

CITY OF LANGLEY AND LANGLEY CHAMBER OF COMMERCE VISITOR INFORMATION CENTER LEASE

THIS LEASE is made and entered into this _____ day of _____, 2016 between the CITY OF LANGLEY, a municipal corporation of the State of Washington, (hereinafter referred to as “the City” or "Landlord") and the Langley Chamber of Commerce (hereinafter referred to as “the Chamber” or “Tenant”). The primary intention of this Lease is to provide a Visitor Information Center for the City of Langley and to provide office space for the Chamber.

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 premises located at 208 – A Anthes (see attached legal description, Exhibit “A”). The Premises include the underlying realty and the improvements thereon or so much thereof as tenant is entitled to occupy or use under this lease

2. TERM. The term of this Lease shall be for four (4) years commencing on January 1st, 2016 and ending December 31st, 2019. In no event shall said term of this lease extend beyond four years without being renegotiated in full as to all of its terms or unless this Lease is modified according to the procedures stated herein. Said Lease may terminate sooner under the conditions described herein.

3. RENT.

- (a) As partial 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 Six hundred and/00 Dollars (\$600.00) per month for the 2016. Each year thereafter the rent will be adjusted annually on January 1st with an increase of twenty-five dollars (\$25.00) per month. (i.e. 2016 - \$600, 2017 - \$625, 2018 - \$650 and 2019 - \$675) If the commencement date is not the first day of a month, or if the Lease termination date is not the last day of a month, a prorated monthly installment shall be paid at the current rate for the fractional month during which the Lease commences and/or terminates.
- (b) As further consideration for the Leased Premises and in consideration of the fact that the rent has been moderately discounted from local market rental rates, Tenant agrees to perform the activities set forth in Section 8 of the Lease terms, unless written permission to deviate from said activities is granted by Landlord.
- (c) 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 equal to Ten and No/100 Dollars (\$10.00). The parties hereby agree that such late charge represents a fair and reasonable estimate of the costs Landlord will incur by reason of late payment by Tenant.

4. SECURITY DEPOSIT. No security deposit shall be required.

5. TAXATION.

(a) **Personal Property Taxes.** Tenant shall pay prior to delinquency all taxes assessed against and levied upon trade fixtures, furnishings, equipment and all other personal property of Tenant contained on the Premises or elsewhere. When possible, Tenant shall cause said trade fixtures, furnishings, equipment and all other personal property to be assessed and billed separately from the real property of the Landlord.

(b) **Leasehold Excise Tax.** Tenant agrees to pay promptly, as the same become due during the term of this Lease, all taxes levied upon and assessed against the Property which are due and payable during the term of this Lease, including the excise tax levied upon the Tenant's interest pursuant to RCW 82.29A (except for taxes assessed for or payable for any period of time prior to or after the term of this Lease, which taxes shall be paid by the City).

6. USE OF PREMISES.

(a) **Use.** The Premises shall be used and occupied by Tenant for only the following purposes and for no other purposes whatsoever without first obtaining the prior written consent of Landlord:

Use as an office for the City of Langley Chamber of Commerce and the operation of the City's Visitor Information Center.

(b) **Suitability.** Tenant, by execution of this Lease, shall be deemed to have accepted the Premises in the condition existing as of the date of execution and in any event this Lease shall be subject to all applicable zoning ordinances and to any City, County and State laws and regulation governing and regulating the use of the Premises. Tenant acknowledges that Landlord has not made any representation or warranty as to the suitability of the Premises for the conduct of Tenant's business.

(c) **Uses Prohibited.**

(1) Tenant shall not do or permit anything to be done in or about the Premises that will increase the existing rate of insurance upon the Premises (unless Tenant shall pay any increased premium as a result of such use or acts) or cause the cancellation of any insurance policy covering said Premises or any building of

which the Premises may be a part, nor shall Tenant sell or permit to be kept, used or sold in or about said Premises any articles which may be prohibited by a standard form policy of fire insurance. Tenant shall not commit or suffer to be committed any waste in or upon the Premises.

(2) Tenant shall not use the Premises or permit anything to be done in or about the Premises which will in any way conflict with any law, statute, zoning restriction, ordinance or governmental rule or regulation or requirements or duly constituted public authorities now in force or which may hereafter be enacted or promulgated. Tenant shall, at its sole cost and expense, promptly comply with all laws, statutes, ordinances and governmental rules, regulations or requirements now in force or which may hereafter be in force and with requirements of any board of fire underwriters or other similar body now or hereafter constituted relating to or affecting the condition, use or occupancy of the Premises, but only as relates to Chamber operations.

7. UTILITIES.

(a) The Chamber shall pay prior to delinquency for all telephone, air conditioning and ventilating, and all other materials and utilities supplied to the Premises (208 – A Anthes, Visitor Information Center and Chamber of Commerce).

8. RESTROOM OPERATION.

(a) The City will be responsible for all of the maintenance regarding the restrooms. The City will be responsible for supplying all restroom paper products and janitorial supplies for the restrooms.

9. 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, and other fixtures, equipment and appurtenances thereof in good order, condition and repair.
- (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. Further, Tenant shall be liable for the removal of ice and snow from the premises property.
- (c) No pollutants or hazardous substances shall be unlawfully discharged, stored or disposed of onto the Premises.
- (d) 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.

- (e) Tenant shall be responsible, at its sole cost and expense, for all interior maintenance of the Leased Premises, excluding capital improvements that would be beneficial to the longevity of the building.
- (f) 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.

10. 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.
- (c) Landlord will be responsible for capital improvements to the Premises, including but not limited to exterior/interior painting; re-flooring; exterior siding; re-roofing; etc.

11. ALTERATIONS AND ADDITIONS

- (a) Tenant shall not, without landlord's prior written consent, make any alterations, additions, improvements or utility installations in, on or about the Premises. Consent shall not be unreasonably withheld. The term "utility installations" shall include ducting, power panels, fluorescent fixtures, space heaters, conduit and wiring. As a condition to giving such consent, Landlord may require that Tenant agree to remove any such alterations, additions, improvements or utility installations at the expiration of the term and to restore the Premises to their prior condition. As a further condition to giving such consent, Landlord may require Tenant to provide Landlord, at Tenant's sole cost and expense, a lien and completion bond in the amount

equal to one and one-half times the estimated cost of such improvements, to insure Landlord against any liability for mechanics' and material man's liens and to insure completion of the work.

(b) Unless Landlord requires their removal, as set forth above, all alterations, additions, improvements and utility installations (whether or not such utility installations constitute trade fixtures of Tenant), that may be made on the Premises shall, at the expiration or earlier termination of the Lease, become the property of Landlord and remain upon and be surrendered with the Premises. Notwithstanding the provisions of this section, personal property, business and trade fixtures, cabinetwork, furniture, movable partitions, machinery and equipment, other than that which is affixed to the Premises so that it cannot be removed without material damage to the Premises, shall remain the property of the Tenant and may be removed by Tenant subject to the provisions of Section 9, at any time during the term of this Lease when Tenant is not in default.

12. 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.

13. EXEMPTION OF LANDLORD FROM LIABILITY. Landlord shall not be liable for injury to Tenant's business or loss of income there from or for damage that may be sustained by the person, goods, wares, merchandise or property of Tenant, its employees, invitees, customers, agents or contractors or any other person in or about the Premises, caused by or resulting from fire, steam, electricity, gas, water or rain, that may leak or flow from or into any part of the Premises, or from the breakage, leakage, obstruction or other defects of the pipes, sprinklers, wires, appliances, air conditioning or lighting fixtures of the same, whether the said damage or injury results from conditions arising upon the Premises or upon other portions of the building in which the Premises are located.

14. INSURANCE/LIABILITY. Tenant shall, at Tenant's expense, procure and maintain at all times during the term of this Lease a policy of general public liability insurance insuring Landlord and Tenant against any liability arising out of the ownership, use, occupancy, or maintenance of the Premises and appurtenant areas. Such insurance shall be at all times in an amount acceptable to the City and/or the City's insurer. All insurance required hereunder shall be with companies acceptable to Landlord. Tenant shall deliver to Landlord certificates of insurance evidencing the existence and amounts of such insurance with loss payable clauses satisfactory to Landlord, provided that in the event Tenant fails to procure and maintain such insurance. Landlord may (but shall not be required to) procure same at Tenant's expense after ten (10) days prior written notice. No such policy shall be cancelable or subject to reduction of

coverage or other modification except after thirty (30) days prior written notice to Landlord by the insurer.

15. INSURANCE/PROPERTY. Tenant shall or Landlord may, at Tenant's expense, procure and maintain at all times during the term of this Lease a policy or policies of insurance covering loss or damage to the Premises in the amount of the full replacement value thereof (exclusive of Tenant's trade fixtures and equipment) providing protection against all perils included within the classification of fire, extended coverage, vandalism, malicious mischief, sprinkler leakage, and special extended peril (all-risk). Tenant shall pay a pro rata share of such annual insurance premiums to Landlord within fifteen (15) days after receipt by Tenant of a copy of the premium statement or other reasonably satisfactory evidence of the amount due, which shall include the method of calculation of Tenant's share thereof if the insurance covers other improvements than the Premises. Such insurance shall provide for payment of loss there under to Landlord or the holder of a first mortgage or deed of trust on the Premises.

16. 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.

17. 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.

The Landlord shall not be required to repair any injury or damage by other cause or to make any restoration or replacement of any paneling, decorations, office fixtures, partitions, railings, ceilings, floor covering, equipment, machinery or fixtures or any other improvements or property installed in the Premises by Tenant after the commencement date of this Lease.

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.

A condemnation or taking by public authority shall not be grounds for terminating this Lease unless twenty-five percent (25%) or more of the Premises is taken.

18. ASSIGNMENTS AND SUBLETTING. Tenant shall not assign, transfer, mortgage, pledge, hypothecate or encumber this Lease or any interest therein, and shall not sublet the Premises or any part thereof, without prior written consent of the Landlord.

If Tenant complies with the following conditions, Landlord's failure to give consent to sublet shall be considered unreasonable. Landlord shall not unreasonably withhold its consent to Tenant's efforts to sublet the Premises or any portion thereof. Tenant shall submit in writing to Landlord:

- (a) The name and legal composition of the proposed subtenant;
- (b) The nature of the proposed subtenant's business to be carried on in the Premises;
- (c) The terms and provisions of the proposed sublease; and
- (d) Such reasonable financial information as Landlord may request concerning proposed subtenant.

No consent by Landlord to any assignment or subletting by Tenant shall relieve Tenant or any obligation to be performed by the Tenant under this Lease, whether occurring before or after such consent, assignment or subletting. The consent by Landlord to any assignment or subletting shall not relieve Tenant from the obligation to obtain Landlord's express written consent to any other assignment or subletting. The acceptance of rent by Landlord from any other person shall not be deemed to be a waiver by Landlord of any provision of this Lease or to be consent to any subsequent assignment, subletting or other transfer, if Landlord exercises its right to deny consent under this Lease within thirty (30) days after receiving the rent installment.

In the event the Landlord and Tenant mutually agree to a sublease or assignment under this section, Tenant and Landlord shall meet to determine what reasonable attorney fees will be incurred in connection with giving such consent; and the Tenant and Landlord will determine how the fees will be allocated among the parties of the sublease.

19. 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.

20. 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.

21. 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.

22. 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:

Langley Chamber of Commerce
208 Anthes Avenue
Langley, WA 98260

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.

23. 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.

24. 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.

25. 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.

26. 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.

27. 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.

28. 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.

29. EXHIBITS. The following exhibits are attached hereto and by this reference made a part of hereof:

Exhibit “A” – Legal Description of Premises

IN WITNESS WHEREOF Landlord and Tenant have executed this Lease as of the day and year first above written.

THE CITY OF LANGLEY, Landlord

LANGLEY CHAMBER OF COMMERCE, Tenant

By _____

By _____

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 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 _____, 2016.

(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 _____, 2016.

[Legibly print name of notary]
NOTARY PUBLIC in and for the State
of Washington, residing at _____
My commission expires _____

EXHIBIT A

Legal Description:

To that Lease Agreement between the City of Langley known as the Lessor, and the Langley Chamber of Commerce known as the Lessee dated January ____, 2016

.

Property described as follows:

Lot 4, Block 11, TOWN OF LANGLEY, according to the plat thereof recorded in Volume 2 of Plats, page 15, records of Island County, Washington EXCEPT the Easterly Fifty Three Feet (53 ft.) thereof

Subject to easements, restrictions, provisions and reservations of record.

Situated in Island County, Washington.