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Kathy Hill, Skagit County Auditor

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Return to:
Public Utility District No. 1 of Skagit County
Post Office Box 1436, 1415 Freeway Drive
Mount Vernon, WA 98273-1436

LEASE AGREEMENT

This Lease, made and entered into this 4th day of April, 2000, by and between the **PUBLIC UTILITY DISTRICT NO. 1 OF SKAGIT COUNTY**, hereinafter referred to as "Lessor" and **CITY OF BURLINGTON**, hereinafter referred to as "Lessee".

WITNESSETH:

That the Lessor does hereby demise and lease the Lessee all that certain property situated in Burlington, Skagit County, Washington, and more particularly described as follows, to-wit: P-11293

Lot 3, Block 3, "AMENDED PLAT OF BURLINGTON, SKAGIT COUNTY, WASHINGTON", as per plat recorded in Volume 3 of plats, Page 17, records of Skagit County, Washington,

EXCEPT that portion thereof lying within the boundaries of a tract deeded to Skagit Improvement Company, and now owned by Public Utilities District, which tract is described in Deed recorded May 26, 1927 in Volume 143 of Deeds, Page 363.

TOGETHER WITH the North 1/2 of that portion of vacated Magnolia Street which has reverted to said property by operation of law.

Situate in the County of Skagit, State of Washington, consisting of approximately 5.65 acres to be used by Lessee and recreational purposes.

1. **TERM**: The term of this Lease shall be twenty (20) years commencing January 1, 2000, and terminating December 31, 2020.
2. **RENT**: The Lessee shall pay an annual rent in the amount of \$1.00. The first annual payment shall be due on September 1, 2000 and on the first day of September of each year thereafter.
3. **TERMINATION BEFORE END OF TERM**: It is understood and agreed that this Lease may be terminated by either party upon giving a notice in writing to the other party ninety (90) days in advance of the termination date, and upon expiration of such notice, this Lease shall terminate and Lessee shall immediately yield up possession of such property and any improvements thereon at the termination date.
4. **RIGHT OF FIRST REFUSAL**: If the Lessor wishes to sell the leased property to another party prior to the expiration of the term, Lessee shall have the right of first refusal to purchase the leased property, upon the condition that Lessee shall have performed, in every way and in good faith, each and all of the terms, covenants and conditions of this Lease through the lease term.

Lessee shall have thirty (30) days after notice of sale in which to accept or reject the offer to purchase the leased property upon the terms and conditions proposed by the Lessor, if the offer is not accepted within said thirty (30) days, Lessor may sell the property to others upon the same terms and conditions as those offered to the Lessee.

5. **ALTERATIONS AND IMPROVEMENTS:** Lessee shall have the right to make such alterations, additions and improvements on said property as it shall deem necessary, provided that Lessee shall not construct or locate any permanent structures without the prior written consent of PUBLIC UTILITY DISTRICT NO. 1 OF SKAGIT COUNTY, and provided further that such additions and improvements shall be regarded as removable fixtures, all or any part of which the Lessee, as it elects, may leave on said premises or remove prior to the termination of this Lease. Lessee shall be solely responsible for the cost of any such alterations, additions and improvements and shall hold Lessor harmless from any damage, loss or expense arising out of such alterations, additions or improvements.
6. **MAINTENANCE:** Lessee agrees that it will keep and maintain the leased property in a clean, sightly and healthy condition and good repair; that, in its use of the property, it will conform with all laws, ordinances and municipal regulations; that it shall pay all utility charges incurred by its use; and that it shall yield the leased property back to the Lessor upon the termination or revocation of this Lease in the same in which Lessee received same, ordinary wear and tear excepted.
7. **ASSIGNMENT AND SUBLETTING:** Lessee agrees that it will not assign this Lease or sublet the leased property to any part thereof without first obtaining the written consent of the Lessor.
8. **INDEMNIFICATION:** Lessee agrees to indemnify, defend and save harmless the Lessor from every penalty, claim, loss, cost, damage, attorney's fees and expense by reason of injury to or death of any personal or persons or damage to any property arising out of an accident on the leased property. Lessee specifically recognizes that it intends to change the nature of the use of the leased property from one that excludes the public to one that invites public use. Therefore, Lessee also agrees to indemnify Lessor for all claims arising out of invited public use of the property, Lessee agrees to remain a covered participant in the Cities Insurance Association of Washington Self Insured Fund and to cover the leased property thereunder. In the event Lessee is no longer a covered participant in said self-insurance pool, then Lessee shall provide to Lessor prompt written notice of such loss of coverage together with evidence of alternative insurance coverage of at least a like amount providing coverage for the obligation set forth in this paragraph and naming Lessor as additional insured.
9. **DEFAULT:** In the event of default by the Lessee in the performance of its obligation to pay rent hereunder, or in the event Lessee shall vacate and abandon the leased property, if the Lessee has not taken appropriate action to cure such default within thirty (30) days after written notice from the Lessor, the Lessor shall have the right to terminate this Lease Agreement and re-enter the leased property or any Part thereof with or without process of law or, at its option, the Lessor shall have the right to re-enter the leased property without terminating the Lease Agreement and sublet the whole or any parts thereof, or the account of the Lessee, upon as favorable terms and conditions as the market will allow.
10. **WAIVER:** It is hereby agreed that a waiver by either of the parties hereto of any of the covenants and agreements to be performed by the other shall not be construed to be a waiver of any succeeding breach.



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11.

NOTICES: Any notice or demand required or permitted to be given under this Lease shall be deemed to have been properly given when, and only when, the same is in writing and has been deposited in the United States mail, with postage pre-paid, to be forwarded by registered mail and addressed to the Lessor c/o Manager, Public Utility District No. 1 of Skagit County, P.O. Box 1436, Mount Vernon, WA 98273, or Lessee at City Hall, 900 East Fairhaven Avenue, Burlington, WA 98233, or to such other places as the parties may hereafter designate in writing.

PUBLIC UTILITY DISTRICT NO. 1
OF SKAGIT COUNTY

Approved as to Form:

By:

KEN KUKUK, General Manager

By:

WARREN M. GILBERT, WSBA #15 594
Attorney for PUD No. 1 of Skagit County

CITY OF BURLINGTON

Approved as to Form:

By:

ROGER "GUS" TJEERDSMA, Mayor

By:

MARILYN NITTEBERG, City Attorney

ATTEST:

Richard A. Peters

SKAGIT COUNTY WASHINGTON
Real Estate Excise Tax
PAID

APR 26 2000

Amount Paid \$
Skagit County Treasurer
By: Deputy



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