



Pierce County Council

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*Failed at the
05-07-2019
Council meeting.*

Council Amendment No. 15 Proposed Ordinance No. 2019-10s Lemon Yellow

Date: May 2, 2019

To: Councilmembers

From: Connie Ladenburg, Council District No.

Hearing Date: May 7, 2019

Attachments: None

Subject: Proposed Amendment to Ordinance No. 2019-10s – Ground Lease Chambers Bay Resort

The following amendment to Exhibit A would not authorize the Tenant (Developer) to assign the Lease to third parties prior to the Commencement Date or after Completion of the Development without approval of the County.

1. On page 42 of Exhibit A, amend in Sections 13.01.1, 13.01.2, and 13.01.3 as shown below:

~~13.01.1 Prior to the Commencement Date, Tenant may assign its interest in and to this Lease, without the consent of Landlord but with prior written notice to Landlord, to any partnership or limited liability company in which Tenant is a general partner (if a partnership) or a managing member or manager of a limited liability company in which the other partners or members are either (i) principals and/or employees of Tenant or its Affiliates; and (ii) equity investors in the Project, provided, in each case, that the Key Principals retain control of and a material interest in Tenant. Except as provided in Section 6 as to Leasehold Mortgagees, Tenant shall not otherwise assign the Lease except as provided in Section 13.01.2 and 13.04.~~

~~13.01.2 After Completion of Development (which, for purposes of this Section means completion and opening of business by the hotel portion of the Project and not less than one-half of the Villas (as defined in the Plans and Specifications)), Tenant shall not assign this Lease or any interest in Tenant except with the prior written consent of Landlord and otherwise in compliance with the following terms and conditions: provided that the Key Principals retain control of and a material interest in Tenant. Except as provided in Section 6 as to Leasehold Mortgagees, Tenant shall not otherwise assign the Lease except as provided 13.04.~~ 13.01.3 Notwithstanding any other provision of this Section 13, Tenant shall not assign this Lease or any of its rights or interest hereunder if Tenant is then in monetary default in the payment of Rent or material non-monetary default hereunder without first curing any and all such defaults in their entirety.

2. On page 43 of Exhibit A, amend Sections 13.01.2(v) as shown below:

(v) Upon any assignment of this Lease after Completion of Development pursuant to this Section 13.01.2, Tenant shall be relieved of any liability for any of the obligations or liabilities of Tenant hereunder relating solely to events or time periods after such assignment; provided that with respect to any Minimum Rent and/or Percentage Rent that is not determinable or not payable as of the date of such assignment, which Rent relates in whole or in part to any period prior to such assignment, Tenant shall be and remain jointly and severally liable with such assignee for the payment of such Rent until the same is paid in full.

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