

PORT OF BREMERTON
BOARD OF COMMISSIONERS
REGULAR BUSINESS MEETING

A G E N D A

November 24, 2020
6:00 PM

Remote Access Only
Zoom Meeting ID: 335 903 0010
Zoom Call-In: (253) 215-8782
BKAT Live Stream

Call to Order

Approval of Agenda

Consent Items

All matters listed under Consent Items have been distributed to each member of the Commission for reading and study, are considered to be routine, and will be enacted by one motion of the Commission with no separate discussion. If separate discussion is desired, that item may be removed from the Consent Items and placed under Action Items by request.

- A. Minutes of the regular business meeting and executive session of November 10, 2020.
- B. Payment of checks #901254 through #901255 and #E00283 and #81794 through #81822 and #E00285 through #E00296 and #81823 and #901258 through #901260 and #E00297 and #81826 through #81840 and #E00298 through #E00303 from the General Fund for \$102,652.54; #E00284 and #81792 through #81793 and #81824 through #81825 from the Construction Fund for \$1,357,884.17.
- C. Excuse Commissioner Strakeljahn's absence

Citizen Comments: *Open to the public for comment. Speakers are asked to keep their comments to less than 3 minutes. Please feel free to submit further comments in writing to the Clerk of the Board.*

Action Items

- 1. Final Budget for Calendar Year 2021
 - 1.1 Budget Presentation
 - 1.2 Public Hearing
 - 1.3 Action Items
 - a. Resolution 2020-06 providing for a regular property tax levy and all allowable levies for calendar year 2021.
 - b. Resolution 2020-07 providing a limit factor for the regular levy for the 2021 calendar year to determine future years' levies and to enable the Port to bank excess levy capacity.
 - c. Resolution 2020-08 adopting the final budget for calendar year 2021.
 - d. Resolution 2020-09 filing the final budget and submitting request for tax levies for calendar year 2021 with the Clerk of the Board of County Commissioners.

2. Bid Award to Aqua Dive Services, LLC for the Underwater Maintenance and Repair of Marine Facilities Project
3. Purchase and Sale Agreement with Richard and Diane Kelstrup Revocable Living Trust
4. Reassignment of LaDonna Latham Land Lease to Kitsap County and long-term Land Lease Agreement with Kitsap County Department of Emergency Management

Staff Reports

Commission Reports / New Business

Executive Session *(if necessary)*

Adjournment

Regular business and other meetings that may be attended by members of the Board

<u><i>Date</i></u>	<u><i>Time</i></u>	<u><i>Meeting</i></u>
<i>11/24</i>	<i>1:30 pm</i>	<i>Kitsap Aerospace & Defense Alliance (KADA) Steering Committee</i>
<i>11/24</i>	<i>6:00 pm</i>	<i>*Commission Regular Meeting via ZOOM</i>
<i>11/26-11/27</i>		<i>Thanksgiving Holiday – Port Offices Closed</i>
<i>12/1</i>	<i>10:15 am</i>	<i>Kitsap Regional Coordinating Council (KRCC) Executive Board</i>
<i>12/2-12/4</i>		<i>*Washington Public Ports Association Annual Meeting</i>
<i>12/2</i>	<i>1:00 pm</i>	<i>Central Puget Sound Economic Development District Board</i>
<i>12/3</i>	<i>10:00 am</i>	<i>Puget Sound Regional Council Executive Board</i>
<i>12/08</i>	<i>10:00 am</i>	<i>*Commission Regular Meeting via ZOOM</i>

PLEASE NOTE: ALL MEETINGS BEING HELD REMOTELY

Meetings are subject to change or cancellation

**Denotes events in which two (2) or more Commissioners may attend*

PORT OF BREMERTON
BOARD OF COMMISSIONERS
REGULAR BUSINESS MEETING

MINUTES

November 10, 2020
10:00 AM

Remote Access Only
Zoom Meeting ID: 335 903 0010
Zoom Call-In: (253) 215-8782
BKAT Live Stream

Commissioners and Staff Present

Commissioners

Cary Bozeman
Axel Strakeljahn
Gary Anderson

Staff Members

Jim Rothlin
Fred Salisbury
Sherman Hu
Arne Bakker
James Weaver
Warren Hendrickson
Ginger Waye
Taylor Korizon
Anne Montgomery, Atty

Call to Order

President Bozeman called the meeting to order at 10:00 a.m.

Approval of Agenda

It was moved by STRAKELJAHN, seconded by ANDERSON to:

Approve the Agenda as presented.

MOTION CARRIES, 3-0

Consent Items

- A. Minutes of the regular business meeting and executive session of October 27, 2020; special meeting and executive session of October 30, 2020; and special meeting and executive session of November 5, 2020.
- B. Payment of checks #901241 through #901242 and #901243 through #901244 and #901245 through #901248 and #81757 through #81758 and #81762 through #81773 and #E00272 through #E00276 and #901249 through #901251 and #901252 and #901253 and #81779 through #81791 and #E00278 through #E00282 from the General Fund for \$247,748.91; #81759 through #81761 and #E00277 and #81774 through #81778 from the Construction Fund for \$1,044,144.58.

It was moved by ANDERSON, seconded by BOZEMAN to:

Approve the Consent Items as presented.

MOTION CARRIES, 3-0

Work Study Session

1. 2021 Preliminary Budget – 2nd Draft

Sherman Hu, Chief Financial Officer, reviewed the Port's mission; guiding principles; and best budget practices and presented the following:

- Revenues and operating expenses discussing the changes between the 1st and 2nd preliminary budget drafts.
- Capital budget details:
 - Continuing projects
 - Priority projects
 - New projects for 2021. CEO Jim Rothlin discussed changes from the 1st preliminary budget draft with board discussion on Kitsap Public Facilities District (KPFDD) potential grant funding for Circuit of the Northwest project planning.
 - Information only projects that need to be kept in mind for future planning.
- Budget planning schedule culminating in public hearing and final budget presentation at the November 24, 2020 meeting.

Citizen Comments - None

Action Items

1. Right of First Offer Agreement with Waterman Mitigation Partners, LLC *Presented by Jim Rothlin, Chief Executive Officer*

Following CEO Rothlin's presentation including a property site aerial, Commissioner Anderson recused himself from this subject as he is working with Waterman Mitigation Partners on other non-Port properties and doesn't want the appearance of a conflict of interest.

Following discussion;

It was moved by STRAKELJAHN, seconded by BOZEMAN to:

Approve the right of first offer agreement between the Port of Bremerton and Waterman Investment Partners, LLC for parcels as stated in the agreement.

MOTION CARRIES, 2-0; Abstain - ANDERSON

Staff Reports

Jim Rothlin, Chief Executive Officer

- Reported on recent personnel changes at the marinas – Kenzee Mathews was promoted to Marina Office Assistant (MOA) II; Gabrielle Garland was hired to fill the vacant MOA I position, and Robert Higgins was hired as a Port Attendant.
- Recent Port development has found some inefficiencies with current subarea plan requirements for the industrial park so staff met with City of Bremerton and they will allow the Port to look at compromises to make the process more efficient. The Port will work with an outside planner on exploring those compromises.
- Met with Pacific Northwest Waterways Association, a federally supported group that helps with waterways in the pacific northwest and could possibly assist in advocating for funding for the Port Orchard Marina breakwater so the Port is looking at the potential for joining the group.

Commission Reports / New Business

Commissioner Strakeljahn

- Participated in a Washington Public Ports Association (WPPA) transportation listening session with five State representatives that serve on the transportation committee. He discussed Gorst transportation during that session.
- Discussed the recent election and commented that we need to maintain the good relationships we have with fellow electeds.

Commissioner Anderson

- Reported on the recent Peninsula Regional Transportation Planning Organization (PRTPO) legislative meetings and stated that everyone recognizes that Gorst is an issue. He requested PRTPO provide a letter of support to the Gorst Coalition.

Commissioner Bozeman

- Reported on a recent COVID coalition meeting and stated that Kol Medina, head of the coalition, is relocating so may be replaced by United Way Director Carl Borg.
- Is serving on a selection committee for replacement of Mr. Medina as President/CEO of the Kitsap Community Foundation. Optimist that a good replacement will be found.

Executive Session

President Bozeman recessed the meeting at 10:40 a.m. and reconvened into executive session for approximately 15 minutes regarding: real estate issues [RCW 42.30.110(1)(c)]. At 10:55 a.m., executive session was extended 15 minutes and at 11:10 again extended for approximately 10 minutes.

At 11:18 a.m. the regular meeting was reconvened.

Adjournment

There being no further business before the Board, the meeting was adjourned at 11:18 a.m.

Submitted,

Approved,

Jim Rothlin
Chief Executive Officer
November 19, 2020

Gary Anderson
Commission Secretary
November 24, 2020

Draft

PORT OF BREMERTON
BOARD OF COMMISSIONERS
EXECUTIVE SESSION

MINUTES

November 10, 2020
10:40 AM

REMOTE ONLY
via Zoom Platform

Call to Order

President Bozeman called the executive session to order at 10:40 a.m. November 10, 2020.

Commissioners and Staff Present

Commissioners

Cary Bozeman
Axel Strakeljahn
Gary Anderson

Staff Members

Jim Rothlin
Fred Salisbury

Arne Bakker
Anne Montgomery, Atty

Item #1: Real estate issues were discussed [RCW 42.30.110(1)(c)].

With no further business to come before the Board, the meeting was adjourned into regular session at 11:18 a.m.

Submitted,

Approved,

Jim Rothlin
Chief Executive Officer
November 19, 2020

Gary Anderson
Commission Secretary
November 24, 2020

AGENDA SUMMARY

Agenda Item No: Action Item #1
Subject: 2021 Final Budget Adoption
Exhibits: 2021 Final Budget
Resolutions 2020-06; 2020-07; 2020-08; and 2020-09
Prepared By: Sherman Hu, Chief Financial Officer
Meeting Date: November 24, 2020

Summary:

The 2nd 2021 preliminary budget was presented on November 10, 2020.

The Public Hearing is being held during the November 24, 2020 meeting. The Port of Bremerton's 2021 Final Budget as presented to you today is \$13,950,371. The final budget documents and all related resolutions are presented herein for adoption as follows:

- 2021 Final Budget.
- Resolution 2020-06: General tax levy for 2021 with no tax increase
- Resolution 2020-07: Providing a limit factor for the regular levy for the 2021 calendar year to determine future years' levies and to enable the Port of Bremerton to bank excess levy capacity. This resolution works together with Resolution 2020-06 and is important to the Port in preserving its ability to bank the levy capacity. It is not known what the future holds or what projects may come before future Port Commissions. The Port has banked its previous levy capacity and should preserve the same ability to bank the excess capacity in 2021.
- Resolution 2020-08: Providing for acceptance, approval and adoption of the Final Budget for Calendar Year 2021.
- Resolution 2020-09: Filing the Final Budget and submitting a request for tax levies for the 2021 calendar year with the Clerk of the Board of County Commissioners and the Kitsap County Tax Assessor's Office. This resolution also includes the official Levy Certification signed by the Chief Financial Officer of the Port.

Fiscal Impact:

N/A

Recommendation:

Adopt the 2021 Final Budget and approve all related resolutions as presented.

Motions for Consideration:

- a. Move to approve Resolution 2020-06 with no tax increase in the general tax levy.**
- b. Move to approve Resolution 2020-07 providing a limit factor for the regular levy for the 2021 calendar year to determine future years' levies and to enable the Port to bank excess levy capacity.**
- c. Move to approve Resolution 2020-08 approving and adopting the Final 2021 Budget.**
- d. Move to approve Resolution 2020-09 filing the final 2021 budget documents and submitting request for tax levies in the amounts indicated with the County Clerk of the Board of County Commissioners and the Kitsap County Assessor's Office.**

Port of Bremerton

Chief Financial Officer

Sherman Hu



2021 Final Budget

Operating and Capital Budgets

November 24, 2020

MISSION

“Prepare For The Future”

Guiding Principles

- ➔ Sustain Current Assets.
- ➔ Mission Focused.
- ➔ Favorable ROI.
- ➔ Resource Balance.
- ➔ Generates or retains new jobs and /or revenue.

Best Budget Practice

- ➔ **Financial Management Belief:**
The Port can meet the public requirements through continual systems improvement, automation and innovation.
- ➔ **Budget Development Process:**
Commissioners, CEO, COO, CFO, Directors/Managers participated in 2021 Budget Process. Discussed on how to use the Port's resources more efficiently and effectively.
- ➔ **Budget Oversight/Monitoring:**
Finance provides monthly financial status reports to ensure that spending activities staying within the budget limits.

Budget Summary		2021 Final Budget
Total Revenues		13,950,371
Total Operating Expenses		6,898,626
Total Capital Expenses		7,051,745
Total Expenses	\$	13,950,371
Revenues		2021 Final Budget
Airport		520,420
Industrial Parks		1,434,263
Port Orchard Marina		1,787,885
Bremerton Marina		1,057,230
Non Operating		9,150,573
Total Revenues		13,950,371
Operating Expenses		2021 Final Budget
Airport		1,032,966
Industrial Parks		764,577
Port Orchard Marina		1,596,331
Bremerton Marina		1,349,601
Other Marinas		79,626
General & Administrative		2,075,526
Total Operating Expenses		6,898,626
Available Resources for Capital Projects		7,051,745

2021 Capital Budget Details						Available Resources For Capital Projects \$ 7,051,745
	Project continues to happen	2021 Project Budget	Port 2020 Budget	New \$\$ 2021	Grants/Loans for 2021	Net \$\$ 2021
Airport	Airport Diner (Construction)	\$ 4,261,988	\$ 2,763,861	\$ 1,498,127	\$ 750,000	\$ 748,127
Airport	Airport Diner (Engineering)	\$ 413,294	\$ 295,000	\$ 118,294	\$ -	\$ 118,294
Airport	South Hangar (Phase 1) Construction	\$ 2,067,526	\$ 2,067,526	\$ -	\$ -	\$ -
Airport	Replace HIRL Runway 02/20 & MITL Taxi A Signs	\$ 2,499,335	\$ 2,499,335	\$ -	\$ -	\$ -
Airport	Taxiway/Apron Rehab (Design +CN) (AIP)	\$ 3,008,600		\$ 3,008,600	\$ 2,707,740	\$ 300,860
OVIP	SR3 Frontage Starter Building	\$ 719,025	\$ 719,025	\$ -	\$ -	\$ -
POM	North & East Breakwater (Design)(DOC Grant)*	\$ 1,521,000	\$ 808,430	\$ 712,570	\$ -	\$ 712,570
GA	Site, Utility, Building Improvements	\$ 200,000	\$ 127,101	\$ 200,000	\$ -	\$ 200,000
GA	Business Development Opportunities	\$ 75,000	\$ 75,000	\$ 75,000	\$ -	\$ 75,000
GA	Software Upgrades, System Expansion	\$ 200,000	\$ 150,000	\$ 50,000	\$ -	\$ 50,000
	TOTAL:	\$ 14,965,768	\$ 9,505,278	\$ 5,662,591	\$ 3,457,740	\$ 2,204,851
						\$ 4,846,894
	Project - priority for 2021 (Funded by 2020 Capital or Grant)	2021 Project Budget	Port 2020 Budget	New \$\$ 2021	Grants/Loans for 2021	Net
Airport	New Airport Monument Plus Upgrades	\$ 176,750	\$ 176,750	\$ -	\$ -	\$ -
Airport	New Airport Monument (South)	\$ 81,000	\$ 81,000	\$ -		\$ -
Airport	100LL Fuel Truck	\$ 50,000	\$ 30,000	\$ 20,000	\$ -	\$ 20,000
Airport	Security Gates 1 & 12 Upgrade	\$ 55,000	\$ 48,500	\$ 6,500		\$ 6,500
Airport	Skid Steer Accessories (50~50 split AP OVIP)	\$ 60,000	\$ 60,000	\$ -		\$ -
OVIP	Wastewater Emergency Generator Project	\$ 65,000		\$ 65,000	\$ 65,000	\$ -
BM	Afterhour Kiosk/Payment Terminal	\$ 10,000	\$ 10,000	\$ -		\$ -
BM	Fish Cleaning Station (RCO Grant)	\$ 3,000		\$ 3,000	\$ 3,000	\$ -
BM	Portable Pump Out Pump (RCO Grant)	\$ 9,000		\$ 9,000	\$ 9,000	\$ -
POM	Resurface & Upgrade A Dock/Misc Interior/Floatation (Eng)	\$ 30,000	\$ 30,000	\$ -		\$ -
POM	North Breakwater (Crack Seal/floatation)	\$ 100,000	\$ 100,000	\$ -		\$ -
POM	East Breakwater (Crack repair/floatation)	\$ 50,000	\$ 50,000	\$ -		\$ -
POM	Afterhour Kiosk/Payment Terminal	\$ 10,000	\$ 10,000	\$ -		\$ -
POM	Small Craft Activity Float/Program	\$ 25,000	\$ 25,000	\$ -		\$ -
	TOTAL	\$ 724,750	\$ 621,250	\$ 103,500	\$ 77,000	\$ 26,500
						\$ 4,820,394

	New Projects for 2021	2021 Project Budget		New \$\$ 2021	Grants/Loans for 2021	Net
Airport	Fiber Installation (Airport Way/Radian)	\$ 100,000		\$ 100,000		\$ 100,000
Airport	South Hangar Project (Phase 2) (Design)	\$ 331,443		\$ 331,443		\$ 303,443
Airport	Airport Vehicle	\$ 34,500		\$ 34,500		\$ 34,500
OVIP	Inventech Marine Site (Construction)	\$ 1,200,000		\$ 1,200,000		\$ 1,200,000
OVIP	CNW Community Event Area (Design) (PFD Grant)	\$ 1,439,363		\$ 1,439,363	\$ 1,214,412	\$ 224,951
BM	Pile Coatings Splash Zone Repairs (40 piles/Year)	\$ 150,000		\$ 150,000		\$ 150,000
BM	WIFI Antenna Upgrade	\$ 5,000		\$ 5,000		\$ 5,000
BM	Turner Joy Mooring Improvements	\$ 10,000		\$ 10,000		\$ 10,000
POM	Real Estate Purchases	\$ 775,000		\$ 775,000	\$ 532,500	\$ 242,500
POM	Breakwater reserve	\$ 2,500,000		\$ 2,500,000		\$ 2,500,000
POM	Pile Coatings Splash Zone Repairs (20 piles/Year)	\$ 40,000		\$ 40,000		\$ 40,000
POM	Marina WIFI Antenna Upgrade	\$ 5,000		\$ 5,000		\$ 5,000
POM	HARPER DOCK Electrical Upgrades (Additional Circuits)	\$ 5,000		\$ 5,000		\$ 5,000
	TOTAL	\$ 6,595,306	\$ -	\$ 6,595,306	\$ 1,746,912	\$ 4,820,394
						\$ (0)

Information Only

	Future Projects	2021 Project Budget		New \$\$ 2021	Grants/Loans for 2021	Net
Airport	Taxiway/Apron Rehab (Design +CN) (Non-AIP)	\$ 6,390,000		\$ 6,390,000	\$ -	\$ 6,390,000
Airport	South Hangar Project (Phase 2) Construction	\$ 5,831,081		\$ 5,831,081		\$ 5,831,081
Airport	Master Plan Industrial Park Improvements	\$ 500,000		\$ 500,000	\$ -	\$ 500,000
BM	Security Upgrades/Art Glass Barrier	\$ 50,000		\$ 50,000	\$ -	\$ 50,000
	TOTAL	\$ 12,771,081	\$ -	\$ 12,771,081	\$ -	\$ 12,771,081

2021 Final Budget

Q & A

**PORT OF BREMERTON
KITSAP COUNTY, WASHINGTON
RESOLUTION NO. 2020-06
DATED: November 24, 2020**

A RESOLUTION of the Board of Commissioners, Port of Bremerton, providing for a 0% increase in the total regular property tax levy excluding any amount resulting from the addition of new construction and improvements to property, any increase in state-owned property and all allowable levies, for calendar year 2021.

WHEREAS, the Board of Commissioners, Port of Bremerton, has properly given notice of the public hearing held on November 24, 2020 to consider the Port of Bremerton's current expense budget for the calendar year 2021, pursuant to RCW 53.35.010, 53.35.020, 53.35.030 and 53.35.045; and

WHEREAS, the Board of Commissioners, Port of Bremerton, after hearing, and after duly considering all relevant evidence and testimony presented, has determined that the Port of Bremerton does not require the 1% increase in property tax revenue from the previous year, excluding the increase resulting from the addition of new construction and improvements to property, newly constructed wind turbines, annexation, any increases in the values of state-assessed property, state-assessed utilities, refunds, and all allowable levies, in order to discharge the expected expenses and obligations of the Port of Bremerton and in its best interest; and

WHEREAS, the population of this district is more than 10,000; and

WHEREAS the Board of Commissioners, Port of Bremerton, has determined that it is in the best interest of the Port of Bremerton and not necessary to meet the expenses and obligations in 2021 while still maintaining all future levy capabilities, for the property tax revenue not to be increased by 1% in 2021.

NOW, THEREFORE, BE IT RESOLVED, by the Board of Commissioners, Port of Bremerton, that a zero percent 0.0% increase \$-0- in the total property tax levy from the previous year \$3,920,963 is hereby authorized. The 0.0% increase is exclusive of additional revenue resulting from new construction, improvements to property, any increase in the value of state assessed property, any annexations that have occurred and refunds made.

ADOPTED by the Board of Commissioners of the Port of Bremerton at the regular public meeting thereof held this 24th day of November 2020 and duly authenticated in open session by the signatures of the Commissioners voting in favor thereof and the Seal of the Commission.

Commission President

ATTEST:

Commission Vice President

Commission Secretary

**PORT OF BREMERTON
KITSAP COUNTY, WASHINGTON
RESOLUTION NO. 2020-07
DATED: November 24, 2020**

A RESOLUTION of the Board of Commissioners, Port of Bremerton, providing a limit factor for the regular levy for the 2021 calendar year to determine future years' levies and to enable the Port of Bremerton to bank excess levy capacity.

WHEREAS, the Board of Commissioners, Port of Bremerton, has met and considered its budget for the calendar year 2021; and

WHEREAS, the Board of Commissioners, Port of Bremerton, in the course of considering the budget for 2021, has reviewed all sources of revenue and examined all anticipated expenses and obligations; and

WHEREAS, the Board of Commissioners of the Port of Bremerton Taxing District, has determined that due to future committed obligations in the Teamsters Local Union 589 Agreement with respect to future wage increases and medical and other benefit levels, and in consideration of future capital and infrastructure improvements, finds that there is a substantial need to set the levy limit at 101% in the event this levy capacity is needed in the future years.

NOW, THEREFORE BE IT RESOLVED by the Board of Commissioners, Port of Bremerton that the limit factor for the regular levy for the calendar year 2021 be set at 101% in the event this levy capacity is needed in future years.

ADOPTED by the Board of Commissioners of the Port of Bremerton at the regular public meeting thereof held this 24th day of November 2020 and duly authenticated in open session by the signatures of the Commissioners voting in favor thereof and the Seal of the Commission.

Commission President

Commission Vice President

ATTEST:

Commission Secretary

**PORT OF BREMERTON
KITSAP COUNTY, WASHINGTON
RESOLUTION NO. 2020-08
DATED: November 24, 2020**

A RESOLUTION of the Board of Commissioners, Port of Bremerton, providing for acceptance, approval and adoption of the Final Budget for the Calendar Year 2021.

WHEREAS, a preliminary 2021 budget was prepared and analyzed on November 10, 2020, and

WHEREAS, public notices were published on November 11 and November 18, 2020, in the newspaper of general circulation in the Port District proclaiming the availability of the preliminary budget to taxpayers at the Port office and announcing the public hearing for November 24, 2020, all in accordance with RCW 53.35.030 and 53.35.045, and

WHEREAS, a public hearing was held on the 24th day of November, 2020 at 6:00 p.m. virtually via Zoom platform after the above-stated due and proper notices were published in the daily newspaper of general circulation in the Port District and the Commission heard from all persons desiring to be heard on the matter of the final budget all in accordance with RCW 53.35.030 and 53.35.045.

NOW, THEREFORE BE IT RESOLVED by the Board of Commissioners, Port of Bremerton, that:

The Final Budget for calendar year 2021, fixed at fund levels as listed below and appended hereto as part of this Resolution is accepted, approved and adopted.

Airport	\$1,032,966
Industrial Park	764,577
Port Orchard Marina	1,596,331
Bremerton Marina	1,349,601
Other Marinas	79,626
General & Administrative	2,075,526
Capital Project Airport	1,631,724
Capital Project Industrial Parks	1,424,951
Capital Project Port Orchard Marina	3,505,070
Capital Project Bremerton Marina	165,000
Capital Project General & Administrative	<u>325,000</u>
TOTAL BUDGET	\$13,950,371

ADOPTED by the Board of Commissioners of the Port of Bremerton at the regular public meeting thereof held this 24th day of November 2020 and duly authenticated in open session by the signatures of the Commissioners voting in favor thereof and the Seal of the Commission.

ATTEST:

Commission President

Commission Secretary

Commission Vice-President

**PORT OF BREMERTON
KITSAP COUNTY, WASHINGTON
RESOLUTION NO. 2020-09
DATED: November 24, 2020**

A RESOLUTION of the Board of Commissioners, Port of Bremerton, filing the final budget and submitting a request for tax levies for calendar year 2021 with the Clerk of the Board of County Commissioners.

WHEREAS, the Board of Commissioners, Port of Bremerton, Kitsap County, by Resolution 2020-08 dated November 24, 2020 approved and adopted the Final Budget for Calendar Year 2021 in the amount of \$13,950,371 in accordance with RCW 53.35.010, 53.35.020, 53.35.030 and 53.35.045.

NOW, THEREFORE BE IT RESOLVED by the Board of Commissioners, Port of Bremerton, in accordance with RCW 53.35.040, that:

1. A copy of the Final Budget of the Port of Bremerton for Calendar Year 2021, as approved by Resolution 2020-08 be filed with the Clerk of the Board of County Commissioners.

2. As required under Referendum 47, Section 209, Resolution 2020-06 is hereby submitted (copy attached) to the Board of County Commissioners to provide for levies against taxable property located within Kitsap County to raise funds in the amount indicated in the Final Budget as follows, plus new construction and improvements to property, newly constructed wind turbines, annexation, any increases in the values of state-assessed property, state-assessed utilities, refunds, and all allowable levies:

A.	General Purpose Levy	\$3,835,039
	Plus: New Construction	58,590
	Refunds	27,334
	Utilities	<hr/>
		\$3,920,963
B.	Special Tax (General Obligation Indebtedness) Levy	0

ADOPTED by the Board of Commissioners of the Port of Bremerton at the regular public meeting thereof held this 24th day of November 2020 and duly authenticated in open session by the signatures of the Commissioners voting in favor thereof and the Seal of the Commission.

Commission President

Commission Vice President

ATTEST:

Commission Secretary

LEVY CERTIFICATION

In accordance with RCW 84.52.020, I, Sherman Hu, Chief Financial Officer, for the Port of Bremerton, do hereby certify to the Kitsap County legislative authority that the Commissioners of said district requests that the following levy amounts be collected in 2021 as provided in the district's budget, which was adopted on November 24, 2020, following a public hearing held on November 24, 2020.

Regular Levy:	\$3,835,039
Plus: New Construction	58,590
Refunds	27,334
Utilities	
Total Regular Levy	\$3,920,963
Excess Levy:	\$ 0

Signature: _____ Date: _____

PORT OF BREMERTON **AGENDA SUMMARY**

Agenda Item No: Action Item #2
Subject: Port Orchard/Bremerton Marina Piling Repairs Contract
Exhibits: Contract for Services – Aqua Dive Services, LLC
Prepared By: James Weaver, Director of Marine Facilities
Meeting Date: November 24, 2020

Summary:

This contract is a contract to conduct required underwater repairs and maintenance to the Port Orchard Marina and Bremerton Marina pilings and mooring systems. The scope of the work includes maintenance and repairs of the underwater structural, mechanical, mooring pilings, inter-tidal coatings, and cathodic protection systems.

A preliminary engineering analysis of marina asset repairs and maintenance schedule, specifications, and project cost estimate was prepared by Art Anderson Associates. A request for bids was issued on October 21, 2020 for the repairs and maintenance to the Port Orchard Marina and Bremerton Marina pilings and mooring systems.

The underwater work falls within the 2020 Endangered Species Act saltwater fish work window and is required to be completed within February 15, 2021. Aqua Dive Services, LLC submitted the sole bid.

The Port staff have worked closely with the consultant team to refine the scope of this contract and ensure the Port is well positioned for an efficient and successful project.

Fiscal Impact:

The contract is within the approved 2020 Capital Budget. Total contract amount for materials and services, including applicable tax is \$ 188,417.50 for both marinas. The approved 2020 Capital Budget included \$150,000 for the Bremerton Marina and \$40,000 for the Port Orchard Marina, with a combined amount of \$190,000 for the underwater repairs.

Strategic Purpose:

Goal 6. Develop and fund a 20-year asset replacement/major maintenance schedule.

Recommendation:

Port staff recommends the approval of the Port Orchard and Bremerton Marina Piling Repairs contract with Aqua Dive Services, LLC.

Motion for Consideration:

Move to approve the bid award to Aqua Dive Services, LLC for the Port Orchard & Bremerton Marina Piling Repairs and authorize the CEO to execute the contract and issue the notice-to-proceed.

PORT OF BREMERTON

AGENDA SUMMARY

Agenda Item No: Action Item #3

Subject: Real Estate Purchase & Sale Agreement with Richard and Diane Kelstrup revocable living trust.

Exhibits: Real Estate Purchase & Sale Agreement

Prepared By: Jim Rothlin, CEO

Meeting Date: November 24, 2020

Summary:

In 2020, the Port of Bremerton was approached by a real estate broker representing properties owned by Richard and Diane Kelstrup, to inquire if the Port has interest in properties near the Port of Bremerton's Port Orchard Marina.

Port staff has researched the site. The properties are waterfront and adjacent to current Port owned properties. Ownership by the Port could allow for further amenities such as expanded parking or further Port expansion for the marina or business growth. The potential development would meet the Port's mission of enhancing the quality of life and/or job creation for the community of the Port district surrounding the City of Port Orchard.

If approved by the Port Commissioners and the current owners, this agreement would trigger a due diligence period to allow the Port up to 90 days to determine the feasibility of development of the properties. During this time, the Port would make the determination if the offering price meets current market value.

Closing Date: Subject to all items to be delivered at closing; the closing shall take place within 15 days of the Port waiving all contingencies.

The Port Attorney has reviewed the Real Property Purchase Agreement and approves its form.

Fiscal Impact:

The offering purchase price is \$775,000 for approximately .55 acres of waterfront property. The offer requires a down payment of \$232,500, which has been allocated for in the Port's 2021 budget. The balance will be in the form of a promissory note negotiated with the seller.

Recommendation:

Staff recommends the approval of the Purchase and Sale agreement for the Port Orchard properties of approximately .55 acres with listed tax parcel numbers in the Agreement.

Motion for Consideration:

Move to approve the Real Estate Purchase & Sale Agreement for the Port Orchard Property and authorize the President of the Port of Bremerton Board of Commissioners to execute said agreement and the Port CEO to execute all further agreements related to this Purchase and Sale document.

PORT OF BREMERTON **AGENDA SUMMARY**

Agenda Item No: Action Item #4

Subject: Reassignment of LaDonna Latham land lease to Kitsap County and Long Term Lease with Kitsap County

Exhibits: Reassignment of Lease
Land Lease Kitsap County

Prepared By: Arne Bakker, Director of Business Development

Meeting Date: November 24, 2020

Summary:

In September 2020, The Port of Bremerton entered into a short-term lease with Kitsap County Department of Emergency Management, for our 17,500 square foot building, in order for them to be able to store and distribute PPE equipment needed due to COVID-19. The funding for this was made available to the County through the CARES Act and runs through December 2020. Kitsap County also received funding through the CARES Act for a permanent solution.

Kitsap County is in the process of purchasing the property improvements owned by LaDonna Latham and enter into a long-term land lease with the Port of Bremerton for a period of 50 years with an option for 25 years. In order to receive Federal funding for this purchase, they will need to have the following agreements in place with the Port of Bremerton by November 30, 2020.

- Assignment of the LaDonna Latham Land lease to Kitsap County commencing on December 1, 2020 and expiring on February 28, 2021
- Execution of a long-term land lease with Kitsap County commencing on March 1, 2021, and running through February 28, 2071, with annual CPI increases.

In order for Kitsap County to take possession of the property and utilize Federal funding from the CARES Act, Ms. Latham and Kitsap County have agreed to reassign the current lease to Kitsap County starting December 1, 2020.

This lease has been reviewed by legal.

Fiscal Impact:

None

Strategic Purpose:

Goal 1 – Be a strategic leader in promoting the local economy and job growth both on and off Port assets

Recommendation:

Staff recommends reassigning the land Lease with LaDonna Latham to Kitsap County, said assignment to terminate on February 28, 2021, and enter into a long-term land lease with Kitsap County effective March 1, 2021 for 50 years.

Motions for Consideration:

- 1) Move to approve lease assignment from LaDonna Latham to Kitsap County starting December 1, 2020 through February 28, 2021**
- 2) Approve the long-term land lease with Kitsap County effective March 1, 2021**

ASSIGNMENT AND ASSUMPTION OF LEASE AND LANDLORD CONSENT

THIS ASSIGNMENT AND ASSUMPTION OF GROUND LEASE AND LANDLORD CONSENT ("**Assignment**") is entered into by and among the Port of Bremerton, a Washington municipal corporation ("**Landlord**"), LaDonna Latham, Trustee of the LaDonna Latham Revocable Living Trust dated April 9, 2007 ("**Assignor**"), and, Kitsap County, a Washington municipal corporation ("**Assignee**"), collectively the Parties, as of the 30th of November 2020 ("**Effective Date**").

RECITALS

A. This Assignment relates to that certain Lease, as amended and agreed to, by and between Landlord, and Assignor, dated January 23, 1979 between the Port of Bremerton and Tru Truss, Inc., assigned to Donald and La Donna Kingery on January 24, 1986, assigned to LaDonna Latham in her individual capacity November 23, 1999 and subsequently amended thereafter (the "**Lease**"), for the premises located at 8900, 8902 and 8904 SW Imperial Way, Bremerton, WA. (the "**Premises**"). A true and correct copy of the legal description of the Premises is attached hereto as **Exhibit A** and incorporated by reference. A true and correct description of the Lease, and all amendments and assignments thereto and subleases is attached hereto as **Exhibit B** and incorporated by reference.

B. Under the terms of the Lease, Assignor is prohibited from assigning its interest therein without Landlord's consent which Landlord is willing to grant on the terms and conditions herein set forth but not otherwise.

C. This Assignment arises out of the sale of the Premises and improvements thereto owned by LaDonna Latham and operated by Assignor at the Premises as LaDonna Latham, also as Bremerton Transfer & Storage Co. Ltd., to Assignee, which sale is anticipated to close on November 30, 2020 ("Closing".)

D. Assignor and Assignee have entered into a Purchase Agreement dated October 15, 2020, KC- 471-20, as amended, with closing on November 30, 2020 provided the following events occur: funding for the purchase price is approved by Coronavirus Aid and Relief and Economic Security (CARES) Act contracted through the Washington State Department of Commerce; this Assignment is agreed to and executed by the parties prior to closing Landlord, and Landlord agrees to terminate the Lease and enter a new ground lease with Assignee commencing March 1, 2021.

E. Assignor wishes to assign, and Assignee wishes to assume, all of Assignor's rights and obligations under the Lease, EXCEPT Assignor shall not assign and Assignee shall not assume any and all of Assignors past and future debt, including monies owed to Landlord under that certain Promissory Note and Deed of Trust dated May 19, 2020, and any other obligations or liabilities accruing prior to November 30, 2020, attached hereto as **Exhibit C**, incorporated by reference, and unpaid rents owed, as described in this Assignment.

AGREEMENT

Now, therefore, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

1. Assignment. Pursuant to Section 14 of the Lease, and as of the Effective Date, Assignor hereby assigns, transfers and sets over, delegates, conveys and delivers unto Assignee all of Assignor's rights, title, obligations and interest in, to and under the Lease.

2. Assumption. Assignee hereby accepts such Assignment, and agrees to assume all of the rights, duties and obligations of Assignor under or pursuant to the Lease from the Effective Date, and agrees to perform and observe all the covenants, agreements, conditions and other provisions of the Lease to be observed and performed on the part of Assignor thereunder.

3. Landlord Consent and Acknowledgment. Landlord consents to the foregoing assignment and assumption of the Lease to Assignee, including assignment of subleases with Quinn Hill, Pods Enterprises, LLC, and sub-sublease with West Coast Athletics. Landlord acknowledges that, as of the date hereof, Assignor has paid all sums due by Assignor under the Lease through the Effective Date, except those sums due under the Promissory Note and Deed of Trust dated May 19, 2020.

4. Indemnification. Assignor agrees to indemnify, defend and hold harmless Assignee and its officials, officers, employees, volunteers or agents from and against any and all claims, demands, liabilities, costs and expenses, including reasonable attorneys' fees, in any way arising under, or relating to, this Assignment or any event, condition or circumstance occurring or existing prior to Closing Date, including but not limited to any obligation or liability relating to the Lease or any sublease, or occurring thereafter.

5. Security Deposit(s). Assignor and Assignee agree that any security deposit(s) held under the Lease or any sublease shall remain with the holder thereof for the remainder of the tenancy. Assignor hereby assigns to Assignee any and all interest in any security deposit(s) received from sub-lessees.

6. Authority to Sign. Each Party signing this Assignment represents that he or she has the authority to bind the entity on behalf of which he or she signed, PROVIDED, the signature on behalf of the Landlord and Assignee is subject to and contingent upon affirmative approval of their respective Boards.

7. Binding Effect. This Assignment shall be binding upon and inure to the benefit of the Parties, and their respective successors and assigns.

8. Ratification. Excepted as modified herein, the Parties hereby affirm and ratify the Lease.

11. Counterparts. This Assignment may be executed, delivered and transmitted in any number of counterparts, each of which when so executed, delivered or transmitted shall be deemed an original, but all such counterparts shall constitute one and the same instrument. Counterparts may be delivered via facsimile, electronic mail (including PDF) and any counterpart so delivered shall be deemed to have been duly and validly delivered and be valid and effective for all purposes.

12. Sale of Assignor's Business. Notwithstanding any terms in this Assignment to the contrary, this Assignment shall not take effect until after Landlord has received confirmation that Assignee's purchase of Assignor's property has closed on or before November 30, 2020 ("Effective Date").

13. Governing Law. This Assignment shall be governed by, construed and enforced in accordance with the laws of the State of Washington, and venue of any suit arising under, or relating to, this Assignment shall only be in Kitsap County Superior Court.

14. Attorneys' Fees. If Assignor or Assignee sues to enforce this Assignment or to obtain a declaration of either of their rights under this Assignment, the prevailing party in any proceeding shall be entitled to recover its reasonable attorney fees and costs incurred in the proceeding (including those incurred in any bankruptcy proceeding or appeal). In the event of trial, the amount of the attorney fees shall be fixed by the court.

15. Further Assurances. The Parties shall, on the written request of the other party, execute, acknowledge and deliver further documents and assurances and perform further acts that the other party reasonably requests in order to perform all of the obligations of this Assumption.

16. Survival. All terms and conditions of this Assignment that expressly or by their nature should survive expiration or termination of this Assignment, shall so survive.

17. Notice. Upon Assignment of the Lease, Landlord and Assignee's addresses for the purposes of Notices pursuant to Section 25 of the Lease shall be as follows:

To Landlord at: Port of Bremerton
8850 SW State Hwy 3
Bremerton, WA 98312

With a copy to: Arne Bakker
Port of Bremerton
8850 SW State Hwy 3
Bremerton, WA 98312

To Assignee at: Eric Baker
Kitsap County
616 Division Street MS-4
Port Orchard, WA 9836

With a copy to: Elizabeth Doran
Deputy Prosecuting Attorney
614 Division Street, MS-35A
Port Orchard, WA 98366

IN WITNESS WHEREOF, the Landlord, Assignor and Assignee have caused these presents to be executed as of the day and year first above written.

LANDLORD

Date: _____, 2020

ASSIGNOR:

Date: _____, 2020

ASSIGNEE

BOARD OF COUNTY COMMISSIONERS
KITSAP COUNTY, WASHINGTON

Date: _____, 2020

CHARLOTTE GARRIDO, Chair

ROBERT GELDER, Commissioner

EDWARD E. WOLFE, Commissioner

LANDLORD NOTARY

STATE OF WASHINGTON)
) ss.
COUNTY OF KITSAP)

I certify that I know or have satisfactory evidence that _____ is the person who appeared before me, and said person acknowledged that he/she signed this instrument, on oath stated that he/she was authorized to execute the instrument and acknowledged it as the _____, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated this _____ day of November, 2020.

(Signature of Notary)

(Legibly print name of Notary)

Notary Public in and for the
State of Washington, residing at

My appointment expires: _____

ASSIGNOR NOTARY

STATE OF _____)
) ss.
COUNTY OF _____)

I certify that I know or have satisfactory evidence that _____ is the person who appeared before me, and said person acknowledged that he/she signed this instrument, on oath stated that he/she was authorized to execute the instrument and acknowledged it as the _____ of The LaDonna Latham Revocable Living Trust dated April 9, 2007, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated this _____ day of November, 2020.

(Signature of Notary)

(Legibly print name of Notary)

Notary Public in and for the
State of Washington, residing at

My appointment expires:_____

ASSIGNEE NOTARY:

STATE OF WASHINGTON)
) ss.
COUNTY OF KITSAP)

I certify that on this day personally appeared before me _____, to me known to be The Chair of the Board of County Commissioners and acknowledged the said instrument to be the free and voluntary act and deed of Kitsap County, for the uses and purposes therein mentioned, and on oath stated that he/she was authorized to execute this instrument on behalf of Kitsap County.

Dated this _____ day of November, 2020.

(Signature of Notary)

(Legibly print name of Notary)

Notary Public in and for the
State of Washington, residing at

My appointment expires:_____

LANDLORD'S CONSENT

THE UNDERSIGNED hereby consent to the foregoing Assignment, and agree that as of the Effective Date of the Assignment (as defined above), LaDonna Latham, Assignor, is hereby released from all liabilities and obligations under the Lease (as defined above) to the extent the same arise or accrue after the Effective Date of this Assignment.

Signed on behalf of Landlord, Kitsap County this ____ day of November, 2020

By:_____

Name:
Title: Chair

STATE OF WASHINGTON)
) ss.
COUNTY OF KITSAP)

I certify that I know or have satisfactory evidence that _____ is the person who appeared before me, and said person acknowledged that he/she signed this instrument, on oath stated that he/she was authorized to execute the instrument and acknowledged it as the _____, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated this ____ day of November, 2020.

(Signature of Notary)

(Legibly print name of Notary)

Notary Public in and for the
State of Washington, residing at

My appointment expires:_____

EXHIBIT A
Legal Description

ALL FIXTURES AND IMPROVEMENTS LOCATED ON THE FOLLOWING DESCRIBED PROPERTY: THAT PART OF THE NORTHWEST QUARTER OF SECTION 11, TOWNSHIP 23 NORTH, RANGE 1 WEST, W.M. IN KITSAP COUNTY, WASHINGTON, DESCRIBED AS FOLLOWS:

BEGINNING AT THE WEST QUARTER CORNER OF SAID SECTION 11, SAID CORNER BEING MARKED ON THE GROUND BY A CONCRETE FILLED SECTION OF RED TILE WITH COPPER NAIL FOR CENTER POINT; THENCE ALONG THE EAST-WEST CENTERLINE OF SAID SECTION 11, SOUTH 87°56'12" EAST 668.03 FEET TO AN INTERSECTION WITH THE CENTERLINE OF CONSTANCE DRIVE; THENCE ALONG SAID CENTERLINE NORTH 19°15'45" EAST 886.14 FEET; THENCE SOUTH 70°44'15" EAST 50.00 FEET TO THE INTERSECTION OF THE SOUTHEASTERLY RIGHT OF WAY MARGIN OF SAID CONSTANCE DRIVE AND THE NORTHEASTERLY RIGHT OF WAY MARGIN OF IMPERIAL WAY AND THE TRUE POINT OF BEGINNING; THENCE ALONG SAID SOUTHEASTERLY RIGHT OF WAY MARGIN OF CONSTANCE DRIVE NORTH 19°15'45" EAST 325.00 FEET; THENCE SOUTH 70°44'15" EAST 400.00 FEET; THENCE SOUTH 19°15'45" WEST 325.00 FEET TO SAID NORTHEASTERLY RIGHT OF WAY MARGIN OF IMPERIAL WAY; THENCE ALONG SAID NORTHEASTERLY RIGHT OF WAY MARGIN NORTH 70°44'15" WEST 400.00 FEET OT THE TRUE POINT OF BEGINNING.

SITUATE IN KITSAP COUNTY, STATE OF WASHINGTON.

EXHIBIT B

Premises: 8900, 8902, 8904 SW Imperial Way, Bremerton, WA

LEASE dated January 23, 1979, entered into between the Port of Bremerton and Tru Truss, Inc., **as modified by the following documents:**

- i. CONSENT TO ASSIGNMENT, entered into between PORT OF BREMERTON and PACIFC FIRST FEDERAL SAVINGS & LOAN for security purposes of the Lease between Port of Bremerton as Lessor and Tru Truss, Inc. as Lessee dated January 23, 1979, dated March 13, 1979.
- ii. ASSIGNMENT OF LEASE entered into between TRU TRUSS, INC., and GERALD & ANN ALDRICH, LANNY & SHARON LAWRENCE, DAVID & JUDITH GERTSCH and DUANE & JOAN GUGGENMOS, dated April 28, 1981.
- iii. CONSENT TO ASSIGNMENT OF LEASE, to KITSAP COUNTY BANK for security purposes of Lease between PORT OF BREMERTON as Lessor and GERALD & ANN ALDRICH, LANNY & SHARON LAWRENCE, DAVID & JUDITH GERTSCH and DUANE & JOAN GUGGENMOS, as Lessee, dated January 23, 1979 and assigned to lessees on April 28, 1981, dated June 5, 1981.
- iv. ASSIGNMENT OF LEASE and CONSENT TO ASSIGNMENT, entered into among PORT OF BREMERTON and TRU TRUSS, INC., and subsequently assigned to PACIFC FIRST FEDERAL SAVINGS & LOAN, to DONALD AND LADONNA KINGERY, dated January 24, 1986.
- v. AMENDMENT TO LEASE, entered into between PORT OF BREMERTON and DONALD AND LADONNA KINGERY, dated January 27, 1987.
- vi. AMENDMENT TO LEASE, entered into between PORT OF BREMERTON and DONALD AND LADONNA KINGERY, dated March 13, 1989.
- vii. ASSIGNMENT OF LEASE – FOR SECURITY PURPOSES, and CONSENT TO ASSIGNMENT, entered into among PORT OF BREMERTON and subsequently assigned to PACIFC FIRST FEDERAL SAVINGS & LOAN, and then to DONALD AND LADONNA KINGERY to FIRST NATIONAL BANK OF PORT ORCHARD as additional collateral for loan secured by Deed of Trust, dated January 14, 1992.
- viii. AMENDMENT TO LEASE, entered into between PORT OF BREMERTON, and DONALD AN DLADONNA KINGERY, dated July 13, 1993.
- ix. AMENDMENT TO LEASE, entered into between PORT OF BREMERTON, and DONALD AN DLADONNA KINGERY, dated November 23, 1999.
- x. AMENDMENT TO LEASE, entered into between PORT OF BREMERTON, and DONALD AN DLADONNA KINGERY, dated October 2, 2003.

- xi. AMENDMENT TO LEASE, entered into between PORT OF BREMERTON, and DONALD AN DLADONNA KINGERY, dated October 27, 2008.
- i. AMENDMENT TO LEASE, entered into between PORT OF BREMERTON, and DONALD AN DLADONNA KINGERY, dated November 13, 2008
- ii. AMENDMENT TO LEASE, entered into between PORT OF BREMERTON, and DONALD AN DLADONNA KINGERY, dated November 26, 2013.
- iii. AMENDMENT TO LEASE, entered into between PORT OF BREMERTON, and DONALD AN DLADONNA KINGERY, dated February 4, 2019.

AND SUBLEASES:

- a. Sublease dated September 1, 2019, between Area 29 Inc. and West Coast Athletics.
- b. Sub-sublease dated December 1, 2019 between LaDonna Latham and Quin Hill.
- c. Sub-lease dated October 1, 2020 between Bremerton Transfer & Storage Co. and PODS Enterprise, LLC.



COMMERCIAL LEASE

I. INTRODUCTION

This Lease is made and entered into by and between the **Port of Bremerton**, a Washington municipal corporation (hereinafter referred to as "Lessor"), and **KITSAP COUNTY**, a municipal corporation and political subdivision organized under the laws of the State of Washington (hereinafter referred to as "Lessee"). Any notice, demand, request, consent, approval or communication that either party desires or is required to give to the other party concerning this Lease shall be in writing addressed to the other party at the addresses noted in the Summary below. Notice shall be deemed to have been received on the date of receipt as shown on the return receipt or three (3) days after mailing, whichever first occurs.

II. SUMMARY

Lessor:	Port of Bremerton
Address:	8850 SW State Hwy 3 Bremerton, WA 98312
Contact:	Arne Bakker
Phone:	(800) 462-3793
Email:	arneb@portofbremerton.org
Lessee:	Department of Emergency Management
Address:	614 Division Street Port Orchard, WA 98366
Contact:	Elizabeth Klute
Phone:	360.204.6703
Email:	eklute@co.kitsap.wa.us
PropertyDescription:	8900 Imperial Way SW; 2.9844 acres
Premises Activity:	Warehouse and storage facility
Commencement Date:	March 1, 2021
Term:	50 years
Renewals/Options:	One 25-year option to renew
Base Rent:	
Additional Rent:	None
Bond / Fin. Sec.:	None
Existing Improvements:	None owned by Port of Bremerton
Exhibits:	A – legal description of leased land B – premises illustration C – existing improvements D – design construction criteria E – environmental site assessment <i>(not included in agenda packet due to file size)</i>

III. TERMS & CONDITIONS

1. PROPERTY.

1.1. Description & Inspection. Lessor is the owner of real property, commonly known as 8900 Imperial Way SW, Bremerton, (hereinafter "Leased Land") described in **Exhibit "A,"** attached hereto and herein made a part of this Lease. Lessee is the owner of the structures, fixtures and permanent improvements located on the Leased Land graphically depicted for illustrative purposes in **Exhibit "B,"** attached hereto and made a part hereof (hereinafter "Premises"). The Leased Land owned by Lessor consists of approximately 2.9844 acres, and the Premises includes three metal buildings with street addresses at 8900, 8902 and 8904 SW Imperial Way. As used herein, the term "Property" includes the real property and improvements now existing, **Exhibit "C"** or hereafter constructed or installed on the property. Prior to executing this Lease, Lessee has fully and carefully inspected the Property. Lessee accepts the Leased Land, "as is" without further maintenance liability on the part of the Lessor, except as specifically noted herein. Lessee is not relying on any representations of Lessor as to condition, suitability, zoning restrictions, or usability, except Lessor's right to grant a lease of the Property.

1.2. Use. Lessee shall conduct the following activity on the Property: Warehousing, storage, training, office facility and activities reasonably related to work performed by Kitsap County Department of Emergency Management (the "Authorized Use"). Lessee shall not use the Property for any other purposes without the prior written consent of the Lessor, which approval shall not be unreasonably withheld. The Lessee shall observe, abide and comply with any and all applicable federal, state or local laws, rules or regulations that affect the Property, as well as all of the Lessor's rules and regulations applicable to the Olympic View Industrial Park as they are now formulated, or as they may be re-formulated in the future. Lessee shall not allow any illegal or unlawful activities on the Property.

2. TERM.

2.1. The term of this Lease shall be for fifty (50) years beginning on the Commencement Date (March 1, 2021) and terminating on February 28, 2070 unless otherwise provided in this Lease. Lessee is entitled to possession of the Property as of the Commencement Date. If Lessee takes possession of the Property before the Commencement Date set forth above, Lessee shall pay the pro rata rent for the period prior to commencement of the Lease term.

2.2. Holding Over. If the Lessee remains in possession of said Property after the date of expiration of this Lease without Lessor's prior written consent, such holding over shall constitute and be construed as tenancy at sufferance only, at a monthly rent equal to one hundred fifty percent (150%) of the Base Rent owed during the final month of the Term of this Lease and otherwise upon the terms and conditions in this Lease. If Lessee holds over with Lessor's prior written consent, then until such time as a new written Lease is executed by the parties hereto, Lessee shall continue to make payments to Lessor as

provided for in this Lease. Such authorized holdover tenancy may be terminated by either party at the end of any such monthly period by sending written notice not less than five (5) days before the end of such period. Such authorized holdover tenancy shall be subject to all terms and conditions contained herein.

3. RENEWAL. If Lessee is not in default, subject to the terms and conditions herein, Lessee may renew this Lease for 1 consecutive 25 year period by giving written notice of such intention to Lessor at least one-hundred twenty (120) days prior to the expiration of the term of this Lease or any renewal thereof. Renewals shall be upon the same terms and conditions, except that rent shall be recalculated as provided herein, and the terms of this Lease shall be updated to be consistent with the terms and conditions then existing in the Lessor's standard commercial lease.

4. RENT.

4.1. Base Rent. Lessee shall pay the Lessor as "Base Rent" rental in the amount of \$1,713.49 per month, in advance, commencing on the 1st day of March 2021, and adjusted as hereinafter provided. If Lessee occupies the premises prior to the Term date, Lessee agrees to pay a pro-rata rate of \$57.12 per day for the days occupied.

4.3. Due Date; Late Payments. Rent shall be paid monthly in advance on or before the first (1st) day of each month beginning on the Commencement Date. In the event any rental payment is not made within ten (10) days of its due date, Lessee shall: (1) be in default; and (2) pay the Lessor a late payment charge in the amount of \$50.00 for each such delinquent rental payment, together with interest on the delinquent total at the rate of eighteen percent (18%) per annum (minimum \$20.00 per month) until the delinquency is cured. The acceptance of rent by the Lessor for any period or portions thereof after default by the Lessee shall not constitute a waiver of the default unless the Lessor so notifies Lessee in writing. The Lessor shall have a lien against all assets of the Lessee located on the Property or used in connection with the Lessee's occupation of the Property for all rents, charges, interest and fees payable under this Lease, and the Lessee further agrees that it shall not remove any of said assets from its locations until all such charges and fees payable under this Lease are paid in full.

4.4. Rent Adjustments

4.4.1. Annual Adjustments. The monthly Base Rent rates shall be adjusted on each yearly anniversary from the Commencement Date by using the CPI for all Urban Consumers published by the United States Department of Labor Bureau of Labor Statistics for the Seattle-Tacoma-Bellevue Metropolitan area not to exceed 3% annually. The indexes used shall be those published in the month of October. The first annual adjustment shall commence on January 1, 2022. The percentage change from the earlier index to the later index shall be multiplied by the Base Rent rate at the beginning of each Lease year and the result added to that beginning Base Rent rate to arrive at the adjusted Base rent rate which will apply to each of the twelve months of the succeeding year, except in no event shall the Base Rent

rate be less than the original monthly Base Rate. Additional Rent shall be adjusted at the same time as Base Rent.

4.5. Financial Security. Lessee shall secure performance of the rental portion of this Lease by procuring and maintaining, during the term of this Lease, a financial security satisfactory to Lessor (herein referred to as the "Bond"), in the amount of \$10,280.90.

4.5.1. Cash. The Lessor shall return such sum, without interest, after the expiration hereof, if Lessee has fully and faithfully carried out all of such terms, covenants, and conditions. The Lessor may apply any part of such deposit to cure any of Lessee's defaults. In such event, Lessee shall, upon demand, deposit with the Lessor the amount so applied so that the Lessor shall have the full deposit on hand at all times during the term hereof. Lessee shall not mortgage, assign, or encumber the security deposited under this Lease without the Lessor's written consent, and any attempt to do so shall be void.

4.6. Abated Rent. If this Lease or subsequent mutually-agreed-upon amendment of this Lease provides for a postponement of any monthly rental payments, a period of deferred rent, or other Rent concession, such postponed rent is called the "Abated Rent." Lessee shall be credited with having paid all the Abated Rent on the expiration of the term of this Lease only if Lessee has fully, faithfully and punctually performed all of Lessee's obligations hereunder, including the payment of all Rent (other than the Abated Rent) and all other monetary obligations and the surrender of the Property in the condition required by this Lease. Lessee acknowledges that its right to receive credit for the Abated Rent is absolutely conditioned upon Lessee's full, faithful and punctual performance of its obligations under this Lease. If Lessee defaults and does not cure within any applicable grace period, the Abated Rent shall immediately become due and payable in full and this Lease shall be enforced as if there were no such Rent abatement or other Rent concession. In such case, Abated Rent shall be calculated based on the full initial rent payable under this Lease, plus interest thereon at the rate of twelve percent (12%) per annum from date each monthly Rental payment was postponed.

5. LESSEE OBLIGATIONS

5.1. Expenses. Lessee shall pay all costs and expenses associated and in connection with the use of the Property and the rights and privileges herein granted, including, but not limited to applicable permit fees, license fees, and assessments lawfully levied or assessed upon the Property or the improvements and other property on the Property. The Lessee may, however, at its sole expense and cost, contest any fee, or assessment, but shall in no event allow the same to become a lien on the Property.

5.2. Rubbish. Lessee shall properly dispose of all rubbish, garbage, and waste in a clean and sanitary manner at reasonable and regular intervals and assume all costs of extermination and fumigation for any infestation caused by Lessee.

5.3. Damage. Lessee shall not intentionally or negligently destroy, deface, damage, impair, or remove a part of the Leased Land, its appurtenances, facilities, equipment, furniture, furnishings, appliances, or fixtures, nor permit any person, whether family, invitee, licensee, or otherwise, acting under control of the Lessee to do so.

5.4. Nuisance. Lessee shall not permit any nuisance or common waste on the Property.

5.5. Sewage. Lessee shall allow only domestic wastewater into the Lessor's sewer system. "Domestic Wastewater" means water carrying human waste, including kitchen and bath wastes from industrial buildings. "Industrial Wastes", which include water or liquid carrying wastes from any industrial, trade or business process or activity, are not allowed into the Lessor's sewage system.

5.6. Liens. The Lessee shall have no authority, expressed or implied, to create any lien on said Property without prior written approval of the Lessor, and shall hold harmless, defend and indemnify the Lessor from any loss or claim of liability by reason of any such lien. Lessee shall cause any such lien to be removed from the Property. If any such lien is not removed or satisfied by the Lessee within thirty (30) days after written notice thereof by the Lessor, the Lessor may, but is not obligated to, take such steps as it may deem reasonably required to cause such lien to be removed, including but not limited to payment of the amount(s) claimed therefor, and the Lessee shall, upon receipt of notice, reimburse the Lessor for all sums it may have paid to cause said lien to be removed plus interest thereon at the rate of twelve percent (12%) per annum from the date of the Lessor's payment until reimbursed in full by Lessee.

6. IMPROVEMENTS / ALTERATIONS. Subject to Lessor's prior written approval, which shall not be unreasonably withheld, Lessee may make and install, at its sole expense, improvements/alterations on the Property. The Lessor does not assume any responsibility for compliance with the foregoing requirements or the improvements/alterations made.

6.1. Plans & Specifications. If the Lessee intends to make changes in the Property, then no less than thirty (30) days before the commencement of such changes (e.g., earth movement, material acquisitions or permit applications), Lessee shall submit detailed plans and specifications for any proposed leasehold improvements. If the Lessor requires revisions of the plans and specifications, it shall notify Lessee in writing which details such revisions, and the Lessee shall have thirty (30) calendar days from the date of receipt of the Lessor's revisions to resubmit the plans and specifications for the Lessor's approval. All Lessee Improvements which are to be designated fixtures shall be so designated by Lessor upon Lessor's approval of the plans for such improvements.

6.2. Permits. Lessee is solely responsible for and shall secure all permits required in connection with any construction and improvements and pay the required fees therefore.

6.3. Contractor(s). Upon receiving all necessary approvals of its plans and specifications, the Lessee shall engage one or more qualified contractors to construct said improvements.

6.4. Compliance. Lessee shall pay for all construction, improvements, and maintenance. All construction, improvements, and maintenance shall be made in conformance with the provisions of all applicable laws, rules, codes, and regulations, including but not limited to zoning, permitting, Federal Aviation Administration (FAA) requirements, the requirements of the Americans With Disabilities Act of 1990, 42 U.S.C. §12101 et seq. (the “ADA”). and Lessor requirements, including but not limited to the design and construction criteria, if any, noted in **Exhibit “D”**. During the construction period, Lessee shall provide security fencing systems suitable to surround the entire Property for the duration of construction of its Lessee Improvements. In addition, during construction Lessee shall manage construction of its Lessee Improvements in a manner that minimizes the impact on airport operations. Upon completion of the improvements or alterations, the Lessee shall provide the Lessor with “as built” diagrams and specifications for its records.

6.5. Unauthorized Improvements. Any Lessee Improvements made on the Property without Lessor’s prior written consent or which are not in conformance with the plans submitted to and approved by the Lessor (“Unauthorized Improvements”) shall immediately become the property of Lessor, unless Lessor elects otherwise. Regardless of the ownership of Unauthorized Improvements, Lessor may, at its option, require Lessee to sever, remove and dispose of them and return the Property to its prior condition at Lessee’s sole cost and expense, charge Lessee rent for the use of them, or both.

6.6. Ownership of Improvements. Any improvements or alterations shall become the property of the Lessor upon the termination of this Lease (except trade fixtures, personal property, any non-fixed items and equipment which may be removed by Lessee at its own cost and expense, and Lessee agrees to and shall make any repairs to the Leased Land necessitated by the removal).

- 7. UTILITIES.** The Lessee, at its own expense, shall provide for and make connections to all utilities that it requires to serve the Property. Any on-site utility improvements within the Property shall be the sole responsibility of Lessee, including, but not limited to, all design and construction costs. Lessee shall pay all charges for utilities and services provided to the Property prior to delinquency. Lessee shall properly use and operate all electrical, gas, heating, plumbing, and other fixtures and appliances that are or may be available for use by the Lessee. At the end of the Lease, Lessee shall arrange for such utility services to be terminated and for the final bill to be sent to Lessee. Lessee shall be liable for all utility charges that accrue if it fails to so terminate services.
- 8. FIXTURES.** The Lessee shall have the right to install, at its own expense, trade fixtures and equipment normal for its activities and the right (subject to any other provisions of this Lease) to remove the same at the expiration of this Lease. Provided, however, that the Lessee shall pay for all damages to the Leased Land caused by such removal.
- 9. SIGNS.** Lessee may, at its own expense, place in or on the Property a sign or signs identifying Lessee. Signs shall be of a size, shape, and design, and at a location or

locations, approved by the Lessor in writing and in conformance with any overall directional graphics or sign program, codes, rules or regulations established by the Lessor or any other governmental entity having jurisdiction over the Property, including, but not limited to, City of Bremerton. Signs shall be kept presentable and in good repair. Notwithstanding any other provision of this Lease, Lessee's signs shall remain the Lessee's property. Upon termination of this Lease, Lessee shall remove, at its expense, all lettering, signs, and placards so erected on the Property. If the Lessee fails to do so after the Lessor provides Lessee 72 hours' written notice to do so, the Lessor may remove the sign or signs without any liability, and may charge the expense incurred by such removal to the Lessee, which expense Lessee shall pay within ten (30) days of receipt of notice thereof.

10. MAINTENANCE. Without limiting the generality of the foregoing, Lessee shall keep and maintain the Property in neat, clean, sanitary and safe condition and repair. The Lessor shall be the sole judge of the quality of maintenance and repair of the Property and upon written notice by the Lessor to the Lessee, the Lessee shall be required to perform whatever maintenance and repair the Lessor deems reasonably required. If the maintenance and repair is not undertaken within ten (10) days after receipt of written notice, the Lessor shall have the right to enter upon the Property and perform such maintenance and repair, the cost of which shall be charged to and borne by the Lessee. Said amount(s) shall be paid by the Lessee as an additional rent on the next due date after receipt of notice as to the amount(s) thereof.

11. INSURANCE

11.1. Lessee Casualty Loss. Lessor, its commissioners and employees, Lessor's insurance carrier and Lessor's casualty policy shall not be responsible to the Lessee for any property loss or damage done to the Lessee's property, whether real, personal or mixed, occasioned by reason of any fire, storm or other casualty whatsoever. It shall be the Lessee's sole responsibility to provide its own protection against casualty losses of whatsoever kind or nature, regardless of whether or not such loss is occasioned by the acts or omissions of the Lessor, Lessee, third party, or act of nature. Lessee hereby releases and discharges the Lessor its commissioners and employees, Lessor's insurance carrier and Lessor's casualty policy from any claims for loss or damage to Lessee's property.

11.2. Policy Requirements. Lessee shall procure and maintain a comprehensive general liability policy covering all claims for personal injury (including death) and property damage (including all real and personal property located on the Property or Lessor's property) arising on the Property or Lessor's property as a result of, or arising out of, Lessee's operations under this Lease.

11.2.1. Liability Limits. The limits of liability shall be not less than Two Million Dollars (\$2,000,000.00) in general aggregate, and One Million Dollars (\$1,000,000.00) in bodily injury/property damage unless the Lessee requests, and Lessor approves in writing, a lesser liability limit. If the Lessee maintains higher

insurance limits than the minimums required herein, the Lessor shall be insured for the full available limits of Commercial General and/or Excess or Umbrella liability maintained by the Lessee, irrespective of whether such limits maintained by the Lessee are greater than those required by this Lease or whether any certificate of insurance furnished to the Lessor evidences the lower limits of liability set forth herein. Lessor may impose changes in the limits of liability: (i) on any Adjustment Date; (ii) as a condition of approval of assignment or sublease of this Lease; (iii) upon any breach of the environmental liability provision herein; (iv) upon a material change in the condition of any improvements; or (v) upon a change in the Authorized Use. If the liability limits are changed, Lessee shall obtain new or modified insurance coverage within thirty (30) days after changes in the limits of liability are required by Lessor. The liability policies shall contain a cross-liability provision such that the policy will be construed as if separate policies were issued to Lessee and to Lessor.

11.2.2. Lessor Additional Insured. The foregoing insurance policy shall name Lessor as an additional named insured by way of a policy endorsement. Lessee shall provide certificates of insurance and, if requested, copies of any policy to Lessor. Receipt of such certificate or policy by Lessor does not constitute approval by Lessor of the terms of such policy. Furthermore, the policy of insurance required herein shall: (i) be written as a primary policy; (ii) expressly provide that such insurance may not be materially changed, amended or canceled with respect to Lessor except upon forty-five (45) days' prior written notice from the insurance company to Lessor; (iii) contain an express waiver of any right of subrogation by the insurance company against Lessor and Lessor's elected officials, employees or agents; (iv) expressly provide that the defense and indemnification of the Lessor as an "additional insured" will not be effected by any act or omission by Lessee which might otherwise result in a forfeiture of said insurance; v) contain a separation of insureds provision such that the policy applies separately to each insured that is subject of a claim or suit; vi) not contain a cross-claim, cross-suit, or other exclusion that eliminates coverage by one insured against another; and (vii) provide for coverage for damage to the Lessor's property caused by the Lessee.

11.3. Failure to Obtain and Maintain Insurance. If Lessee fails to procure and maintain the insurance described above, Lessor shall have the right, but not the obligation, to procure and maintain substitute insurance and to pay the premiums. Lessee shall pay to Lessor upon demand the full amount paid by Lessor.

11.4. Prudent Business Insurance. Lessee warrants and represents that the insurance obligation herein does not exceed that which the Lessee would otherwise normally place upon itself and obtain in order to operate its business in a prudent manner.

12. FEDERAL AVIATION REQUIREMENTS. Lessor retains for the public a right of way over the Property for the unobstructed passage of aircraft in the airspace above the surface of the Property hereinbefore described, together with the right to cause in said airspace such

noise as may be inherent in the operation of aircraft, now known or hereafter used for navigation of or flight in said airspace, and for use of said airspace for landing on, taking off from or operating on the airport. Lessee shall prevent any use of the Property which would interfere with the landing or taking off of aircraft at the airport, or otherwise constitute an airport hazard. Lessee shall prevent any operation on the Property which would produce electromagnetic radiations of a nature which would cause interference with any air navigational or communications aid now or in the future to be installed to serve the airport, or which would create any interfering or confusing light or cause any restrictions to visibility at the airport.

13. ENVIRONMENTAL LIABILITY.

13.1. Environmental Indemnification. Lessee shall defend (indemnify and hold Lessor harmless from any and all claims, demands, judgments, orders or damages resulting from Hazardous Substances on the Property caused in whole or in part by the activity of the Lessee, its agents, subtenants, or any other person or entity (i) on the Property as a result of, arising out of, or relating to Lessee's operations under this Lease or (ii) on the Lessor's property as a result of, arising out of, or relating to Lessee's operations under this Lease. It is the intent of the Parties that Lessee shall be responsible and shall defend and hold Lessor harmless from any Hazardous Substances that have or may occur on the Property or Lessor's property as a result of, arising out of, or relating to Lessee's operations since Lessee first occupied the Property. It is the intent of the Parties that the Phase 1 Environmental Site Assessment ("Phase 1 ESA) conducted by Lessee, attached hereto and made a part herein as **Exhibit "E"** shall be the baseline for Lessee responsibility under this Lease. The term "Hazardous Substances" as used herein shall mean any substance heretofore or hereafter designated as hazardous under the Resource Conservation and Recovery Act, 42 USC Sec. 6901 et seq.; the Federal Water Pollution Control Act, 33 USC Sec. 1251 et seq.; the Clean Air Act, 42 USC Sec. 7401 et seq.; the Comprehensive Environmental Response Compensation and Liability Act of 1980, 42 USC Sec. 9601 et seq.; or the Hazardous Waste Cleanup-Model Toxics Control Act, RCW 70.105D, all as amended and subject to all regulations promulgated thereunder.

13.2. Unconditional Environmental Obligations. Lessee's defense and indemnity obligations under this article are subject only to the attached Phase 1 ESA, shall not be discharged or satisfied by Lessor's re-entry of the Property or exercise of any other remedy for Lessee's default under this Lease, shall continue in effect after any assignment or sublease of this Lease, and shall continue in effect after the expiration or earlier termination of this Lease.

13.3. Environmental Investigations. Although Lessee shall not be liable for any Hazardous Substances on the Property that was not caused in whole or in part by the activity of the Lessee, its agents, subtenants, or any other person or entity on the Property as a result of, arising out of, or relating to Lessee's operations under this Lease or any previous lease or agreement, Lessee shall be responsible for the costs of any environmental investigations or remediation arising from the development or use of the Property by Lessee.. and Lessee hereby releases the Lessor from any contribution claim

for those costs. By way of example only, if the Lessee excavates soil on the Premises which contains Hazardous Substances, then the Lessee will be responsible for the cost associated with disposing of those soils regardless of when or how the Hazardous Substances were released into those soils.

13.4. Current Conditions and Duty of Lessee. Lessor shall notify Lessee in writing of all knowledge, actual or circumstantial, of any contamination of the Property by Hazardous Substances that arise, or Lessor becomes aware of, after commencement of this Lease. For such occurrences, the Lessor shall provide the Lessee with copies of any inspection report, order, fine, request, notice, or other correspondence from any governmental entity regarding the release of Hazardous Substances that may affect the Property or any adjacent property. Lessor makes no representation about the condition of the Property. Hazardous Substances may exist in, on, under or above the Property. Lessee should, but is not required to, conduct environmental assessments or investigations of the Property prior to or during this Lease to determine the existence, scope and location of any Hazardous Substances. If there are any Hazardous Substances in, on, under or above the Property as of the Commencement Date, Lessee shall exercise the utmost care with respect to the Hazardous Substances, the foreseeable acts or omissions of third parties affecting the Hazardous Substances, and the foreseeable consequences of those acts or omissions. Prior to conducting any environmental investigation of the subsurface of the Property, the Lessee shall provide prior written notice to the Lessor. Lessee shall provide the Lessor with the results of all such investigations.

13.5. Notification and Reporting. Lessee shall immediately notify Lessor if Lessee becomes aware of any of the following: (a) a release or threatened release of Hazardous Substances in, on under or above the Property, any adjoining property, or any other property subject to use by Lessee in conjunction with its use of the Property ; (b) any problem or liability related to or derived from the presence of any Hazardous Substance in, on under or above the Property, any adjoining property or any other property subject to use by Lessee in conjunction with its use of the Property; (c) any actual or alleged violation of any federal, state or local statute, ordinance, rule, regulation or other law pertaining to Hazardous Substances with respect to the Property, any adjoining property, or any other property subject to use by Lessee in conjunction with its use of the Property; or (d) any lien or action with respect to any of the foregoing. Lessee shall, at Lessor's request, provide Lessor with copies of any and all reports, studies or audits which pertain to environmental issues or concerns with the Property, and which are or were prepared by or for Lessee and submitted to any federal, state or local authorities pursuant to any federal, state or local permit, license or law. These permits include, but are not limited to, any National Pollution Discharge and Elimination System permit, any Army Corps of Engineers permit, any State Hydraulics permit, any State Water Quality certification, or any Substantial Development permit.

14. HAZARDOUS SUBSTANCES. Herein, "Hazardous Substance" means any hazardous, toxic, dangerous or extremely dangerous substance, material or waste, which is or becomes regulated by the United States Government, the State of Washington, or any

local governmental authority. The term includes, without limitation, any substance containing constituents regulated as specified above. The term "release" shall be defined as provided in 42 U.S.C. 9601 and RCW 70.105D.020, as amended. In the event a conflict exists between the two definitions, the broader definition shall apply. For purposes of this Lease, the term release shall also include a threatened release.

14.1. Storage and Use, etc. Lessee shall not use, store, treat, generate, sell or dispose of any Hazardous Substances on or in any manner that affects the Property, improvements, common areas, or any areas adjacent thereto, without the prior written consent of the Lessor.

14.2. Compliance. The Lessee shall, at its sole cost and expense, comply with all laws, statutes, ordinances, regulations, rules, and other governmental requirements regarding the proper and lawful generation, use, sale, transportation, storage, treatment, and disposal of Hazardous Substances (hereinafter "Laws") on the Property or in any manner that affects the Property.

14.3. Right of Entry. The Lessor or its designated agents may, at the Lessor's sole discretion and at reasonable times, enter upon the Property for the purpose of inspecting Lessee's activities or conducting environmental testing and sampling to determine compliance with applicable Laws and the terms of this Lease. If such monitoring discloses the presence or release of Hazardous Substances in violation of either applicable Laws or this Lease, the cost of such monitoring shall be paid by the Lessee. In addition, within five (5) days of the Lessor's written request, the Lessee shall provide the Lessor with a detailed written description of the Lessee's generation, use, sale, transportation, storage, treatment, and disposal of Hazardous Substances on the Property or which may affect the Property or adjacent property. The Lessor's discretionary actions pursuant to this paragraph shall not constitute a release, waiver or modification of the Lessee's obligations otherwise specified in this Lease.

14.4. Notification. The Lessee shall notify the Lessor within twenty-four (24) hours of any release of Hazardous Substances that may affect the Property or any adjacent property and shall promptly provide the Lessor with a copy of any notifications given to any governmental entity regarding any such release. The Lessee shall promptly provide the Lessor with copies of any inspection report, order, fine, request, notice, or other correspondence from any governmental entity regarding the release of Hazardous Substances that may affect the Property or any adjacent property. The Lessee shall provide the Lessor with a copy of all reports, manifest, safety data sheets (SDS), and identification numbers regarding Hazardous Substances at the same time they are submitted to the appropriate governmental authorities.

14.5. Environmental Assessment. The Lessee shall, upon written request from the Lessor, based on a sufficient reason to believe there has been a release of Hazardous Substances, within sixty (60) days following expiration or other termination of this Lease, provide the Lessor with an environmental assessment prepared by a qualified professional approved in advance by the Lessor. The environmental assessment shall,

at a minimum, certify that a diligent investigation of the Property has been conducted, including a specific description of the work performed, and either (1) certify that diligent investigation of the Property has revealed no evidence of a release of Hazardous Substances or violation of applicable Laws, or (2) if a release or violation of applicable Laws is detected, identify and describe: (i) the types and levels of Hazardous Substances detected; (ii) the physical boundaries of the release, including property other than the Property; (iii) the actual and potential risks to the environment from such release or violation; and (iv) the procedures and actions necessary to remedy the release or violation in compliance with applicable Laws. The Lessee shall pay the expense of obtaining the environmental assessment and of performing all remediation.

14.6. Indemnification and Hold Harmless. The Lessee shall defend indemnify and hold the Lessor, its Commissioners, employees and agents and representatives harmless from any loss, claim, fine, or penalty arising from the release of Hazardous Substances or any violation of applicable Laws affecting the Property caused in whole or in part by the Lessee. Such obligation shall include, but shall not be limited to, environmental response and remedial costs, other cleanup costs, environmental consultants' fees, attorneys' fees, fines and penalties, laboratory testing fees, claims by third parties and governmental authorities for death, personal injuries, property damage, business disruption, lost profits, natural resource damages and any other costs, and the Lessor's expenses incurred under the foregoing provisions. The Lessee's obligation pursuant to this paragraph shall survive expiration or other termination of this Lease.

14.7. Default. Notwithstanding any other provision of this Lease, the Lessor may, in the event of a release of Hazardous Substances or a violation of applicable Laws affecting the Property, elect to declare this Lease in default and terminate it. Such election by the Lessor, if made, shall be without prejudice to any other remedy provided in this Lease. Should the Lessor not elect to declare a default, it may cure any release of Hazardous Substances or any violation of applicable Laws by the Lessee, and impose a surcharge sufficient to recover such expenses together with interest at eighteen percent (18%) per annum, for such portion of the unexpired term of this Lease as the Lessor may deem proper.

14.8. Rights and Remedies. Notwithstanding any other provision of this Lease, and without prejudice to any other such remedy, the Lessor, in the event of a release of Hazardous Substances, a violation of applicable Laws or a breach of this Lease, shall be entitled to all rights and remedies provided by law or in equity, including, but not limited to the following, at the Lessor's option: (i) Terminate this Lease immediately; recover any and all damages associated with the default, including but not limited to cleanup costs and charges, civil and criminal penalties and fees, loss of business and sales by the Lessor and other tenants, and any and all damages and claims asserted by the parties' and the Lessor's attorneys' fees and costs; or (ii) to renegotiate the terms of this Lease to recover any return on expenditures made by the Lessor in order to insure that the Property and the use of such Property comply with all governmental rules, regulations and requirements. The Lessor, in pursuing any particular remedy, shall not be deemed to have made an election of remedies to the exclusion of any other remedies available to it.

15. STORM WATER. Lessee agrees that storm water it allows to discharge from the Property shall, at Lessee's expense, be so directed and contained so as to comply with the Federal National Pollutant Discharge Elimination (NPDES) program, State Department of Ecology requirements as implemented on behalf of the federal Environmental Protection Agency or any successor agency(s) or department(s), and City of Bremerton requirements. Storm water facilities required by City of Bremerton drainage ordinances shall be installed and maintained by the Lessee. Such facilities shall not be altered, damaged or removed without prior written agreement with the Lessor and the City of Bremerton. Lessee shall pay before delinquency any and all federal, state or local storm water drainage taxes, fees or assessments attributable to the Property.

16. FIRE PROTECTION. The Lessee understands that the Lessor has no responsibility to provide fire protection for the Lessee's buildings, property or equipment located in or upon the leased Property. It shall be the exclusive responsibility of the Lessee to provide for its own fire protection, including, but not limited to, promptly paying all fire district service charges when due. In this regard, the Lessee understands that it is the Lessee's responsibility and duty to include the value of its buildings, property, and equipment to appropriate County authorities for personal property tax purposes through which fire district service charges are paid. Failure of the Lessee to accurately list its improvements or promptly pay its fire district service charges when due, shall be a breach of this Lease and shall be grounds for the Lessor to terminate this Lease agreement. The Lessee shall promptly provide the Lessor with a copy of its personal property declaration within seven (7) days from the time such declaration is made to the Kitsap County Assessor.

16.1. In the event the Property is totally or substantially destroyed by fire or other casualty so as to render the Property unfit for the purpose for which it was intended by Lessee or the Property is irreparably damaged as a result of natural disaster including but not limited to earthquake, earth movement and flooding, Lessee shall have the option to elect whether or not it will terminate this Lease or rebuild the Premises. Lessee shall notify Lessor within 120 days from the date of the total or substantial destruction of its intent to either terminate or rebuild. Lessee shall be entitled to receive the benefits of the insurance required under this Lease whether it decides to rebuild. In the event Lessee decides not to rebuild, Lessee shall cause all debris resulting from the destruction or substantial destruction to be removed from the Property. Failure of Lessee to notify Lessor in writing within 120 days of complete or substantial destruction of Lessee's election to rebuild the Premises shall constitute an election not to rebuild and the termination of this Lease.

16.2 In the event that the Property or any part thereof is less than substantially destroyed by fire or other casualty so as not to render the Property unfit for the purpose intended under this Lease, Subject to available funding, Lessee shall commence the work of repair or reconstruction through to completion with undue interruption or delay, other than interruptions or delays beyond the reasonable control of Lessee. Lessee shall be solely entitled to receive the proceeds of the insurance required under this Lease.

16.3 In the event Lessee is unable to access or use the Property for more than 30 days as a result of fire, accident, act of war, terrorist event or natural disaster, Lessee may request in writing a rent abatement for the period that Lessee is deprived of use and enjoyment of the Property. If Lessee is deprived of the use of the Property for more than 180 days, Lessee may terminate this Lease with 30 days' notice to Lessor.

17. RIGHTS RESERVED BY THE LESSOR. In addition to any and all rights retained or awarded the Lessor pursuant to this lease or otherwise by law, the Lessor retains certain additional rights.

17.1. Improvements. Lessor shall not be required to make any improvements or alterations to the Property whatsoever.

17.2. Easements/Facilities. Lessor reserves the right to grant easements and other land uses on the Property to others when the easement or other land uses applied for will not unduly interfere with the use to which the Lessee is putting the Property or interfere unduly with the approved plan of development for the Property. Lessee shall solely determine whether any easement proposed by Lessor unduly interferes with Lessee's use of the Property. If the Property is burdened by utility easement(s), Lessor retains the perpetual right and privilege to construct and maintain for the use of itself and its agents or tenants underground pipe, cable, ducts, and other necessary facilities to serve other users and tenants, together with the right to enter upon the Property at any reasonable time with prior written notice to Lessee with all necessary men, materials, and appliances for the purposes of constructing, inspecting, operating, repairing, and maintaining the same.

17.3. Right of Entry. Lessor retains the right to enter upon the Property at any reasonable time for the purpose of making a bi-annual inspection it may deem expedient to the proper enforcement of any of the covenants or conditions of this Lease.

17.4. Construction. Lessor retains the right to make any changes to and perform any construction on the Property required by any agreement or obligation to which it is subject with any other governmental agency or agencies having jurisdiction thereon upon prior written notice served upon the Lessee at least ninety (90) days in advance of such proposed work.

17.5. Lessee's Property Removal. The Lessor shall be entitled, upon its specific written request given sixty (90) days in advance in the case of expiration of the Lease term, to have the Property returned to it clear of all non-fixed improvements, clean, and in good condition, in which event, title to all of said improvements shall remain in and with the Lessee. If the Lessor requests such removal, the Lessee shall complete the same within sixty (90) days after the termination of this Lease. If the Lessee fails to so remove said improvements within the specified time, they may be removed by the Lessor and the Lessee shall pay the Lessor the cost thereof upon demand. If, in the reasonable opinion of the Lessor, the Property are left in an unclean condition or state of disrepair by the Lessee, the Lessor may cause the Property to be repaired or cleaned to its satisfaction and Lessee shall pay the costs therefore.

18. ASSIGNMENT/SUBLETTING.

18.1. Neither this Lease, nor any part hereof, may be assigned, transferred, rented or sublet by the Lessee by process or operation of law or in any other manner whatsoever, without the prior written consent of the Lessor. The Lessor may withhold its consent for any reasonable purpose, including but limited to any assignment, sublease, other transfer, or tenancy if the proposed transferee's use of the Property may involve the generation, storage, use, treatment, or disposal of Hazardous Substances, as defined in this Lease.

18.2. Lessee acknowledges and agrees that if the Lessor agrees to Lessee subletting the Premises, Lessee shall require Sublessee to become bound and subject to all terms and conditions of this Lease. Further, all of the Lessee's approved sublease or tenancy documents contain the following covenant: "Sublessee shall perform all covenants and conditions contained in the Lease Agreement between the Lessor and Lessee, except for the covenant relating to the payment of rent. Sublessee also understands and agrees that the only activity authorized by this sublease document is that which is specifically addressed in the Lease Agreement between Lessor and Lessee and no other activity."

18.3. Copies of all proposed agreements between the Lessee and any prospective sublessee or other party relating in any way to the use of the Property, shall be filed with the Lessor for review and consideration not less than thirty (30) days prior to the effective date of said documents.

18.4. The Lessor reserves the right to require submission of additional detailed information concerning such other party including, but not limited to, financial records and statements, business background and references.

19. DEFAULT & TERMINATION

19.1. Default(s). This Lease shall terminate at the option of the Lessor in the event of any default, including but not limited to one or more of the following events: Lessee's failure to pay Rent or any other monetary obligations by the first day of each month; Lessee's failure to perform any non-rent/monetary term or condition of this Lease; abandonment of the Property by Lessee; Lessee assigns this Lease without the Lessor's prior written consent; a default by Lessee under any other agreement or lease with the Lessor; insolvency of Lessee; an assignment by Lessee for the benefit of creditors; the filing by Lessee of a voluntary petition in bankruptcy; an adjudication that Lessee is bankrupt or the appointment of a receiver of the properties of Lessee; the filing of an involuntary petition of bankruptcy and failure of Lessee to secure a dismissal of the petition within thirty (30) days after filing; attachment of or the levying of execution on the leasehold interest; and failure of Lessee to secure a discharge of the attachment or release of the levy of execution within ten (10) days.

19.2. Opportunity to Cure. Except as to bankruptcy proceedings, This Lease shall terminate for default if Lessee fails to cure any default within 30 days prior written notice to the Lessee by the Lessor.

19.3. Premises Surrender Upon Termination. Upon termination of this Lease or any extension thereof, whether by expiration of the stated term or sooner termination thereon, as herein provided, Lessee shall surrender to Lessor the Property peaceably and quietly. Lessee shall restore the Property to the condition existing at the time of initiation of this Lease, except for: (i) normal wear and tear, and (ii) any improvements which Lessor permits to remain on the Property. Lessee shall deliver any and all keys to the Property upon expiration or termination of this Lease.

19.4. Lessee's Rights Upon Termination. If this Lease is so terminated by the Lessor, all rights of the Lessee, or any person claiming through the Lessee, shall cease and terminate, and all payments made thereon shall belong to the Lessor.

19.5. Leasehold Improvements at Termination. All leasehold improvements upon the Premises shall become the property of the Lessor, and the Lessor shall take and have title thereof free and clear of any lien or claims of Lessee or its successors, 120-days after expiration or termination of this Lease, provided, however, that during such 120-day time period, Lessee shall pay Lessor rent as provided for in Section 4 of this Lease. Upon termination of this Lease, Lessor may, without notice, re-enter and take full possession of the Property, including all leasehold improvements thereon. Subject to the Lessor's lien rights, upon termination of this Lease, the Lessee shall, at its sole cost and expense, remove all signs, trade fixtures, furnishings, personal property, equipment, and materials from the Property which the Lessee was permitted to install or maintain under the rights granted herein. Lessee shall repair all damages caused by such removal. If the Lessee fails to do so within sixty (60) days, then the Lessor may effect such removal or restoration at the Lessee's expense, and the Lessee agrees to pay to the Lessor such expense promptly upon receipt of a proper invoice therefore. Lessee agrees to pay Lessor's costs and damages associated with Lessee's failure to remove such items, including, but not limited to, the following: storage, demolition, removal, transportation and lost rent (collectively "Disposal Costs"); provided, however, that any net proceeds recovered by Lessor in excess of its Disposal Costs will be deducted from Lessee's financial obligation set forth herein. Lessee's financial obligations herein shall survive the termination of this Lease. Lessor shall not be required to mitigate its damages, to dispose of the items in a commercially reasonable manner, or to make any effort whatsoever to obtain payment for such items.

19.6. Lessor Remedies Cumulative. The foregoing remedies are cumulative and in addition to any other remedies provided by law, and Lessor shall not be required to elect its remedies.

20. INDEMNIFICATION & HOLD HARMLESS. The Lessee agrees that it will defend indemnify and hold harmless the Lessor, its officers, employees and agents from any and all liability, damages, judgments, or claims therefore, which may arise from or are

attributable to the Lessee's occupancy or use of the Property or any of the Lessor facilities, whatsoever the nature, and whether authorized or unauthorized. The Lessee shall defray the expenses, including reasonable attorney's fees and costs, for the defense of any such claim, including but not limited to litigation in any court of competent jurisdiction or any other dispute resolution process or proceeding.

21. DISPUTE. In the event of a dispute, and the parties are unable to resolve through direct negotiations, the parties agree to enter mediation with an agreed mediator, and each shall pay one half of the costs incurred in mediation.

22. MISCELLANEOUS

22.1. Entire Agreement. This Lease contains all of the understandings between the parties. Each party represents that no promises, representations or commitments have been made by the other as a basis for this Lease which have not been reduced to writing herein. No oral promises or representations shall be binding upon either party, whether made in the past or to be made in the future, unless such promises or representations are reduced to writing in the form of a modification to this Lease executed with all necessary legal formalities by the Lessor.

22.2. Interpretation. This Lease, and the right of the parties hereto, shall be governed by and construed in accordance with the laws of the State of Washington, and the parties agree that jurisdiction and venue shall lie exclusively in Kitsap County, Washington and not in any federal court. This Lease has been submitted to the scrutiny of the parties hereto and their counsel, if desired. In any dispute between the parties, the language of this Lease shall, in all cases, be construed as a whole according to its fair meaning and not for or against either the Lessor or the Lessee. If any provision is found to be ambiguous, the language shall not be construed against either the Lessor or Lessee solely on the basis of which party drafted the provision. If any word, clause, sentence, or combination thereof for any reason is declared by a court of law or equity to be invalid or unenforceable against one party or the other, then such finding shall in no way affect the remaining provisions of this Lease. One party's submission of this Lease to the other for review shall not constitute an offer to lease the Property. This Lease shall not become effective and binding upon Lessor and Lessee until it has been fully signed by both Lessor and Lessee. The captions used in this Lease are intended for convenience of reference only, and do not define or limit the scope or meaning of any provision of this Lease.

22.3. Time; Non-Waiver. Time is of the essence of this Lease. Neither the acceptance of Rent nor any other act or omission of Lessor after a default by Lessee or termination shall operate as a waiver of any past or future default by Lessee, or to deprive Lessor of its right to terminate this Lease or be construed to prevent Lessor from promptly exercising any other right or remedy it has under this Lease. Any waiver by Lessor shall be in writing and signed by Lessor in order to be binding on Lessor. A waiver of a breach by Lessor or Lessee shall not impair the other party to avail itself of an subsequent breach by Lessor or Lessee. Leniency, delay or failure of either party to insist upon strict performance of any agreement, covenant or condition under this Lease, or to exercise

any right herein, shall not be construed as a waiver or relinquishment of any agreement, covenant, condition or right.

22.4. Counterparts and Electronic Transmission: This Agreement may be signed in counterparts. Electronic transmission of any signed original document, and retransmission of any signed electronic transmission shall be the same as delivery of an original document.

22.5. Joint and Several Liability; Binding Effect; Attorney's Fees. Each party who signs this Lease (other than in a representative capacity) will be jointly and severally liable for the performance of the obligations under this Lease. This Lease is and shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, personal representatives, successors, and permitted assigns. The prevailing party in any action to enforce any term or condition of this Lease shall be entitled to an award of their reasonable costs and attorney fees.

22.6 Closure by Government Order. Lessee understands that various federal agencies, including the Department of Homeland Security and U.S. Coast Guard, have the authority to restrict access to certain areas on property owned by Lessor in order to counter a terrorist or other threat. Such restrictions could impact Lessee's ability to access the Property for an indefinite period of time. Since such restrictions on access are outside the control of Lessor, Lessee agrees that such interruptions shall not be deemed a violation of this Lease or the Covenant of Quiet Enjoyment.

22.7. Estoppel Certificates. At Lessee's request, Lessor agrees to execute and deliver to Lessee or its lender(s), a customary estoppel certificate in a form acceptable to the Lessor which sets forth the following information: (i) the terms and conditions of this Lease, (ii) the status of the Rent payments under the Lease; and (iii) Lessor's knowledge of any breaches or anticipated breaches of the Lease. Lessor shall have no obligation to execute an estoppel certificate which requests any information other than as set forth above. Lessee agrees to reimburse the Lessor for all staff time incurred and attorneys' fees paid by Lessor for the review and opinion of such attorney acting on the request for such estoppel certificate and in negotiating acceptable language in the estoppel certificate. A failure to reimburse Lessor within sixty (60) days of the mailing of notice of such charges shall constitute a default under the terms of this Lease.

22.8. Sale and Attornment. Lessee may sell its interest in the Property at any time, and this Lease shall terminate upon closing of the sale, providing that a condition of the closing shall be that Lessor and new buyer enter a new lease. Lessee shall provide Lessor with prior written notice of intent to sell. In the event the Premises are sold, Lessee shall attorn to the purchaser upon the sale provided that the purchaser expressly agrees in writing that, so long as Lessee is not in default under the Lease, Lessee's possession and occupancy of the Premises will not be disturbed and that such purchaser will perform all obligations of Lessor under the Lease.

22.9. Nondiscrimination; Minority Business Enterprises. Lessee hereby covenants and agrees that no person, on the grounds of race, color, religion, sex, or national origin shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination in the use of the Property or in the construction of any improvements on, over, or under the Property, or the furnishing of services therein or thereon. Lessee understands that it is the policy of the U.S. Department of Transportation that minority business enterprises as defined in 49 CFR, Part 23, shall have the maximum opportunity to participate in the performance of this Lease as defined in 49 CFR, Section 23.5, and that this Lease is subject to 49 CFR, Part 23, as applicable. Lessee hereby assures that no person shall be excluded from participation in, denied the benefits of, or otherwise discriminated against in connection with 49 CFR, Part 23, on the grounds of race, color, national origin, or sex.

22.10. No Recordation; Memorandum. This Lease Agreement may not be recorded. A memorandum of lease approved by the Lessor may be executed in recordable form and recorded with the Kitsap County Auditor.

22.11 Headings and Subheadings. The headings and subheadings appearing in this Lease are for convenience only and are not part of this Lease.

22.12. NOTE: THIS LEASE CONTAINS INDEMNIFICATIONS FROM THE LESSEE TO THE LESSOR, RELEASES BY THE LESSEE AND A LIMITED WAIVER OF IMMUNITY UNDER THE WASHINGTON STATE INDUSTRIAL INSURANCE ACT, TITLE 51 RCW, OR ANY OTHER SIMILAR WORKERS' COMPENSATION SCHEMES

NOW THEREFORE, the parties hereto have caused this Lease Agreement to be executed as of the day and year last written below:

LESSEE:

LESSOR:

KITSAP COUNTY

PORT OF BREMERTON

Charlotte Garrido, Commissioner

Date: _____

Cary Bozeman, President

Date: _____

Robert Gelder, Commissioner

Date: _____

Axel Strakeljahn, Vice President

Date: _____

Edward E. Wolfe, Commissioner

Date: _____

Gary Anderson, Secretary

Date: _____

STATE OF WASHINGTON)
)ss
County of Kitsap)

On this _____ day of _____ before me personally appeared _____ to me known to be the _____ of **Kitsap County**, the municipal corporation that executed the within and foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said municipal corporation, for the uses and purposes therein mentioned, and that they are authorized to execute said instrument.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Official Seal the day and year first above written.

Notary Public in and for the State of _____

Name Printed
residing at _____
My commission expires: _____

STATE OF WASHINGTON)
)ss
County of KITSAP)

On this _____ day of _____ before me personally appeared _____ to me known to be the _____ of the **Port of Bremerton**, the municipal corporation that executed the within and foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said municipal corporation, for the uses and purposes therein mentioned, and that they are authorized to execute said instrument.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Official Seal the day and year first above written.

Notary Public in and for the State of Washington

Name Printed
residing at _____
My commission expires: _____

Exhibit "A" Legal Description



McGinnis, Olson & Rowland, Ltd.

SURVEYORS • ENGINEERS • PLANNERS

16 January 1979

LEASE SITE DESCRIPTION
for
TRU TRUSS

That part of the Northwest quarter of Section 11, Township 23 North, Range 1 West, W.M., in Kitsap County, Washington, described as follows:

Beginning at the West quarter corner of said Section 11, said corner being marked on the ground by a concrete filled section of red tile with copper nail for center point; thence along the East-West centerline of said Section 11, S 87°56'12" E 668.03 ft. to an intersection with the centerline of Constance Drive; thence along said centerline N 19°15'45" E 866.14 ft.; thence S 70°44'15" E 50.00 ft. to the intersection of the southeasterly right-of-way margin of said Constance Drive and the northeasterly right-of-way margin of Imperial Way and the TRUE POINT OF BEGINNING; thence along said southeasterly right-of-way margin of Constance Drive N 19°15'45" E 325.00 ft.; thence S 70°44'15" E 400.00 ft.; thence S 19°15'45" W 325.00 ft. to said northeasterly right-of-way margin of Imperial Way; thence along said northeasterly right-of-way margin N 70°44'15" W 400.00 ft. to the true point of beginning. Containing 130,000 square feet (2.9844 acres).

Exhibit "B" Premises Illustration

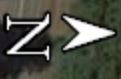


Google Earth

© 2020 Google

Legend

500 ft



Photos & Sketches

Exhibit "C" Existing Improvement

Parcel #: 5215-000-016-0002

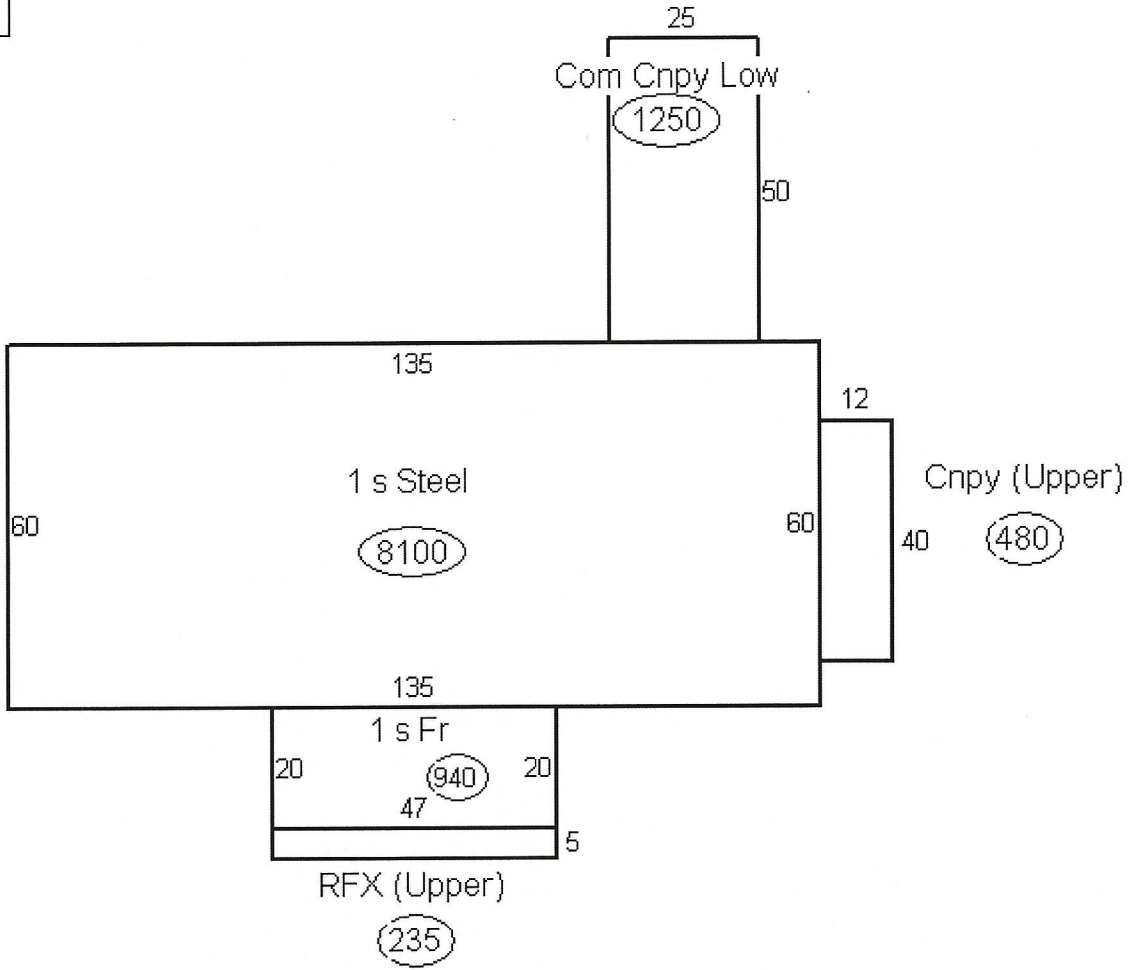
8902 SW IMPERIAL WAY
BREMERTON, WA 98312

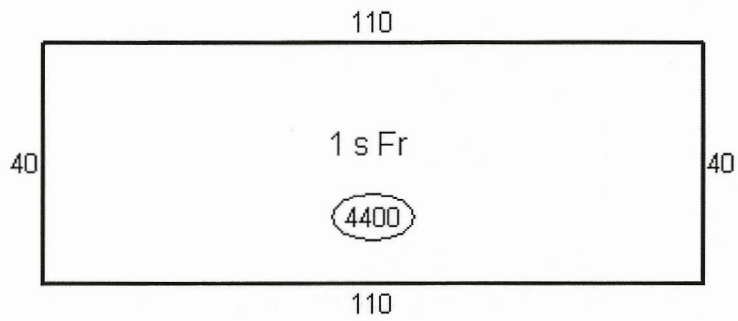






01





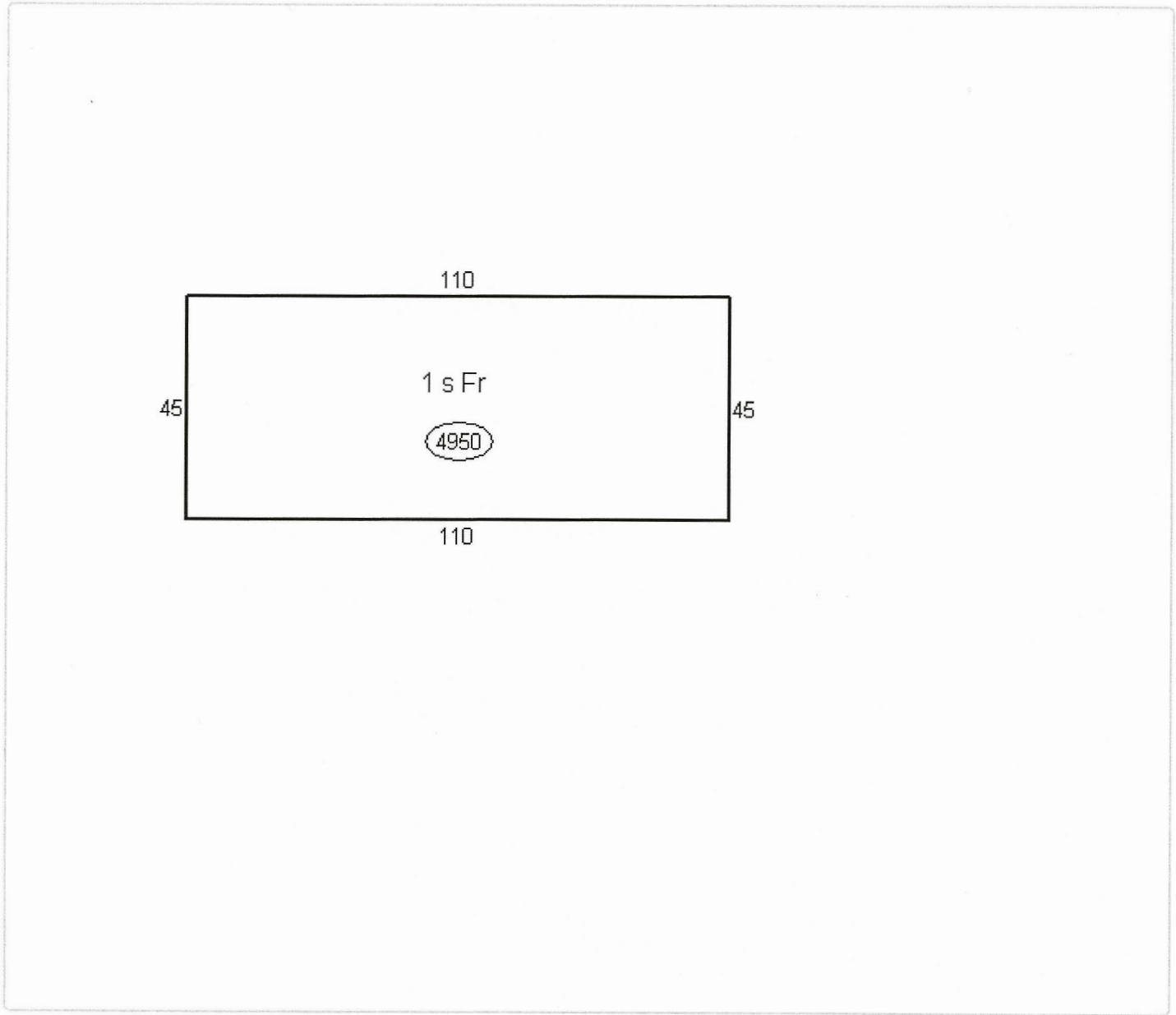


Exhibit D
(Design & Construction Criteria)

- (1) Building shall be constructed conforming to the following setbacks, unless stricter setbacks are required by local governmental building rules and regulations:
 - a. Front yard to street 50 ft
 - b. Side yard to street 25 ft
 - c. Side yard to a property line 15 ft
 - d. Rear yard to a property line 15 ft
- (2) All structures shall be architecturally compatible with emphasis being placed on design and color schemes of walls visible from street. All designs, exterior appearance and color schemes shall be subject to the prior approval of the Lessor.
- (3) All exterior walls for buildings shall be finished masonry, concrete, face brick or stone, painted steel or equivalent. Wood exterior construction may be used for structures upon written approval of the Lessor. Building will consist of steel framing.
- (4) All electrical telephone and cable lines shall be placed underground.
- (5) Landscaping of each individual lot shall be installed and maintained in accordance with the landscape ordinance in effect in the County. Areas disturbed during construction shall be landscaped.
- (6) Loading docks shall not be permitted to front or face any streets within the Park without prior written approval of the Lessor.
- (7) Parking areas and driveways must be paved with an asphalt or concrete surface unless otherwise approved by the Lessor.
- (8) Inside storage of material is encouraged. Outside storage will be permitted to the rear of side of buildings.

PHASE 1 ENVIRONMENTAL SITE ASSESSMENT

Tax Parcel 5215-000-016-0002
8900, 8902 and 8904 SW Imperial Way
Bremerton, Kitsap County, Washington 98312

Follow-on report not included in
agenda packet due to file size

Prepared for: Kitsap County Commissioner's Office
619 Division Street, 4th floor
Port Orchard, Washington 98366



October 12, 2020

Project Number 20-09002



Environmental Scientists, Planners and Consultants

1823 Bremerton Ave NE
Renton, WA 98059-3954
phone (425) 271-5629
fax (425) 271-5629
www.ecocompliance.biz