

ORIGINAL

AMENDED AND RESTATED
INTERLOCAL AGREEMENT FOR DEVELOPMENT OF
EVENT CENTER AND SPORTS COMPLEX

by and among

LEWIS COUNTY PUBLIC FACILITIES DISTRICT,

CITY OF CENTRALIA,

and

CENTRALIA SCHOOL DISTRICT

Dated 12-19, 2012

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AMENDED AND RESTATED

**INTERLOCAL AGREEMENT FOR DEVELOPMENT OF
EVENT CENTER AND SPORTS COMPLEX**

This AMENDED AND RESTATED INTERLOCAL AGREEMENT FOR DEVELOPMENT OF EVENT CENTER AND SPORTS COMPLEX (this "Agreement") is entered into by and among the LEWIS COUNTY PUBLIC FACILITIES DISTRICT (the "PFD"), a Washington public facilities district duly organized and existing under and by virtue of the laws of the State of Washington, the CITY OF CENTRALIA (the "City"), a code city duly organized and existing under and by virtue of the laws of the State of Washington, and the CENTRALIA SCHOOL DISTRICT (the "School District"), a first class school district duly organized and existing under and by virtue of the laws of the State of Washington (collectively, the "Parties").

WHEREAS, the PFD, a duly organized and legally existing Washington public facilities district and municipal corporation, was created by Lewis County (the "County") in accordance with Chapter 36.100 of the Revised Code of Washington ("RCW"), pursuant to Resolution No. 07-247 of the County, adopted on August 13, 2007. The boundaries of the PFD are coextensive with the boundaries of the County; and

WHEREAS, the PFD is authorized by applicable provisions of state law, including RCW 36.100.030, to acquire, construct, own, remodel, maintain, equip, repair and operate a regional center as defined in RCW 35.57.020 (including multipurpose community centers and special events centers) and related parking facilities; and

WHEREAS, subject to certain restrictions, a public facilities district created before September 1, 2007, in a county or counties in which there are no other public facilities districts, and in which the total public facilities district population is greater than 70,000, that commences construction of a new regional center before January 1, 2011, may impose a 0.033% sales and use tax to be collected from those persons who are taxable by the State under chapters 82.08 and 82.12 RCW; and

WHEREAS, the PFD was created before September 1, 2007, is located in a county that has no other public facilities districts, has an estimated population of over 70,000, and will have commenced construction of a new regional center before January 1, 2011; and, pursuant to Resolution No. 2007-001 of the PFD, adopted August 27, 2007, the PFD has established and imposed a sales and use tax as authorized by RCW 82.14.390; and

WHEREAS, money collected by the PFD under the authority of RCW 82.14.390 must be used for the purposes set forth in RCW 35.57.020, including the acquisition, financing, design, construction, operation and maintenance of a regional center and must be matched with an amount from other public or private sources equal to 33% of the amount collected by the PFD under RCW 82.14.390; and

WHEREAS, the PFD, in conjunction with the City and the School District, has determined to jointly proceed with the design and construction of an event center and sports

complex that constitutes a “regional center” under RCW 35.57.020, to serve the State of Washington, other portions of the Pacific Northwest and western Canada (the “Event Center/Sports Complex” or, the “Project”); and

WHEREAS, the Parties desire to cooperate and participate jointly in the development and operation of the Event Center/Sports Complex to provide for a regional center facility that can be enjoyed by citizens of Lewis County and a broad range of people and businesses associated with sporting events and competitions, from throughout the western United States and western Canada; and

WHEREAS, the PFD, the City and the School District have the authority to enter into interlocal agreements under chapter 39.34 RCW for joint and cooperative action, including provisions to finance joint or cooperative undertakings, multi-purpose community centers, regional centers and other facilities and to provide for services to be provided by one government to another; and

WHEREAS, the PFD, the City and the School District have the authority, pursuant to applicable provisions of state law, including chapters 35.57, 36.100, 28A.335 and 67.20, to acquire, design, construct, own, remodel, maintain, equip, re-equip, repair, finance and operate the Event Center/Sports Complex, included related parking facilities; and the Parties propose to use one or more interlocal agreements to make effective and efficient use of the powers and authorities granted to them to construct, own and operate the Event Center/Sports Complex; and

WHEREAS, the PFD, the City and the School District entered into an “Interlocal Agreement for Development of Event Center and Sports Complex” dated June 15, 2010, and since the execution of that agreement much of the project has been accomplished, with a number of changes that have caused the parties to conclude that it would be appropriate to update, amend and restate that agreement;

NOW, THEREFORE, in consideration of the mutual covenants hereinafter contained, the Parties hereby covenant and agree as follows:

Article 1.
Definitions and Construction

Section 1.1 Definitions. Unless the context clearly requires otherwise, the following terms shall have the respective meanings set forth below for all purposes of this Agreement.

“Agreement” means this Interlocal Agreement for Development of Special Event Center and Sports Complex, by and among the PFD, the City and the School District, as it may be amended from time to time in accordance with the terms hereof.

“County” means Lewis County, Washington.

“Event Center” has the meaning ascribed thereto in Section 2.1(2).

“Event Center Parking Facilities” has the meaning ascribed thereto in Section 2.1(3).

“Event Center/Sports Complex” or “Project” means the event center and sports complex that constitutes a “regional center” under RCW 35.57.020 as further described in Section 2.1.

“Ground Lease” means the ground lease agreement to be entered into between the City and the PFD as described in Section 2.4(2).

“Joint Board” means the joint board established in Article 3 of this Agreement to assist in the administration of the joint and cooperative undertaking of financing, developing, constructing and operating the Event Center/Sports Complex.

“Multiuse/Quad Fields” has the meaning ascribed thereto in Section 2.1(5).

“Parties” means collectively, the PFD, the City and the School District, and their successors and assigns.

“PFD” means the Lewis County Public Facilities District.

“PFD’s Lessee” means the person or entity leasing the Event Center from the PFD and operating that facility pursuant to the terms of a lease from the PFD.

“RCW” means the Revised Code of Washington.

“Regional Center Expansion Fund” means the fund of that name, as more fully described in Section 4.1(4).

“School District” means the Centralia School District.

“Sports Complex” means, collectively, the Tennis Courts, Tiger Stadium, Multiuse/Quad Fields, and Trails.

“Tennis Courts” has the meaning ascribed thereto in Section 2.1(4).

“Tiger Stadium” has the meaning ascribed thereto in Section 2.1(1).

“Trails” has the meaning ascribed thereto in Section 2.1(7).

Section 1.2 Construction. In this Agreement, unless the context otherwise requires:

(1) Articles and Sections referred to by number shall mean the corresponding Articles and Sections of this Agreement.

(2) The terms “hereby,” “hereof,” “hereto,” “herein,” “hereunder” and any similar terms refer to this Agreement, and the term “hereafter” shall mean after, and the term “heretofore” shall mean before, the date of adoption of this Agreement.

(3) Words of the masculine gender shall mean and include correlative words of the female and neuter genders, and words importing the singular number shall mean and include the plural number and vice versa.

(4) References in this Agreement to particular sections of legislation shall be deemed to refer also to any successor sections thereto or other redesignation for codification purposes.

Article 2.

Description and Development of the Event Center/Sports Complex

Section 2.1 Description of the Event Center/Sports Complex. The Event Center/Sports Complex will serve the entire State of Washington and other parts of the Pacific Northwest and western Canada for sports and other events, and includes the following components:

(1) improvements to a turf soccer and football field and track (“Tiger Stadium”), to be carried out by the School District with financial assistance from the City;

(2) construction of a multi-purpose event center (the “Event Center”) comprised of one or more structures (one of which may be a pre-engineered and pre-fabricated main event center building) and including any or all of the following: a multiuse wood floor, multiuse turf surface, event seating, breakout meeting rooms, offices, concession area, commercial kitchen, food service area, retail space and reception area, and related improvements including sidewalk, landscaping and stormwater handling facilities, financed and carried out by the PFD and/or the PFD’s Lessee, with in-kind assistance from the City and the School District;

(3) provision of sufficient parking for the Event Center and related improvements (the “Event Center Parking Facilities”), to be carried out by the PFD and including parking made available by the City and by the School District, and with in-kind assistance from the City and the School District, all in consultation with the PFD’s Lessee;

(4) construction of six tennis courts and related improvements (the “Tennis Courts”), to be carried out by the School District and the City;

(5) construction of a multiuse field and four “quad” fields, including sprinkler systems, walkways, sidewalks, fencing, dugouts and infields and related improvements all built to and maintained at competition standards (collectively, the “Multiuse/Quad Fields”), to be carried out by the City, the School District and the PFD, in consultation with the PFD’s Lessee;

(6) construction of trails including trails along the Chehalis River from the City of Chehalis to Mellen Street in the City, along the Chehalis River from Mellen Street in the City to the Skookumchuck River, along the Skookumchuck River from Borst Park to Riverside Park in the City and along the Chehalis River from the Skookumchuck River to the City’s sewage treatment plan with a single-track equestrian path (the “Trails”), to be carried out by the City with possible assistance from the PFD and the Lewis County Community Trails, and with in-kind assistance from the School District.

Section 2.2 Joint Development of the Event Center/Sports Complex. The Parties intend to jointly develop the Event Center/Sports Complex, in accordance with this Agreement, as

a multipurpose regional, tourism-related facility, meeting the definition of a “regional center” under RCW 35.57.020. The responsibility for the financing and development of the Event Center/ Sports Complex will be as described in Section 2.3 and 2.6, respectively, of this Agreement. The development of the Event Center/Sports Complex will occur in multiple stages as further described in Section 2.7.

Section 2.3 Financing of the Event Center/Sports Complex. The total cost of the design and construction of the Event Center/Sports Complex is currently estimated to be approximately \$9,159,328.00 (not including debt service costs and various contributed services and assets). Each of the Parties will contribute the following amount of funds to be used for the construction and development of the Event Center/Sports Complex (the exact amounts and allocations of funds subject to adjustment by the Joint Board):

(1) The PFD will contribute:

(a) approximately \$5,462,208.00 (or such lesser amount if the PFD is unable to borrow that amount based on its sales tax cash flow) from proceeds of its Limited Tax General Obligation Bonds, 2010 (Event Center and Sports Complex), with approximately \$4,862,208.00 to be used for construction of the Event Center and related parking, approximately \$600,000 to be used for construction of the Multiuse/Quad Fields

(b) approximately \$959,950.00 in cash (including amounts for the Sports Complex, for appraisal and surveying costs, and for geotech and traffic studies).

(2) The City will contribute approximately \$1,250,000 from proceeds of its limited tax general obligation bonds and \$32,000.00 cash, which will be used to carry out portions of the Project other than the Event Center and related Event Center Parking Facilities.

(3) The School District will contribute approximately \$600,000 in cash to be used to make improvements to Tiger Stadium.

(4) In addition, it is anticipated that the PFD’s Lessee will expend approximately \$400,000 on construction and equipping of the Event Center.

(5) Approximately \$27,000 will be received from Lewis County Community Trails and \$27,000 from the City for trails.

Section 2.4 Real Property Interests. The City and the School District will make contributions of real property interests and the use of real property as described below. The City and the School District will undertake such appraisals, surveys and boundary line adjustment procedures as are necessary in connection with such transfers, and will cause such documents as are necessary to consummate necessary transfers to be prepared, executed and properly recorded.

(1) The School District will transfer (by deed) the following described real property of .46 acres to the City:

City of Centralia BLA No. 2010--5 (Centralia School District No. 401 to City to Centralia)

A part of the Joseph Borst Donation Land Claim lying with in Section 6, Township 14 North, Range 2 West, W.M., Lewis County, Washington, more particularly described as follows:

Commencing at the Northeast Corner of the Joseph Borst Donation Land Claim; thence South 714.42 feet; thence West 1727.43 feet; thence South a distance of 128.33 feet to the True Point of Beginning; thence continuing South a distance of 131.67 feet; thence West a distance of 152.95 feet to the Easterly margin of Allen Avenue; thence North along said margin a distance of 133.04 feet to a line 5.00 feet distance from and parallel to an existing Block Building known as the Block House; thence S89°29'21"E along said parallel line a distance of 152.96 feet to the True Point of Beginning.

Subject to and together with easements and reservations of record.

(2) The City, as lessor, and the PFD, as lessee, will enter into a ground lease (the "Ground Lease") pursuant to which the real property on which the Event Center and Event Center Parking Facilities will be located, which is currently owned by the City, will be leased to the PFD for a term ending December 31, 2032. At the end of such term, the Ground Lease will be subject to extension up to December 31, 2052, upon the same terms, at the option of the PFD. The Ground Lease shall provide that the PFD's Lessee will have a right of first proposal to lease such real property from the City after the final expiration of the term of the Ground Lease. The City's Parcel #003475016000, with such lot line adjustments as may be necessary to provide a sufficient single parcel for construction of the Event Center, shall be subject to the Ground Lease. The Ground Lease will provide for the PFD's payment of ground lease rent to the City in the amounts and on the terms set forth in the Ground Lease, such rent payments to be deposited by the City in the Regional Center Expansion Fund.

Section 2.5 Local Match. The contributions of funds (and interest thereon) and property interests described in Section 2.3 and Section 2.4 above will provide for contribution of 33% local match, as required by RCW 82.14.390(4), with respect to the sales and use tax levied and received by the PFD.

Section 2.6 Division of Responsibility for Construction of Event Center/Sports Complex. The Parties and the PFD's Lessee will carry out the construction of the components of the Event Center/Sports Complex. The Parties acknowledge that all applicable procurement process requirements must be complied with in connection with the construction of the Event Center/Sports Complex. Each entity will be responsible for carrying out financing and construction of the components as designated in Sections 2.1, 2.3 and this Section 2.6. The PFD has utilized a design-build process under Chapter 39.10 RCW to select a design-builder for the main Event Center building. Upon completion of the final design and commencement of

construction by the design-build contractor, Kaufman will oversee Phase I of the construction of that facility in coordination with the PFD. The PFD will utilize a traditional public works bidding process for aspects of the Event Center building that are not appropriate for the design-build process. The School District, on behalf of itself, the City and the PFD, shall carry out the construction of the Multiuse/Quad Fields, Tiger Stadium improvements, and the Tennis Courts. The City, on behalf of itself, the PFD and the School District, shall carry out the construction of all parking facilities (including Event Center Parking Facilities) and stormwater improvements.

Section 2.7 Construction Schedule for Event Center/Sports Complex. Construction of the Event Center/Sports Complex will occur in two phases, as follows:

(1) Phase I includes improvements to Tiger Stadium, construction of the Event Center shell and structural systems (including the main Event Center building), construction of the Event Center Parking Facilities, construction of the Tennis Courts, and construction of the Multiuse/Quad Fields. Construction of the Phase I Project components will begin on or before December 31, 2010, and is expected to be completed by July 31, 2013.

(2) Phase II includes the interior build-out work for the Event Center, including the installation of the athletic facilities and other components not included in the design-build construction process. Construction of the Phase II Project components is expected to be carried out directly following the completion of Phase I.

Article 3. Establishment of Joint Board

There is established a Joint Board consisting of the chair of the board of the PFD, the city manager of the City, and the superintendent of the School District, or the Parties' respective designees, to conduct the joint undertaking set forth herein and administer this Agreement under such rules as the Joint Board shall determine.

Article 4. Operation of Event Center/Sports Complex

Section 4.1 Event Center.

(1) The PFD will own the Event Center (but not the underlying land) and lease it to the PFD's Lessee after construction. The PFD shall consult with the School District and the City regarding the provisions of the lease with the PFD's Lessee. The PFD shall cause the lease agreement with the PFD's Lessee to:

(a) Require the PFD's Lessee to covenant to manage, operate and maintain the Event Center as part of a multiuse regional center at no cost to the PFD, and to carry out the types of programs and activities at the Event Center/Sports Complex generally described in Exhibit A attached hereto and incorporated herein by reference, together with such other programs and activities as may be compatible with a regional center. Adjustments may be made to the list of programs and activities if approved by the PFD.

(b) Require the PFD's Lessee to compensate the PFD for use of the Event Center with a combination of:

- (i) Payment of monthly Event Center rent,
- (ii) the provision of specific community benefits and use of the Event Center, all of which must have calculable monetary value, and
- (iii) payment of amounts representing the PFD's Ground Lease rent payments to the City on terms set forth in the Ground Lease and the lease to PFD's Lessee (such amounts to be deposited by the City in a Regional Center Expansion Fund).

The Parties acknowledge that the PFD's Lessee will separately agree to expend \$400,000 on Event Center facility construction and systems purchases/installation to be approved by the PFD, but those expenditures shall not constitute consideration for the PFD's Lessee's use of the Event Center.

(c) Set forth other terms including concessions, naming rights, audits, non-compete provisions, insurance/indemnification, dispute resolution, defaults/remedies, assignment and subleasing.

(d) Subject to certain permitted transfers, require PFD and City approval for any assignment or sublease of the PFD's Lessee's interest under the lease.

(2) In the event that the PFD's LLC or another private sector operator is unwilling or unable to manage and operate the Event Center, the City will undertake the management and operation of the Event Center. In that event, the City may at its option, in consultation with the PFD and the School District, continue to search for an appropriate private sector operator with whom a lease or other arrangement can be made. Any replacement private sector lessee or operator must enter into an operating arrangement that maintains the tax-exempt status of the PFD's bonds.

Section 4.2 Sports Complex

(1) In cooperation with the PFD's Lessee, The City and the School District will manage the operation of the Sports Complex facilities. Unless the City and the School District agree otherwise, the City will be responsible for managing scheduled uses of the Multiuse/Quad Fields and the Tennis Courts. The City, will conduct an annual facilities scheduling meeting, prior to September 30 of each year, to develop a schedule for use of the Multiuse/Quad Fields and the Tennis Courts during the following calendar year. The City shall schedule that meeting, which will be used to draft an annual schedule of facility use, to discuss and determine fee schedules as referenced in Exhibit B, and to establish or review facility use agreements outlining processes, forms, and procedures to ensure conformance with state, federal and local laws and ordinances, School District policies, and City Parks and Recreation Department standards and procedures, including, but not limited to, School District policies

requiring minimum liability insurance for facility users and compliance statements by not for profit, private youth sports and recreational organizations under the Lystedt law, chapter 472, 2009 Wash. Laws regarding prevention of concussions under RCW 28A.600.190 and RCW 4.24.660.

(2) The PFD's Lessee shall have priority in the scheduling uses as indicated on Exhibit B, attached and incorporated herein by reference, including but not limited to exclusive use of the Multiuse/Quad Fields for up to three weekends each month during the months of March through September, and the Thursdays and Fridays preceding the selected weekends twice a month during June, July and August. As used in this paragraph, the term "weekend" commences on Friday noon and finishes Sunday at 11:59 pm, except that the PFD's Lessee will not have a priority for use of Friday afternoons and evenings during March, April and May when the School District desires to use the Multiuse/Quad Fields for its programs. If the Parties designate dates and times for the use of the Multiuse/Quad Fields by a specific Party or by the PFD's Lessee, the designated Party (or PFD's Lessee) will be expected to promptly inform the Parties if the designated use is cancelled. The PFD's Lessee will be required to cooperate with the City in scheduling of events in the Event Center, the Multiuse/Quad Fields and the Tennis Courts, so that those facilities are available to other groups. The use of the Sports Complex and the Event Center, maintenance of those facilities, and framework for fees for use of the facilities, will be consistent with Exhibit B. The Parties intend to provide a top quality competitive facility, and the City and the School District will endeavor to maintain the Sports Complex for which they are responsible, in top playing condition at all times, and will not permit uses that may cause significant damage to the facilities. The Parties will meet periodically (initially on a quarterly basis), and include the PFD's Lessee in those meetings, to discuss and resolve issues that may arise regarding scheduling, facility use, facility maintenance, and fees. It is the intent of the Parties that area leagues that historically used some of the existing facilities be able to continue to do so at least at historic levels.

(3) The rates at which the Parties themselves or the PFD's Lessee shall be charged for Sports Complex facilities shall not exceed the lowest rate available to the general public for the Sports Complex facilities or for the adjacent City ballfields. "Available to the general public" means available to user groups. The Parties reserve the right to make facilities available to each other for no charge, on a reciprocal basis (e.g., the City and the School District may mutually determine to make the Multiuse/Quad Fields and the Tennis Courts available for each other programs at no charge whatsoever). The amounts received from the Parties themselves or the PFD's Lessee shall be applied to the costs of maintenance of the facilities. If the amounts received from the PFD's Lessee, after allocation to maintenance costs, are so great as to adversely affect the tax-exempt status of the City bonds or PFD bonds, the Joint Board may adjust the application of excess amounts from PFD's Lessee to additional maintenance costs or to the Regional Center Expansion Fund.

Section 4.3 Expansion Fund.

(1) The Regional Center Expansion Fund to be funded pursuant to Section 4.1(1)(b)(iii) and certain other sections of this Agreement, is to be used for either (i) long-term improvements, expansion or maintenance of the Event Center/Sports Complex or for other regional center facilities. Specific uses of amounts in the Regional Center Expansion Fund

may be proposed by the City, the School District, the PFD, the PFD's Lessee and by other members of the public, but must be approved by the City, the School District and the PFD. The Regional Center Expansion Fund shall be held by the City. No amounts in the Regional Center Expansion Fund may be applied to the payment of bonds of the City or of the PFD.

(2) Each Party retains the right to expend additional funds on expansion of or improvements to the Event Center/Sports Complex, subject to approval by the Joint Board.

Section 4.4 Naming Rights

(1) Naming rights with respect to various components of the Event Center and Sports Complex shall be allocated as follows:

- (a) Event Center: Naming rights shall be allocated consistent with the lease from the PFD to the PFD's Lessee. It is anticipated that revenue derived from naming rights to the Event Center facilities will be expended first on costs of those facilities, and then deposited in the Regional Center Expansion Fund.
- (b) Tiger Stadium: Naming rights shall be held by the School District and naming rights revenue will be the property of the School District.
- (c) Multiuse/Quad Fields: Naming rights will be sold in such manner as may be approved by the Joint Board. Naming rights revenue shall be allocated as follows: 25% to the City and 25% to the School District for their respective maintenance costs of those facilities, and 50% to the Regional Center Expansion Fund. To the extent that nationally-recognized bond counsel determines that deposits to the Regional Center Expansion Fund from the sale of naming rights for the Multiuse/Quad Fields and Quad Fields would adversely affect the tax-exempt or similar status of City or PFD bonds, deposits to the Regional Center Expansion Fund shall be reduced and applied to maintenance or shall be applied in such other manner as the Joint Board may determine.
- (d) Tennis Courts: Naming rights shall be held by the School District and naming rights revenue will be allocated to tennis court maintenance, with the remainder available to the School District for use at its discretion.

**ARTICLE 5
Insurance**

Each Party agrees to acquire and maintain insurance with respect to the portions of the Event Center/Sports Complex it owns, occupies and/or uses in form and amounts as it determines is consistent with the coverage of comparable facilities and undertakings related to those facilities as contemplated under this Agreement. To the extent possible within reasonable cost, liability and property damage policies obtained by each Party shall name the other Parties as additional insureds, and each Party shall upon request provide copies of policies and proof of insurance to the other Parties. Such insurance may, without limitation, include pool insurance.

ARTICLE 6 Indemnification

Section 6.1 Indemnification by PFD. To the extent permitted by law, the PFD shall indemnify the City and the School District, their respective officers and agents, from all damages caused by any negligent act, error or omission of the PFD its officials, officers, employees, agents, contractors or subcontractors other than the City or the School District, arising out of the development, financing, acquisition, design, construction, ownership, operation, or maintenance of the Sports Complex.

To the extent permitted by law, the PFD shall cause the PFD's Lessee to indemnify the City and the School District and their respective officers and agents from all claims, losses, suits, actions, legal or administrative proceedings, costs, attorneys' fees, litigation costs, expenses, damages, penalties, fines, judgments or decrees by reason of any death, injury or disability to or of any person or party, including employees, and/or damage to any property or business, including loss of use (collectively "damages") caused by any negligent act, error or omission of the PFD's Lessee or its employees, agents, contractors or subcontractors, arising out of the operation or maintenance of the Event Center.

Section 6.2 City Indemnification. To the extent permitted by law, the City shall indemnify the PFD, its officers and agents from all damages caused by any negligent act, error or omission of the City its officials, officers, employees, agents, contractors or subcontractors other than the PFD, arising out of the development, financing, acquisition, design, construction, ownership, operation, or maintenance of the Sports Complex.

Section 6.3 School District Indemnification. To the extent permitted by law, the School District and the City shall indemnify each other, and the PFD, and their respective officers and agents from all claims, losses, suits, actions, legal or administrative proceedings, costs, attorneys' fees, litigation costs, expenses, damages, penalties, fines, judgments or decrees by reason of any death, injury or disability to or of any person or party, including employees, and/or damage to any property or business, including loss of use (collectively "damages") caused by any negligent act, error or omission of the School District, the City and/or the PFD, respectively, or their respective officials, officers, employees, agents, contractors or subcontractors other than the other Parties, arising out of the development, financing, acquisition, design, construction, ownership, operation or maintenance of the Sports Complex.

Section 6.4 Indemnification and other Obligations. Nothing in this Article 6 shall affect the obligations, if any, of the Parties under funds transfer agreements, to contribute additional funds to the District or otherwise share in cost overruns or contractual liabilities arising under District contracts for the development of Sports Complex facilities.

ARTICLE 7 Remedies Upon Default

Section 7.1 Remedies Upon Default. Except as provided in Section 7.5, if any Party is in default of its obligations under this Agreement, including its obligations to participate in the development, financing and operation of the Event Center/Sports Complex as set forth herein,

either or both of the other Parties may proceed to protect and enforce its/their rights in equity or at law, either in mandamus or for the specific performance of any covenant or agreement contained herein, or for the enforcement of any other appropriate legal or equitable remedy, as the non-defaulting Party may deem most effectual to protect and enforce any of its rights or interests hereunder.

Section 7.2 No Remedy Exclusive. No remedy conferred upon or reserved to any Party by this Agreement is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement or now or hereafter existing at law or in equity or by statute, and any Party hereto shall be free to pursue, at the same time, each and every remedy, at law or in equity, which it may have under this Agreement, or otherwise.

Section 7.3 No Implied Waiver. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. For the exercise of any remedy, it shall not be necessary to give any notice, other than such notice as may be expressly required herein.

Section 7.4 Agreement to Pay Attorneys' Fees and Expenses. If a default arises under any of the provisions of this Agreement and a Party hereto should employ attorneys or incur other expenses for the collection of amounts due under this Agreement or the enforcement of performance or observance of any obligation or agreement on the part of another Party contained in this Agreement, on demand therefor, the nonprevailing Party (if one Party is clearly "nonprevailing") shall pay or reimburse the prevailing Part(ies) for the reasonable fees of such attorneys and such other expenses so incurred.

Section 7.5 Dispute Resolution. The Parties shall mediate any dispute over the any terms or conditions under this Agreement. The Parties, together with the PFD's Lessee to the extent it is involved in a dispute, expect that disputes will be first addressed directly by the Parties concerned, and then submitted to the Joint Board for potential resolution in accordance with the dispute resolution process outlined below. If a dispute cannot be resolved by the Joint Board, then mediation will be made available upon request of any Party. The costs associated with any such mediation shall be shared equally by the Parties involved in the dispute.

Step 1:

A) The concerned Party will communicate their concern in writing to all other Parties involved, copy all uninvolved Parties, and request a dispute resolution meeting in the notification.

B) Upon receipt of written notification, the parties agree to schedule a dispute resolution meeting within ten (10) calendar days. The initiating Party will be responsible for coordinating scheduling of this meeting.

C) If the Parties are unable to reach a mutually agreeable solution as a result of this step, the parties agree to follow procedures in Step 2.

To the City: City of Centralia
City Manager
118 W. Maple St.
P.O. Box 609
Centralia, WA 98531-0609

Telephone: (360) 330-7674
Fax: (360) 330-7673

To the School District: Centralia School District
Superintendent
2320 Borst Avenue
P.O. Box 610
Centralia, WA 98531

Telephone: (360) 330-7600
Fax: (360) 330-7604

Any Party may designate any further or different addresses to which subsequent notices, certificates, requests or other communications shall be sent by giving notice of such change to the other Parties. Notices shall be deemed served upon deposit of such notices in the United States mail in the manner provided above.

Section 8.3 Site Visits and Inspection of Records. Each Party covenants to keep (or cause to be kept) the portions of the Event Center/Sports Complex it owns, occupies and/or uses (including, without limitation, the structural interior and exterior portions, roofing and covering material, foundations, exterior walls, plumbing, electrical systems, heating and ventilation systems, sidewalks, parking areas and landscaping) in good and safe condition, in compliance with all applicable laws, codes and regulations, and in good order and repair, ordinary wear and tear [and damage by fire, casualty or condemnation which such Party is not required to restore elsewhere hereunder excepted], and each Party shall conform to and comply with all valid ordinances, regulations and laws affecting the Event Center/Sports Complex or any improvements thereon or the use thereof. Each Party shall have the right to inspect any portion of the Event Center/Sports Complex upon reasonable notice and to inspect, during regular business hours and upon reasonable notice, the books and records of any other Party pertaining to the Event Center/Sports Complex.

Section 8.4 Binding Effect. This Agreement shall inure to the benefit of the Parties and shall be binding upon the Parties and their successors. This Agreement may not be assigned.

Section 8.5 Force Majeure. A Party shall not be liable to the Parties hereto or deemed in breach or default hereunder if and to the extent its performance hereunder is prevented by reason of force majeure. The term "force majeure" means an occurrence that is beyond the control of such Party and could not have been avoided by exercising due care. Force majeure shall include acts of God, terrorism, war, riots, strikes, fire, floods, earthquakes, epidemics or other similar occurrences.

Section 8.6 Severability. In the event any provision of this Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

Section 8.7 Amendments. This Agreement may be amended, changed, modified or altered by an instrument in writing duly executed by the Parties (or the successors in title of each).

Section 8.8 No Rights Created in Third Parties. The terms of this Agreement are not intended to establish or to create any rights in any persons or entities other than the Parties and the respective successors of each.

Section 8.9 Table of Contents and Section Headings Not Controlling. The Table of Contents and the headings of the several Articles and Sections of this Agreement have been prepared for convenience of reference only and shall not control, affect the meaning of, or be taken as an interpretation of any provision of this Agreement.

Section 8.10 Time of Essence. Time and all terms and conditions shall be of the essence of this Agreement.

Section 8.11 Effective Date. This Agreement shall become effective upon its full execution. All acts performed by any Party prior to the effective date of this Agreement and consistent with its terms, are ratified and confirmed.

Section 8.12 Recording. This Agreement shall be recorded or made otherwise available consistent with applicable law.

Section 8.13 Termination of Agreement. This Agreement shall terminate upon the final expiration of the Ground Lease, as extended from time to time.

ORAL AGREEMENTS OR ORAL COMMITMENTS TO LEND MONEY, EXTEND CREDIT, OR FORBEAR FROM ENFORCING REPAYMENT OF A DEBT ARE NOT ENFORCEABLE UNDER WASHINGTON LAW.

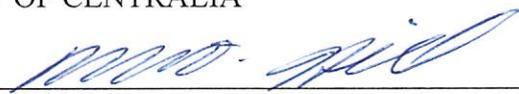
IN WITNESS WHEREOF, the PFD, the City and the School District have caused this Agreement to be executed in their respective names by their duly authorized officers, and have caused this Agreement to be dated as of the date set forth on the first page hereof.

LEWIS COUNTY PUBLIC FACILITIES
DISTRICT



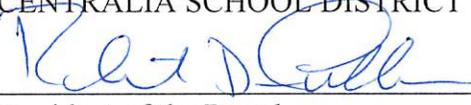
Chair, Board of Directors

CITY OF CENTRALIA



City Manager

CENTRALIA SCHOOL DISTRICT



President of the Board

EXHIBIT A

EVENT CENTER PROGRAMS AND ACTIVITIES

1. Basketball Leagues
2. Soccer Leagues
3. Softball Leagues
4. Badminton Leagues
5. Volleyball Leagues
6. Basketball Tournaments
7. Soccer Tournaments
8. Softball Tournaments
9. Badminton Tournaments
10. Volleyball Tournaments
11. Drop In (Open/Pick-up) Games: BB, S, SB, B, VB
12. Sports Camps
13. Batting Cage Rentals
14. Sports Themed Parties
15. Facility Rentals: Soccer/Softball Fields
16. Facility Rentals: Basketball/Volleyball/ Badminton Courts
17. Facility Rentals: Meeting Rooms
18. Facility Rentals: Full Facility
19. Concerts
20. Meetings
21. Conventions
22. Training Seminars
23. Expositions
24. Graduations
25. Other Special Events

**EXHIBIT B
FACILITY USAGE, MAINTENANCE AND FEES**

Facility Usage: Sports Complex: (Ball Fields/Tennis Courts/Multi-Use Practice Field)				
Partner	Event	Calendar Dates	Days of Week	Times of Day
School District		Aug 15 - June 1 (excluding Dec/Jan/Feb)	Mon - Fri	3pm to Dusk
		*Tennis: Boys - Aug 20 - Oct.		3pm to 7pm
		*Tennis: Girls - March - June 1st		3pm to 7pm
Parks				
	Public Usage	Year round	TBD	TBD
	College Baseball Program	March – June	Mon – Fri	12 – 3 p.m.
	Partnership with PFD’s Lessee for Tournaments: Fastpitch/Softball	April – Nov	Weekends ¹	Daytime
PFD’s Lessee				
	Baseball/Fall Ball (Ball fields)	Sept. – Nov.	Weekends	Daytime
	Baseball/Youth/Triple Crown, etc. (Ball fields)	June Aug.	Weekends	Daytime
	Fastpitch (Ball fields)	June – Aug.	Weekends	Daytime
	Soccer: Fields 7, 8, 9 (future) (Stadium)	June – Aug. 15	Weekends	Daytime
	Tennis: 1 tournament (future) (Tennis Courts)	Summer	Weekends	Daytime
Others				
	Practice on Fields 6, 7, 8, 9 (e.g. baseball, football, soccer)	May- Aug.	Mon – Fri	5pm to 7pm

¹ Includes Friday when School District is not using facility.

Facility Usage: Sports Complex: (Tiger Stadium)				
Partner	Event	Calendar Dates	Days of Week	Times of Day
School District		March – Dec. 10 th	Mon.-Sat.	
	Graduation	1 st two weeks of June	Usually the 2 nd Friday of June	
	Football	Mid Aug. – Mid Dec.	Mon.-Sat.	
	Soccer	Mid Aug. – Mid Dec.	Mon.-Sat.	
	Soccer	March – June 1	Mon.-Sat.	
	Track	March – June 1	Mon.-Sat.	
	Outside District Use ²	November	Mon.-Sat.	
	Outside District Use ³	May	Mon.-Sat.	
Parks				
	Track: Possible invitational with PFD's Lessee	June		
PFD's Lessee				
	Soccer Tournaments/Program Expansion ⁴	Unknown at this time.		

² School District retains control of marketing the use of facility for playoffs and other tournaments involving public schools. If idle, PFD's Lessee and/or City can schedule facility rental.

³ School District retains control of marketing use of the facility by playoffs and other tournaments involving public schools. If idle, PFD's LESSEE and/or City can schedule facility rental.

⁴ See CMS Athletic Program Schedule.

FACILITY USAGE: EVENTS CENTER (BUILDING)				
Partner	Event	Calendar Dates	Days of Week	Times of Day
School District (Possible Uses)				
	PE Classroom Space (CMS)	Sept. – June	Mon.-Fri.	8:00 am-2:30 pm
	After School Athletic Practice (CMS & CHS) ⁵	Sept. – June	Mon.-Fri.	2:30 – 5:00 pm
	Regional Basketball Tournament	Feb. (last weekend)	Fri./Sat.	All day
	District Basketball Girls/Boys Playoffs	Feb. (2 nd and 3 rd week)	Mon.-Sat.	Eve/All day
	District Volleyball Tournament	Nov. (1 st week)	Mon.-Sat.	Eve/All day
Parks (Possible Uses)				
	Leagues: Basketball	Jan./Feb.	Mon.-Fri.	Evenings
	Adult Volleyball	March – May	M/W/F	Evenings
PFD's Lessee				
	Leagues: Select/Club Volleyball	TBD		
	Leagues: Select/Club Basketball	TBD		
	Tournaments	TBD		
	Classes/Clinics/Camps	TBD		
	Other programs/rentals, events	TBD		

<i>CMS Athletic Program Schedule</i>				
	<i>Girls Soccer</i>	<i>Sept.-Oct. 20</i>	<i>Mon.-Fri.</i>	
	<i>Football</i>			
	<i>Cross Country</i>			
	<i>Girls Basketball</i>	<i>Oct. 25 – Dec. 15</i>	<i>Mon.-Fri.</i>	
	<i>Wrestling</i>			
	<i>Boys Basketball</i>	<i>Jan. 3 – Feb. 11</i>	<i>Mon.-Fri.</i>	
	<i>Volleyball</i>	<i>Feb. 22 – April 14</i>	<i>Mon.-Fri.</i>	
	<i>Track</i>	<i>April 18 – May 26</i>	<i>Mon.-Fri.</i>	

MAINTENANCE

⁵ See CMS Athletic Program Schedule.

Maintenance of Facilities	Responsible Party
Event Center Building	PFD's Lessee
Tiger Stadium/Track & Turf	School District
Tennis Courts	City and School District
Multi Use Practice Fields	School District (12 months a year: mowing)
4 (Quad) Fields	School District and City ⁶

⁶ The maintenance of this area will match the existing maintenance plan of this area at the current time: Field 8(will be maintained by the School District the months of: Feb/Mar/Apr/May, and otherwise by City. The general mowing of all the outfields will be done 12 months a year by the School District.

FEE STRUCTURE			
Facility	Low	New Local Users	Outside Users
Event Center	TBD – City & School District pay low rate for P&R and school use	TBD	TEB
Tiger Stadium	TBD – City pays low rate for P&R use	TBD	TBD
	PFD’s Lessee pays low rate for soccer events		
Multiuse/Quad Fields	TBD – School District and PFD’s Lessee pays lowest rate ⁷	Lowest Rate	Lowest Rate
Tennis Courts	TBD – School District pays low rate	TBD	TBD
	PFD’s Lessee – 1 tennis tournament low rate	TBD	TBD

⁷ “Lowest Rate”. shall mean the rates set by the Centralia City Council or the Centralia School Board for the use of their respective athletic fields and/or facilities. As noted in the text, the School District and the City reserve the right to allow for reciprocal free use of their facilities