



Members: Barbara Bitetto, Pat Cole, Earle Stuard

Staff Liaison: Administrative Services Director Jeff Steffens, Chief Financial Officer Kassandra Raymond

The city is conducting this public meeting using a hybrid model. The public is welcome to attend tonight's meeting in-person at City Hall (first floor conference room), or virtually by using the meeting access link and additional information located on the city's website, and on tonight's meeting agenda.

Please click the link below to join the webinar:

<https://sumnerwa-gov.zoom.us/j/84923227001>

Or One tap mobile :

US: +12532158782,,84923227001# or +16699006833,,84923227001#

Or Telephone:

Dial(for higher quality, dial a number based on your current location):

US: +1 253 215 8782 or +1 669 900 6833 or +1 346 248 7799 or +1 312 626 6799 or +1 929 205 6099 or +1 301 715 8592

Webinar ID: 849 2322 7001

International numbers available: <https://sumnerwa-gov.zoom.us/j/84923227001>

CALL TO ORDER

Roll Call: Barbara Bitetto, Pat Cole, Earle Stuard

COMMITTEE BUSINESS

1. Surplus
2. Lease Agreements - Carroll's Garage and Car Village

REPORTS

1. Monthly Sales Tax Report
2. Recruitment & Negotiation Update

ADJOURNMENT

SUBJECT: Surplus

CATEGORY: Motion

BUDGET IMPACT:

Expenditure Required: None

Within Budget Allocation: N/A

ATTACHMENTS:

1. Taser Surplus List

STAFF CONTACT: Jeff Steffens, Administrative Services Director

SUMMARY BACKGROUND:

The Sumner Police Department and Metro Animal Services are switching to Taser 7, which is compatible with our Axon Body Worn Cameras. Our old tasers are now obsolete and deemed surplus by the department. Axon does not accept "trade in" but we have found a company, Accredited Security, who is willing to purchase them. At a combined value of less then \$1,000 this falls within the Committee's surplus authority.

COUNCIL COMMITTEE/STUDY SESSION:
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MEETING/STUDY SESSION DATE:

COMMITTEE RECOMMENDATION:

STAFF RECOMMENDATIONS/MOTION:

Authorize surplus of 15 used tasers plus additional miscellaneous accessories.

Taser Surplus

SERIAL NUMBER	ITEM TYPE	QUANTITY	PRICE
X12002NM7	X26P Taser and Holster	1	50
X12002NM8	X26P Taser and Holster	1	50
X12002NMP	X26P Taser and Holster	1	50
X12002NMT	X26P Taser	1	50
X12002NMV	X26P Taser	1	50
X12002NMW	X26P Taser	1	50
X12002NN6	X26P Taser	1	50
X12002NY5	X26P Taser and Holster	1	50
X12002NY9	X26P Taser	1	50
X12002NYD	X26P Taser and Holster	1	50
X1200CFWY	X26P Taser and Holster	1	50
X00-493847	X26P Taser and Holster	1	50
X00-597500	X26P Taser and Holster	1	50
X00-598741	X26P Taser and Holster	1	50
X00-648558	X26P Taser and Holster	1	50
N/A	Taser Base/Battery	8	80
N/A	Holster	15	
N/A	Taser Training Cartridges	24	120
N/A	Expired Taser Cartridges	15	15

\$ 965.00

ACCREDITED SECURITY WILL PAY:

X00-100000 or greater \$ 50.00

X00-000000 or greater \$ 50.00

\$10.00 for new Batteries in the original packaging, and \$5.00 for unexpired Cartridges and \$1.00 for all others

S.

SUBJECT: Lease Agreements - Carroll's Garage and Car Village

CATEGORY: Consent

BUDGET IMPACT:

Expenditure Required: None

Within Budget Allocation: N/A

ATTACHMENTS:

1. Car Village Lease_Fully Executed 12.19.22_Redacted
 2. Carroll's Garage Lease_Fully Executed 12.19.22_Redacted
-

STAFF CONTACT: Andrea Marquez, City Attorney

SUMMARY BACKGROUND:

The City acquired the property at 16602 64th St. E last year. The property was acquired for future intersection improvements for which the City is currently undertaking grant funding and design efforts. In the meantime, the property houses two businesses: Carroll's Garage and Car Village. The tenants requested the ability to continue leasing the property from the City until the City needs the property for environmental clean up and/or construction of the intersection improvements. Before you are two lease agreements. The City has agreed to honor the tenants' agreed-upon rental rate with the prior landlord (seller) of \$1,500/month each subject to an increase by the required leasehold excise tax based upon fair market rent (tenants rent is below fair market rent in order to honor their prior rental amounts, and in acknowledgment of the interruptions they'll encounter for environmental consultants and City designers). The lease agreements are month-to-month, and are expected to last until the tenants are able to locate suitable replacement sites (both tenants are entitled to relocation benefits and are actively working with the City's relocation consultant).

COUNCIL COMMITTEE/STUDY SESSION: Finance & Personnel Committee 01/04/2023

MEETING/STUDY SESSION DATE:

COMMITTEE RECOMMENDATION:

STAFF RECOMMENDATIONS/MOTION:

Motion authorizing the Mayor to enter into a month-to-month lease agreement with Carroll's Garage and a month-to-month lease agreement with Car Village, and ratifying and confirming any prior acts consistent with this authorization.

COMMERCIAL LEASE AGREEMENT

City of Sumner

This Commercial Lease Agreement ("Lease") is made and entered into as of the Effective Date (defined in Section 30 below) by and between CITY OF SUMNER, a municipal corporation and political subdivision of the state of Washington ("Landlord") and CV Financial, LLC d/b/a Car Village, LLC, a Washington Limited Liability Company ("Tenants"). Landlord and Tenants may hereinafter be referred to collectively as "Parties" or individually as a "Party."

1. Lease of Premises. Landlord hereby leases to Tenants, and Tenants hereby leases from Landlord, the commercial property commonly known as 16602 64th St. E., Sumner, WA 98390 ("Premises") upon the terms, covenants and conditions set forth in this Lease. Tenants shall have no right, title or interest in or to the Premises, or the use and/or occupancy thereof, other than as expressly set forth in this Lease.

2. Initial Lease Term; Month-to-Month Tenancy. The initial monthly term of this Lease shall commence December 1, 2022 ("Commencement Date") and shall continue on a month-to-month basis unless earlier terminated pursuant to the terms of this Lease ("Expiration Date"). Upon expiration of the initial month, Tenants may, with Landlord's prior written consent, which consent may be granted, withheld, conditioned or delayed by Landlord in its sole and absolute judgment and discretion, continue to occupy the Premises on a month-to-month basis. During any such month-to-month tenancy, either Party may terminate this Lease for any reason by giving written notice to the other of not less than THIRTY (30) calendar days prior to the end of the month in which termination is sought. Notwithstanding the foregoing, Tenants are eligible for relocation under CFR 49 Part 24, and Landlord must provide a "Notice of Relocation Eligibility, Entitlements and 90-Day Assurance" providing at least 90 days' advance notice prior to the date upon which Tenant shall be required to vacate the Premises. Tenants agree not to vacate the Premises without providing Landlord with advanced written notice.

3. Monthly Rent; Leasehold Excise Tax; Remittance.

3.1 Monthly Rent. On the first day of the month of the Initial Term and any month-to-month tenancy thereafter, Tenants shall pay to Landlord rent in the amount of **One Thousand Seven Hundred and Eight Two Dollars (\$1,500.00)** per month ("Monthly Rent"), payable in advance, without deduction, offset, notice or demand. Monthly Rent for any partial month shall be prorated based on a THIRTY (30) day month. Total Monthly Rent is **One Thousand Seven Hundred Eight Six Dollars AND 92/100 Dollars (\$1,786.92) which is comprised of base rent (\$1,500) plus required leasehold excise tax (See 3.2 Leasehold Excise Tax).**

3.2 Leasehold Excise Tax. In addition to and together with Monthly Rent, Tenants shall also to pay to Landlord the Washington Leasehold Excise Tax ("LET"), which is currently calculated at the rate of TWELVE AND 84/100 PERCENT (12.84%) of taxable fair market rent or **Two Hundred Eighty Six Dollars and 92/100 (\$286.92).**

3.3 Remittance. Checks for Monthly Rent, LET and any other amounts due from Tenants hereunder shall be made payable and mailed to: **CITY OF SUMNER BUDGET AND FINANCE, 1104 Maple St, Sumner, WA 98390** or such other place as Landlord may from time to time designate in writing.

4. Late Charge; NSF Charge.

4.1 Late Charge. Tenants acknowledge that late payment of Monthly Rent, LET or any other amounts due from Tenants hereunder will cause Landlord to incur costs and hardships not contemplated by this Lease, the exact amount or nature of which would be extremely difficult and impractical to ascertain. Therefore, if Tenants fail to pay any installment of Monthly Rent, LET or any other amounts due from Tenants hereunder, within FIVE (5) business days after that amount is due, Tenants shall pay to Landlord, as liquidated damages and Additional Rent, a late charge in the amount of **ONE HUNDRED AND NO/100 DOLLARS (\$100.00).** Waiver by Landlord of the late charge with respect to any installment Monthly Rent, LET or any other amounts due from Tenants hereunder shall not be deemed to constitute a waiver with respect to any subsequent late charge which may accrue.

4.2 NSF Charge. If any check for Monthly Rent, LET or any other amounts due from Tenants hereunder is returned for non-sufficient funds ("NSF"), Tenants shall pay Landlord a service charge of **FIFTY AND**

NO/100 DOLLARS (\$50.00) per check. If TWO (2) or more such checks are returned NSF in any SIX (6) month period, Landlord may require that all future payments of Monthly Rent, LET and any other amounts due from Tenants hereunder be paid cash or money order.

5. Delivery of Possession. Landlord and Tenants acknowledge and agree Tenants are currently in possession of the Premises.

6. Acceptance of Premises. Tenants acknowledge and agree that by virtue of their prior occupancy of the Premises, they have determined to their complete satisfaction the Premises are in good and tenantable condition and can be used for the purposes described in Section 8 below.

7. Use of Premises. Tenants shall: (a) use the Premises for continued commercial car sales operation purposes only in strict accordance with the terms, covenants, conditions and provisions of this Lease; (b) use the Premises in compliance with any and all laws, ordinances, rules, codes, permitting requirements, regulations and policies applicable to the Premises now or in the future including, without limitation, Title 59 RCW, as amended (collectively "Applicable Laws"); and (c) ensure that all other persons entering the Premises use the same in compliance with this Lease and with all Applicable Laws. If any term, covenant, condition or provision of this Lease conflicts with any Applicable Laws, then to the extent the Applicable Laws either has not been waived by Tenants, or cannot be lawfully waived by Tenants, the Applicable Laws shall govern.

8. Tenants' Property. Upon the expiration or earlier termination of this Lease, Tenants shall remove from the Premises their personal property and the personal property of any third party other than Landlord. Tenants shall repair any damage to the Premises and shall promptly surrender the Premises in the condition required by Section 28 below. If Tenants fail to remove personal property from the Premises as provided in this Section 8, Tenants shall, upon demand, reimburse Landlord for the documented cost of any such removal. Any personal property left upon the Premises after the expiration or earlier termination of this Lease, or after Tenant's vacation or abandonment of the Premises ("Abandoned Property"), shall be deemed to have been abandoned and to have become the sole property of Landlord to dispose of in Landlord's sole and absolute judgment and discretion in accordance with the provisions of all Applicable Laws.

9. Improvements and Alterations by Tenants. Tenants shall not make any improvements or alterations to the Premises without the prior written consent of Landlord, which consent may be granted, withheld, conditioned or delayed by Landlord in its sole and absolute judgment and discretion.

10. Utilities. Landlord shall cause the following utilities to be available for Tenant's use in and about the Premises: Electrical, Sewer, Storm and Plumbing (water), if applicable (collectively "Utilities"). All applications and connections for Utilities shall be made in the name of Tenants. Tenants acknowledge and agree the Premises are designed for standard commercial electrical, lighting and heating fixtures and Tenants shall not use any equipment or devices that utilize excessive electrical energy or that may, in Landlord's reasonable opinion, overload the wiring or interfere with the proper functioning of the existing electrical system. Landlord shall not be liable for any loss, injury or damage to persons or property resulting from any variation, interruption, or failure of the Utilities due to any cause whatsoever absent Landlord's negligence or willful misconduct, and then only to the extent of Landlord's proportionate share of liability. Variation, interruption or failure of the Utilities shall not be construed as an eviction of Tenants, nor give rise to an abatement of Monthly Rent, or relieve Tenants from fulfillment of any term, covenant, condition or provision set forth in this Lease.

11. Maintenance.

11.1 By Tenants In addition to any other requirement imposed by any Applicable Laws, Tenants shall: (a) keep and maintain the Premises as neat, clean and sanitary as the condition of the Premises permit; (b) repair any and all damage to the Premises or any system or component thereof caused by Tenants or any other persons entering the Premises; (c) provide and maintain proper receptacles for trash, rubbish, garbage and other organic and flammable waste and properly dispose of the same in a clean and sanitary manner at reasonable and regular intervals; (d) assume all costs of extermination and fumigation for infestation by insects, rodents and other pests caused by Tenants; (e) properly use and operate all electrical, gas, heating, plumbing and other fixtures and appliances supplied by Landlord; and (f) maintain the smoke and carbon monoxide detection device described in Section 18 below in accordance with the manufacturer's recommendations, including the replacement of batteries where required for the proper operation of the smoke and carbon monoxide detection device, as required by RCW 48.48.140(3) and RCW 19.27.530.

11.2 By Landlord. In addition to any other requirement imposed by any Applicable Laws, Landlord shall keep the Premises fit for human habitation and shall in particular: (a) maintain the Premises to substantially comply with all Applicable Laws; (b) maintain the roofs, floors, walls, chimneys, fireplaces, foundations and all other structural components in reasonably good repair so as to be usable and capable of resisting any and all normal forces and loads to which they may be subjected; and (c) maintain all electrical, plumbing, heating, and other facilities and appliances supplied by Landlord in reasonably good working order. The foregoing notwithstanding, Landlord shall be under no duty to repair any damage or defective condition, nor shall any defense or remedy be available to Tenants, where the damage or defective condition complained of was caused by the conduct of Tenants or any other persons entering the Premises, or where Tenant unreasonably fails to allow Landlord access to the Premises for purposes of repair.

12. Liens. Tenants shall keep the Premises free from all liens arising out of any work performed, materials furnished, or obligations incurred by Tenants, including, without limitation, Utilities. If any such liens are filed, Landlord may, without waiving its rights and remedies for breach, and without releasing Tenants from any of its obligations hereunder, require Tenants to post security in form and amount reasonably satisfactory to Landlord or cause such liens to be released by any means Landlord deems proper, including payment in satisfaction of the claim giving rise to the lien. Tenants shall pay to Landlord upon demand any sum paid by Landlord to remove the liens, together with interest from the date of payment by Landlord, at the lesser of ONE AND ONE-HALF PERCENT (1-1/2%) per month or the maximum rate allowed by law.

13. Insurance. Landlord shall not be liable to Tenants or to any other persons entering the Premises for damages not proximately caused by Landlord. Tenants are, therefore, strongly encouraged to independently purchase property damage and liability insurance sufficient to protect Tenants and any other persons entering the Premises from any and all claims, damages and/or liabilities.

14. Indemnification of Landlord. Each party shall indemnify, defend and hold the other, its officer, directors, agents and employees ("Tenant's Affiliates" or "Landlord affiliates"), harmless from and against any and all claims, actions, damages, losses, costs, liens, judgments, penalties and liabilities (including, without limitation, reasonable attorney's fees) (the "Losses"), to the extent of such party's proportionate share of liability, based upon or arising from: (a) any injury or death of any person (including any of Tenant's or Landlord's employees) or damage to any property of a third party occurring in, on or about the Premises to the extent such Loss is caused in whole or in part by the negligence or willful misconduct of the indemnifying party or any of its agents, contractors, employee, officers, subtenants, assignees, licensees or invitees; and (b) any breach by the indemnifying party of its obligations under this Lease. If any such claim is made against a party or its Affiliates, the indemnifying party; at its sole cost and expense, shall defend such claim suit or proceeding by or through attorneys reasonable satisfactory to the other party. The indemnification obligations contained in this Section 14 shall not be limited by any workers' compensation, benefit or disability laws, and each indemnitor hereby waives any immunity that such indemnitor may have under the Industrial Insurance Act, Title 51 RCW. The provision of this Section 14 shall survive the expiration or termination of this Lease with respect to any claims or liability occurring prior to such expiration or termination

15. Destruction of Premises. If all or part of the Premises are destroyed or injured by fire or earthquake or other casualty, then this Lease shall automatically terminate and neither Party shall have any further rights or liabilities hereunder except as expressly provided herein.

16. Condemnation. If all or part of the Premises are taken under power of eminent domain, or sold to a condemning authority in lieu thereof, then this Lease shall automatically terminate and neither Party shall have any further rights or liabilities hereunder except as expressly provided herein.

17. Assignment, Subletting and Succession. Tenants may not assign this Lease or sublet the Premises or any part thereof without Landlord's prior written consent, which consent may be granted, withheld conditioned or delayed by Landlord in its sole and absolute judgment and discretion.

18. Fire Safety & Protection.

18.1 Smoke & Carbon Monoxide Detection Device. Tenants acknowledge and agree that as of the Effective Date: (a) there is located in the Premises battery operated hard-wired smoke and carbon monoxide detection

device as required by RCW 43.44.110 and RCW 19.27.530; and (b) the smoke and carbon monoxide detection device is, as of the date of the Effective Date, in good and proper working order. PURSUANT TO RCW 43.44.110(3) and RCW 19.27.530 TENANT SHALL BE SOLELY RESPONSIBLE FOR MAINTAINING THE SMOKE AND CARBON MONOXIDE DETECTION DEVICE AS SPECIFIED BY THE MANUFACTURER INCLUDING, BUT NOT LIMITED TO, REPLACEMENT OF BATTERIES WHERE REQUIRED FOR PROPER OPERATION. TENANTS' FAILURE TO MAINTAIN THE SMOKE DETECTION DEVICE IN ACCORDANCE WITH RCW 43.44.110(3) IS PUNISHABLE BY A FINE OF UP TO TWO HUNDRED AND NO/100 DOLLARS (\$200.00).

18.2 Other Fire Safety/Carbon Monoxide Equipment. Tenants acknowledge and agree that as of the Effective Date: (a) there is no fire sprinkler system located on the Premises; (b) other than the smoke carbon monoxide detection device described in Section 18.1 above, there is no fire or carbon monoxide alarm system located on the Premises; (c) there are no emergency notification, emergency relocation or emergency evacuation plans posted on the Premises.

Am / Dm
Tenants' Initials

Landlord's Initials

19. Hot Water Heater. Tenants acknowledge and agree that as of the Effective Date the hot-water heater located on the Premises is set at the recommended ONE HUNDRED TWENTY (120) degrees (or the minimum setting if greater than 120 degrees) and that Tenants shall be solely responsible for maintaining that temperature.

Am / Dm
Tenants' Initials

Landlord's Initials

20. Mold Exposure. Tenants acknowledge and agree that as of the Effective Date: (a) Tenants have conducted a thorough inspection of the Premises and have determined to their complete satisfaction there is no indoor mold located in or about the Premises; and (b) Tenants are aware that complete interactive versions of the publications entitled "Got Mold" and "A Brief Guide to Mold, Moisture and Your Home" may be viewed at the Washington Department of Health website at www.doh.wa.gov.

Am / Dm
Tenants' Initials

Landlord's Initials

21. Defaults; Remedies; Waiver. In the event of a material default under this Lease by either Party, the non-defaulting Party may pursue any remedy allowed by law. Failure by either Party to promptly enforce its rights under this Lease shall not operate as a waiver of such rights. Landlord's acceptance of Monthly Rent subsequent to a breach by Tenants shall not operate as a waiver of such breach.

22. Landlord's Right of Entry. Tenants shall not unreasonably withhold consent to Landlord or Landlord's employees, agents or contractors to enter any portion of the Premises to inspect the same, make necessary or agreed repairs, alterations or improvements, supply necessary or agreed services, begin design or construction related to environmental remediation activities, or exhibit the Premises to prospective or actual tenants, workers or contractors. Landlord may enter the Premises without Tenants' consent in the case of emergency or abandonment. Except in the case of emergency or abandonment, or it is otherwise impracticable to do so, Landlord shall give Tenants at least FORTY-EIGHT (48) hours prior notice of its intent to enter the Premises and shall enter the same at reasonable times only. For the purpose of exercising its right of entry, Landlord shall at all times have and retain keys with which to unlock all the doors and gates in and about the Premises.

23. Notices. Wherever in this Lease notice is desired or required to be given, such notice shall be in writing, addressed to the person entitled thereto, and shall be sent by either: (a) United States certified mail, return receipt requested; or (b) recognized overnight express or legal messenger service which customarily maintains a contemporaneous permanent delivery record. The notice shall be deemed delivered on the earlier of: (a) the date of receipt as shown by the return receipt; or (b) the delivery date as shown in the regular business records of the overnight courier or legal messenger service. Notices shall be sent to Landlord or Tenants at the address or facsimile for that Party as designated below:

Landlord: City of Sumner Budget and Finance
1104 Maple St
Sumner, WA 98390

Copy to: City of Sumner City Attorney
Attn: Andrea Marquez
1104 Maple St
Sumner, WA 98390

Tenants: Alex and Denis Matlacha


Any Party, by written notice to the other in the manner herein provided, may designate an address different from that set forth above. Any notices sent by a Party's attorney on behalf of such Party shall be deemed delivered by such Party. NOTICE: Email addresses provided above are for convenience only and shall not constitute a valid means of giving notice under this Lease.

24. Negotiation and Construction. This Lease was negotiated by the Parties with the assistance of their own legal counsel and shall be construed according to its fair meaning and not strictly for or against either Party.

25. Time. Time is of the essence of this Lease and of every term and provision hereof. If the date for any performance under this Lease falls on a weekend or holiday, the time shall be extended to the next business day.

26. Entire Agreement; Amendment. This Lease contains all of the agreements of the Parties with respect to any matter covered or mentioned herein and no prior agreement, letter of intent, negotiation or understanding pertaining to any such matter shall be effective for any purpose. No provision of this Lease may be amended or added to, except by an agreement in writing signed by the Parties or their respective successors in interest.

27. Attorney Fees; Governing Law; Venue. If either Party requires the services of an attorney in connection with enforcing the terms of this Lease, whether or not suit is brought, or in the event suit is brought for the recovery of any sums due under this Lease or for the breach of any covenant or condition of this Lease, or for the restitution of the Premises to Landlord or eviction of Tenants during the Lease Term or after the expiration thereof, the substantially prevailing Party shall be entitled to reasonable attorney fees and all costs incurred in connection therewith. This Lease shall be governed by and shall be construed and interpreted in accordance with the laws of the state of Washington. Landlord and Tenants agree that venue of any legal action between the Parties relating to the Lease shall be in the superior court of Pierce County, Washington.

28. Surrender of Premises. Upon the expiration or earlier termination of this Lease, Tenants shall: (a) peaceably surrender possession of the Premises to Landlord; and (b) leave the Premises broom clean and in as good order, repair and condition as was provided to Tenants on the Commencement Date, reasonable wear and tear from ordinary use excepted. The delivery of keys to any employee of Landlord or to Landlord's agent or any employee thereof shall not be sufficient to constitute a termination of this Lease or a surrender of the Premises.

29. Performance by Tenants. Except as expressly provided to the contrary elsewhere in this Lease, all covenants and agreements to be performed by Tenants under this Lease shall be performed by Tenants at their sole cost and expense and without any abatement of Monthly Rent or any other amounts due from Tenants hereunder.

30. Effective Date of Lease. The Effective Date of this Lease shall be the date Landlord's County Executive (who shall be the last person to sign) shall have executed this Lease as indicated opposite her name below.

[SIGNATURES & ACKNOWLEDGMENTS APPEAR ON FOLLOWING PAGES]

**CITY OF SUMNER
CONTRACT SIGNATURE PAGE**

Lease #

IN WITNESS WHEREOF, the parties have executed this Agreement as of the Effective Date.

TENANT:

 12/13/22
Alex Matlacha *Matlacha* DM
Owner, CV Financial, LLC
Date

 12/14/22
Denis Matlacha *Matlacha* DM
Owner, CV Financial, LLC
Date

Address: 16602 64th St. E
Sumner, WA 98390
Ste. A

Mailing
Address:
(owner)

LANDLORD: CITY OF SUMNER

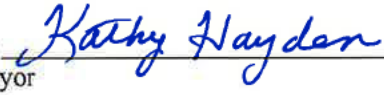
APPROVED AS TO LEGAL FORM ONLY

By  12/14/22
City Attorney Date

RECOMMENDED:

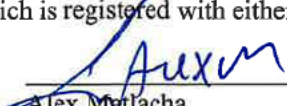
By  12/19/22
Administrative Services Director Date

APPROVED:

By  12/19/22
Mayor Date

Complete the tax status information for **one** of the following business entity types. Individual or Corporate name must exactly match that which is registered with either Social Security Administration or Internal Revenue Service.

INDIVIDUAL:


Alex Matlacha


Tenant's SSN


Denis Matlacha


SSN

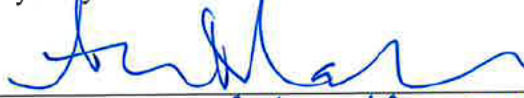
[ACKNOWLEDGE APPEARS ON THE FOLLOWING PAGE]

LANDLORD'S ACKNOWLEDGMENT

STATE OF WASHINGTON)
) ss.
COUNTY OF PIERCE)

THIS IS TO CERTIFY that on this 19th day of December 2022, before me, the undersigned, a notary public in and for the state of Washington, duly commissioned and sworn, personally appeared Kathy Hayden, to me known to be the Mayor of City of Sumner, Washington, a municipal corporation and political subdivision of the state of Washington, described in and that executed the foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of said municipal corporation for the uses and purposes therein mentioned and on oath stated that she was authorized to execute the said instrument on behalf of said municipal corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.


PRINTED NAME Andrea Marquez
NOTARY PUBLIC IN AND FOR THE STATE OF WASHINGTON,
RESIDING AT Bouney Lake
MY COMMISSION EXPIRES 1-9-2027



COMMERCIAL LEASE AGREEMENT

City of Sumner

This Commercial Lease Agreement ("Lease") is made and entered into as of the Effective Date (defined in Section 30 below) by and between CITY OF SUMNER, a municipal corporation and political subdivision of the state of Washington ("Landlord") and Carroll's Garage, a Washington Sole Proprietorship ("Tenants"). Landlord and Tenants may hereinafter be referred to collectively as "Parties" or individually as a "Party."

1. Lease of Premises. Landlord hereby leases to Tenants, and Tenants hereby leases from Landlord, the commercial property commonly known as 16602 64th St. E., Sumner, WA 98390 ("Premises") upon the terms, covenants and conditions set forth in this Lease. Tenants shall have no right, title or interest in or to the Premises, or the use and/or occupancy thereof, other than as expressly set forth in this Lease.

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3. Monthly Rent; Leasehold Excise Tax; Remittance.

3.1 Monthly Rent. On the first day of the month of the Initial Term and any month-to-month tenancy thereafter, Tenants shall pay to Landlord rent in the amount of **One Thousand Seven Hundred and Eight Two Dollars (\$1,500.00)** per month ("Monthly Rent"), payable in advance, without deduction, offset, notice or demand. Monthly Rent for any partial month shall be prorated based on a THIRTY (30) day month. Total Monthly Rent is **One Thousand Seven Hundred Eight Six Dollars AND 92/100 Dollars (\$1,786.92)** which is comprised of base rent (\$1,500) plus required leasehold excise tax (See 3.2 Leasehold Excise Tax).

3.2 Leasehold Excise Tax. In addition to and together with Monthly Rent, Tenants shall also to pay to Landlord the Washington Leasehold Excise Tax ("LET"), which is currently calculated at the rate of TWELVE AND 84/100 PERCENT (12.84%) of taxable fair market rent or **Two Hundred Eighty Six Dollars and 92/100 (\$286.92)**.

3.3 Remittance. Checks for Monthly Rent, LET and any other amounts due from Tenants hereunder shall be made payable and mailed to: **CITY OF SUMNER BUDGET AND FINANCE, 1104 Maple St, Sumner, WA 98390** or such other place as Landlord may from time to time designate in writing.

4. Late Charge; NSF Charge.

4.1 Late Charge. Tenants acknowledge that late payment of Monthly Rent, LET or any other amounts due from Tenants hereunder will cause Landlord to incur costs and hardships not contemplated by this Lease, the exact amount or nature of which would be extremely difficult and impractical to ascertain. Therefore, if Tenants fail to pay any installment of Monthly Rent, LET or any other amounts due from Tenants hereunder, within FIVE (5) business days after that amount is due, Tenants shall pay to Landlord, as liquidated damages and Additional Rent, a late charge in the amount of **ONE HUNDRED AND NO/100 DOLLARS (\$100.00)**. Waiver by Landlord of the late charge with respect to any installment Monthly Rent, LET or any other amounts due from Tenants hereunder shall not be deemed to constitute a waiver with respect to any subsequent late charge which may accrue.

4.2 NSF Charge. If any check for Monthly Rent, LET or any other amounts due from Tenants hereunder is returned for non-sufficient funds ("NSF"), Tenants shall pay Landlord a service charge of **FIFTY AND**

NO/100 DOLLARS (\$50.00) per check. If TWO (2) or more such checks are returned NSF in any SIX (6) month period, Landlord may require that all future payments of Monthly Rent, LET and any other amounts due from Tenants hereunder be paid cash or money order.

5. Delivery of Possession. Landlord and Tenants acknowledge and agree Tenants are currently in possession of the Premises.

6. Acceptance of Premises. Tenants acknowledge and agree that by virtue of their prior occupancy of the Premises, they have determined to their complete satisfaction the Premises are in good and tenantable condition and can be used for the purposes described in Section 8 below.

7. Use of Premises. Tenants shall: (a) use the Premises for continued commercial car sales operation purposes only in strict accordance with the terms, covenants, conditions and provisions of this Lease; (b) use the Premises in compliance with any and all laws, ordinances, rules, codes, permitting requirements, regulations and policies applicable to the Premises now or in the future including, without limitation, Title 59 RCW, as amended (collectively "Applicable Laws"); and (c) ensure that all other persons entering the Premises use the same in compliance with this Lease and with all Applicable Laws. If any term, covenant, condition or provision of this Lease conflicts with any Applicable Laws, then to the extent the Applicable Laws either has not been waived by Tenants, or cannot be lawfully waived by Tenants, the Applicable Laws shall govern.

8. Tenants' Property. Upon the expiration or earlier termination of this Lease, Tenants shall remove from the Premises their personal property and the personal property of any third party other than Landlord. Tenants shall repair any damage to the Premises and shall promptly surrender the Premises in the condition required by Section 28 below. If Tenants fail to remove personal property from the Premises as provided in this Section 8, Tenants shall, upon demand, reimburse Landlord for the documented cost of any such removal. Any personal property left upon the Premises after the expiration or earlier termination of this Lease, or after Tenant's vacation or abandonment of the Premises ("Abandoned Property"), shall be deemed to have been abandoned and to have become the sole property of Landlord to dispose of in Landlord's sole and absolute judgment and discretion in accordance with the provisions of all Applicable Laws.

9. Improvements and Alterations by Tenants. Tenants shall not make any improvements or alterations to the Premises without the prior written consent of Landlord, which consent may be granted, withheld, conditioned or delayed by Landlord in its sole and absolute judgment and discretion.

10. Utilities. Landlord shall cause the following utilities to be available for Tenant's use in and about the Premises: Electrical, Sewer, Storm and Plumbing (water), if applicable (collectively "Utilities"). All applications and connections for Utilities shall be made in the name of Tenants. Tenants acknowledge and agree the Premises are designed for standard commercial electrical, lighting and heating fixtures and Tenants shall not use any equipment or devices that utilize excessive electrical energy or that may, in Landlord's reasonable opinion, overload the wiring or interfere with the proper functioning of the existing electrical system. Landlord shall not be liable for any loss, injury or damage to persons or property resulting from any variation, interruption, or failure of the Utilities due to any cause whatsoever absent Landlord's negligence or willful misconduct, and then only to the extent of Landlord's proportionate share of liability. Variation, interruption or failure of the Utilities shall not be construed as an eviction of Tenants, nor give rise to an abatement of Monthly Rent, or relieve Tenants from fulfillment of any term, covenant, condition or provision set forth in this Lease.

11. Maintenance.

11.1 By Tenants In addition to any other requirement imposed by any Applicable Laws, Tenants shall: (a) keep and maintain the Premises as neat, clean and sanitary as the condition of the Premises permit; (b) repair any and all damage to the Premises or any system or component thereof caused by Tenants or any other persons entering the Premises; (c) provide and maintain proper receptacles for trash, rubbish, garbage and other organic and flammable waste and properly dispose of the same in a clean and sanitary manner at reasonable and regular intervals; (d) assume all costs of extermination and fumigation for infestation by insects, rodents and other pests caused by Tenants; (e) properly use and operate all electrical, gas, heating, plumbing and other fixtures and appliances supplied by Landlord; and (f) maintain the smoke and carbon monoxide detection device described in Section 18 below in accordance with the manufacturer's recommendations, including the replacement of batteries where required for the proper operation of the smoke and carbon monoxide detection device, as required by RCW 48.48.140(3) and RCW 19.27.530.

11.2 By Landlord. In addition to any other requirement imposed by any Applicable Laws, Landlord shall keep the Premises fit for human habitation and shall in particular: (a) maintain the Premises to substantially comply with all Applicable Laws; (b) maintain the roofs, floors, walls, chimneys, fireplaces, foundations and all other structural components in reasonably good repair so as to be usable and capable of resisting any and all normal forces and loads to which they may be subjected; and (c) maintain all electrical, plumbing, heating, and other facilities and appliances supplied by Landlord in reasonably good working order. The foregoing notwithstanding, Landlord shall be under no duty to repair any damage or defective condition, nor shall any defense or remedy be available to Tenants, where the damage or defective condition complained of was caused by the conduct of Tenants or any other persons entering the Premises, or where Tenant unreasonably fails to allow Landlord access to the Premises for purposes of repair.

12. Liens. Tenants shall keep the Premises free from all liens arising out of any work performed, materials furnished, or obligations incurred by Tenants, including, without limitation, Utilities. If any such liens are filed, Landlord may, without waiving its rights and remedies for breach, and without releasing Tenants from any of its obligations hereunder, require Tenants to post security in form and amount reasonably satisfactory to Landlord or cause such liens to be released by any means Landlord deems proper, including payment in satisfaction of the claim giving rise to the lien. Tenants shall pay to Landlord upon demand any sum paid by Landlord to remove the liens, together with interest from the date of payment by Landlord, at the lesser of ONE AND ONE-HALF PERCENT (1-1/2%) per month or the maximum rate allowed by law.

13. Insurance. Landlord shall not be liable to Tenants or to any other persons entering the Premises for damages not proximately caused by Landlord. Tenants are, therefore, strongly encouraged to independently purchase property damage and liability insurance sufficient to protect Tenants and any other persons entering the Premises from any and all claims, damages and/or liabilities.

14. Indemnification of Landlord. Each party shall indemnify, defend and hold the other, its officer, directors, agents and employees ("Tenant's Affiliates" or "Landlord affiliates"), harmless from and against any and all claims, actions, damages, losses, costs, liens, judgments, penalties and liabilities (including, without limitation, reasonable attorney's fees) (the "Losses"), to the extent of such party's proportionate share of liability, based upon or arising from: (a) any injury or death of any person (including any of Tenant's or Landlord's employees) or damage to any property of a third party occurring in, on or about the Premises to the extent such Loss is caused in whole or in part by the negligence or willful misconduct of the indemnifying party or any of its agents, contractors, employee, officers, subtenants, assignees, licensees or invitees; and (b) any breach by the indemnifying party of its obligations under this Lease. If any such claim is made against a party or its Affiliates, the indemnifying party; at its sole cost and expense, shall defend such claim suit or proceeding by or through attorneys reasonable satisfactory to the other party. The indemnification obligations contained in this Section 14 shall not be limited by any workers' compensation, benefit or disability laws, and each indemnitor hereby waives any immunity that such indemnitor may have under the Industrial Insurance Act, Title 51 RCW. The provision of this Section 14 shall survive the expiration or termination of this Lease with respect to any claims or liability occurring prior to such expiration or termination

15. Destruction of Premises. If all or part of the Premises are destroyed or injured by fire or earthquake or other casualty, then this Lease shall automatically terminate and neither Party shall have any further rights or liabilities hereunder except as expressly provided herein.

16. Condemnation. If all or part of the Premises are taken under power of eminent domain, or sold to a condemning authority in lieu thereof, then this Lease shall automatically terminate and neither Party shall have any further rights or liabilities hereunder except as expressly provided herein.

17. Assignment, Subletting and Succession. Tenants may not assign this Lease or sublet the Premises or any part thereof without Landlord's prior written consent, which consent may be granted, withheld conditioned or delayed by Landlord in its sole and absolute judgment and discretion.

18. Fire Safety & Protection.

18.1 Smoke & Carbon Monoxide Detection Device. Tenants acknowledge and agree that as of the Effective Date: (a) there is located in the Premises battery operated hard-wired smoke and carbon monoxide detection

device as required by RCW 43.44.110 and RCW 19.27.530; and (b) the smoke and carbon monoxide detection device is, as of the date of the Effective Date, in good and proper working order. PURSUANT TO RCW 43.44.110(3) and RCW 19.27.530 TENANT SHALL BE SOLELY RESPONSIBLE FOR MAINTAINING THE SMOKE AND CARBON MONOXIDE DETECTION DEVICE AS SPECIFIED BY THE MANUFACTURER INCLUDING, BUT NOT LIMITED TO, REPLACEMENT OF BATTERIES WHERE REQUIRED FOR PROPER OPERATION. TENANTS' FAILURE TO MAINTAIN THE SMOKE DETECTION DEVICE IN ACCORDANCE WITH RCW 43.44.110(3) IS PUNISHABLE BY A FINE OF UP TO TWO HUNDRED AND NO/100 DOLLARS (\$200.00).

18.2 Other Fire Safety/Carbon Monoxide Equipment. Tenants acknowledge and agree that as of the Effective Date: (a) there is no fire sprinkler system located on the Premises; (b) other than the smoke carbon monoxide detection device described in Section 18.1 above, there is no fire or carbon monoxide alarm system located on the Premises; (c) there are no emergency notification, emergency relocation or emergency evacuation plans posted on the Premises.

ATC
Tenants' Initials

Landlord's Initials

19. Hot Water Heater. Tenants acknowledge and agree that as of the Effective Date the hot-water heater located on the Premises is set at the recommended ONE HUNDRED TWENTY (120) degrees (or the minimum setting if greater than 120 degrees) and that Tenants shall be solely responsible for maintaining that temperature.

ATC
Tenants' Initials

Landlord's Initials

20. Mold Exposure. Tenants acknowledge and agree that as of the Effective Date: (a) Tenants have conducted a thorough inspection of the Premises and have determined to their complete satisfaction there is no indoor mold located in or about the Premises; and (b) Tenants are aware that complete interactive versions of the publications entitled "Got Mold" and "A Brief Guide to Mold, Moisture and Your Home" may be viewed at the Washington Department of Health website at www.doh.wa.gov.

ATC
Tenants' Initials

Landlord's Initials

21. Defaults; Remedies; Waiver. In the event of a material default under this Lease by either Party, the non-defaulting Party may pursue any remedy allowed by law. Failure by either Party to promptly enforce its rights under this Lease shall not operate as a waiver of such rights. Landlord's acceptance of Monthly Rent subsequent to a breach by Tenants shall not operate as a waiver of such breach.

22. Landlord's Right of Entry. Tenants shall not unreasonably withhold consent to Landlord or Landlord's employees, agents or contractors to enter any portion of the Premises to inspect the same, make necessary or agreed repairs, alterations or improvements, supply necessary or agreed services, begin design or construction related to environmental remediation activities, or exhibit the Premises to prospective or actual tenants, workers or contractors. Landlord may enter the Premises without Tenants' consent in the case of emergency or abandonment. Except in the case of emergency or abandonment, or it is otherwise impracticable to do so, Landlord shall give Tenants at least FORTY-EIGHT (48) hours prior notice of its intent to enter the Premises and shall enter the same at reasonable times only. For the purpose of exercising its right of entry, Landlord shall at all times have and retain keys with which to unlock all the doors and gates in and about the Premises.

23. Notices. Wherever in this Lease notice is desired or required to be given, such notice shall be in writing, addressed to the person entitled thereto, and shall be sent by either: (a) United States certified mail, return receipt requested; or (b) recognized overnight express or legal messenger service which customarily maintains a contemporaneous permanent delivery record. The notice shall be deemed delivered on the earlier of: (a) the date of receipt as shown by the return receipt; or (b) the delivery date as shown in the regular business records of the overnight courier or legal messenger service. Notices shall be sent to Landlord or Tenants at the address or facsimile for that Party as designated below:

Landlord: City of Sumner Budget and Finance
1104 Maple St
Sumner, WA 98390

Copy to: City of Sumner City Attorney
Attn: Andrea Marquez
1104 Maple St
Sumner, WA 98390

Tenants: Aaron Carroll
16602 64th St. E
Sumner, WA 98390
[REDACTED]

Any Party, by written notice to the other in the manner herein provided, may designate an address different from that set forth above. Any notices sent by a Party's attorney on behalf of such Party shall be deemed delivered by such Party. NOTICE: Email addresses provided above are for convenience only and shall not constitute a valid means of giving notice under this Lease.

24. Negotiation and Construction. This Lease was negotiated by the Parties with the assistance of their own legal counsel and shall be construed according to its fair meaning and not strictly for or against either Party.

25. Time. Time is of the essence of this Lease and of every term and provision hereof. If the date for any performance under this Lease falls on a weekend or holiday, the time shall be extended to the next business day.

26. Entire Agreement; Amendment. This Lease contains all of the agreements of the Parties with respect to any matter covered or mentioned herein and no prior agreement, letter of intent, negotiation or understanding pertaining to any such matter shall be effective for any purpose. No provision of this Lease may be amended or added to, except by an agreement in writing signed by the Parties or their respective successors in interest.

27. Attorney Fees; Governing Law; Venue. If either Party requires the services of an attorney in connection with enforcing the terms of this Lease, whether or not suit is brought, or in the event suit is brought for the recovery of any sums due under this Lease or for the breach of any covenant or condition of this Lease, or for the restitution of the Premises to Landlord or eviction of Tenants during the Lease Term or after the expiration thereof, the substantially prevailing Party shall be entitled to reasonable attorney fees and all costs incurred in connection therewith. This Lease shall be governed by and shall be construed and interpreted in accordance with the laws of the state of Washington. Landlord and Tenants agree that venue of any legal action between the Parties relating to the Lease shall be in the superior court of Pierce County, Washington.

28. Surrender of Premises. Upon the expiration or earlier termination of this Lease, Tenants shall: (a) peaceably surrender possession of the Premises to Landlord; and (b) leave the Premises broom clean and in as good order, repair and condition as was provided to Tenants on the Commencement Date, reasonable wear and tear from ordinary use excepted. The delivery of keys to any employee of Landlord or to Landlord's agent or any employee thereof shall not be sufficient to constitute a termination of this Lease or a surrender of the Premises.

29. Performance by Tenants. Except as expressly provided to the contrary elsewhere in this Lease, all covenants and agreements to be performed by Tenants under this Lease shall be performed by Tenants at their sole cost and expense and without any abatement of Monthly Rent or any other amounts due from Tenants hereunder.

30. Effective Date of Lease. The Effective Date of this Lease shall be the date Landlord's County Executive (who shall be the last person to sign) shall have executed this Lease as indicated opposite her name below.

[SIGNATURES & ACKNOWLEDGMENTS APPEAR ON FOLLOWING PAGES]

**CITY OF SUMNER
CONTRACT SIGNATURE PAGE**

Lease #

IN WITNESS WHEREOF, the parties have executed this Agreement as of the Effective Date.

TENANT:



Aaron Carroll
Owner, Carroll's Garage

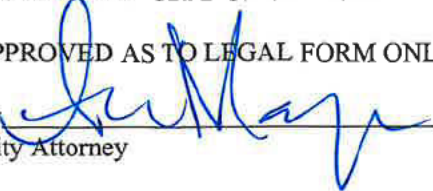
12-14-22
Date

Address: 16602 64th St. E
Sumner, WA 98390
Ste. A

Mailing
Address:
(owner)

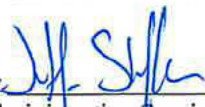
LANDLORD: CITY OF SUMNER

APPROVED AS TO LEGAL FORM ONLY

By 
City Attorney

12/14/22
Date

RECOMMENDED:

By 
Administrative Services Director

12/14/22
Date

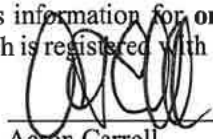
APPROVED:

By 
Mayor

12/19/22
Date

Complete the tax status information for **one** of the following business entity types. Individual or Corporate name must exactly match that which is registered with either Social Security Administration or Internal Revenue Service.

INDIVIDUAL:



Aaron Carroll


Tenant's SSN

[ACKNOWLEDGE APPEARS ON THE FOLLOWING PAGE]

LANDLORD'S ACKNOWLEDGMENT

STATE OF WASHINGTON)
) ss.
COUNTY OF PIERCE)

THIS IS TO CERTIFY that on this 19th day of December, 2022, before me, the undersigned, a notary public in and for the state of Washington, duly commissioned and sworn, personally appeared Kathy Hayden, to me known to be the Mayor of City of Sumner, Washington, a municipal corporation and political subdivision of the state of Washington, described in and that executed the foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of said municipal corporation for the uses and purposes therein mentioned and on oath stated that she was authorized to execute the said instrument on behalf of said municipal corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.


PRINTED NAME Andrea Marquez
NOTARY PUBLIC IN AND FOR THE STATE OF WASHINGTON,
RESIDING AT Bonneylake
MY COMMISSION EXPIRES 1-9-2027





FINANCE & PERSONNEL COMMITTEE MEETING

DATE: January 4, 2023

AGENDA BILL:

SUBJECT: Monthly Sales Tax Report

CATEGORY: Information Only

BUDGET IMPACT: N/A

ATTACHMENTS:

STAFF CONTACT: Kassandra Raymond, Chief Financial Officer

SUMMARY BACKGROUND:

Staff will review monthly sales tax reporting. This is a regular reporting item.

COUNCIL COMMITTEE/STUDY SESSION: Finance & Personnel Committee

MEETING/STUDY SESSION DATE: 1/4/2023

COMMITTEE RECOMMENDATION: Informational only; no Committee action required.

STAFF RECOMMENDATIONS/MOTION:

Informational only; no Committee action required.



FINANCE & PERSONNEL COMMITTEE MEETING

DATE: January 4, 2023

AGENDA BILL:

SUBJECT: Recruitment & Negotiation Update

CATEGORY: Information Only

BUDGET IMPACT: N/A

ATTACHMENTS:

STAFF CONTACT: Jeff Steffens, Administrative Services Director

SUMMARY BACKGROUND:

Staff will provide a verbal update on recruitment and negotiation activity.

COUNCIL COMMITTEE/STUDY SESSION: Finance & Personnel Committee

MEETING/STUDY SESSION DATE: 1/4/2023

COMMITTEE RECOMMENDATION: Informational only; no Committee action required.

STAFF RECOMMENDATIONS/MOTION:

Informational only; no Committee action required.