

LAKEHAVEN UTILITY DISTRICT
King County, Washington

Resolution No. 98-852

A **RESOLUTION** of the Board of Commissioners of the Lakehaven Utility District, King County, Washington, approving the execution of a lease of a portion of the District's Pump Station 10 site with the Twin Lakes Country Club

Whereas, the District owns a parcel of real property upon which is located a sewage pump facility referred to as Pump Station 10, and

Whereas, Twin Lakes Country Club ("Twin Lakes") operates a driving range facility on property adjacent to the parcel, and

Whereas, pursuant to a previous lease, Twin Lakes utilized a portion of the Pump Station 10 property for the driving range facility, and

Whereas, such lease has expired, and

Whereas, the parties desire to execute a new lease and the Board, after holding a public hearing to consider the lease, believing the same to be in the best interests of the District;

NOW, THEREFORE, BE IT RESOLVED as follows:

1. The Board hereby finds that, pursuant to its existing comprehensive plan, the District has a continuing need for ownership of the Pump Station 10 property.
2. The Board additionally finds that the lease of a portion of such property to the Twin Lakes Country Club, under terms and conditions found in the "Lease Agreement" attached hereto, is in the best interests of the District.
3. The General Manager is hereby authorized, upon the receipt of adequate security therefore as required by law, to execute a "Lease Agreement" substantially in the form as attached hereto.

ADOPTED by the Board of Commissioners of Lakehaven Utility District, King County, Washington, at an open public meeting this 28th day of May, 1998.

ATTEST:

<u><i>Don May</i></u> President and Commissioner	<u>✓</u> Yea	<u> </u> Nay	<u> </u> Abstain
<u><i>Beverly J. Tweddle</i></u> Vice President and Commissioner	<u>✓</u> Yea	<u> </u> Nay	<u> </u> Abstain
<u><i>Donald L. Mills</i></u> Secretary and Commissioner	<u>X</u> Yea	<u> </u> Nay	<u> </u> Abstain
<u><i>Thomas M. Janovich</i></u> Commissioner	<u>✓</u> Yea	<u> </u> Nay	<u> </u> Abstain
<u><i>M. Anli</i></u> Commissioner	<u>✓</u> Yea	<u> </u> Nay	<u> </u> Abstain
Approved as to form: <u><i>Alan H. Prothro</i></u> General Counsel			

LEASE

THIS INDENTURE of lease, made this 1st of JUNE, 1998, by and between LAKEHAVEN UTILITY DISTRICT of King County, Washington, a municipal corporation, hereinafter referred to as "Lessor" and TWIN LAKES GOLF AND COUNTRY CLUB", a non-profit Washington corporation, hereinafter referred to as "Lessee".

WITNESSETH:

1. In consideration of the reservation of the rent herein provided and of the covenants and agreements of Lessee hereinafter set forth, the Lessor does by these presents, lease and demise under the said lease the real property described on Exhibit "A" attached hereto, to have and to hold, subject to mutual earlier termination rights, for a period of ten (10) years commencing retroactive to January 1, 1997, for the rent as follows

- a) Three Hundred (\$300.00) dollars for the first year.
- b) Three Hundred (\$300.00) dollars plus an increase equalling three hundred (\$300) dollars times the increase in the Seattle Consumer Price Index established mid-year during the prior year.
- c) Base rent equalling the prior year's rent plus an increase equalling base rent times the increase in the Seattle Consumer Price Index mid-year from the prior year.
- d) During each year thereafter, the yearly rent shall equal the prior year's rent as base rent plus an increase equalling base rent times the increase in the Seattle Consumer Price Index established mid-year from the prior year.

2. Rent shall be payable in full in advance of the first day of the leasehold year. Providing Lessee shall deliver to Lessor notice in writing not less than one year prior to termination of the lease term, Lessee shall have the right to renew this lease for one additional ten year term, upon the same terms and conditions, including the rent escalator described above, as contained herein. For purposes of this provision, rent in the first year of the second term shall equal the rent in the last year of the first term, as base rent, plus an increase equalling base rent times the increase in the Seattle Consumer Price Index established mid-year from the prior year.

3. Either party may terminate this lease at the end of any lease year on the provision of written notice no less than six months prior to the end of such lease year.

4. In addition to the aforesaid rental payments, Lessee shall pay, as accrued, all utilities used or consumed upon the lease premises, and any and all other charges or expenses incurred for services performed on or for the leased premises.

5. Lessee shall have no right, without the written consent of the Lessor, to make or install any improvements to or modifications of the lease area.

6. Lessor reserves the right to utilize the lease area for its purposes so long as its use shall not unreasonably interfere with Lessee's use.

7. Lessee agrees that the lease premises shall be used for a golf tee-off pad only and that lessee shall be solely responsible for compliance with governmental regulations and charges for land use, licenses and permits.

8. Lessee shall use its best efforts to protect adjacent land and improvements of lessor and hereby agrees to indemnify lessor from and pay all costs, charges, damages, court costs and attorney's fees arising from damage to lessor's nearby land and improvements caused by lessee, its agents, members or patrons. For purposes of this section, Lessee shall procure a policy of property damage insurance which names the Lessor as an additional insured with limits not less than \$1,000,000 for each occurrence, \$2,000,000 aggregate.

9. Lessee shall hold harmless the Lessor and Lessor's agents from all damage of every kind and nature whatsoever that may be claimed or accrue by reason for any accident in or about the lease premises and areas adjacent thereto caused by the acts or neglect of the lessee or any agent of lessee. For purposes of this section, Lessee shall procure a policy of comprehensive liability insurance which names the Lessor as an additional insured with limits not less than \$1,000,000 for each occurrence, \$2,000,000 aggregate.

10. Pursuant to the requirements of RCW 57.08.120, Lessee agrees to provide to the District the sum of \$750.00 to be held as a security deposit, in lieu of a bond, to guarantee performance of the lease terms expressed herein. In the event increases in the rental rate cause such rent to exceed \$500 per year, the amount of the deposit shall increase to equal no less than two years rent plus projected increases for the next two years. The deposit shall be held by the District and returned to the Lessee, without interest, only at termination of the lease and upon Lessee's full restoration of the leased property as required herein.

11. The Lessee, in the use and occupation of the demised premises and in the operation of any activity thereon, shall comply with all requirements of all applicable laws, orders, ordinances, rules and regulations of the federal, state, county and municipal authorities.

12. Upon termination of the lease term or renewal thereof, Lessee shall restore the lease premises as near as reasonably possible to its condition at commencement of this lease, except that Lessee shall not be required to remove any fill from the premises.

13. Time is of the essence hereof.

IN WITNESS WHEREOF, Lessor and Lessee have set their hands and seals the day and year above set forth.

Lessee: TWIN LAKES GOLF & COUNTRY CLUB

By: Laurel C. Hoff
President

By: Ralph Kim
Secretary

Lessor: LAKEHAVEN UTILITY DISTRICT

By: Donald D. Deen
General Manager

By: W. H. Kitcher
General Counsel