative dispute process to interpret or enforce any provision of the Lease, the prevailing party shall be entitled to reasonable attorneys' fees, paralegal fees, accountant, and other expert witness fees, and all other fees, costs, and expenses actually incurred in connection therewith, including those incurred on appeal, in addition to all other amounts provided by law, regardless of whether the matter proceeds to judgment or is resolved by the defaulting party curing the default.

11.20 Notices and Submittals. Any notice or submittal given under this Lease shall be deemed as received when delivered by hand or five (5) days after deposit in the United States mail with first-class postage affixed, addressed as noted. Changes of address may be given in accordance with this section. Any notice or submittal given under this Lease shall be:

If to State:
Washington State Parks & Recreation
Commission
Real Estate Program
P.O. Box 42650
Olympia, WA 98504-2650
(360) 902-8500
real.estate@parks.wa.gov

If to Lessee:
Robert Birman
Executive Director
Centrum Foundation
PO Box 1158
Port Townsend, WA 98368
rbirman@centrum.org

With Copy to:

Fort Worden State Park
Campus Business Manager
200 Battery Way
Port Townsend, WA 98368-4412
WK: (360) 344-4481
C: (360) 929-4297
fortwordencampus@parks.wa.gov

Lessee expressly agrees to all covenants in this Lease and binds himself for the payment of the rent in this Lease.

EXECUTED as of the last date written below.

Lessee

**Washington State Parks and
Recreation Commission**

By _____

Title _____

Date _____

Heather Saunders, Director of Parks
Development, By Delegations of Authority of
September 16, 2013, revised November 6,
2013.

Date _____

APPROVED AS TO FORM:

Nick Brown
Attorney General

Andy Woo, WSBA #46741
Assistant Attorney General

Date _____

Lessee's Acknowledgment

STATE OF WASHINGTON)
) ss.
COUNTY OF)

THIS IS TO CERTIFY that on this day, before me the undersigned Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared _____ to me known to be _____ of _____ that executed the foregoing instrument and acknowledged the said instrument to be the free and voluntary act and deed of said organization, for the uses and purposes therein mentioned, and on oath stated that she/he was authorized to execute the said instrument.

WITNESS my hand and official seal this _____ day of _____, 20____.

Notary Public in and for the State of Washington
residing at _____
My commission expires _____

**Washington State Parks and
Recreation Commission Acknowledgment**

STATE OF WASHINGTON)
) ss.
COUNTY OF)

THIS IS TO CERTIFY that on this day, before me the undersigned Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared _____ to me known to be the _____ of the **Washington State Parks and Recreation Commission** that executed the foregoing instrument and acknowledged the said instrument to be the free and voluntary act and deed of said Commission, for the uses and purposes therein mentioned, and on oath stated that she/he was authorized to execute the said instrument.

WITNESS my hand and official seal this _____ day of _____, 20____.

Notary Public in and for the State of Washington
residing at _____
My commission expires _____

EXHIBIT LIST

Exhibit A – Legal Description

Exhibit B – Use Area Map

Exhibit C – Inadvertent Discovery Plan (IDP)

Exhibit D – Tree Activity Worksheet (TAW)

Exhibit E – DRAFT Rental Fee Summary

Exhibit F – Resource Use Reporting Template

Exhibit G – Memorandum of Lease

Exhibit H – Fort Worden Historical State Park Campus Maintenance

Exhibit I – Building 200 Dunbar Room

Exhibit J – Signage Throughout the Fort Worden Campus

Exhibit K – DRAFT Rent Credit Policy (Pol 65-56) and Procedure (Pro 65-56-1)

EXHIBIT A

Legal Description

A portion of Fort Worden Historical State Park, approximately 879' feet of space in Building 200, located at the Fort Worden campus located in NW ¼ of the SE ¼ of Section 35, Township 31 N., Range 1 W., W.M., situate in Jefferson County, WA

A portion of Fort Worden Historical State Park, approximately 7,035' feet of space in Building 205, located at the Fort Worden campus located in NW ¼ of the SE ¼ of Section 35, Township 31 N., Range 1 W., W.M., situate in Jefferson County, WA

A portion of Fort Worden Historical State Park, approximately 4,160' feet of space in Building 223, located at the Fort Worden campus located in NE ¼ of the SE ¼ of Section 35, Township 31 N., Range 1 W., W.M., situate in Jefferson County, WA

A portion of Fort Worden Historical State Park, approximately 1,040' feet of space in Building 255, located at the Fort Worden campus located in SE ¼ of the NE ¼ of Section 35, Township 31 N., Range 1 W., W.M., situate in Jefferson County, WA

A portion of Fort Worden Historical State Park, approximately 1,125' feet of space in Building 256, located at the Fort Worden campus located in SE ¼ of the NE ¼ of Section 35, Township 31 N., Range 1 W., W.M., situate in Jefferson County, WA

A portion of Fort Worden Historical State Park, approximately 1,040' feet of space in Building 259, located at the Fort Worden campus located in SE ¼ of the NE ¼ of Section 35, Township 31 N., Range 1 W., W.M., situate in Jefferson County, WA

A portion of Fort Worden Historical State Park, approximately 1,125' feet of space in Building 260, located at the Fort Worden campus located in SE ¼ of the NE ¼ of Section 35, Township 31 N., Range 1 W., W.M., situate in Jefferson County, WA

A portion of Fort Worden Historical State Park, approximately 1,125' feet of space in Building 261, located at the Fort Worden campus located in SE ¼ of the NE ¼ of Section 35, Township 31 N., Range 1 W., W.M., situate in Jefferson County, WA

A portion of Fort Worden Historical State Park, approximately 4,260' feet of space in Building 275, located at the Fort Worden campus located in SE ¼ of the NE ¼ of Section 35, Township 31 N., Range 1 W., W.M., situate in Jefferson County, WA

A portion of Fort Worden Historical State Park, approximately 5,000' feet of space in Building 310, located at the Fort Worden campus located in SW ¼ of the NE ¼ of Section 35, Township 31 N., Range 1 W., W.M., situate in Jefferson County, WA

A portion of Fort Worden Historical State Park, approximately 2,220' feet of space in Building 313, located at the Fort Worden campus located in SW ¼ of the NE ¼ of Section 35, Township 31 N., Range 1 W., W.M., situate in Jefferson County, WA

A portion of Fort Worden Historical State Park, approximately 2,626' feet of space in Building 315, located at the Fort Worden campus located in SW $\frac{1}{4}$ of the NE $\frac{1}{4}$ of Section 35, Township 31 N., Range 1 W., W.M., situate in Jefferson County, WA

A portion of Fort Worden Historical State Park, approximately 4,154' feet of space in Building 356, located at the Fort Worden campus located in NE $\frac{1}{4}$ of the SW $\frac{1}{4}$ of Section 35, Township 31 N., Range 1 W., W.M., situate in Jefferson County, WA

A portion of Fort Worden Historical State Park, approximately 4,918' feet of space in Building 25, located at the Fort Worden campus located in NE $\frac{1}{4}$ of the SW $\frac{1}{4}$ of Section 35, Township 31 N., Range 1 W., W.M., situate in Jefferson County, WA

A portion of Fort Worden Historical State Park, approximately 19,035' feet of space in Building 26, located at the Fort Worden campus located in NE $\frac{1}{4}$ of the SW $\frac{1}{4}$ of Section 35, Township 31 N., Range 1 W., W.M., situate in Jefferson County, WA

EXHIBIT B

Use Area Map



Number	Name	FCIP#	UPI	Explanation
28	THEATER			Lease
29	THEATER			Lease
30	THEATER			Lease
31	THEATER			Lease
32	THEATER			Lease
33	THEATER			Lease
34	THEATER			Lease
35	THEATER			Lease
36	THEATER			Lease
37	THEATER			Lease
38	THEATER			Lease
39	THEATER			Lease
40	THEATER			Lease
41	THEATER			Lease
42	THEATER			Lease
43	THEATER			Lease
44	THEATER			Lease
45	THEATER			Lease
46	THEATER			Lease
47	THEATER			Lease
48	THEATER			Lease
49	THEATER			Lease
50	THEATER			Lease
51	THEATER			Lease
52	THEATER			Lease
53	THEATER			Lease
54	THEATER			Lease
55	THEATER			Lease
56	THEATER			Lease
57	THEATER			Lease
58	THEATER			Lease
59	THEATER			Lease
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61	THEATER			Lease
62	THEATER			Lease
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64	THEATER			Lease
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68	THEATER			Lease
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74	THEATER			Lease
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78	THEATER			Lease
79	THEATER			Lease
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81	THEATER			Lease
82	THEATER			Lease
83	THEATER			Lease
84	THEATER			Lease
85	THEATER			Lease
86	THEATER			Lease
87	THEATER			Lease
88	THEATER			Lease
89	THEATER			Lease
90	THEATER			Lease
91	THEATER			Lease
92	THEATER			Lease
93	THEATER			Lease
94	THEATER			Lease
95	THEATER			Lease
96	THEATER			Lease
97	THEATER			Lease
98	THEATER			Lease
99	THEATER			Lease
100	THEATER			Lease

Fort Worden
Historical State Park
Commercial Lease
L339000CEN2



Theater Building 25



McCurdy Pavillion Ballon Hanger Building 26



Building 205



Building 223



Building 255



Building 256



Building 259



Building 260



Building 261



Building 275



Building 310



Building 313



Building 315



Building 356



EXHIBIT C Inadvertent Discovery Plan

Fort Worden Historical State Park, Jefferson County

Many of Washington's most important heritage sites reside on lands owned or managed by the Washington State Parks and Recreation Commission (WSPRC). Nearly all Washington State Parks contain one or more important historic buildings, structures, or archaeological sites. For this reason, archaeological surveys and historic building inventories are ordinarily commissioned as a part of background analysis and information gathering for park developments and undertakings. Results of these surveys are used during project planning to ensure every effort is made to avoid impacts to cultural resources. Yet, despite these efforts, there **always** remains some potential for unanticipated discoveries while working in Washington State Parks.

All unanticipated discoveries, both cultural resources and human skeletal remains, are subject to all applicable federal and state statutes, regulations, and executive orders. For these reasons, the Inadvertent Discovery Plan (IDP) provides useful guidance and instructions for circumstances when cultural resources or human skeletal remains are found. Please carefully read these instructions. If you have any questions, please contact the appropriate WSPRC Area Manager or the WSPRC archaeologist assigned to the undertaking. It is also strongly recommended that anyone conducting ground-disturbing activities watch the training video produced by Washington State Dept of Ecology: [Inadvertent Discovery of Cultural Resources or Human Remains: Training for Field Staff](#). This IDP for cultural resources and human skeletal remains is based on [RCW 27.44](#), [RCW 27.53](#), [RCW 68.50.645](#), [RCW 27.44.055](#), and [RCW 68.60.055](#) and [recommended language](#) from the Department of Archaeology and Historic Preservation (DAHP).

INADVERTENT DISCOVERY PLAN FOR CULTURAL RESOURCES

If cultural resources are found during a project, activity in the immediate area of the find should be discontinued (**stop**), the area secured (**protect**), and the WSPRC archaeologists notified to assess the find (**notify**). ***When in doubt, assume the material is a cultural resource and implement the IDP outlined below.***

Recognizing Cultural Resources – *Types of Historic/Precontact Artifacts and/or Activity Areas That May Be Found*

- **Artifacts** – Both historic and precontact artifacts may be found exposed in backhoe trenches or back dirt piles.
 - Precontact artifacts may range from finished tools such as stone pestles, arrowheads/projectile points, shell beads, or polished bone tools to small pieces or “flakes” or “chips” of exotic stone such as chert, jasper, or obsidian.
 - Historic artifacts may include older (more than 50 years) nails, plates/ceramics, bottles, cans, coins, glass insulators, or bricks.
 - Old abandoned industrial materials from farming, logging, railways, lighthouses, and military installations.
- **Activity Area/Cultural Features** – While excavating trench lines look for evidence of buried activity areas/cultural features such as old campfire hearths or buried artifacts.

- An area of charcoal or very dark stained soil with artifacts or burned rocks may be a fire hearth.
- A concentration of shell with or without artifacts may be shell midden deposits.
- Modified or stripped trees, often cedar or aspen, or other modified natural features, such as rock drawings or carvings
- Historic building foundation/structural remains – During excavation, buried historic structures (e.g., privies, building foundations) that are more than 50 years old may be found.
- Bone – Complete or broken pieces of bone may be discovered exposed in trench walls or in back dirt piles. Bone can come from either animal remains or human remains and requires a trained professional to identify. If you find bone, notify the WSPRC archaeologist immediately and follow their directions.

Steps to Take If a Cultural Resource Is Found During Construction

1. **Stop** if a cultural resource(s) is observed or suspected, all work within the immediate area of the discovery must stop.
2. **Protect** the area from further disturbance. Do not touch, move, or further disturb the exposed materials/artifacts. Create a protected area with temporary fencing, flagging, stakes, or other clear markings that is large enough (30 feet or larger) to protect the discovery location area. The WSPRC archaeologist can help determine the size of the protected area. Do not permit vehicles, equipment, or unauthorized personnel to traverse the discovery site.
3. **Notify** the WSPRC archaeologist. If the area needs to be secured, notify the Park Ranger or Park staff as well.
4. If requested by the WSPRC archaeologist, take photographs with a scale (e.g., pen, coin, etc.) and collect geospatial information of the discovery site to document the initial finds.

What Not to Do If a Cultural Resource Is Found During Construction

- Do not remove any artifacts from the site of the discovery.
- Do not dig out objects protruding from any trench walls as this may cause further damage to artifacts and/or destroy important contextual information.
- Do not share any information about the find, including on social media, except as necessary to implement the IDP.

What Happens Next?

1. The find will be assessed by a professional archaeologist (may be a WSPRC archaeologist or an archaeology consultant).
 - a. If the find is not a cultural resource, construction work may resume.
 - b. If the find is a cultural resource, the WSPRC archaeologist will contact the DAHP and affected Tribes, as appropriate, to develop a suitable treatment plan for the resource.
2. Construction work may resume in the protected area after the WSPRC archaeologist assigned to the undertaking has determined that the find has been adequately investigated and, if necessary, a treatment plan and monitor are in place to protect any remaining archaeological deposits.

INADVERTENT DISCOVERY PLAN FOR HUMAN SKELETAL REMAINS

Native American burials and historic grave sites are common features on Washington State Park lands. These remains, as well as any associated artifacts or funerary objects, are protected under state law and, if the park is a federal lease, applicable federal law. If you discover human remains (or bones that you believe may be human remains) during construction, please follow these important instructions. It is imperative that reporting and treatment of any human remains found during construction or any ground-disturbing activities are treated with utmost dignity and respect.

Steps to Take If Human Skeletal Remains are Found During Construction

1. **Stop** if human skeletal remains observed or suspected, all work within the immediate area of the discovery must stop.
2. **Protect** the area from further disturbance. Do not touch, move, or further disturb the remains. Cover the remains with a tarp or other materials (not soil or rocks) for temporary protection in place and shield them from being photographed. Create a protected area with temporary fencing, flagging, stakes, or other clear markings that is large enough (30 feet or larger) to protect the discovery location area. The WSPRC archaeologist can help determine the size of the protected area. Do not permit vehicles, equipment, or unauthorized personnel to traverse the discovery site.
3. **Notify** local law enforcement (Park Ranger) and the appropriate county medical examiner/coroner as soon as possible. If you are unsure if the remains are human, the physical anthropologist at DAHP may be called. Also notify the Area Manager, the WSPRC archaeologist, and the WSPRC Curator of Collections/NAGRPA Specialist of the discovery of the remains.
4. If requested by the local law enforcement, the county coroner/examiner, the DAHP physical anthropologist, or the WSPRC archaeologist, take photographs with a scale (e.g., pen, coin, etc.) and geospatial information of the discovery site to document the initial finds.

What Not to Do If Human Skeletal Remains are Found During Construction

- Do not pick up or remove anything.
- Do not take any photographs of the remains unless instructed to do so by local law enforcement, the county coroner/examiner, the DAHP physical anthropologist, or the WSPRC archaeologist. If pictures are requested, be prepared to photograph them with a scale (e.g., pen, coin, etc.) and collect geospatial information of the remains.
- Do not call 911 unless you cannot reach local law enforcement or the coroner/examiner by other means.
- Do not share any information about the find, including on social media, except as necessary to implement the IDP.

What Happens Next?

1. The county medical examiner/coroner will assume jurisdiction over the human skeletal remains and decide whether those remains are forensic (crime-related) or non-forensic.
 - a. If forensic, the county medical examiner/coroner will retain jurisdiction over the remains.
 - b. If non-forensic, the county medical examiner/coroner will report that finding to the DAHP who will then take jurisdiction over the remains. The DAHP will notify any appropriate cemeteries and all affected Tribes of the remains. The State Physical

Anthropologist will decide whether the remains are Indian or Non-Indian and report that finding to any appropriate cemeteries and the affected Tribes. The DAHP will then handle all consultation with the affected parties as to the future preservation, excavation, and disposition of the remains.

Note: The WSPRC archaeologist assigned to the undertaking will be coordinating and consulting with the DAHP, affected Tribes, and other groups as necessary. Additionally, WSPRC's Curator of Collections/NAGPRA Specialist should be included on all written and/or verbal correspondence until the remains have been officially transferred from WSPRC's possession to an outside authority. Until the remains are transferred off of WSPRC's property, it is the responsibility of the Curator of Collections/NAGPRA Specialist to document and track the information regarding all human remains and associated funerary objects (including all material from excavation areas/units from which the human remains were removed).

2. Construction work may resume in the protected area after the WSPRC archaeologist assigned to the undertaking has determined that the find has been adequately investigated and, if necessary, a treatment plan and monitor are in place.

EMERGENCY CONTACTS

WSPRC Region Archaeologists

Shari Silverman, SW Region Archaeologist	(435) 260-9894 (cell)
Email: shari.silverman@parks.wa.gov	(360) 902- 8640 (office)

Kayley Bass, SW Region Archaeologist	(360) 701-1277 (cell)
Email: Kayley.bass@parks.wa.gov	

Alternative WSPRC Archaeologist Contacts

Jennifer Wilson, Cultural Resources Program Manager	(360) 787-6511 (cell)
Email: jennifer.wilson@parks.wa.gov	(360) 902-8637 (office)

Statewide:

Maurice Major, Stewardship Archaeologist	(360) 701-6218 (cell)
Email: maurice.major@parks.wa.gov	(360) 902-8503 (office)

Eastern Region:

Ayla Aymond, Eastern Region Archaeologist	(509) 743-8251 (cell)
Email: ayla.aymond@parks.wa.gov	

Sarah DuBois, Eastern Region Archaeologist	(509) 972-5884 (cell)
Email: sarah.dubois@parks.wa.gov	(509) 665-4336 (office)

NW Region:

Sean Stcherbinine, NW Region Archaeologist	(360) 770-1419 (cell)
Email: sean.stcherbinine@parks.wa.gov	

Laura Syvertson, NW Region Archaeologist	(360) 770-0444 (cell)
Email: laura.syvertson@parks.wa.gov	

WSPRC Curator of Collections/NAGPRA Specialist

Alicia L. Woods, Statewide Curator of Collections & NAGPRA Specialist

Email: alicia.woods@parks.wa.gov

(360) 586-0206 (office)

State Physical Anthropologist

Guy Tasa, DAHP

(360) 790-1633 (cell)

Assistant State Physical Anthropologist

Jackie Berger, DAHP

(360) 890-2633 (cell)

County Coroner/Examiner

James M. Kennedy

(360) 385-9180 (cell)

Local Law Enforcement

Dave Bowen

(360) 301-6140 (cell)

Wayne Fitch

(360) 344-4412 (cell)

Area Manager

Brian Hageman

(360) 344-4401 (cell)

EXHIBIT D – Tree Activity Worksheet

N/A

EXHIBIT E

DRAFT Rental Fee Summary

Pending Copper Canyon Press rent adjustment; updated rent total and Exhibit E after rental fee summary is finalized

Centrum Lease Fee Schedule - Appraisal 2/6/2025								
Building ID	Bldg. No.	Leased Area (sf)	Rent conclusion (\$/sfyr net)	Forecasted Rental Income	Appraised rent/month (New)	Appraised annual rate (New Value)	Annual Income to Parks	Notes
Theater	25	4,918	\$ 3.50	N/A	\$ 1,434.00	\$ 17,213.00	\$ 17,213.00	commercial building
Balloon Hangar	26	19,035	\$ 4.50	N/A	\$ 3,569.08	\$ 85,658.00	\$ 42,829.00	commercial building
Corvidae Press	205	7,035	\$ 5.50	N/A	\$ 3,224.00	\$ 38,693.00	\$ 38,693.00	commercial building
Office Space	223	4,160	\$ 9.00	N/A	\$ 3,120.00	\$ 37,440.00	\$ 37,440.00	
Residential bldgs	255	1,040	\$ 4.04	\$ 1,600.00	\$ 9,960.00	\$ 119,520.00	\$ 17,928.00	Included in Hospitality Operator Rent - One value for residential bldgs 255, 256, 259, 260, 261, 275, 325 - average is \$1,660.00 at 15% of the gross revenue as payment - Net income to State Parks based on 15% of gross rental.
	256	1,125	\$ 4.04	\$ 1,700.00			\$ -	residential building
	259	1,040	\$ 4.04	\$ 1,600.00			\$ -	residential building
	260	1,125	\$ 4.04	\$ 1,700.00			\$ -	residential building
	261	1,125	\$ 4.04	\$ 1,700.00			\$ -	residential building
	275	4,260	\$ 4.04	\$ 1,700.00			\$ -	residential building
Centrum Madrona Mind and Body	310	5,000	\$ 8.00	N/A	\$ 3,333.00	\$ 40,000.00	\$ 40,000.00	commercial building
Copper Canyon Press	313	2,220	\$ 7.00	N/A	\$ 1,295.00	\$ 15,540.00	\$ 15,540.00	
Rainshadow Recording	315	2,626	\$ 3.50	N/A	\$ 766.00	\$ 9,191.00	\$ 9,191.00	
Storage	356	4,154	\$ 4.00	N/A	\$ 1,385.00	\$ 16,616.00	\$ 16,616.00	
						Annual Net Income	\$ 235,450.00	

EXHIBIT F Resource Use Reporting Template

In accordance with RCW 70A.45.050 and the execution of the Lease, Lessee shall submit resource usage reports on an annual basis no later than the 1st day of February for the previous calendar year. This report shall be submitted to RUF@parks.wa.gov.

The Resource Use Reporting Template (Excel workbook) will follow in an email. Lessee will use the Reporting Template to report their resource use. Electricity usage is required; the remaining categories of resource use are optional.

	WORKPLACE: Park Name - RPA #			YEAR: 2025		For questions and concerns please contact RUF@parks.wa.gov										
	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	TOTAL			
ENERGY USE																
Electricity Total Use (KWHs)		0	0	0	0	0	0	0	0	0	0	0	0	0		
Propane (gallons)														0		
Heating Oil (gallons)														0		
Diesel-Generated (gallons)														0		
Natural Gas (therms)														0		
WATER USE - Optional																
Well- Pumped Water (gallons)														0		
Surface Water used (gallons)														0		
Purchased Domestic Water (gals.)														0		
Purchased Irrigation Water (gals.)														0		
VEGETATION MANAGEMENT - Optional																
Fertilizer Use (square feet)														0		
Pesticide Use (square feet)														0		
WASTE MATERIALS - Optional																
Garbage/Solid Waste (cubic yds)														0		
Recycled Materials (cubic yds)														0		
Septic / Vault Pumping (gallons)														0		
Sewage Utility (gallons)														0		

*This is an image of the Resource Use Reporting Template only. The template is an Excel workbook that will be emailed. The template includes detailed instructions and preset formulas for ease of data entry. Please email RUF@parks.wa.gov with any template questions or concerns.

EXHIBIT G
Memorandum of Lease

THIS MEMORANDUM OF LEASE, dated as of the _____ day of _____, 20____, is between the **Washington State Parks and Recreation Commission** (herein called “State”) and Centrum, a Washington nonprofit organization, 501(c)(3) (herein called “Lessee”).

1. Property. State hereby leases to Lessee, upon the terms and conditions of the Lease between the parties (herein called the “Lease”) of even date herewith, which terms and conditions are incorporated by this reference, a portion of the real property, situated in Jefferson County, Washington, legally described in Exhibit A attached hereto and by this reference made a part hereof (herein called “Property”)

2. Term. This Lease shall be for a term of thirty-five (35) years and may, by mutual written agreement, be amended for an additional 35-year period under the same terms and conditions.

3. Purpose of Memorandum of Lease. This Memorandum of Lease is prepared for the purpose of recordation, and it in no way modifies the Lease.

Lessee

**Washington State Parks and
Recreation Commission**

By _____

Title _____

Heather Saunders, Director of Parks
Development, By Delegations of Authority of
September 16, 2013, revised November 6,
2013.

Date _____

Date _____

APPROVED AS TO FORM:

Nick Brown
Attorney General

Andy Woo, WSBA #46741
Assistant Attorney General

Date _____

Lessee's Acknowledgment

STATE OF WASHINGTON)
) ss.
COUNTY OF)

THIS IS TO CERTIFY that on this day, before me the undersigned Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared _____ to me known to be _____ of _____ that executed the foregoing instrument and acknowledged the said instrument to be the free and voluntary act and deed of said organization, for the uses and purposes therein mentioned, and on oath stated that she/he was authorized to execute the said instrument.

WITNESS my hand and official seal this _____ day of _____, 20____.

Notary Public in and for the State of Washington
residing at _____
My commission expires _____

Washington State Parks and Recreation Commission Acknowledgment

STATE OF WASHINGTON)
) ss.
COUNTY OF)

THIS IS TO CERTIFY that on this day, before me the undersigned Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared _____ to me known to be the _____ of the **Washington State Parks and Recreation Commission** that executed the foregoing instrument and acknowledged the said instrument to be the free and voluntary act and deed of said Commission, for the uses and purposes therein mentioned, and on oath stated that she/he was authorized to execute the said instrument.

WITNESS my hand and official seal this _____ day of _____, 20____.

Notary Public in and for the State of Washington
residing at _____
My commission expires _____

EXHIBIT H

Fort Worden Historical State Park Campus Maintenance

State's Role and Responsibilities

In general, State is responsible for all major construction, maintenance, and repair of Campus grounds, roads, facilities, and utilities. Items considered to be State's responsibility include:

- Underground and above-ground utility infrastructure
 - Water supply lines
 - Storm and sanitary sewer lines
 - Electrical lines
 - Communication
- Structural repairs, maintenance
 - Replacement/repair of roofs
 - Repair/replacements of porches, building access
 - Exterior/entry door and window lock repair and replacement
 - Door, window, and window glass replacements/repairs
 - Lessee is responsible for damage caused by Lessee or their customers
 - Beams, columns, walls (cracks & spalling)
 - Staircase integrity and structural maintenance
 - Foundations
 - Masonry – all flatwork including stone, rock, brick, concrete, and mortar surfaces
 - Chimneys (complete to foundation)
 - Plaster repairs – major delamination/cracking
- Exterior maintenance – painting, roofing, roof and gutter cleaning, etc. (i.e., maintenance that typically requires the use of high-lift equipment)
 - Lessee is responsible for regular cleaning of building exterior
- Plumbing supply lines within the structure of a building or underground
 - Lessee is responsible for fixtures, faucets, shower heads, etc.
- Electrical supply lines within the structure of a building and/or exterior to a building
 - Lessee is responsible for outlet, switch, and breaker replacements via trained staff and/or contractor.
- Standpipe replacement, maintenance, and repair
- HVAC system equipment, ductwork, piping, and electrical
- Fuel oil tank maintenance, inspection, and replacement
 - Lessee responsible for fuel deliveries and consumption
- Radiator and control valve replacement
- Fire alarm system testing and maintenance
- Fire Department building inspections
- Sprinkler head checking and maintenance
- Fire extinguisher installation and certified annual inspections
- Elevator testing and maintenance
- Solar panel maintenance
- Sprinkler systems, fire alarms, and carbon monoxide detectors repair and replacement
- Pest management (infestations and abatement)
 - Lessee is responsible for routine management
- Common Area maintenance

- Lessee is responsible for outdoor areas specifically listed/managed under a Lease or Concession Agreement, or immediately adjacent to Lessee/concession-leased buildings
- Roads and sidewalks cleaning, maintenance, and repair
 - Includes paving/resurfacing, pothole and crack repair, striping of roads and parking lots, installation and maintenance of access gates, and maintenance of curbs, driveways, and graveled areas
- Streetlights
 - Includes repair/replace poles, replace bulbs, maintain operational controls (time of day lights are on/off)
- Maintenance and repair of Campus signage including, but not limited to, traffic, directional, Discover Pass, and handicap parking
 - Lessee not permitted to remove or alter State-placed signage
- Grounds maintenance, mowing, trimming, brushing, pruning, etc.
 - State is responsible for all chemical applications and use in consultation with State Stewardship staff

Lessee's Role and Responsibilities

In general, Lessee shall keep the premises and the adjoining access ramps, stairs, porches, porch repairs, and ADA accessibility improvements neat, clean, and in a safe and sanitary manner. Lessees shall perform routine maintenance and repair of the interior and exterior of facilities and keep the premises in a good state of repair.

All maintenance, repair, and construction shall meet requirements of the Americans with Disabilities Act and, as applicable, shall conform to the Washington State Parks and Recreation Commission action of November 19, 2010, Policy 12-98-1 (Cultural Resources Management) and the Secretary of the Interior's Standards for the Treatment of Historic Properties ([36 CFR Part 68](#)). The Campus Business Manager will consult with the Historic Preservation Program to ensure that all work proposed is consistent with agency policy, the SOI Standards, and the Fort Worden Guidelines for Rehabilitation for routine maintenance, capital, or major repair projects.

Lessees shall:

- Fix things Lessee or guest(s) breaks or damages
 - Report damages above \$500 to State
 - All items repaired or replaced must be equivalent to previous materials
 - All maintenance, repair, and construction shall meet requirements of the Americans with Disabilities Act
- Notify State promptly of defective or dangerous conditions on the property
- Notify State of all reportable damages within 72 hours
- Keep plumbing fixtures as clean as their condition permits
- Properly use and operate all electrical, gas, heating, plumbing, and other fixtures and appliances
- Not intentionally or negligently destroy, deface, damage, impair, or remove any part of the structure or dwelling
- Not allow nuisance or common waste
- Maintain smoke detection devices in accordance with the manufacturer's recommendations, including the replacement of batteries

- Use electrical, plumbing, sanitary, heating, ventilating, air-conditioning, and other facilities and other systems, including elevators, properly
- Keep premises clean and free of all litter, trash, debris, recycling, compost
 - Lessee may use dumpster(s) as provided for disposing of trash generated from normal/general use of leased facilities (not lodging or food service related)
 - Lessee shall provide for additional trash receptacles and disposal for special events and activities at its own expense.
- Provide routine upkeep and maintenance to ensure the usability and accessibility of sidewalks, pathways, steps, approaches, etc. serving its leased facilities
 - Includes shoveling snow, de-icing, sweeping leaf litter, dirt, and debris
- Provide routine pest control maintenance

Lessee is responsible for:

- Consumables
 - This includes but is not limited to lightbulbs, batteries, wax rings, etc.
- Customer touchpoints and surface conditions
- Electrical fixtures and interior accessories
 - This includes but is not limited to lamps, chandeliers, towel racks, mirrors, coat racks, etc.
- Interior painting
 - Lessee shall follow lead and abatement safety protocols
- Decks and exterior building cleaning/pressure washing
- Floor coverings/treatments, including but not limited to rugs, carpet, tile, hardwood, linoleum, etc.
- Furnishings such as tables, chairs, couches, beds, nightstands, dressers, coffee tables, etc.
- Office furniture and office equipment
- Faucets, toilet plumbing fixtures repair and replacement
 - Waste line, sink and toilet clogs
- Maintenance/replacement of hardware associated with fixtures, windows, interior doors, cabinets, storage areas
- Interior lock repair and replacement
 - Copies of any/all keys and access codes for digital/push-button locks shall be provided to State
- Window cleaning (interior and exterior)
- Window treatments repair, replacement, and cleaning, including but not limited to blinds, curtains, sashes, etc.
- Appliances such as refrigerators, stoves, dishwashers, coffee makers, etc.
- Janitorial, custodial service of all Lessee facilities
- HVAC system control adjustment (i.e., thermostat)
- Emergency and exit lighting and signage
- Operation and testing of stand-alone smoke and carbon monoxide detectors
- Monthly fire extinguisher inspections and maintenance
 - Report to State any deficiencies or damages
 - Replaces or recharges fire extinguishers as a result of Lessee or guest(s) misuse
- Maintenance and replacement of Lessee or concession-specific signage

Lessees shall not:

- Conduct structural alterations of buildings without prior written approval from State
- Perform maintenance tasks assigned to State without prior collaboration or written approval
- Deviate from historic preservation standards without State's prior written approval

Lessees pays for the following recurring expenses:

- Electric (Lessee share via established formula) billed by State
- Water & Sewer (Lessee share via established formula) billed by State
- Garbage (Lessee share of monthly Campus dumpster(s) service) billed by State
- IT – Campus-wide network (Lessee share of monthly service, as applicable) – billed by State
- Fire alarm monitoring (Lessee share of monthly service) – billed by State
- Routine pest control service – (Lessee share for serviced buildings) – billed by State
- Fire protection service (East Jefferson Fire) – (Lessee share of annual fee) – billed by State
- Fuel oil and propane (Lessee manages its own service directly with service company)

Maintenance, Repair, and Construction Request Procedure

Emergencies:

- For maintenance and repair emergencies which threaten life, grounds, or facilities:
 - During regular business hours (M-F, 8:00am-4:00pm), Lessee should call Campus Business Operations: 360-344-4482 or the main Park Office: 360-344-4412
 - Outside of regular business hours (after 4:00pm or before 8:00am), on holidays, or if Lessee is unable to contact a staff person at Campus Business Operations or main Park Office during regular business hours, Lessees should call the Maintenance on-call cell phone: 564-250-1828
- If Lessee is unable to reach a staff person during an emergency, Lessee may call in a private service provider/contractor to stabilize the emergency
 - Lessee may submit a request for reimbursement to State for work performed by a private service provider/contractor. Reimbursement may be in the form of direct payment from State to Lessee or may be reimbursed via approved/documented credit towards future lease rent payments.
 - If work is performed by a service provider/contractor that is pre-approved by State, Lessee may provide invoices for State's direct payment to the service provider/contractor.
 - Work beyond stabilization of the immediate emergency is not authorized unless pre-approved in writing by State.

Routine:

- For maintenance or repair needs that are not urgent or immediately threatening life, grounds, or facilities, Lessees should send an email request to Campus Business Operations: fortwordencampus@parks.wa.gov
 - Lessee's email should include contact information, facility name/number, and a full description of the maintenance or repair request
 - State staff will respond within 72 hours
- Pre-approved and documented work performed/funded by Lessee that typically falls under the Role and Responsibilities of State (as listed above) shall be reimbursed by State or may be used as credit towards monthly lease rent payments.

Capital or Major Repair:

- Requests for capital projects or major repair work should be submitted to the attention of the Campus Business Manager at fortwordencampus@parks.wa.gov
 - Lessee's email should include contact information, facility name/number, and a full description of the maintenance or repair request
 - The Campus Business Manager will respond in a timely manner to discuss the proposed project.

EXHIBIT I

Building 200 Dunbar Room

Background

Building 200 – The Dunbar Room is named in appreciation for Jean Dunbar's dedication to Fort Worden State Park. After a multifaceted career in journalism and law enforcement, Jean Dunbar retired from the Seattle area to Port Townsend and became actively involved in the community beginning in the late 1970s. She served as a board member of the Friends of Fort Worden from 2008-2011.

The Jean Dunbar Room ("Dunbar Room") is available for free use by Lessees and partner organizations. Lessees, partner organizations, and their guests ("Users") may use Dunbar Room for business meetings per the following policies and rules:

Reservations & General Use Rules

- Dunbar Room is only available for use by Lessees, partner organizations, and State.
- A Lessee or partner organization's use of Dunbar Room is limited to meetings directly related to their purposes and activities and does not include meetings by others or meetings unrelated to the Lessee's/partner's purpose or activities.
- To reserve Dunbar Room, Lessees and partners should contact the Campus Business Operation's Facility Coordinator or Administrative Assistant:
fortwordencampus@parks.wa.gov.
- Dunbar Room can be used for a maximum of four (4) hours per week per user. Exceptions may be made on a limited basis; please contact Campus Business Operations staff to request an exception.
- Meetings of a minimum of five (5) people are preferred. Smaller meetings should take place in Lessee/partner organization's offices or elsewhere so Dunbar Room is available for those who do not have options for larger meetings.
- The recommended meeting maximum is fifteen (15) people based on how many people can comfortably sit around the meeting room tables. Approximately twenty-five (25) chairs are available.
- Available hours may vary. Dunbar Room is currently available Monday through Friday from 8 a.m. to 7 p.m. Users must ensure that Building 200 door is locked when they leave. Failure to do so may jeopardize future use.
- Users do not arrive within fifteen (15) minutes of the reserved time, then the reservation is subject to cancellation.
- A "Meeting in Progress" sign is available and should be placed on the door during your meeting and removed when finished in the room.
- If there are back-to-back reservations, preceding meetings should conclude five (5) minutes before the next reservation. Please check Campus staff for up-to-date reservation information.
- Users are responsible for cleaning up after their event. This may include, but is not limited to, wiping down the tables with cleaner and sweeping the floors.
- Users will be held liable for the actions of everyone attending their meeting; attendees may not jeopardize, harass, physically abuse, or interfere with the rights and privileges of others.

- Failure to adhere to any of the above rules may result in a reservation being cancelled and rights to use Dunbar Room rescinded.

Standard Room Configuration: 15 Chairs Set-Up



Please see picture for the standard room configuration. Users may adjust the set-up during their use, and the furniture must be returned to the standard configuration at the end of the group's reservation.

Audio/Visual and Equipment

Dunbar Room is equipped with a flat screen television, webcam (with speakers and microphone), speaker phone, and wireless access. Items are supplied in as-is condition and are not maintained on demand. Please report any technical difficulties to Campus Business Operations staff for eventual resolution. Dunbar Room Users must supply any other desired audio/visual materials.

Food & Beverage

- Users can bring in their own food but must clean up afterwards.
- No catering service allowed.
- No alcohol allowed.

Recycling

Users agree to use the recycling receptacles provided in the room.

Decorations, Signs, Alterations

Users will not construct, remove, destroy, puncture, improve, or otherwise alter Dunbar Room facilities or furnishings. Nothing shall be removed from the walls.

Damaged, Left or Lost Items

State assumes no responsibility for loss or damage related to use of Dunbar Room. Users are responsible for safeguarding their possessions. Please contact Campus Business Operations staff regarding items that may have been left behind in Dunbar Room or Building 200.

Pets

No pets are allowed in Building 200. Service animals are permitted.

Smoking, Vaping, and Drugs

Smoking and vaping are prohibited within 25 feet of all building entrances, windows, and ventilation intakes. Marijuana is prohibited in all state parks. Illegal drugs are prohibited in Dunbar Room and Building 200.

Flammables, Incendiary Devices, and Firearms

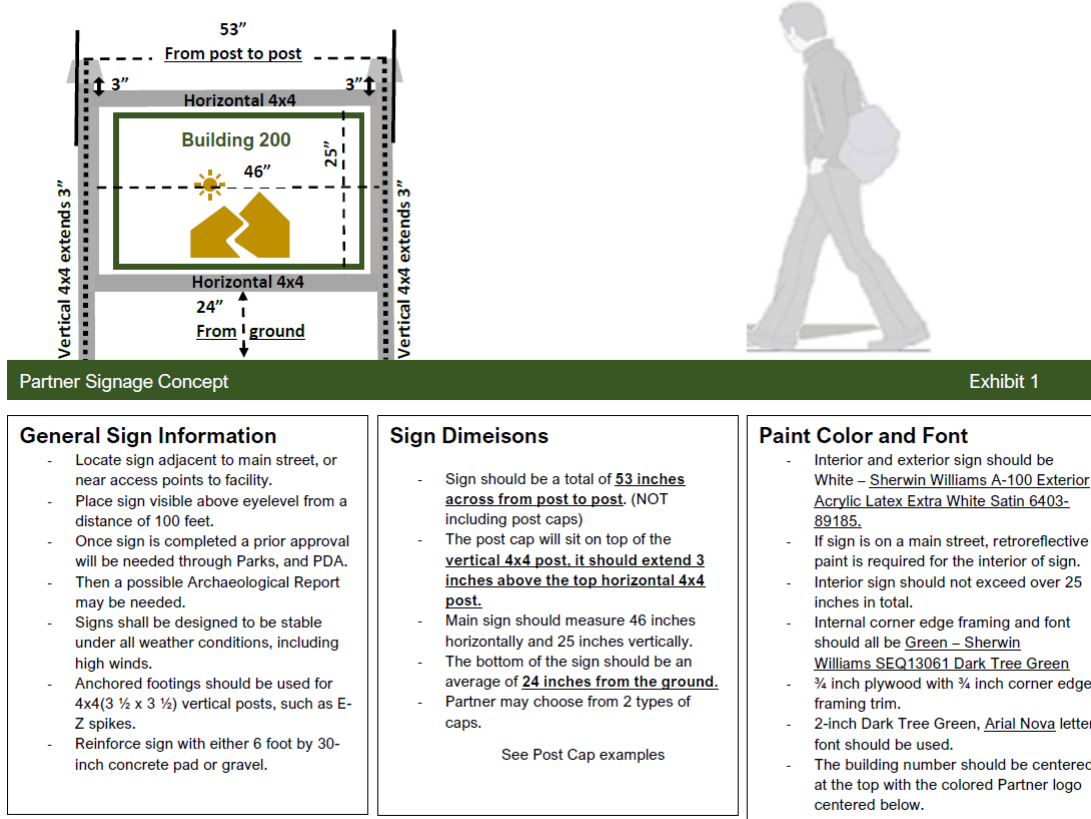
Candles or other burning items, incendiary devices, and firearms are all prohibited.

Cancellations

State retains the right to cancel without penalty Dunbar Room reservations, which may happen for rare situations, such as maintenance or facility needs in Building 200 or Dunbar Room. When possible, State shall notify Users in advance and take all reasonable steps in State's determination to mitigate any potential disturbance to User, such as finding alternate accommodations on campus.

Exhibit J

Signage Throughout the Fort Worden Campus



Example # 1



Example # 2



Partner Signage Concept/ Post Caps

Post Cap Example # 1 Information

- 4x4 Inch Copper High Point Pyramid Post Cap.

Post Cap Example # 2 Information

- 4x4 Copper Plated Solar Post Cap.

Exhibit K – DRAFT
Rent Credit Policy (Pol 65-56) and Procedure (Pro 65-56-1)
Pending AAG, ELT, and Director review/approval



Page 1 of 6

POLICY

Effective Date: _____, 2025

Approved By: _____

Cancels/Supersedes: Newly Established Policy

Reference(s): PRO 65-56-1

POL 65-56 Policy for Providing Rent Credit for Tenant-Funded Work on Leased Buildings at Fort Worden Historical State Park

Purpose

This policy outlines the guidelines and procedures for providing rent credit to tenants of Fort Worden Historical State Park (Fort Worden) who undertake approved maintenance, repair, restoration, or improvement work on their leased buildings at their own expense. The purpose of this policy is to:

- Encourage tenant investment in the preservation and enhancement of Fort Worden's historic buildings.
- Support the long-term sustainability and aesthetic integrity of the park.
- Provide a clear and transparent framework for evaluating and approving tenant-funded work for rent credit.
- Ensure that all work aligns with the historical preservation mission of Fort Worden and Washington State Parks and Recreation Commission (WSPRC) guidelines.

Scope

This policy applies to all tenants holding valid leases for buildings within Fort Worden who wish to perform work on their leased premises and seek rent credit for such work. This policy does not apply to routine maintenance or repairs that are explicitly the tenant's responsibility under their lease agreement.

Definitions

1. **Approved Work:** Work that has been reviewed and approved in writing by WSPRC prior to commencement and is eligible for rent credit under the terms of this policy. This may include, but is not limited to, roof replacement, HVAC upgrades, electrical system modernization, structural repairs, significant accessibility improvements (ADA compliance), and historically accurate restoration work. Routine maintenance, cosmetic upgrades, and personal property installations are generally NOT eligible, nor are specialized improvements that customize a building for a particular tenant's use.
2. **Eligible Costs:** Direct costs associated with Approved Work, including materials, labor, permits, and approved professional services (e.g., architectural, engineering, historical preservation consultation). Subject to exclusions in Section VI (3).
3. **Fort Worden Management:** Refers to the Fort Worden Campus Business Manager or designated WSPRC staff responsible for the administration and oversight of the Fort Worden upper Campus.
4. **Historical Preservation Standards:** Guidelines and principles for the preservation, rehabilitation, restoration, and reconstruction of historic properties as outlined by the Secretary of the Interior's Standards for the Treatment of Historic Properties.
5. **Rent Credit:** A reduction in future rent obligations granted to a tenant in exchange for pre-approved and completed Eligible Costs for Approved Work.
6. **Tenant:** The individual, organization, or entity holding a valid lease agreement with WSPRC for a building at Fort Worden State Historical Park.
7. **WSPRC:** Washington State Parks and Recreation Commission.

Policy

1. Eligibility for Rent Credit

To be eligible for rent credit, all proposed work must meet the following criteria:

- 1.1 **Prior Written Approval:** All work must be formally proposed by the tenant and receive explicit written approval from Fort Worden Management and WSPRC prior to commencement. In general, WSPRC will consider previous agreements that provided rent credit for approved and documented capital expenses made by a tenant in good standing. Requests for "retroactive" rent credit will follow the same application and approval process as indicated in Section 2 of this Policy.

1.2 Benefit to WSPRC and Fort Worden: The proposed work must demonstrably benefit WSPRC and Fort Worden by:

- Preserving, restoring, or enhancing the historic integrity and architectural character of the leased building.
- Addressing significant deferred maintenance that is beyond the scope of routine tenant responsibility.
- Improving the structural integrity, safety, or longevity of the building.
- Increasing the value or utility of the property for future use, even if the current tenant vacates.

1.3 Compliance with Standards: All work must comply with Standards as specified in Section 4: Standards and Compliance.

1.4 Professional Execution: Work, particularly involving historic fabric or structural elements, must be performed by qualified and, where appropriate, licensed professionals with demonstrated experience in historic preservation.

1.5 Cost Documentation: All Eligible Costs must be fully and accurately documented with receipts, invoices, and proof of payment.

2. Application and Approval Process

Tenants seeking rent credit must follow the process outlined in Procedure 65-56-1 which shall provide steps for initial inquiries, formal proposal submissions, formal review, evaluation, and approval, work monitoring and documentation, final work inspections and approvals, and issuance of any rent credits.

3. Calculation and Application of Rent Credit

3.1 Eligible Costs: Only pre-approved Eligible Costs directly related to the Approved Work will be considered for rent credit.

3.2 Credit Amount: The amount of rent credit will typically be dollar-for-dollar of approved Eligible Costs, up to the maximum amount of 80%, as specified in the written agreement. In some cases, WSPRC may determine a lower percentage is appropriate based on the nature of the work, the direct benefit to the tenant versus WSPRC, or available funding considerations. This will be clearly outlined in the agreement.

3.3 Exclusions: The following costs are generally not eligible for rent credit:

- Tenant's own labor or the labor of their employees/volunteers, unless explicitly pre-approved for specialized services where the tenant

demonstrates unique and essential expertise that would otherwise be contracted.

- Routine maintenance, repairs, or cosmetic upgrades that are solely for the tenant's benefit and do not enhance the long-term value or historical integrity of the building for WSPRC
 - Specialized improvements that customize a building for a particular tenant's use and do not provide value for WSPRC
 - Costs exceeding the maximum amount approved in the written agreement
 - Costs not fully documented with original receipts and proof of payment
 - Costs for work performed without prior written approval
 - Interest on loans, finance charges, or administrative fees
- 3.4 Application Method: Rent credit will typically be applied as a monthly deduction from future rent payments until the total approved credit is exhausted. The specific monthly credit amount and duration will be stipulated in the written agreement. WSPRC reserves the right to apply the credit in a lump sum or other manner if mutually agreed upon and beneficial to both parties.
- 3.5 No Cash Reimbursement: Rent credit is not convertible to cash and will only be applied against future rent obligations.
- 3.6 Transferability: Rent credit may be applicable, in aggregate, to rent paid for other buildings leased by the tenant or to new lease agreements for other buildings. Rent credit is non-transferable to other tenants. In the event a tenant vacates the premises before the full rent credit is utilized, any remaining credit will be forfeited. Exceptions may be considered on a case-by-case basis for extraordinary circumstances and must be explicitly outlined in the original rent credit agreement.

4. Standards and Compliance

- 4.1 Historical Preservation: All work must adhere strictly to the Secretary of the Interior's Standards for the Treatment of Historic Properties. Fort Worden Management, in consultation with WSPRC's Historic Preservation Planner, will provide guidance and oversight to ensure compliance.
- 4.2 Building Codes & Safety: All work must comply with all applicable federal, state, and local building codes, fire safety regulations, and environmental laws. Tenants are responsible for obtaining all necessary permits and inspections.

- 4.3 Insurance: Tenants are responsible for ensuring that their contractors and workers are adequately insured (e.g., liability, workers' compensation) during the performance of the work as specified in the tenant's lease agreement.
- 4.4 Waste Disposal: Tenants are responsible for the proper and legal disposal of all construction debris and waste materials.

5. Non-Compliance and Disputes

- 5.1 Failure to Comply: Failure to adhere to the terms of this policy or the written agreement/amendment may result in:
 - Denial or reduction of rent credit
 - Requirement for corrective work at the tenant's expense
 - Termination of the lease agreement in severe cases of non-compliance or damage to historic property
- 5.2 Dispute Resolution: Any disputes arising from this policy or the application of rent credit will be addressed through good-faith negotiation between the tenant and Fort Worden Management. If a resolution cannot be reached, the dispute may be escalated to the WSPRC Parks Development Director for a final decision.

6. Review and Amendment

This policy will be reviewed on a 5-year basis by WSPRC to ensure its effectiveness and relevance. WSPRC reserves the right to amend this policy at any time, with reasonable notice to tenants. Any amendments will apply to future proposals, unless specifically stated otherwise.

7. Contact Information

For questions or to initiate a proposal for rent credit, please contact:
Campus Business Manager
Fort Worden Historical State Park
360-344-4482 fortwordencampus@parks.wa.gov



PROCEDURE

Effective Date: _____, 2025

Approved By: _____

Cancels/Supersedes:

Reference(s): POL. 65-56

PRO 65-56-1 Procedure for Providing Rent Credit for Tenant-Funded Work at Fort Worden Historical State Park

Purpose

This procedure outlines the process by which tenants at Fort Worden Historical State Park (Fort Worden) may receive rent credit for pre-approved and documented improvements to leased buildings, contributing to the preservation and enhancement of park facilities in alignment with Washington State Parks' mission and long-term planning for Fort Worden.

Guiding Principles

- Transparency and Fairness: All requests and decisions will be documented and communicated clearly.
- Compliance with State Law: All actions will adhere to Washington State laws and regulations regarding public lands, leases, and financial management.
- Park Benefit: Approved tenant-funded work must provide a clear benefit to Fort Worden, aligning with its historical preservation, recreational, and educational goals.
- Fiscal Responsibility: Rent credits will be granted responsibly, considering the park's financial health and market rate assessments.
- Historic Preservation: All improvements must comply with historic preservation guidelines for Fort Worden, as a Historical State Park.

Definitions

1. Fort Worden Management: Refers to the Fort Worden Campus Business Manager or designated WSPRC staff responsible for the administration and oversight of the Fort Worden upper Campus.
2. Review Team: A group of WSPRC staff charged with reviewing projects proposed for rent credit and making recommendations about approval or denial of rent credit. The Review Team will consist of representatives from WSPRC's Real Estate Program, Capital Program and Facilities Program, as well as the Operations Division's Statewide Maintenance Program Manager, the agency's Historic Preservation Planner, and the agency's ADA Coordinator. Other relevant WSPRC staff may be included as appropriate.
3. Approved Work: Pre-approved, documented improvements to a leased building at Fort Worden, where the tenant bears the direct cost of labor, materials, and associated professional services. In general, WSPRC will consider (through the steps outlined in this Procedure) previous agreements that provided rent credit for approved and documented capital expenses made by a tenant in good standing.
4. Eligible Improvements: Work that enhances the structural integrity, functionality, safety, or historical authenticity of the leased building, and is consistent with the park's master plan and historic preservation guidelines. This may include, but is not limited to, roof replacement, HVAC upgrades, electrical system modernization, structural repairs, significant accessibility improvements (ADA compliance), and historically accurate restoration work. Routine maintenance, cosmetic upgrades, and personal property installations are generally NOT eligible, nor are specialized improvements that customize a building for a particular tenant's use.
5. Rent Credit: A reduction in future rent payments, equivalent to a portion or all of the approved cost of Eligible Improvements.
6. Fair Market Value (FMV): The current market rate for rent at Fort Worden, as determined by professional appraisal.

Procedure

8. Step 1: Initial Inquiry and Project Proposal (Tenant Initiated)

- 8.1 Tenant Contacts Fort Worden Management: The tenant expresses interest in undertaking tenant-funded work and inquires about the rent credit program.
- 8.2 Review Program Guidelines: Fort Worden Management provides the tenant with detailed program guidelines, including eligibility criteria, application forms, and required documentation.

8.3 Preliminary Project Discussion: The tenant schedules a preliminary meeting with Fort Worden Management to discuss the proposed project. This helps determine initial feasibility and alignment with park priorities.

8.4 Formal Project Proposal: The tenant submits a formal written Project Proposal to Fort Worden Management, including:

- Project Description: Detailed description of the proposed work, including its purpose, scope, and desired outcome.
- Justification: Explanation of how the project meets the eligibility criteria in Section IV, particularly how it benefits WSPRC and Fort Worden and goes beyond lease obligations.
- Detailed Scope of Work: Specific tasks, materials, and methods to be used. For historic properties, this should include information on matching historic materials, techniques, and finishes.
- Estimated Costs: Schedule of Values that provides an itemized breakdown of all anticipated Eligible Costs, including quotes from contractors/suppliers.
- Funding Source: Listing of all secured or anticipated funding sources committed to the project.
- Timeline: Proposed start and completion dates.
- Qualifications of Contractors/Professionals: Resumes or portfolios of individuals/companies proposed for the work, especially for specialized historic preservation tasks.
- Plans/Drawings: Where applicable, architectural drawings, schematics, or photographs illustrating the proposed changes.
- Permits: Identification of any required permits (e.g., building, environmental, historical review) and a plan for obtaining them.

9. Step 2: Park Review and Preliminary Approval

9.1 Internal Review: Fort Worden Management, in consultation with the Review Team, reviews the Project Proposal for:

- Eligibility of the proposed improvements.
- Consistency with the existing lease agreement.
- Alignment with any park plans and/or historic preservation guidelines.
- Benefit to the park and the long-term value of the leased asset.

- Preliminary cost reasonableness.
- 9.2 Request for Additional Information: If necessary, Park Management may request additional details, revised plans, or professional assessments (e.g., structural engineer's report, historic architect's review).
- 9.3 Preliminary Approval/Denial: Park Management provides the tenant with preliminary approval or denial of the Project Proposal. If denied, the reasons will be clearly stated. Preliminary approval does not constitute a commitment for rent credit.

10. Step 3: Detailed Planning and Cost Assessment

- 10.1 Detailed Plans and Specifications: Upon preliminary approval, the tenant develops detailed plans, specifications, and a comprehensive scope of work. This may require engaging licensed architects, engineers, and other relevant professionals.
- 10.2 Multiple Bids (Required): The tenant obtains a minimum of two (2) competitive bids from licensed, bonded, and insured contractors for the proposed work. Bids must include a schedule of values that clearly itemize labor, materials, and any other associated costs. Tenant shall provide justification to WSPRC for final contractor selection. Waiver of this multiple-bid requirement may be granted by WSPRC on a case-by-case basis.
- 10.3 Cost-Benefit Analysis (Park Responsibility): WSPRC will conduct a cost-benefit analysis of the proposed work, considering the long-term value added to the asset versus the rent credit requested. At the discretion of WSPRC, this analysis could include a Fair Market Value Appraisal.

11. Step 4: Formal Agreement and Lease Amendment

- 11.1 Negotiation of Rent Credit Terms: Based on detailed plans, competitive bids, and cost-benefit analysis, WSPRC and the tenant will negotiate the specific terms of the rent credit. This will include:
 - The total approved amount for rent credit.
 - The duration over which the rent credit will be applied (e.g., monthly credit over X years).
 - Any conditions for the credit (e.g., satisfactory completion, adherence to timeline).
 - Clarity on what costs are not eligible for credit (e.g., tenant's administrative costs, temporary installations).

- 11.2 Lease Amendment: The agreed-upon terms, including the scope of work, approved cost for credit, the methodology used for calculating the rent credit, and the rent credit schedule, will be formalized in a legally binding Lease Amendment signed by both the tenant and an authorized representative of WSPRC. This amendment will explicitly state that the improvements become the property of the State of Washington upon completion or lease termination, unless otherwise agreed upon.
- 11.3 Permitting and Regulatory Compliance: The tenant is responsible for obtaining all necessary permits (building permits, historical review permits, etc.) and ensuring compliance with all local, state, and federal regulations before commencing work. Proof of permits must be submitted to Park Management.

12. Step 5: Project Execution and Oversight

- 12.1 Work Commencement: The tenant commences the approved work strictly according to the agreed-upon plans and timeline.
- 12.2 Regular Progress Reports: The tenant provides regular progress reports to Fort Worden Management, including photo documentation.
- 12.3 Inspections: Fort Worden Management, or its designated representative (e.g., a Facilities Program Manager or Historic Preservation Planner), will conduct periodic inspections to ensure work is proceeding according to the approved plans and quality standards.
- 12.4 Rent Credit Change Orders: Deviations from the approved plans, beyond de minimis changes, for which tenant seeks to receive rent credit, must be submitted as a written change order request to Fort Worden Management for review and approval *before* implementation. This request may be in the form of an email. Changes that are not pre-approved for rent credit may result in forfeiture of rent credit for the affected work. Substantial change orders may require a full re-submission of the project at Step 1 of this Procedure.

13. Step 6: Project Completion and Rent Credit Activation

- 13.1 Final Inspection and Punch List: Upon completion of the work, the tenant notifies Fort Worden Management, who will conduct a final inspection. A "punch list" of any deficiencies or incomplete items will be generated.
- 13.2 Completion of Punch List: The tenant is responsible for promptly addressing all items on the punch list.
- 13.3 Submission of Final Documentation: The tenant submits final documentation, including:

- Final invoices from all contractors and suppliers.
- Proof of payment for all work (e.g., cancelled checks, bank statements).
- Final "as-built" drawings, if applicable.
- Certificates of Occupancy or final permit signoffs.

13.4 Verification and Certification of Completion: Washington State Parks verifies that all work has been completed satisfactorily, to the agreed-upon standards, and all documentation is in order.

13.5 Activation of Rent Credit: Once all conditions are met and certified, the rent credit will be applied to the tenant's rent payments according to the schedule outlined in the Lease Amendment.

Dispute Resolution

Any disputes arising from this procedure will first be addressed through good faith negotiation between the tenant and Fort Worden Management. If a resolution cannot be reached, the dispute may be escalated within WSPRC's leadership channels or through other mutually agreed-upon dispute resolution methods.

Record Keeping

Comprehensive records of all project proposals, approvals, bids, invoices, payments, inspections, and lease amendments will be maintained by WSPRC for audit and reference purposes. Retention of these records is governed by the Washington Secretary of State's State Government General Records Retention Schedule and the WSPRC Records Retention Schedule.

Review and Amendment

This procedure will be reviewed on a 5-year basis by WSPRC to ensure its effectiveness, fairness, and alignment with evolving state laws and park priorities. Any amendments will be communicated to all current tenants.