

RESOLUTION 11-013

A RESOLUTION OF THE CITY OF ROSLYN, WASHINGTON AUTHORIZING THE CITY TO ENTER INTO A REAL PROPERTY LEASE FOR 109 S. FIRST STREET

WHEREAS, the City previously entered into a lease for use of this property during the remodel of the Old City Hall / Library Building; and

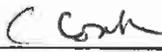
WHEREAS, that previous lease expired on March 31, 2011; and

WHEREAS, the City desires to enter into a new lease with the same conditions for this same property through January 2012, with the potential to continue the lease for 6 months on a month to month basis, while the Old City Hall/ Library Building remodel continues;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF ROSLYN,
WASHINGTON, DOES RESOLVE AS FOLLOWS:

Section 1. The City is authorized to enter into a lease with Don and Joanne Osmonovich for the use of 109 S First St., Roslyn, Wa. in substantially the same form as is attached.

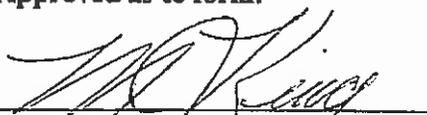
PASSED BY THE ROSLYN CITY COUNCIL AT A REGULAR MEETING
THEREOF ON THE 10th DAY OF MAY, 2011.


Cordy Cooke, Mayor Pro-Tem

ATTEST:


Amber Shallow, City Clerk

Approved as to form:


Margaret J. King, City Attorney

REAL ESTATE LEASE

This Lease Agreement (this "Lease") is entered as of the date signed below, by and between Don Osmonovich, ("Landlord"), and The City of Roslyn, ("Tenant"). The parties agree as follows:

PREMISES. Landlord, in consideration of the lease payments provided in this Lease, leases to Tenant a office space and garage (the "Premises") located at 109 S. First Street, Roslyn, WA 98941.

TERM. The lease term will begin on April, 1, 2011 and will terminate on January 31, 2012.

RENEWAL TERMS. The lease will automatically renew on a month to month basis for a period not to exceed 6 months and may be terminated at any time during this period by either party by providing the other party 30 written notice.

LEASE PAYMENTS. Tenant shall pay to Landlord monthly payments of \$1,600.00 per month, payable in advance on the first day of each month. Lease payments shall be made to the Landlord at 107 S. First Street, Roslyn, WA 98941, as may be changed from time to time by Landlord.

LATE PAYMENTS. Tenant shall pay a late fee equal to 5% of the required installment payment for each payment that is not paid within fifteen days after the due date for such late payment.

POSSESSION. Tenant shall be entitled to possession on the first day of the term of this Lease, and shall yield possession to Landlord on the last day of the term of this Lease, unless otherwise agreed by both parties in writing.

USE OF PREMISES. Tenant may use the Premises only for offices, library, and garage type uses or any other purpose legally allowed. Tenant shall notify Landlord of any anticipated extended absence from the Premises not later than the first day of the extended absence.

REMODELING OR STRUCTURAL IMPROVEMENTS. Tenant shall have the obligation to conduct any construction or remodeling (at Tenant's expense) that may be required to use the Premises as specified above. Tenant may also construct such fixtures on the Premises (at Tenant's expense) that appropriately facilitate its use for such purposes. At the end of the lease term, Tenant shall be entitled to remove (or at the request of Landlord shall remove) such fixtures, and shall restore the Premises to substantially the same condition of the Premises at the commencement of this Lease.

MAINTENANCE. Landlord shall be responsible for maintenance of the roof, exterior, plumbing and the structural integrity of the building. Tenant shall be responsible for maintaining the interior and windows of the building. Landscaping and grounds maintenance shall be the responsibility of the Tenant.

ACCESS BY LANDLORD TO PREMISES. Subject to Tenant's consent (which shall not be unreasonably withheld), Landlord shall have the right to enter the Premises to make inspections, provide necessary services, or show the unit to prospective buyers, mortgagees, tenants or workers. As provided by law, in the case of an emergency, Landlord may enter the Premises without Tenant's consent.

UTILITIES AND SERVICES. Tenant shall be responsible for heat, power, and garbage only.

LIABILITY INSURANCE. Tenant shall, throughout the term of this lease and any renewal hereof, at its own expense, keep and maintain in full force and effect, a policy of Public Liability insurance including but not limited to Personal Injury, insuring tenant's activities upon, in or about the Premises or the Building against claims of bodily injury or death or property damage or loss with a Combined Single Limit of not less than One Million Dollars (\$1,000,000) per Occurrence and Two Million Dollars (\$2,000,000) in Aggregate. Landlord shall be an Additional Insured.

PROPERTY INSURANCE. The Landlord shall keep and maintain in full force and effect, throughout the term of this lease and any renewal hereof, property insurance on the Premises. The City agrees to maintain public liability insurance on the premises.

RENTERS INSURANCE. Tenant shall, throughout the term of this lease and any renewal hereof, at its own expense, keep and maintain in full force and effect, what is commonly referred to as "Renters" coverage on Tenant's Leasehold Improvements, if any, and Tenant's contents.

INDEMNITY REGARDING USE OF PREMISES. Tenant shall indemnify and hold Landlord harmless from and against all common law or statutory liabilities, damages, obligations, losses, claims, civil actions, costs or expenses, including attorney fees, arising from any act, omission or negligence of Tenant or its officers, contractors, licensees, agents, servants, employees, guests, invitees, or visitors in or about the Building or Premises as a result of any act, omission or negligence of Tenant, or its officers, contractors, licensees, agents, employees, guests, or visitors, or arising from any breach or default under this Lease by Tenant. The foregoing provisions shall not be construed to make Tenant responsible for loss, damage, liability or expense resulting from injuries to third parties caused by the sole negligence of Landlord, or its officers, contractors, licensees, agents, employees, invitees or other tenants of the building.

Landlord shall indemnify and hold harmless and free from liability Tenant, its elected and appointed officials, agents, servants, and employees, while acting within the scope of their duties as such, from and against all claims, demands, and causes of action of any kind or character, including the cost of defense thereof arising in favor of Landlord's employees or third parties on account of personal injuries, death or damage to the Premises in any way resulting from the acts or omissions of Landlord and/or its agents, employees or representatives.

Landlord shall not be liable for any loss or damage to persons or property sustained by Tenant or other persons, which may be caused by theft, or by any act or neglect or any tenant or occupant of the building or any other third parties.

WAIVER OF SUBROGATION. Whether the loss or damage is due to the negligence of either Landlord or Tenant, their agents or employees, or any other cause, Landlord and Tenant do each hereby release and relieve the other, their agents or employees, from responsibility for, and waive their entire claim of recovery for (i) any loss or damage to the Real or Personal Property of either located anywhere in the building, including the building itself, arising out of or incident to the occurrence of any of the perils which are covered by their respective property and related insurance policies, and (ii) any loss resulting from business interruption at the Premises or loss of rental income from the building, arising out of or incident to the occurrence of any of the perils which may be covered by any Business Interruption Insurance Policy or

by any loss of Rental Income Insurance Policy by Landlord or Tenant. If needed, each party shall use its best efforts to cause its insurance carriers to consent to the foregoing waiver of right of subrogation against the other party. Notwithstanding the foregoing, no such release shall be effective unless and to the extent the aforesaid insurance policy or policies shall expressly permit such a release or contain a waiver of the carrier's right to be subrogated.

TAXES. All taxes are the responsibility of the Landlord.

DESTRUCTION OR CONDEMNATION OF PREMISES. If the Premises are partially destroyed in a manner that prevents the conducting of Tenant's use of the Premises in a normal manner, and if the damage is reasonably repairable within sixty days after the occurrence of the destruction, and if the cost of repair is less than \$25,000, Landlord shall repair the Premises and lease payments shall abate during the period of the repair. However, if the damage is not repairable within sixty days, or if the cost of repair is \$25,000 or more, or if Landlord is prevented from repairing the damage by forces beyond Landlord's control, or if the property is condemned, this Lease shall terminate upon twenty days' written notice of such event or condition by either party.

MECHANICS LIENS. Neither the Tenant nor anyone claiming through the Tenant shall have the right to file mechanics liens or any other kind of lien on the Premises and the filing of this Lease constitutes notice that such liens are invalid. Further, Tenant agrees to (1) give actual advance notice to any contractors, subcontractors or suppliers of goods, labor, or services that such liens will not be valid, and (2) take whatever additional steps that are necessary in order to keep the premises free of all liens resulting from construction done by or for the Tenant.

DEFAULTS. Tenant shall be in default of this Lease, if Tenant fails to fulfill any lease obligation or term by which Tenant is bound. Subject to any governing provisions of law to the contrary, if Tenant fails to cure any financial obligation within fifteen days (or any other obligation within fifteen days) after written notice of such default is provided by Landlord to Tenant, Landlord may take possession of the Premises without further notice, and without prejudicing Landlord's rights to damages. In the alternative, Landlord may elect to cure any default and the cost of such action shall be added to Tenant's financial obligations under this Lease. Tenant shall pay all costs, damages, and expenses suffered by Landlord by reason of Tenant's defaults. All sums of money or charges required to be paid by Tenant under this Lease shall be additional rent, whether or not such sums or charges are designated as "additional rent".

ARBITRATION. Any controversy or claim relating to this contract, including the construction or application of this contract, will be settled by binding arbitration under the rules of the American Arbitration Association, and any judgment granted by the arbitrator(s) may be enforced in any court of proper jurisdiction.

ASSIGNABILITY/SUBLETTING. Tenant may not assign or sublease any interest in the Premises, nor effect a change in the majority ownership of the Tenant (from the ownership existing at the inception of this lease), without the prior written consent of Landlord, which shall not be unreasonably withheld.

NOTICE. Notices under this Lease shall not be deemed valid unless given or served in writing and forwarded by mail, postage prepaid, addressed as follows:

LANDLORD:

Name: Don Osmonovich
Address: 107 S. First Street
Roslyn, WA 98941

TENANT:

Name: City of Roslyn
Address: 100 E. Pennsylvania Ave
P.O. Box451
Roslyn, WA 98941

Such addresses may be changed from time to time by either party by providing notice as set forth above.

ENTIRE AGREEMENT/AMENDMENT. This Lease Agreement contains the entire agreement of the parties and there are no other promises or conditions in any other agreement whether oral or written. This Lease may be modified or amended in writing, if the writing is signed by the party obligated under the amendment.

SEVERABILITY. If any portion of this Lease shall be held to be invalid or unenforceable for any reason, the remaining provisions shall continue to be valid and enforceable. If a court finds that any provision of this Lease is invalid or unenforceable, but that by limiting such provision, it would become valid and enforceable, then such provision shall be deemed to be written, construed, and enforced as so limited.

WAIVER. The failure of either party to enforce any provisions of this Lease shall not be construed as a waiver

VENUE. This Lease has been and shall be construed as having been made and delivered within the State of Washington, and it is mutually understood and agreed by the parties hereto that this Lease shall be governed by the laws of the State of Washington, both as to interpretation and performance. Any action for the enforcement of this Lease, or any provision contained herein, shall by instituted and maintained only in Kittitas County, Washington.

DATED this _____ day of _____, 20____.

CITY OF ROSLYN

Cordy Cooke, Mayor Pro-Tem

Don Osmonovich

Attest/Authenticated:

Approved as to Form:

City Clerk-Treasurer

Office of the City Attorney