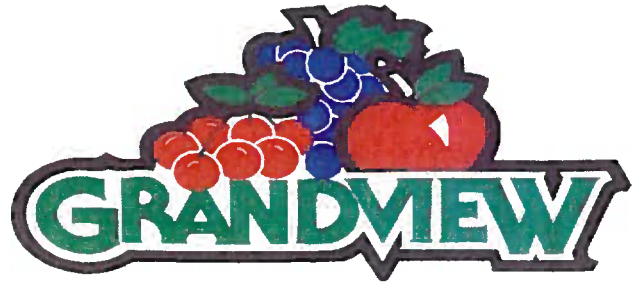


**GRANDVIEW CITY COUNCIL  
COMMITTEE-OF-THE-WHOLE  
MEETING AGENDA  
TUESDAY, SEPTEMBER 11, 2018**



**COMMITTEE-OF-THE-WHOLE MEETING – 6:00 PM**

**PAGE**

- 1. CALL TO ORDER**
- 2. ROLL CALL**
- 3. PUBLIC COMMENT** – At this time, the public may address the Council on any topic whether on the agenda or not, except those scheduled for public hearing.
- 4. NEW BUSINESS**
  - A. SVID Drain and City Storm Water – West Fifth Street Area – Department of Ecology's Stormwater Financial Assistance Program Application 1-3
  - B. Ordinance amending the 2018 Annual Budget 4-7
  - C. Resolution authorizing the Mayor to sign the Lease Agreement renewal with Baker Commodities, Inc. 8-16
- 5. OTHER BUSINESS**
- 6. ADJOURNMENT**

**CITY OF GRANDVIEW  
AGENDA ITEM HISTORY/COMMENTARY  
COMMITTEE-OF-THE-WHOLE MEETING**

<b>ITEM TITLE</b>	<b>AGENDA NO.:</b> New Business 4 (A)
SVID Drain and City Storm Water – West Fifth Street Area – Department of Ecology’s Stormwater Financial Assistance Program Application	<b>AGENDA DATE:</b> September 11, 2018
<b>DEPARTMENT</b>	<b>FUNDING CERTIFICATION (City Treasurer)</b> (If applicable)
Public Works Department	

**DEPARTMENT DIRECTOR REVIEW**

Cus Arteaga, City Administrator/Public Works Director

<b>CITY ADMINISTRATOR</b>	<b>MAYOR</b>
	

**ITEM HISTORY** (Previous council reviews, action related to this item, and other pertinent history)

The City has numerous stormwater drains connected to SVID’s outdated underground drainage irrigation district (DID) systems within the Larson, Butternut and West Fifth Street area. The stormwater collects at the Butternut and West Fifth Street intersection then flows south on Butternut. The drain line through the Larson area is undersized and will surcharge during a rainstorm causing problems to property owners. SVID is requesting that all City connections be removed and/or for the City to take ownership of the DID system. The City is pursuing alternate options to manage our stormwater within this area. HLA prepared exhibits and cost estimates for the construction of several low impact design disposal systems to manage the stormwater. On April 17, 2018, the City and HLA met with SVID to review the concept level documents, and SVID supports the current direction proposed by the City.

**ITEM COMMENTARY** (Background, discussion, key points, recommendations, etc.) Please identify any or all impacts this proposed action would have on the City budget, personnel resources, and/or residents.

The City has authorized HLA to complete an application to the Department of Ecology’s Stormwater Financial Assistance Program for design of the identified improvements. Applications will be available mid-August and are due mid-October. Prior to the application due date, HLA will present to City Council to seek authorization to submit the application.

**ACTION PROPOSED**

Recommend Council approve the submittal of the Department of Ecology’s Stormwater Financial Assistance Program application and authorize the Mayor to sign all appropriate documents pertaining to this funding.

The City of Grandview intends to apply for design funding through the Department of Ecology's Water Quality Combined Funding Program for stormwater improvements. This program is offered to eligible cities who have a demonstrated water quality need. The funding type from the SFAP program is determined by the Department of Ecology and can be grant, loan, or a combination of grant and loan. The funding type is determined after projects are prioritized and state budget information is available. If the project is successful, and loan funding is the only funding type available, Cities do have the ability to not take the loan.

The match requirement is typically 25-percent; however the City of Grandview qualifies for hardship and the match requirement has been reduced to 15-percent.

Applications are submitted electronically to the Department of Ecology and are due October 15, 2018. Announcements to successful applicants is anticipated to be made in January 2019. After the draft list is available, Ecology will notify recipients, and send contracts.

#### **Phase 1 – Larson Street Stormwater Improvements**

City Staff and SVID have identified the need for a stormwater collection and disposal facility to capture stormwater generated on Larson Street. Stormwater currently enters SVID's DID system ultimately direct discharging into the Yakima River. The storm drainage improvements will manage and dispose of stormwater by constructing a new subsurface infiltration facility.

#### **Phase 2 - West Fifth Street Stormwater Improvements**

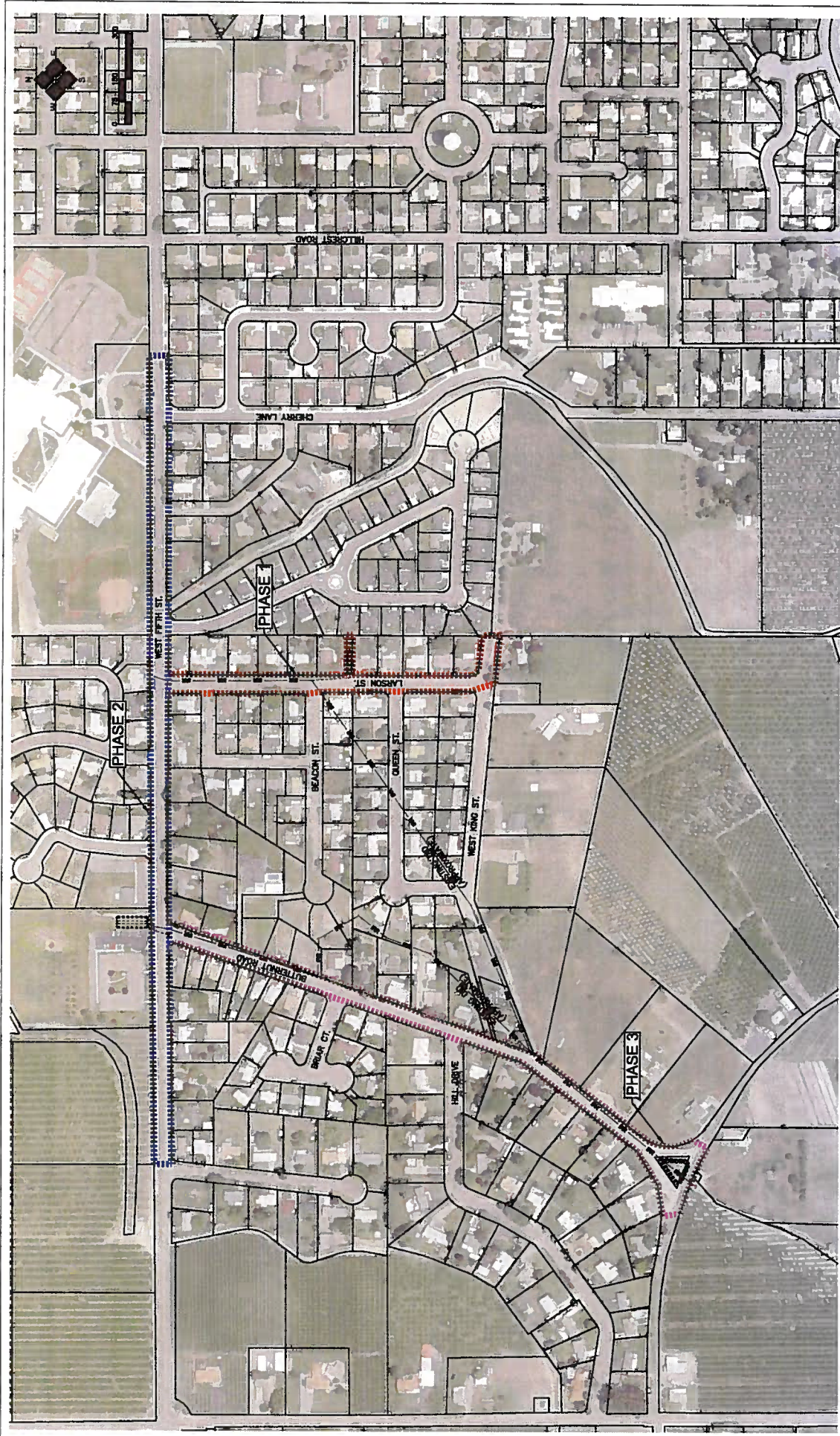
City Staff and SVID have identified the need for a stormwater collection and disposal facility to capture stormwater generated on West Fifth Street between Cherry Lane and Appleway Road. Stormwater currently enters the City's collection system which connects to SVID's DID system, and ultimately discharging into the Yakima River. The storm drainage improvements will install a collection and infiltration system to manage stormwater.

#### **Phase 3 – Butternut Road Stormwater Improvements**

City Staff and SVID have identified the need for a stormwater collection and disposal facility to capture stormwater generated on Butternut Road between West Fifth Street and Pecan Road. Stormwater currently enters SVID's DID system and discharges into the Yakima River. The storm drainage improvements will install a collection and swale system to manage stormwater.

The total cost for Phases 1-3 is anticipated at \$950,000. The City's responsibility, if awarded grant funding will be approximately \$142,500.00.

Design Engineering and Construction are recommended by Ecology to be submitted separately over two funding cycles. Design Engineering would start when Ecology contracts are executed summer of 2019. A construction funding application would follow design engineering and would be submitted fall of 2019.



<b>CITY OF GRANDVIEW</b> <b>STORM DRAINAGE IMPROVEMENTS</b>		SHEET <b>1</b> of <b>1</b>
JOB NUMBER: 18007 DATE: 8-08-18 FILE NAME: DRAWING PLAN 18007.dwg	ASSIGNED BY: SJP ENTERED BY: BFP	DATE: _____ REVISION: _____
2803 River Road Yelm, WA 98592 509.966.7000 Fax 509.965.3800 <a href="http://www.hlaenv.com">www.hlaenv.com</a>		<b>HLA</b> Engineering and Land Surveying, Inc.

**CITY OF GRANDVIEW  
 AGENDA ITEM HISTORY/COMMENTARY  
 COMMITTEE-OF-THE-WHOLE MEETING**

<b>ITEM TITLE</b>	<b>AGENDA NO.:</b> New Business 4 (B)
Ordinance amending the 2018 Annual Budget	<b>AGENDA DATE:</b> September 11, 2018
<b>DEPARTMENT</b>	<b>FUNDING CERTIFICATION</b> (City Treasurer) (If applicable)
City Treasurer	

**DEPARTMENT DIRECTOR REVIEW**

Matthew Cordray, City Treasurer 

<b>CITY ADMINISTRATOR</b>	<b>MAYOR</b>
	

**ITEM HISTORY** (Previous council reviews, action related to this item, and other pertinent history)

Staff monitoring and review of fund and department budgets has identified a budget account to be amended.

**ITEM COMMENTARY** (Background, discussion, key points, recommendations, etc.) Please identify any or all impacts this proposed action would have on the City budget, personnel resources, and/or residents.

By Fund the highlights of the budget changes are:

**TRANSPORTATION BENEFIT DISTRICT FUND:** Increase revenues for contributions from School District. Increase appropriations for Safe Routes to School project. Net effect is a decrease to estimated ending fund balance.

**ACTION PROPOSED**

Move Ordinance amending the 2018 Annual Budget to the next regular Council meeting for consideration.

**Ordinance No. 2018-X**

Account	Description Fund/Account	Original Estimate	Amendment Amount	New Estimate	Treasurer's notes
	<b>TBD Fund</b>				
115 000 000 308 10 00 00	Beginning Fund Balance	261,870		261,870	
<input type="checkbox"/> 115 000 000 367 11 01 00	Contribution - School District Revenues/Sources	166,000	15,000	181,000	School district pledge towards project
	<b>TBD Fund Total</b>	<b>427,870</b>	<b>15,000</b>	<b>442,870</b>	
<input type="checkbox"/> 115 000 070 595 61 63 01	Safe Routes to School - Elm & Fir Expenditures/Uses	180,840	30,000	210,840	Construction bid higher than engineer's estimate
<input type="checkbox"/> 115 000 099 508 10 00 00	Ending Fund Balance	247,030	(15,000)	232,030	
	<b>TBD Fund Total</b>	<b>427,870</b>	<b>15,000</b>	<b>442,870</b>	

**ORDINANCE NO. 2018-\_\_\_**

**AN ORDINANCE OF THE CITY OF GRANDVIEW, WASHINGTON,  
AMENDING THE 2018 ANNUAL BUDGET**

**WHEREAS**, the original 2018 estimated beginning fund balances and revenues do not reflect available budget sources; and

**WHEREAS**, there are necessary and desired changes in uses and expenditure levels in the funds; and

**WHEREAS**, there are sufficient sources within the funds to meet the anticipated expenditures.

**NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF GRANDVIEW, WASHINGTON DO ORDAIN AS FOLLOWS:**

**Section 1.** That the 2018 annual budget be amended to reflect the changes presented in Exhibit A.

**Section 2.** That the City Administrator is authorized and directed to adjust estimated revenues, expenditures and fund balances reflecting the determined changes.

**Section 3.** This Ordinance shall be in full force and effect five (5) day after its passage and publication as required by law.

**PASSED** by the **CITY COUNCIL** and **APPROVED** by the **MAYOR** at its regular meeting on \_\_\_\_\_, 2018.

\_\_\_\_\_  
**MAYOR**

**ATTEST:**

\_\_\_\_\_  
**CITY CLERK**

**APPROVED AS TO FORM:**

\_\_\_\_\_  
**CITY ATTORNEY**

**PUBLICATION:**  
**EFFECTIVE:**

**Exhibit A**

<b>Beginning Balance</b>	<b>Estimated Revenues</b>	<b>Appropriated Expenditures</b>	<b>Ending Balance</b>	<b>Budget Total</b>
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<b>TBD Fund</b>					
Original 2018 Budget	261,870	166,000	180,840	247,030	427,870
Amendment Amount		15,000	30,000	(15,000)	15,000
<b>Amended Total</b>	<b>261,870</b>	<b>181,000</b>	<b>210,840</b>	<b>232,030</b>	<b>442,870</b>



**CITY OF GRANDVIEW  
AGENDA ITEM HISTORY/COMMENTARY  
COMMITTEE-OF-THE-WHOLE MEETING**

<b>ITEM TITLE</b>	<b>AGENDA NO.:</b> New Business 4 (C)
Resolution authorizing the Mayor to sign the Lease Agreement renewal with Baker Commodities, Inc.	<b>AGENDA DATE:</b> September 11, 2018
<b>DEPARTMENT</b>	<b>FUNDING CERTIFICATION</b> (City Treasurer) (If applicable)
Public Works Department	

**DEPARTMENT DIRECTOR REVIEW**

Cus Arteaga, City Administrator/Public Works Director

**CITY ADMINISTRATOR** **MAYOR**

**ITEM HISTORY** (Previous council reviews, action related to this item, and other pertinent history)

On July 25, 1977, the City of Grandview and Recycling Services, Inc., entered into a twenty (20) year lease agreement. On May 21, 1985, Recycling Services, Inc., assigned said lease to Baker Commodities, Inc. On September 8, 1998, the lease was extended for an additional twenty (20) year term.

**ITEM COMMENTARY** (Background, discussion, key points, recommendations, etc.) Please identify any or all impacts this proposed action would have on the City budget, personnel resources, and/or residents.

The lease with Baker Commodities, Inc., expires at the end of September 2018. Baker Commodities wishes to extend the lease for an additional twenty (20) year term to September 30, 2038. Attached is a lease agreement renewal with Baker Commodities that has been reviewed by the City Attorney and Baker Commodities.

**ACTION PROPOSED**

Move a resolution authorizing the Mayor to sign the Lease Agreement renewal with Baker Commodities, Inc., to the next regular Council meeting for consideration.

**RESOLUTION NO. 2018-\_\_\_**

**A RESOLUTION OF THE CITY OF GRANDVIEW, WASHINGTON,  
AUTHORIZING THE MAYOR TO SIGN THE LEASE AGREEMENT RENEWAL  
WITH BAKER COMMODITIES, INC.**

**WHEREAS**, the City of Grandview and Baker Commodities, Inc., entered into a twenty (20) year Lease Agreement; and

**WHEREAS**, both parties wish to extend the lease for an additional twenty (20) year term;

**NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF GRANDVIEW**, as follows:

The Mayor is hereby authorized to sign the Lease with Baker Commodities, Inc., on the terms and conditions contained in said lease and in the form as is attached hereto and incorporated herein by reference.

**PASSED** by the **CITY COUNCIL** and **APPROVED** by the **MAYOR** at its regular meeting on \_\_\_\_\_, 2018.

**MAYOR**

\_\_\_\_\_  
**ATTEST:**

\_\_\_\_\_  
**CITY CLERK**

**APPROVED AS TO FORM:**

\_\_\_\_\_  
**CITY ATTORNEY**

When recorded, return to:

G. SCOTT BEYER  
Menke Jackson Beyer, LLP  
807 North 39<sup>th</sup> Avenue  
Yakima, WA 98902

## LEASE

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Reference nos. of docts. assigned or released:	n/a	
Grantor:	City of Grandview, Washington	Addl. names p. ___
Grantee:	Baker Commodities, Inc.	Addl. names p. ___
Legal description:	(see below)	
Assessor's Parcel No.:	230803-11900	

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THIS LEASE is made and entered into on September \_\_\_\_, 2018, by and between **City of Grandview**, hereinafter called "Lessor," and **Baker Commodities, Inc.**, hereinafter called "Lessee."

### WITNESSETH:

1. **PREMISES LEASED:** For and in consideration of the covenants and agreements hereinafter set forth, Lessor does by these presents lease and let to Lessee, and Lessee does hereby lease and rent from Lessor the following described property situated at in Yakima, Yakima County, Washington:

*The North portion of the East 1/2 of Section 3, Township 9 North, Range 23, E.W.M., the exact location to be determined by engineers. RESERVING pasture rights on any portion of the premises not occupied by Lessee.*

2. **TERM:** This lease is for a term of 20 years beginning on October 1, 2018, and ending on September 30, 2038. Notwithstanding the foregoing, if Lessee elects to cease its business operations at the premises, Lessee may terminate this lease without further liability by providing Lessor at least ninety (90) days prior written notice, in which event the parties shall have no further obligations hereunder except those obligations that expressly survive the expiration or termination of this lease.

3. **RENT:** Lessee agrees to pay to Lessor as rent for the premises the sum of \$971.77 per month, the sum of which includes \$34.96 for scale rental, payable on or before the first (1st) day of each and every month beginning October 2018. Commencing on October 1, 2019, and on each subsequent one-year anniversary date of this lease, the monthly rental amount shall be adjusted in accordance with the All Cities consumer Price Index (CPI(W)), which may be greater or lesser than the then applicable monthly rental amount. Rent shall be paid to Lessor at such place as shall be designated by Lessor.

4. **USE OF PREMISES:** The premises shall be used by Lessee for conducting a recycling business and activities reasonably related thereto which constitute a similar usage as to wear and tear and shall not be used for any other purpose without the express written consent and approval of Lessor. It is understood and agreed that there are no express or implied warranties as to fitness of said premises for said use.

5. **CONDITION OF PREMISES:** Lessee has inspected the premises, is fully familiar with and knows their condition, and accepts the same in their present condition without any representation of Lessor regarding the condition thereof, the improvements thereon, or their tenant ability.

6. **COMPLIANCE WITH LAWS:** Lessee covenants, promises, and agrees to comply with all charters, laws, ordinances, rules, and regulations, to obtain all necessary licenses and permits applicable to Lessee's activities and to the premises, and to pay all fees and charges in connection therewith or by reason of inspections thereof.

7. **MAINTENANCE AND REPAIRS:**

a. Lessee agrees that all maintenance and repairs necessary to keep the premises in their present condition, reasonable wear and tear by ordinary use and damage by fire, the elements, or acts of God excepted, as well as all repairs necessary to allow Lessee to conduct its activities thereon, shall be undertaken by Lessee at its expense.

b. Lessee agrees to keep the premises in a safe, clean, and sanitary condition at all times.

8. **ALTERATIONS AND ADDITIONS:** Other than buildings, structures, signs and improvements currently existing as of the effective date hereof, during the Lease Lessee shall not make any material additions or material alterations to or upon the premises without first obtaining the written consent of Lessor, and any such additions or alterations authorized by Lessor shall be at Lessee's sole expense. In making any alterations or additions, Lessee shall comply with all building code provisions, municipal ordinances and regulations, and state laws which may affect or govern such work. Upon the expiration or sooner termination of this lease, Lessee may remove such buildings, structures, signs, or improvements, or may elect to leave the same on the premises, in which event Lessor shall be deemed the owner thereof. The ownership thereof shall be in Lessee until the expiration or sooner termination of this lease, at which time the ownership thereof shall, at the option of Lessor, vest in Lessor or shall be removed by Lessee at Lessee's sole cost and expense.

9. **LIENS AND WASTE:** Lessee shall not cause or permit any liens of any nature to be placed against the premises except liens placed thereon by Lessor, and Lessee shall save Lessor harmless from and on account of all liens and all expenses and indebtedness connected therewith, except those relating to liens placed thereon by Lessor. Lessee shall not commit or permit any waste or nuisance upon the premises.

10. **TAXES AND ASSESSMENTS:** Lessor shall pay all real estate taxes and assessments levied against the leased premises. Lessee shall pay all other taxes, assessments, and charges hereafter levied against the leased premises or the lease during the term of this lease, arising out of the occupancy or use thereof, or arising out of the conduct of Lessee's activities thereon.

11. **UTILITIES:** Lessee shall pay all charges and expenses for electricity, gas, heat, telephone, water, sewer service, garbage collection service, janitorial service, and all other services and utilities used in connection with the premises during the term of this lease, and Lessee shall not permit any thereof to become delinquent.

12. **SCALE LEASE:** Included in this lease is the use of scales owned by Lessor. Lessee's use of the scales provided by Lessor is material to Lessee's use and enjoyment of the premises and was a material condition to Lessee entering into this lease. Lessee shall maintain the scales at its expense and shall pay all expenses associated with the repair and maintenance of the scales; however, should the scales become inoperable and need to be replaced, through no fault of Lessee and not due to Lessee's failure to properly maintain the scales, Lessor shall pay all expenses associated with replacing the scales in a reasonable but commercially prudent fashion. During the time that the scales are inoperable and in need of replacement, monthly Rent shall be abated by 15%. Lease of the scales is subject to the following terms:

a. In the event rent is delinquent or otherwise not made in accordance with the terms of this Agreement, then in addition to any other remedies provided in this Agreement, Lessor shall have the additional right to refuse Lessee the use of the scales until such delinquency is cured. A refusal by Lessor to allow Lessee to use the scales under this section shall not excuse Lessee's rent obligations as described in Section 3 of this Agreement.

b. Lessor does not guarantee the accuracy of the scales. Lessee shall indemnify and hold Lessor harmless for any and all damages to lessee or to third parties due to the inaccuracy of the scales or the use of the scales by Lessee.

c. Lessor shall not be responsible for any record keeping on behalf of Lessee.

d. Lessee shall exercise due care in using the scales and shall be responsible for: (1) any damage to property belonging to or used by Lessee, and (2) any and all damage to persons or property belonging to third parties including, but not limited to, Lessor's personnel, which damage occurs through the use of the Lessor's property or by operation of this Agreement.

e. Lessee shall indemnify, defend and hold Lessor harmless for any and all claims of damage described in Section 12(d) of this Agreement.

13. **INSURANCE**: Lessee shall maintain public liability insurance at all times during the term of this lease in a manner and form acceptable to Lessor with a limit of at least \$500,000 per accident. Lessor shall be endorsed as an additional insured on the policy(ies) of Lessee, and all premiums therefor shall be paid by Lessee. Lessee shall furnish proof of such insurance to Lessor, when requested by Lessor. If Lessee fails to effect or maintain any of such insurance, Lessor may procure the same, and Lessee agrees to reimburse Lessor on demand for any amount paid by Lessor for such insurance. Lessor and Lessee may carry, at their own expense, such fire and extended coverage insurance as each of them deems necessary for their own protection; and neither party shall have an interest in or claim to such insurance of the other party. Lessee shall not permit the premises to be used in such a manner as to create a fire hazard or to cause a change in the insurance rating applicable to the premises.

14. **DAMAGE WAIVER**: Lessor and Lessee do hereby release and discharge each other from and against all liability for loss or damage caused by any of the perils covered by insurance policies which are in force and effect at the time of any such loss or damage, even though such loss or damage may be due to the negligence, act, or neglect of Lessor or Lessee, or agents or employees of either party. It is expressly understood and agreed that it is the intention hereof to constitute a waiver and release of any and all subrogation rights which the insurance companies might have under such insurance policies.

15. **INDEMNITY**: Lessee covenants and agrees to defend, indemnify, and hold Lessor harmless from and against any and all claims or liability for injury, damage, or loss, including attorneys' fees and costs, which may arise or to which Lessor may be subjected during or as a result of Lessee's occupation or use of the premises or the conduct of any activities thereon by Lessee or with Lessee's permission or knowledge.

16. **RISK OF LOSS**: All property of any kind on the premises shall be at the risk of Lessee, and Lessor shall not be liable, and Lessee waives all claims for any loss, damage, or injury either to persons or property sustained by Lessee or any other person upon or about the premises, or due to the structures or any improvements upon the premises or the adjoining premises or any part thereof, becoming out of repair or arising from the overflow of water or the freezing, bursting, or leakage of water, gas, heating or steam pipes, or due to any act, omission, or neglect of Lessor or Lessee, or any of their agents or employees, or any other person upon or about the premises, or any other cause of any nature whatsoever. No eviction from the premises shall be claimed by Lessee by reason of the happening of any or all of the foregoing. Without limiting the generality of the foregoing, Lessee shall be solely responsible for theft or other similar loss of fixtures, equipment, or other property leased herein and any other property of Lessee.

17. **INGRESS AND EGRESS**: Lessor reserves the right of ingress and egress to and from the leased premises for the purpose of inspecting the same at all reasonable times and for making such repairs as Lessor is obligated to make under the terms of this lease.

18. **ASSIGNMENT AND SUBLETTING**: Lessee shall not assign this lease or sublet the premises herein, or any portion thereof, without first obtaining the written consent of Lessor; nor shall there be any transfer or assignment of this lease from Lessee by operation of law, either voluntarily or involuntarily or by dissolution, consolidation, or merger of Lessee. Consent to such assignment or subletting shall not operate to relieve Lessee of any of its covenants and

obligations under this lease or relieve Lessee or its successor in interest from the necessity of obtaining like consent for any subsequent assignment or subletting.

19. DAMAGE OR DESTRUCTION: If the premises are destroyed or damaged by fire or other casualty rendering them, in Lessor's judgment, untenable, Lessor may, at its option, cancel this lease or may immediately proceed to rebuild and restore the same. Within ten (10) days after such destruction or damage, Lessor shall notify Lessee in writing whether Lessor elects to cancel this lease or rebuild and restore the premises. In the event Lessor elects to cancel this lease, the rent shall be paid to the date of destruction or damage, and all obligations of the parties hereto with respect to the unexpired portion of the term shall thereupon terminate. In the event Lessor elects to rebuild and restore the premises, such rebuilding or restoration shall be commenced as soon as practicable, shall be completed with due and reasonable diligence, and shall replace the improvements as nearly as practicable to the condition existing immediately prior to such damage or destruction; *provided* that any delay occasioned by governmental regulations or any other cause beyond the direct control of Lessor shall be taken into consideration in determining the promptness with which Lessor commences and completes the restoration and rebuilding. Rent shall be abated during the rebuilding and restoration proportionately in the same ratio as the untenable portion of the premises bears to the whole premises.

20. DEFAULT: Full and prompt performance by Lessee of all terms and conditions of this lease is hereby made the essence of this lease. If Lessee should be in default in any of the same and such default shall have continued for ten (10) days in the case of nonpayment of rent or other sums due from Lessee and for thirty (30) days in the case of any other default after written notice by Lessor to Lessee setting forth the particular default claimed, or if Lessee's leasehold estate shall be taken on execution, or if Lessee shall be declared bankrupt or insolvent according to law, or if Lessee shall make an assignment for the benefit of creditors, or if a receiver shall be appointed for Lessee and continue in office thirty (30) days without discharge, then in any such event this lease shall, at the option of Lessor, be forfeited. In such event, and upon the expiration of any cure or remedy period(s) herein, Lessor may lawfully enter into and upon said premises or any part thereof, repossess the same, and expel Lessee and those claiming under and through Lessee and remove their effects, forcibly if necessary, without being deemed guilty of any manner of trespass, but without prejudice to any remedies which might otherwise be used by Lessor for the collection of rent or for any breach by Lessee of the covenants herein contained. It is further agreed that after service of notice as above set forth, an additional condition to avoid forfeiture shall be payment by Lessee of Lessor's costs and expenses, including attorneys' fees, for the preparation and service of such notice. Nothing contained herein shall release or diminish Lessee's obligation to pay rent for the full term of this lease, except the net amount of rent Lessor receives from any subsequent tenant during the term hereof. As an additional and not alternative remedy, optional with Lessor, if Lessee should be in default hereunder other than a default in the payment of rent, Lessor may cure or correct the same; and the cost of such action by Lessor shall immediately be due and payable from Lessee, plus interest on said sum at the rate of twelve percent (12%) per annum until paid; and nonpayment of said sum by Lessee shall be adequate grounds for Lessor to invoke the other provisions of this paragraph.

21. **NOTICES:** All notices required under this lease to be given by either party shall be effective as of the date of personal service thereof or the date of mailing by certified mail, return receipt requested, postage prepaid, and properly addressed to the other party at the following address or as the same may be changed from time to time by written notice to the other party:

*Lessor:* City of Grandview  
Attn: City Administrator  
207 West Second Street  
Grandview, WA 98930

*Lessee:* Baker Commodities, Inc.  
Attn: Division General Manager  
Seattle Division  
P.O. Box 58368  
Seattle, WA 98138

22. **ARBITRATION, ATTORNEYS' FEES AND COSTS:** In the event of Default by Lessee, Lessee shall pay Lessor all costs and expenses, including reasonable attorneys' fees, incurred by Lessor in the preparation and service of any notice which Lessor gives to Lessee under the terms of this lease. In the event of a dispute as to any of the terms or conditions herein contained, the parties agree that said dispute shall be determined under the Local Rules of Mandatory Arbitration as set forth by the Superior Court of the State of Washington in and for Yakima County, Washington, and the prevailing party shall be entitled to their reasonable attorney's fees and costs incurred in such arbitration.

23. **NONWAIVER:** The consent of Lessor to any variation of the terms of this lease, or the receipt of rent with knowledge of any breach, shall not be deemed to be a waiver of any breach or covenant of this lease, and no waiver shall be claimed by Lessee unless it be a written waiver signed by Lessor. Any waiver, express or implied, by Lessor of any breach by Lessee of any of the covenants of this lease shall not be construed to be a waiver of any subsequent breach of the same or any other covenant in this lease, or affect or prejudice any of Lessor's rights or remedies hereunder. After service of notice of default or commencement of suit, Lessor may receive and collect rent due; and the same shall not affect such notice or suit or any judgment, nor shall it be deemed a waiver in any sense.

24. **SUCCESSORS:** Subject to the foregoing provisions relating to assignment and subletting, this lease shall inure to the benefit of and shall be binding upon the successors and assigns of the respective parties hereto.

25. **ENTIRETY OF AGREEMENT:** No prior stipulation, agreement, or understanding, verbal or otherwise, of the parties or their agents shall be valid or enforceable unless embodied in the provisions of this lease. The terms and conditions of this lease shall not be amended or modified, except in writing signed by both Lessor and Lessee. Headings used herein are for convenience only, are not a part of this lease, and are not to be used in construing it. Each party agrees to execute, upon request of the other, a short form of this lease for purposes of recordation, and to reexecute this lease at any time upon the request of the other.



IN WITNESS WHEREOF, the parties hereto have executed this instrument the day and year first above written.

City of Grandview, *Lessor*

By: \_\_\_\_\_  
Mayor Norm Childress

Baker Commodities, Inc. a Delaware corporation,  
*Lessee*

By: \_\_\_\_\_  
Patrick Faecke, EVP/COO

STATE OF WASHINGTON            )  
  : ss.  
County of Yakima                )

I certify that I know or have satisfactory evidence that Norm Childress, Mayor of the City of Grandview, is the person who appeared before me, and said person acknowledged that he signed this instrument in his capacity as Mayor of the City of Grandview and acknowledged it to be his free and voluntary act for the uses and purposes mentioned in the instrument.

DATED: \_\_\_\_\_, 2018.

\_\_\_\_\_  
Notary Public in and for the State of Washington  
Residing at: \_\_\_\_\_, Washington  
My Appointment Expires: \_\_\_\_\_