

**AMENDMENT NO. 1  
TO  
MASTER SERVICES AGREEMENT**

**CITY OF SEATTLE DEPARTMENT OF PARKS AND RECREATION  
AND  
THE ASSOCIATED RECREATION COUNCIL**

The Master Services Agreement (“**Agreement**”) dated January 25, 2008 between the City of Seattle Department of Parks and Recreation (“**DPR**”) and the Associated Recreation Council (“**ARC**”) (collectively, the “**Parties**”) is hereby amended as follows:

WHEREAS, Section 1(d)(1) of Exhibit A to the Agreement provides that ARC shall:

Recruit qualified applicants and hire, supervise, evaluate and as needed, terminate all ARC employees and contractors. Continued employment of employees and contractors shall be informed by program evaluations performed and reviewed pursuant to Section 1(a)(5) of this Agreement as well as other relevant information. *To the extent practicable*, ARC agrees to convert the current ARC employees in the categories identified on Appendix III to independent contractor status within an appropriate time period consistent with applicable State and Federal guidelines from the effective date of this Agreement, but in no event later than one year from the effective date of this Agreement. *The Parties shall continue to work together to resolve to their mutual satisfaction employment issues that may arise over time.* (emphasis added)

WHEREAS, despite ARC’s best efforts, it has found that treating Instructors and Sports Officials as independent contractors is not practicable.

WHEREAS, Section 13 to the Agreement provides that the Parties to the Agreement:

...shall cooperate and take such action as each party deems appropriate in order to effectuate the transactions contemplated by this Agreement...

WHEREAS, Section 14 of the Agreement authorizes that:

...from time to time as circumstances warrant, the Parties may negotiate and implement without additional ordinance authority mutually acceptable changes to Agreement appendices that are consistent with this Agreement. DPR and ARC therefore represent

and warrant that all necessary corporate or statutory actions have been duly taken to permit DPR and ARC to enter into this Agreement and that each undersigned agent has been duly authorized and instructed to execute this Agreement.

NOW, THEREFORE, the Parties agree as follows:

1. Effective January 1, 2010, ARC will treat Instructors and Sports Officials as ARC employees rather than independent contractors. Appendix III to the Agreement shall be considered amended effective January 1, 2010 to reflect this change, with the Instructor and Sports Official job titles moving from Independent Contractor to ARC Employee.

2. DPR and ARC recognize that ARC Instructors and Sports Officials will be ARC employees only and that no employment relationship whatsoever will exist between DPR and ARC Instructors and Sports Officials. To this end, ARC will treat its Instructors and Sports Officials like all other ARC employees and will therefore be solely responsible for all aspects of the ARC Instructors' and Sports Officials employment, including but not limited to (i) hiring, supervising, evaluating, disciplining and discharging Instructors and Sports Officials; (ii) determining and providing any wages or fringe benefits due to Instructors and Sports Officials; (iii) making any mandatory benefit contributions on behalf of Instructors and Sports Officials, including with respect to industrial insurance and unemployment compensation; and (iv) withholding and reporting any necessary taxes due from Instructors and Sports Officials.

3. In order to implement the transition of ARC Instructors and Sports Officials back to employment with ARC:

- ARC will review and, if necessary, revise its internal policies and procedures to ensure they are consistent with the fact that Instructors and Sports Officials will be ARC employees only.


- ARC will also train its Instructors and Sports Officials and ARC management regarding the Instructors' and Sports Officials' transition from independent contractor status to ARC employment. This training will include the fact that the Instructors and Sports Officials will be ARC employees only with no employment relationship with DPR.
- ARC will ensure that its Instructors and Sports Officials are appropriately identified to the public as ARC employees.

4. In order to allow DPR to take advantage of the industrial insurance ARC will provide to its Instructors and Sports Officials, ARC will, upon request by DPR, require any of its Instructors and Sports Officials who perform work at a facility owned or operated by DPR to execute a consent to loaned employee status in a form mutually acceptable to DPR and ARC.

Dated as of October 20, 2009.

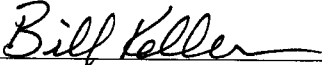
**DPR:**

CITY OF SEATTLE DEPARTMENT OF  
PARKS AND RECREATION

By   
\_\_\_\_\_  
Timothy A. Gallagher, Superintendent

**ARC:**

THE ASSOCIATED RECREATION  
COUNCIL

By   
\_\_\_\_\_  
Bill Keller, Executive Director