CITY OF LANGLEY

RESOLUTION # __________

A RESOLUTION OF THE CITY OF LANGLEY, ISLAND COUNTY, WASHINGTON, ESTABLISHING TERMS AND CONDITIONS FOR THE SOLICITATION OF OFFERS FROM THE PUBLIC FOR THE LEASE OF A PORTION OF THE OLD FIRE HALL, LOCATED AT 179 SECOND STREET

WHEREAS, the City of Langley owns in fee simple the real property described as Lots 13 and 14, Block 11, Plat of Langley also known as the "Old Fire Hall"; and

WHEREAS, the City currently leases the front portion, fire bay area, of the fire station to a private business; and

WHEREAS, the portion of the fire station remains vacant and available for lease; i.e. the area commonly known as the Rear Vehicle Bay and Common Area of the Old Langley Fire Hall, Langley, Washington; and

WHEREAS, the Langley City Council now desires to establish terms and conditions for the solicitation of offers from the public for the lease the Rear Vehicle Bay and Common Area of the Old Langley Fire Hall;

NOW THEREFORE, BE IT RESOLVED BY THE CITY OF LANGLEY, ISLAND COUNTY, WASHINGTON:

Section 1. The City Council hereby announces its interest in soliciting proposals from the public for the lease of the Rear Vehicle Bay and Common Area of the Old Langley Fire Hall. Proposals shall be prepared consistent with the following terms and conditions:

a. It is the City Council's preference at this time to lease the Rear Vehicle Bay of the Old Langley Fire Hall to a tenant that would make a significant contribution to the overall social and economic vitality of downtown.

b. The specific lease area, common areas, parking, and lease terms are described in Appendix A to this Resolution. The building and lot improvements will be leased in their "as is" condition. The City will make the property and building available for inspection by interested parties.

c. All proposals for lease shall be in conformance with the terms and conditions set forth in this Resolution, submitted in writing inside a sealed envelope and delivered in said condition to the Mayor. All offers shall be submitted no later June 14, 2012 at the close of business.

d. All proposals must include the following: (i) the proposed use or uses of the property; (ii) the number of jobs likely to be generated by the proposed use or uses; (iii) in general terms, proposed alterations to the property, including site changes, building expansion and/or interior modification; and (iv) names, addresses and contact information for all likely lessees.

e. It is the City Council's desire that the historic look and character of the Old Fire Hall be maintained. Proposals that include adaptive reuse of the existing structure will be interpreted as meeting this guideline in full. This guideline does not preclude the prospect of increasing the available floor area on the site. Rather, it is intended that this increase in floor area should occur in a way that does not compromise the Old Fire Hall's historic integrity.

f. Vehicular access to the Lot will be permitted from Third Street only and all on-site parking shall be located on the southernmost portion of the site. All proposals must specify how many on-site parking
spaces will be necessary to serve the proposed use. Public pedestrian access across the site from west to east in line with similar pedestrian ways to the west must be accommodated.

g. After its review of all timely proposals for lease of the Rear Vehicle Bay and Common Area of the Old Langley Fire Hall, the City Council may decide to: (i) reject all the proposals; (ii) accept one proposal; or (iii) provisionally accept one proposal subject to further discussion. If all proposals are rejected, the City Council may elect to extend the period for submission of proposals or to discontinue the solicitation of proposals for the lease or purchase of the property. Any decision by the City Council to accept or provisionally accept a proposal for lease of the Rear Vehicle Bay and Common Area of the Old Langley Fire Hall may be subject to additional conditions specified by the City Council in its decision.

h. A decision by the City Council to accept or provisionally accept a proposal shall not be binding on either party. Following the decision, the Council will direct the Mayor to work with the selected proponent(s) to assemble the necessary documents to complete the lease. The City shall not be obligated to complete the lease of the Rear Vehicle Bay and Common Area of the Old Langley Fire Hall until all documents specified by the City Council and assembled by the Mayor are executed by the proponent(s) and approved by the City Council in public session.

Section 2. The Mayor is authorized to advertise for the solicitation of proposals for lease the Rear Vehicle Bay and Common Area of the Old Langley Fire Hall as specified herein as he deems necessary and appropriate.

PASSED by the City Council of the City of Langley and APPROVED by the Mayor this ______ day of 2012.

______________________________
LARRY KWARSICK, Mayor

ATTEST:

______________________________
DEBBIE L. MAHLER, Clerk-Treasurer
APPENDIX A

LEASE

THIS LEASE, is made this day of , 2012, by and between the CITY OF
LANGLEY, a municipal corporation of the State of Washington, (the "Landlord") and , (the
"Tenant").

1. DESCRIPTION OF PREMISES. Landlord hereby leases to Tenant and Tenant leases
from Landlord on the terms, covenants and conditions set forth herein, the following-described
premises:

The southernmost 33 feet of the building at 179 Second Street, said portion to
encompass 870 square feet more or less, including the vehicle bay, the adjoining office
and storage area, the second floor mezzanine and three parking spaces on the lot
accessible from Third Street, and 125sf of Common Area. Access to and use of the
restroom and kitchen area referred to as the Common Space. Use of the restroom is
non-exclusive and must be shared with other occupants of the Old Langley Fire Hall.

Spaces are commonly known as the Rear Vehicle Bay and Common Area of the Old

hereinafter the "Leased Premises."

TERM. The term of this Lease shall be for years commencing on , 2012 and
ending .

3. RENT.
(a) As consideration for the Leased Premises, Tenant agrees to pay Landlord, without deduction,
offset, prior notice or demand, and Landlord agrees to accept the sum of $1000 plus 12.84%
leasehold tax per month for the first year and rising 3% per year for subsequent years, payable
on or before the first day of each month of the lease term.

(b) Monthly rent payments will be sent to the following address or such other place as Landlord
may from time to time designate in writing:

City of Langley
112 Second Street
P.O. Box 366
Langley, WA 98260
In the event Tenant should fail to pay any installment of rent or any sum due hereunder within ten (10) days after the date it is due, Tenant shall pay Landlord a late charge of 5% of the delinquent payment, which late charge shall constitute additional rent due hereunder.

4. **OPTION TO RENEW.** The parties shall have the option to mutually agree to renew this Lease. If either party intends to exercise the option to renew, such party shall give the other party written notice of such intent not later than six months prior to the expiration of the lease.

5. **USE OF PREMISES.**

(a) The Leased Premises may be used and occupied only for the production and sale of beverage related activities and products as set forth in the attached Exhibit A and for no other purpose or purposes without Landlord’s prior written consent.

(b) Tenant shall promptly comply with all laws, ordinances, orders, and regulations now in effect, or as hereafter amended, affecting the Leased Premises and their cleanliness, safety, occupation and use.

(c) Tenant shall not use any machinery or equipment in the Leased Premises that might be injurious to the building. Tenant will not perform any act or carry on any practices that may damage the Leased Premises or be a nuisance to or menace or injure the public or Landlord’s employees, contractors or agents. Tenant shall not commit or suffer any waste upon the Leased Premises.

(d) Upon termination of the lease, Tenant shall quit and surrender the Leased Premises in as good a state and condition as they were at the commencement of the lease, reasonable wear and tear, damage by the elements or resulting from the structural unfitness of the Leased Premises for the use specified herein, or other actions not caused by Tenant, its employees, agents, customers or invitees, excepted. Tenant shall return all keys to Landlord.

6. **UTILITIES.** Tenant shall be solely responsible for and promptly pay all charges for utilities to the Leased Premises, including water, sewer, garbage and electricity with the exception of the monthly stormwater rate which shall be paid by the Landlord. Tenant shall also be responsible for and promptly pay all charges for telephone and any other utility not herein mentioned which may be used by Tenant on the leased premises.

Landlord shall not be liable for any loss, injury, or damaged property caused by or resulting from any variation, interruption, or failure of any utility service beyond Landlord’s reasonable control. No temporary interruption or failure of such services incident to the making of repairs, alterations, or improvements, or due to accident or strike, or conditions or events beyond Landlord’s reasonable control shall be deemed an eviction of Tenant or shall release Tenant from any of Tenant’s obligations under this lease.

7. **SECURITY DEPOSIT.** Prior to the commencement of this lease, the Tenant shall deposit with the Landlord the sum of $750.00 (the "Security Deposit"), as security for the performance of all of the obligations of the Tenant under this lease. The Security Deposit shall not be assigned, transferred, pledged, hypothecated or otherwise encumbered by the Tenant. The Landlord shall not be obligated to pay any interest on the Security Deposit unless required by valid Law and may commingle the Security Deposit with any other security deposits made by any other tenants of Landlord.
In the event the Tenant fails to perform any of its obligations under this lease at the time and in the manner provided for in this lease, the Landlord may without notice, immediately apply all or part of the Security Deposit to compensate the Landlord for all or part of the damages incurred by the Landlord as a result of such default by the Tenant. In such event, within ten (10) days after demand by the Landlord, the Tenant shall make such additional deposit of money as may be required to replenish the Security Deposit to the amount set forth in the first sentence above. In the event the Tenant has fulfilled all of its obligations under this lease, no later than 30 days after the termination date, the Security Deposit shall be remitted to the Tenant.

In the event the Landlord sells or assigns its interest in this lease, the Landlord shall automatically be released from all liability for the Security Deposit upon the delivery or assignment of the Security Deposit to the purchaser or assignee.

**8. INSURANCE/CASUALTY.** All personal property on said Leased Premises shall be at the risk of Tenant. Each party hereto waives any and every claim which arises, or may arise, in its favor and against the other party hereto during the term of this lease for all loss of, or damage to, any of its property located within or upon, or constituting a part of, the premises leased to Tenant hereunder, which loss or damage is covered by valid and collectible fire and extended coverage insurance policies to the extent such loss or damage is recoverable under said insurance policies. Said mutual waivers shall be in addition to, and not a limitation or derogation of, any other waiver or release contained in this lease with respect to any loss of, or damage to, property of the parties hereto. Insomuch as the above mutual waivers will preclude the assignment of any such claim by way of subrogation to an insurance company (or any other person), each party hereby agrees immediately to give each insurance company which has issued to it policies of fire and extended coverage insurance written notice of the terms of said mutual waivers, and to have said insurance policies properly endorsed, if necessary, to prevent invalidation of said insurance coverages by reason of said waivers.

**9. INSURANCE/LIABILITY.** Tenant shall, during the entire term, keep in full force and effect a policy, or policies, of public liability and property damage insurance with respect to the Leased Premises and common areas, and the business operated thereat by Tenant, in which the limits of public liability shall be not less than $2,000,000 per person and $2,000,000 per accident, and in which the property damage liability shall be not less than $1,000,000. Said policy, or policies, shall contain a clause that the insurer shall not cancel or change the insurance without first giving Landlord 10 days' prior written notice. Landlord shall be an additional insured under any and all insurance policies referenced above.

In addition, Tenant shall obtain business interruption insurance in at least sufficient coverage to provide for payment of rent and fulfillment of all other obligations under this lease.

**10. INDEMNIFICATION.** Tenant will indemnify, defend and save Landlord harmless from and against any and all claims, actions, damages, liability and expense in connection with loss of life, personal injury and/or damage to property arising from or out of any occurrence in, upon, or at the leased premises or common areas, or the occupancy or use by Tenant of the leased premises, or any part thereof, and occasioned by any act or omission of Tenant, its agents, contractors, employees, customers and invitees. In the event Landlord shall be made a party to any litigation commenced by or against Tenant, then Tenant shall proceed and hold Landlord harmless and shall pay all costs, expenses and reasonable attorney's fees incurred and which were paid by Landlord in connection with such litigation.

**11. LANDLORD'S DUTIES AND COVENANTS.**
(a) Upon payment by Tenant of the rents herein provided, and upon the observance and performance of all covenants, terms and conditions on Tenant's part to be observed and performed, Tenant shall peaceably and quietly hold and enjoy the leased premises for the term hereby demised without hindrance or interruption by Landlord, or any other person or persons claiming by, through or under Landlord, subject nevertheless to the terms and conditions of this lease.

(b) Landlord will not alter or modify the building or common areas, or the use thereof, in such a way as to interfere with Tenant's business, its public visibility or access.

12. TENANT'S DUTIES REGARDING PREMISES.

(a) Tenant shall at all times keep the interior of the Leased Premises and all partitions, doors, floor covering, interior and exterior glass, lighting, interior plumbing and other fixtures, equipment and appurtenances thereof in good order, condition and repair, including repair of damage by unavoidable casualty.

(b) Tenant shall maintain the entire premises and improvements, including structural portions of the premises, and including electrical, mechanical, and heating equipment, in good order, condition and repair, although catastrophic structural failures deemed not to be related to the tenant’s occupation and use shall be remedied by the landlord. Tenant shall maintain the areas adjacent to the building, including sidewalks, landscaping, service areas, and automobile parking areas. Further, Tenant shall be liable for the removal of ice and snow from the sidewalks and parking areas in front of and about the premises.

(c) If Tenant refuses or neglects to repair and maintain the premises as required herein to the reasonable satisfaction of Landlord as soon as reasonably possible after written demand, Landlord may make such repairs and do required maintenance without liability to Tenant for any loss or damage that may accrue to Tenant's fixtures or other property, or to Tenant's business by reason thereof, and upon completion thereof, Tenant shall pay Landlord's costs for such work, plus 10% for overhead.

(d) Tenant shall be responsible, at its sole cost and expense, for all janitorial services and interior maintenance of the Leased Premises.

(e) At the expiration of the tenancy hereby created, Tenant shall surrender the leased premises in the same condition as they were in at the time of completion of all Tenant improvements and alterations, reasonable wear and tear excepted. Tenant shall surrender all keys to the Leased Premises to Landlord.

(f) Tenant shall allow Landlord, or Landlord's agent, free access at all reasonable times to said premises for the purpose of inspection or making repairs, additions or alterations to the Leased Premises, or any property owned by or under the control of Landlord, but such right shall not be construed as an agreement by Landlord to make such repair, additions or alterations.

13. ACCEPTANCE OF CONDITION OF PREMISES. The Tenant has fully examined and is fully familiar with the condition of the subject premises. Landlord makes no representations whatsoever as to the condition of the subject premises. Tenant accepts the subject premises "as is," including all defects known or unknown, patent or latent.
14. **ALTERATIONS.** Tenant will not make any alterations, additions or improvements in or to the Leased Premises without the prior written consent of Landlord. Consent shall not be unreasonably withheld.

Landlord has consented to Tenant making initial leasehold improvements to the interior of the Lease Premises in accordance with plans and specifications as approved by Landlord, but Landlord has not required Tenant to make such improvements. All such improvements shall be performed in a workmanlike manner by licensed and bonded contractors, constructed with new materials in full compliance with all rules, regulations and building codes, to superior grade, pursuant to and in accordance with all required permits of applicable governmental authorities. Tenant shall be responsible for securing all building permits, and all costs and expenses incurred in making the improvements. Tenant shall pay all invoices for labor and materials for such improvements upon receipt and will allow no liens to attach to the premises as a consequence of Tenant's activities. Upon completion Tenant shall provide Landlord with copies of the "as built" plans of the improvements together with the names of all contractors and subcontractors who worked on the improvements and copies of lien releases.

Tenant shall keep the premises free from any liens arising out of any work performed materials furnished or obligations incurred by or on behalf of Tenant and shall indemnify, defend and hold Landlord harmless from all claims, costs and liabilities, including attorneys' fees and costs, in connection with or arising out of any such lien or claim of lien.

In order to eliminate the possibility of any construction, mechanics' lien or materialmen's lien being asserted against the premises, Tenant agrees that it will not enter into any contract for construction work to the premises unless the following language is included in such contract: "Notwithstanding anything herein to the contrary, the contractor acknowledges that Tenant holds only a leasehold interest in the property which is the subject matter of this contract. Tenant is not the agent of the owner of the property, and no lien resulting from work performed under this contract will attach to the interest of such owner.

Tenant shall maintain, or cause its contractors to maintain, insurance coverage during the period of any construction and fixturing work to the premises the following insurance: (1) "All Risk" Builder's Risk insurance covering the full replacement cost of the entire improvements and buildings on the premises, as well as all work done and fixtures and equipment installed at the premises (which insurance may be provided by separate policy, by Tenant's "All Risk" property policy, or be an endorsement to such policy); (2) Commercial General Liability Insurance with minimum limits with respect to bodily injury or death of $2,000,000 and property damage in the amount of full replacement cost. Landlord shall be an additional insured under any and all insurance policies referenced above.

**Tenant shall not commence, or permit its contractors to commence any work until all insurance required by this lease has been obtained and certificates of such insurance have been delivered to Landlord.**

Tenant shall have possession of the Lease Premises from ____________, 2012 through ____________, 201__ for the purpose of making such improvements without rental charge, provided that Tenant shall fully comply with all indemnification and Tenant insurance provisions of this lease during such occupancy.

15. **FIXTURES.** All additions, alterations and changes made by Tenant shall become the property of Landlord, except for trade fixtures. Trade fixtures installed by Tenant may be removed by Tenant at the termination of the lease, provided that the premises are returned to as good condition as they were prior to the installation of the same. Structural alterations of the premises shall also be removed, at the option of Landlord, at the termination of the lease, and Tenant shall bear the full cost thereof and shall
repair any damage to the leased premises caused thereby. Tenant's obligations to observe or perform this covenant shall survive the expiration or the termination of the term of this lease.

16. SIGNS AND LANDSCAPING. Landlord shall have the right to control landscaping and approve the placing of signs and the size and quality of the same. Tenant shall make no alterations or additions to the landscaping but may perform routine maintenance and shall place no exterior signs on the Leased Premises without the prior written consent of Landlord. Any signs not in conformity with this Lease may be immediately removed and destroyed by Landlord.

17. HAZARDOUS SUBSTANCES. Tenant shall not conduct any action or permit any action or condition which creates any hazardous substance, or leaves deposits of any hazardous substance within the structures or upon the Leased Premises. For purposes of this paragraph, the definition of the term "hazardous substance" shall be as used in the Superfund Act or any other federal and/or state legislation regarding hazardous substances, provided that the definition of the term "hazardous substance" shall include petroleum and related byproducts and hydrocarbons. Tenant shall indemnify and hold Landlord harmless from any costs or damages incurred as a consequence of such hazardous substances, including costs ofremedying such hazardous substances and damages incurred as a consequence of the existence of such hazardous substances on the property. This provision shall survive the expiration of the lease term.

18. TAXES.

(a) Landlord shall be responsible for all real property taxes and assessments levied or assessed against the Leased Premises by any governmental entity, including any special assessments imposed on or against the Leased Premises for the construction or improvement of public works in, on or about the Leased Premises; provided, however, that the Tenant shall conduct no activity on the Leased Premises nor place any articles on the Leased Premises that will increase the real property taxes levied or assessed against the Leased Premises.

(b) Tenant shall pay before delinquency any and all taxes, assessments, license fees, and public charges levied, assessed or imposed and which become payable during the Lease upon Tenant's fixtures, furniture, appliances and personal property installed or located in the Leased Premises.

(c) Tenant agrees to pay the amount of all taxes levied upon or measured by the rent payable hereunder, whether as a sales tax, transaction privilege tax, leasehold excise tax, or otherwise. Such taxes shall be due and payable at the time the same are levied or assessed.

19. ABANDONMENT. Tenant shall not vacate nor abandon the Leased Premises at any time during the term of this Lease, nor permit the Leased Premises to remain unoccupied for a period longer than fifteen (15) consecutive days during the term of this Lease; and if Tenant shall abandon, vacate or surrender the Leased Premises, or be dispossessed by process of law, or otherwise, any personal property belonging to Tenant and left on the Leased Premises shall, at the option of the Landlord, be deemed abandoned.

20. CASUALTY; REBUILDING; CONDEMNATION. In the event the building at the Leased Premises shall be destroyed or damaged by fire or other causes (and regardless of the extent of the damage to the Leased Premises) to such an extent that the Landlord shall decide to discontinue the operation of the building for commercial use, which decision shall be communicated to the Tenant within thirty (30) days after such damage or destruction, then this lease shall be terminated as of the date of such damage or destruction. In the event of damage to the Leased Premises by fire or other
causes, other than under the circumstances described in the preceding sentence, Landlord shall repair
the Leased Premises within a reasonable time and as quickly as circumstances will permit upon the
same plan as immediately before the damage or destruction. Until the Leased Premises are repaired
and put in a good and tenantable order, the rents herein provided for, or a fair and just proportion
thereof according to the nature and extent of the damage sustained, shall be abated until the Leased
Premises shall have been restored to the same condition as they were before such damage or
destruction.

In the event that the Leased Premises are not usable as contemplated in this agreement for over
ninety (90) days due to the damage, Tenant shall have the right to terminate this Lease.

If any part of the Leased Premises shall be taken by public or quasi-public authority under any
power of eminent domain or condemnation, Tenant shall have no claim or interest in or to any award of
damages for such taking. If such taking materially reduces usefulness of the Leased Premises for the
purposes for which it is leased, then Tenant shall have the option of terminating this Lease.

21. ASSIGNMENT AND SUBLetting. Tenant shall not sublease, sublet or assign the
Leased Premises, or any portion thereof, except by the written permission and consent of Landlord.
With the written permission of the Landlord, tenant may assign the Leased Premises to another party
who desires to fulfill all terms of this lease. This lease shall not be assignable by operation of law.

22. TENANT DEFAULT.

(a) If Tenant shall fail to perform any of the covenants and agreements herein contained, then
Landlord may cancel this lease upon giving the notice required by law and re-enter said
premises, provided that the notice period for notices under RCW 59.12.030(3) and (4) shall be
thirty (30) days. Notwithstanding such re-entry by Landlord, the liability of Tenant for the rent
provided for herein shall not be extinguished for the balance of the term of the lease, and
Tenant covenants and agrees to make good to Landlord any deficiency arising from re-entry
and reletting of the Leased Premises at a lesser rental than herein agreed to. Tenant shall pay
such deficiency each month as the amount thereof is ascertained by Landlord. In computing
such deficiency, Tenant shall be charged with the monthly rental that would have been owed by
Tenant had Tenant continued to lease the Leased Premises.

(b) If Landlord must commence an unlawful detainer action to seek restitution of the Leased
Premises as a result of Tenant’s default in the payment of rent, Landlord shall be entitled to
judgment in the amount of double the rent due at the time of judgment pursuant to RCW
59.12.170.

(c) In the event of any entry in, or taking possession of, the Leased Premises, Landlord shall have
the right, but not the obligation, to remove from the Leased Premises all personal property
located thereon and may place the same in storage at a public warehouse, at the expense and
risk of the owners.

(d) If at any time Landlord waives any breach or default, or any right or option, such waiver shall
not be construed to be a waiver of any other right or option, or any other past, existing or future breach
or default.

(e) In the event Tenant is in default on any provision of this lease and Landlord seeks the services
of an attorney to enforce such provision in default, Landlord shall be entitled to recover all
attorney’s fees and costs expended in such enforcement, including the cost of preparation and
service of all notices, and such fees, costs and expenses shall constitute additional rent due
hereunder.
23. **LANDLORD DEFAULT.** In the event Landlord shall neglect or fail to perform or observe any of the covenants, provisions or conditions contained in this Lease on its part to be performed or observed within 20 days after Tenant's written notice to Landlord (or if more than 20 days shall be required because of the nature of the breach, if Landlord shall fail to proceed diligently to cure such breach after notice), then, in that event, Landlord shall be in default under the provisions of this Lease and shall be responsible to Tenant for any and all damages sustained by Tenant as a result of Landlord’s default. Further, after such default and upon giving Landlord ten (10) days advance written notice of intent to do so, Tenant shall have the right to cure any such default at Landlord’s expense, including in such expenditure all costs and attorney's fees incurred to cure such default, and may offset the costs of curing such default against rents next due. In the event Landlord fails and refuses to cure its default and Tenant is unable to remedy Landlord's default, Tenant shall have the option of terminating this lease upon 30 days written notice to Landlord.

24. **ATTORNEY FEES/COLLECTION CHARGE VENUE.** In the event of any legal action or proceeding between the parties hereto, the substantially prevailing party shall be entitled to collect, in addition to any judgment awarded by a court, a reasonable sum as attorneys’ fees, and all costs and expenses incurred in connection with such a lawsuit, including attorneys’ fees, costs, and expenses of any appeal of a judgment, and if the substantially prevailing party shall recover judgment in any such action or proceeding, such costs, expenses and attorney’s fees shall be included in and as a part of such judgment. This Lease shall be governed by the laws of the State of Washington. The venue for any dispute related to this Lease shall be Island County, Washington. Should Landlord be named as a defendant in any suit brought against Tenant in connection with or arising out of Tenant's occupancy hereunder, Tenant shall pay to Landlord its cost and expenses incurred in such suit, including a reasonable attorney fee.

25. **NOTICES.** All notices, statements, demands, requests, consents, approvals, authorizations, offers, agreements, appointments, or designations under this lease by either party to the other shall be in writing and shall be sufficiently given and served upon the other party, if sent by certified mail, return receipt requested, postage prepaid, and addressed as follows:

**TENANT:**

**LANDLORD:**

City of Langley

112 Second Street

P.O. Box 366

Langley, WA 98260

or at such other address as either party designates by written notice to the other party. All notices shall be effective upon the earlier of personal delivery or three (3) days after being mailed.

26. **NO WAIVER OF COVENANTS.** No waiver shall be implied from an omission by either party to take any action related to breach of any covenant, term, or condition of this Lease. The acceptance by Landlord of rent with knowledge of the breach of any of the terms, conditions, or covenants of this Lease by Tenant shall not be deemed a waiver of any such breach. One or more waivers of any breach of any covenant, term, or condition of this Lease shall not be construed as a waiver of any subsequent breach of the same covenant, term, or condition.
27. **DELAYED POSSESSION.** In the event of the inability of Landlord to deliver possession of the Leased Premises for any reason whatsoever at the time of the commencement of the term of this Lease, neither Landlord or its agents shall be liable for any damage caused thereby, nor shall this lease thereby become void or voidable, nor shall the term herein specified be in any way extended, but in such event Tenant shall not be liable for any rent until such time as Landlord can deliver possession, and in the event that possession is delayed over ninety (90) days, Tenant shall have the right to terminate this Lease.

28. **EFFECT OF HOLDING OVER.** If Tenant should remain in possession of the Leased Premises after the expiration of the Lease term, or the renewal thereof, without executing a new Lease, then such holding over shall be construed as a tenancy from month to month, subject to all the conditions, provisions, and obligations of this Lease insofar as the same are applicable to a month-to-month tenancy.

29. **SUCCESSORS AND ASSIGNS.** The rights, liabilities, and remedies provided for herein shall extend to the heirs, legal representatives, successors and, so far as the terms of this lease permit, assigns of the parties hereto; and the words “Landlord” and “Tenant” and their accompanying verbs or pronouns, wherever used in this Lease, shall apply equally to all persons, firms or corporations which may be or become parties to this Lease.

30. **RULES.** Tenant agrees to abide by the rules and regulations governing the operation of the Leased Premises which may be made by Landlord from time to time, and will use reasonable methods to induce customers, clients and all persons invited by Tenant into said Premises to observe the same.

31. **RECORDING.** Tenant or Landlord may file this Lease or a Memorandum form thereof for recording with the County Auditor, Recording Division, Island County, Washington. If a Memorandum of Lease is filed for recording, each party agrees to execute and return same promptly.

32. **TIME.** Time is of the essence of this Lease.

33. **PARKING.** Landlord shall provide Tenant with three parking spaces associated with the Leased Premises for the use by the Tenant.

34. **ENTIRE AGREEMENT AND AMENDMENTS.** This Lease contains all of the agreements between the parties with respect to any matter covered or mentioned in the Lease, and no prior agreement, letter of intent, or understanding relating to any such matter will be effective for any purpose. No provision in this Lease may be amended or added to except by an agreement in writing signed by the parties or their respective successors in interest and using the same formalities as are required by the execution of this Lease.
IN WITNESS WHEREOF Landlord and Tenant have executed this Lease as of the day and year first above written.

THE CITY OF LANGLEY, Landlord

Tenant

By__________________________________________  By__________________________________________

LARRY KWARSICK, Mayor

STATE OF WASHINGTON )

)ss.

COUNTY OF ISLAND)

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

DATED this _____day of ___________________, 2012.

__________________________________________

__________________________________________

(Legibly print name of notary)

NOTARY PUBLIC in and for the State of Washington, residing at ________________

My commission expires ________________
STATE OF WASHINGTON)  

ss.

COUNTY OF ISLAND)  

I certify that I know or have satisfactory evidence that is the person who appeared before me, and said person acknowledged that she signed this instrument and acknowledged it to be her free and voluntary act for the uses and purposes mentioned in the instrument.

DATED this ____ day of __________, 2012

______________________________

______________________________
[Legibly print name of notary]

NOTARY PUBLIC in and for the State of Washington, residing at ________

My commission expires __________