

## Exhibit 2

### Financial Proposal

<b>Payments To City</b>	\$	1,238,307
<b>Capital Investments:</b>		
Facility Finish Out Improvements	\$	104,500
Boat Racks & Moveable Docks	\$	90,500
Capital Contribution	\$	117,572
<b>Total Capital Investment</b>	\$	312,572
<b>Financial Assistance For "Rowing Program" Membership</b>	\$	325,406
<b>Underserved/At-Risk Programs</b>	\$	280,000
<b>Total Payments &amp; Contributions</b>	\$	2,156,285

#### Payments & Contributions:

Percentage of Gross Revenues	13.09%
Percentage of Net Income	60.75%

- 2) The Year 1 "Payment to City" will be deferred and spread over years 2 and 3. Any unspent Year 1 amounts for Financial Assistance and Underserved Youth can carry over to Year 2. No unspent funds can carry over past Year 2.
- 3) Any unspent Year 1 amounts for Financial Assistance and Underserved Youth can carry over to Year 2. However, no unspent funds can carry over past year 2.
- 4) The City will establish a Contract Evaluation Team consisting of: Director of PARD, City CFO - Director of Finance, City Purchasing Officer and Project Manager for the Waller Creek Tunnel Project. This team will report to the ACM over PARD.
- 5) At the 18 month mark after contract is executed, the Evaluation Team will conduct a Performance review to ensure ARC is adequately meeting all service expectations and Financial expectations. The Evaluation Team will provide to ARC a report on all findings, which may include a notice that ARC is in jeopardy of not meeting expectations which could result in termination of contract.
- 6) At the 28th month after contract is executed, the Evaluation Team will conduct a complete Performance Evaluation of the first 24 months of operation. The financial review will be from an Independent Audit provided to the City from ARC. If ARC is meeting or exceeding all financial expectations as proposed on the original contract, ARC will be allowed to continue operations. However, if financial projections are not being met, the City will have the right to terminate the agreement and provide a 90 day notice. To be clear, this is the right to terminate and the Performance Evaluation Team will make a recommendation to the Assistant City Manager, which will be discussed with the City Manager. It is possible that the Team will determine that all

reasonable efforts are being made and that the market or other uncontrollable issues are the factors for not reaching the financial projects.

7) The Team will complete annual reviews every year 4 months after the completion of the ARC fiscal year.

8) PARD will have the sole authority to determine the Financial Need criteria for use of the Financial Assistance and Underserved Youth Funds.

9) PARD will coordinate with ARC on programs/camps for the Underserved Youth. As long as there is no conflict with another scheduled event, ARC will accommodate the program (s) identified by PARD.

10) The Capital Contributions are based on 1% of projected Commercial Gross Revenues.

11) ARC will submit plans for approval to the Director of PARD plans for utilization of the Capital Contributions

12) Major facility improvements, e.g. HVAC, roof, etc will be funded by the City.

13) City will provide 10 parking spots for staff of ARC