# AIRPORT LEASE AGREEMENT BETWEEN YAKIMA AIR TERMINAL-McALLISTER FIELD AND YAKIMA COFFEE CASTLE, LLC

THIS LEASE, executed this 1st day of June, 2019, between the YAKIMA AIR TERMINAL – McALLISTER FIELD, a department of the City of Yakima, Washington, hereinafter referred to as "LESSOR," and Yakima Coffee Castle, LLC, a Washington Limited Liability Corporation, hereinafter referred to as "LESSEE":

#### WITNESSETH:

**WHEREAS,** LESSOR operates the Yakima Air Terminal - McAllister Field, hereinafter referred to as "Airport," and,

**WHEREAS**, LESSOR has approved property available for lease as provided by this Lease, and LESSEE desires to occupy and use such property in accordance with this Lease,

**NOW THEREFORE,** in consideration of the mutual promises contained herein and the benefit to be derived by each party, the parties agree as follows:

## 1. PREMISES:

LESSOR does hereby lease and let unto LESSEE, and LESSEE does hereby lease and take from LESSOR, approximately 11,476 sq ft of land at 2412 West Washington Avenue in the City of Yakima, Washington, as that property is depicted on the drawing marked Exhibit "A", attached hereto and by this reference made a part hereof, together with the right of ingress to and egress from the leased premises and the public use areas/facilities used in connection therewith, over designated Airport property and roadways, subject to rules and regulations governing the use of the Airport and as the same may be promulgated by LESSOR from time to time.

#### 2. TERM:

The tenancy created by this Lease shall commence on <u>June 1, 2019</u> and terminate on May 31, 2039, unless otherwise terminated as provided for herein.

LESSEE shall have the option to extend the term by one (1) ten (10) year extension period, to wit, <u>June 1, 2039</u> through <u>May 31, 2049</u>, provided LESSEE delivers to LESSOR written notice of its intent to extend the lease term not less than three hundred and sixty (360) calendar days before the expiration of the original term.

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#### 3. RENT:

#### A. Land Rent

LESSEE promises and agrees to pay monthly rent to LESSOR at the greater of either 1) the then current commercial land rate per square foot of property leased, as identified in Exhibit A for the leased premises (hereafter "Land Rent"), <u>OR</u> 2) the percentage of gross sales as illustrated in Section 3(b). Payments shall be made in advance on or before the 15<sup>th</sup> day of each month. Payments shall be made to the City of Yakima, Accounts Receivable, 129 N. 2<sup>nd</sup> St, Yakima, WA 98901. Any rental payments/fees past due shall accrue a delinquency charge of twelve percent (12%) per annum.

Said Land Rent is established for the purpose of assessing the Washington State Leasehold and other applicable taxes that shall be collected by the airport. The Land Rent is defined as the rent for the Premises for the purposes of the Leasehold Excise Tax pursuant to Chapter 82.29A of the Revised Code of Washington.

The Land Rent rate provided for above shall be subject to review, modification and/or reset whenever the Airport Rates & Charges are set/reset by the City of Yakima.

# B. Percentage of Gross Sales

In consideration for the concession privileges granted under this agreement, at any time during the term and renewal option of this agreement that the monthly gross receipt percentages set forth below exceed the Land Rent value for the property, LESSEE shall pay the monthly gross receipt percentage fee rather than the Land Rent value, as follows:

Year 1: 1.0% of Gross Receipts

Year 2: 1.5% of Gross Receipts

Year 3: 2.0% of Gross Receipts

Year 4: 2.5% of Gross Receipts

Year 5: 3.0% of Gross Receipts

Year 6-20: 4.0% of Gross Receipts

Year 21-30: 4.5% of Gross Receipts

Monthly Gross Sales reports shall be for the preceding calendar month and shall show such reasonable detail and breakdown as may be required by the LESSOR. All reports are to be sent to the airport administration office at the address and in the manner stated in Section 28 of this agreement. Payments shall be made to the City of Yakima.

Accounts Receivable, 129 N. 2<sup>nd</sup> St, Yakima, WA 98901. Any rental payments/fees past due shall accrue a delinquency charge of twelve percent (12%) per annum.

#### Gross Receipts:

For the purpose of this agreement, gross receipts shall be defined as the total amount in dollars of actual sales, whether for cash or on credit, or partly for cash and partly on credit, of all sales of food and beverages, including sales for gift certificates, all credit charges and carrying charges, and all other receipts from business conducted in or from the Premises, including but not limited to, all sales to employees of the Tenant, all deposits not refunded to customers, all orders taken in or from the Premises whether or not such orders are filled elsewhere, sales through any sub-lease, and any other person or persons permitted by the Tenant to use or operate from the Premises or any portion thereof. Gross Sales shall not, however, include any sums collected as tips or gratuities by Tenant's employees, nor free or compensatory food or beverages for the Tenant's employees, nor any sums collected or paid by the Tenant for any sales or excise tax imposed by any duly constituted governmental authority, nor shall they include any exchange of goods between the Premises and other locations from which the Tenant operates where such exchange is made solely for the convenient operation of the business of the Tenant and not for the purpose of consummating a sale which has otherwise been made at, in or from the Premises, nor the amount of return to suppliers, nor sales or other disposition of personal property of the Tenant not held for resale, nor sums received by the Tenant in settlement of claims for loss or damage of the Tenant's goods or property. No deduction shall be made from gross sales for any franchise. income or gross receipts taxes, nor Washington State Lottery commissions, or for any other taxes based upon income of Tenant. Each sale upon installment or credit shall be treated as a sale for the full price in the month during which such sale is made. irrespective of the time when the Tenant receives payment from its customer, and no deduction shall be allowed for uncollected or uncollectible credit accounts.

## 4. ARBITRATION SECTION

Not Applicable:

#### 5. DEPOSIT:

Upon execution of this lease by both parties, LESSEE shall deposit with LESSOR the amount of one month's rent plus leasehold tax as a guarantee of LESSEE's performance of this Lease and the timely payment of the rental provided for herein; in the event LESSEE shall fail to pay the rental as provided herein, or otherwise breach this Lease, then the Airport Director may apply such deposit, or any part thereof as may be necessary, to the payment of rental or to the payment of damages for such breach or pursue any other remedies provided herein. Any amount of the required deposit that is expended as payment of past due lease obligations shall be immediately repaid to the Airport Manger by the LESSEE in order to maintain the required deposit value at all

times during the Lease term. This deposit shall be adjusted from time to time to reflect adjustments in the rent and/or leasehold tax.

#### 6. TAXES AND LIENS:

In addition to the rent payable above, LESSEE promises and agrees to pay, as the same become due and payable, all licenses, fees and taxes, including but not limited to the leasehold excise tax, required to be paid by LESSEE by reason of this Lease and by reason of LESSEE's use and occupancy of the leased premises and by reason of LESSEE's construction or ownership of improvements to the leased premises. LESSEE shall neither suffer nor permit the attachment of any lien or other encumbrance on the leased premises by reason of LESSEE's occupancy thereof. LESSEE agrees to indemnify LESSOR and shall hold LESSOR harmless from any such taxes and liens.

#### 7. USE:

LESSEE agrees to use the leased premises only for an espresso business or for any other use allowed by the Master Plan and the zoning of the property by the appropriate jurisdiction as approved by the LESSOR. The use of the property for any other purpose shall be deemed a material breach of this Lease constituting grounds for its termination. This provision shall apply to any assignment of this Lease, whether voluntary or due to mortgage foreclosure or for any other reason. Failure of the assignee to comply with this Section shall be reasonable cause for LESSOR to withhold approval or consent to assignment.

#### 8. UTILITIES:

LESSEE shall be responsible for all utility services including, but not limited to, power, natural gas, water, sewer, communication and garbage.

#### 9. JANITORIAL:

LESSEE shall furnish all janitorial services at LESSEE's expense.

#### 10. PREMISES CONDITION:

LESSEE has made a full inspection of the premises, is fully aware of its condition except with respect to environmental conditions and accepts the premises on an "AS-IS" basis. LESSEE agrees to pay for any improvements, repairs and/or modifications necessary to the operation of LESSEE's business.

#### 11. MAINTENANCE:

LESSEE agrees to keep and maintain the premises in at least as good a condition as the condition of the premises at the beginning of LESSEE's occupancy, normal wear and

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tear excepted. LESSEE further agrees that LESSEE shall be responsible to maintain all leased areas, trade fixtures and other improvements, existing and future, in an attractive and usable manner as reasonably determined by the Airport Director and consistent with other properties at the Airport. Maintenance shall include, but not be limited to, landscaping, garbage and debris removal, ash removal, painting, and snow removal.

## 12. **SIGNS**:

LESSEE, at LESSEE's own expense, may erect a sign(s) of a type, number and location suitable to LESSOR and as permitted by applicable City of Yakima ordinances. Sign(s) shall not cause safety concerns with the Air Traffic Control Tower's line of sight as aircraft depart and arrive from the Yakima Air Terminal-McAllister Field. No signs or other advertising matter or devices shall be used or displayed in or about the leased premises or upon any portion of the Airport without the prior written approval of the Airport Director, which approval shall not be unreasonably withheld.

## 13. IMPROVEMENTS:

All buildings, trade fixtures and other improvements installed on the leased property by LESSEE shall conform to applicable rules, regulations and codes, and LESSEE shall procure all building and other permits therefore. All buildings, trade fixtures and other improvements shall be designed with a view toward aesthetic considerations and installation shall not commence until plans and specifications therefore have been submitted to and approved in writing by the Airport Director, which approval shall not be unreasonably withheld. Approval of LESSEE's improvements shall be deemed granted twenty (20) days after submission in writing to the Airport Director if no response has been received by LESSEE within that time period.

LESSOR makes no representation or guarantee as to the suitability of the leased area for construction of buildings, roads, ramps, etc., and is not responsible for the costs of excavation and/or removal of any object found either above or below ground level except for hazardous materials and archaeological artifacts existing prior to tenancy.

#### 14. REVERSION OF IMPROVEMENTS:

Upon termination of this Lease for any reason, LESSOR may, at its option, either accept ownership of the improvements constructed or installed on the Premises, except for trade fixtures, or require LESSEE to remove such improvements within sixty (60) days of such termination. Such removal shall include removing the foundation, utilities and other land improvements and restoring the land and premises to pre-lease condition and grade level. LESSOR shall notify LESSEE of its intent within sixty (60) days of the cancellation or expiration of the lease. LESSOR shall notify LESSEE of its intent within twenty (20) days of the termination of the lease.

Prior to the expiration of this Lease, LESSEE shall remove all such trade fixtures and repair any damage to the premises caused by removal of trade fixtures to the reasonable satisfaction of the Airport Director. Fixtures not removed within sixty (60) days after cancellation, expiration or termination shall become the property of the LESSOR unless other arrangements have been previously approved in writing by the Airport Director.

LESSEE shall, as additional consideration for grant of this Lease, insure that all liens, security interest and other encumbrances against said improvements and structures except those created or suffered by LESSOR, whether consensual or involuntary, shall be paid, discharged or satisfied prior to time for reversion thereof to LESSOR; and, in any event, the parties acknowledge that LESSOR shall not, by virtue of termination of the leasehold interest nor reversion of the structures, trade fixtures or other improvements, be liable for any debt or encumbrance associated therewith, whether now existing or hereafter incurred, levied or attached.

#### 15. **LESSOR'S OPTION TO PURCHASE:**

LESSOR shall have the right of first refusal on all improvements or structures on the demised premises as hereinafter set forth. If at any time during the term, LESSEE shall receive a bona fide offer from a third person for the purchase of any or all improvements or structures on the demised premises, which offer LESSEE shall desire to accept, LESSEE shall promptly deliver to LESSOR a copy of such offer and LESSOR may, within thirty (30) days thereafter, elect to purchase the demised premises on the same terms as those set forth in such offer.

If LESSOR shall not accept such offer with the time herein specified therefor, said right of refusal shall cease to exist, but this lease shall continue otherwise on all the other terms, covenants, and conditions in this lease set forth. This right of refusal shall be inapplicable to a transfer, by way of sale, gift or device, including a trust, to or for a party related to a LESSEE, or to any transfer, in whole or in part, from one such related party to another, but shall apply to any subsequent transfer to a third person. For the purpose of this Article, if the then LESSEE shall be an individual, a related party shall include a spouse, lineal descendant or spouse of such descendant, ancestor or sibling (whether by the whole or half blood), a partnership or limited liability company of which such owner is a member, a joint ownership or ownership in common, which includes the then LESSEE, or a corporation, the majority of whose shares is owned by the LESSEE, or any one or more of the foregoing parties. If the then LESSEE shall be a corporation, a related party shall include an affiliate, subsidiary or parent corporation, a successor by merger or consolidation, or the holder or holders of the majority of the shares of such corporation.

#### 16. **REGULATIONS:**

LESSEE agrees to comply with all applicable laws, ordinances, rules, regulations and policies of all governmental authorities having jurisdiction over the Airport, including policies adopted by LESSOR, as such laws, ordinances, rules, regulations and policies apply to the use and operation of Airport property, facilities and operations as those laws, ordinances, rules, regulations and policies now exist or may hereafter become effective. LESSEE further agrees to accept responsibility for not allowing unauthorized persons access to the Airport Operations Area (AOA).

#### 17. SUBLETTING:

LESSEE shall not sublet any part of the premises without the prior written approval of LESSOR. Subleases shall give preference to espresso business activities and shall comply with all laws, ordinances, rules, regulations and policies applicable to the use and operation of Airport property, facilities and operations as those laws, ordinances, rules, regulations and policies now exist or may hereafter become effective. A consent to sub-lease by LESSOR shall not be construed to be a consent to any subsequent sub-lease. The LESSOR, in determining whether or not to approve a sub-lease, shall consider the extent of the aeronautical activities performed on the premises.

## 18. ASSIGNMENT:

LESSEE shall not assign this Lease without the prior written approval of LESSOR, such approval not to be unreasonably withheld. Such assignment shall be in conformance with all applicable Airport Board, local, state and federal laws, ordinances, rules, regulations and policies. LESSEE shall give preference to espresso business activities and all assignees shall comply with all laws, ordinances, rules, regulations and policies applicable to the use and operation of Airport property, facilities and operations as those laws, ordinances, rules, regulations and policies now exist or may hereafter become effective. A consent to assignment by LESSOR shall not be construed to be a consent to any subsequent assignment.

#### 19. MISCELLANEOUS PROVISIONS:

- **A.** The parties agree that LESSOR, through its Airport Director or other person authorized by the Airport Director, may enter upon the leased premises at any reasonable time to make such inspections as LESSOR may deem necessary to the proper enforcement of any term, provision or condition of this Lease. No such entry or inspection by LESSOR is required by this provision, and the failure of LESSOR to enter and make inspection shall not alter the relationship of the parties and their respective rights and duties provided by this Lease. LESSEE shall be granted the right of quiet enjoyment upon performance of all terms of this Lease.
- **B.** LESSOR may further develop or improve Airport property and facilities, regardless of the desire or views of LESSEE regarding any such development or improvement, and without interference or hindrance on the part of LESSEE and without liability to LESSEE, provided the operations of the LESSEE are not unreasonably interrupted.
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- **C.** LESSOR reserves the right, but shall not be obligated to LESSEE, to maintain and keep in repair the landing area of the Airport and all publicly owned facilities of the Airport, together with the right to direct and control all activities of LESSEE in that regard.
- **D.** LESSOR reserves the right to take any action necessary or desirable by LESSOR to protect the operations of the Airport against obstruction, or any other activity interfering with the efficient operation of the Airport, together with the right to prevent LESSEE from erecting, or permitting to be erected, any building or other structure on the Airport which, in the opinion of the Airport Director, would limit the usefulness of the Airport or constitute a hazard to aircraft.
- **E.** During time of war or national emergency, LESSOR shall have the right to lease the landing area or any part thereof to the United States of America for military use, and, if any such lease is executed, the provisions of this Lease shall be suspended insofar as they are inconsistent with the provisions of the lease agreement with the United States of America.
- **F.** This Lease shall be subordinate to the provisions of any existing or future agreement between LESSOR and the United States of America relative to the operation or maintenance of the Airport, the execution of which has been or may be required as a condition to the expenditure of federal funds for the development of the Airport.
- **G.** If the leased premises or any interest therein is taken as a result of the exercise of the right of eminent domain, this Lease shall terminate as to such portion as may be taken. If the portion taken does not feasibly permit the continuation of the LESSEE's operations, LESSEE shall have the right to terminate this Lease. Such termination shall be effective as of the date LESSEE's operations cease. LESSEE shall be entitled to a portion of the award representing its interest in the premises. LESSOR shall be entitled to the remainder of the award.

## 20. INDEMNITY/DUTY TO DEFEND:

**A.** At no expense to LESSOR, LESSEE shall defend against and indemnify fully and save harmless the Yakima Air Terminal - McAllister Field, the City of Yakima and its elected and appointed officials, officers, employees and agents, from any and all liability, damages, suits, claims, actions, judgments or decrees, made against the Yakima Air Terminal - McAllister Field, the City of Yakima and its elected and appointed officials, officers, employees and agents, including all expenses incidental to the investigation and defense thereof and including reasonable attorney fees, based on or arising from the occupancy or use of the leased premises by LESSEE or as a result of LESSEE'S operations at the Airport or from any other act or omission of LESSEE, its servants,

employees, agents, invitees, independent contractors or any other entity, person, firm or corporation acting on behalf of LESSEE or under its direction, whether such claim shall be by LESSEE or a third party; provided, however, that LESSEE shall not be liable for any injury, damage or loss occasioned solely by the negligence of LESSOR, its agents or employees. LESSOR shall give to LESSEE prompt and reasonable notice of any such claims or actions and LESSEE shall have the right to investigate, compromise and defend the same to the extent of its interest.

- **B.** LESSEE agrees to reimburse LESSOR for any damage to the premises caused by the occupancy of LESSEE, its employees, agents, servants, invitees, independent contractors or any other person acting on behalf of LESSEE or under its direction.
- **C.** LESSOR agrees to defend, indemnify and hold LESSEE harmless against and from any claim or liability arising from or alleged to arise from the presence of hazardous material or toxic waste on the subject leased premises at the inception of this Lease and the introduction to the premises of such materials due to LESSOR'S activities or under its control.
- **D.** LESSEE shall keep and hold the Yakima Air Terminal McAllister Field, the City of Yakima and its elected and appointed officials, agents and employees, free and harmless from any and all claims and actions, loss, damage, expense or cost, including reasonable attorneys fees, incidental to the investigation and defense thereof, resulting from, arising out of, or caused by LESSEE resulting in any liability under the Federal Comprehensive Environmental Response Compensation Liability Act of 1980, as amended, 42 U.S.C. 9601 et seq.; Hazardous Materials Transportation Act, 49 U.S.C. 1801 et seq.; Resource Conservation and Recovery Act, 42 U.S.C. 6901 et seq.; the Clean Water Act, 42 U.S.C. 1251 et seq.; the Washington Environmental Policy Act, RCW Ch. 43.21C; the Washington Water Pollution Control Act, RCW Ch. 90.48; the Washington Hazardous Waste Management Act, RCW Ch. 70.105; the Washington Model Toxic Control Act, RCW Ch. 70.105D, and the regulations promulgated hereunder, or under any applicable local or state environmental ordinance, statute, law, rule or regulation. The provisions of this Sub-section shall survive the termination of this Lease.

# 21. INSURANCE:

LESSEE shall file with LESSOR a certificate of insurance, or other proof of insurance acceptable to LESSOR, evidencing an insurance policy that names the City of Yakima, its elected and appointed officers and officials, employees, agents and volunteers as additional insured providing:

1. Comprehensive general liability insurance coverage in amounts of not less than \$2,000,000 Combined Single Limit for bodily injury and property damage

covering LESSEE's occupancy of and activities pertaining to the leased premises.

2. Tenant legal liability insurance coverage in an amount of not less than \$100,000.

LESSEE specifically agrees that insurance limits shall be reviewed annually and that LESSOR may make reasonable adjustments to the required limits.

Not less than 30 days written notice, or other such time period as may be acceptable to LESSOR, must be supplied to LESSOR in the event of cancellation, material change to the policy or non-renewal of any or all policies. Certificate shall be issued by carrier(s) with a minimum A.M. BEST rating of A-VII which are admitted in the State of Washington or other such carriers as shall be acceptable to LESSOR.

#### 22. DAMAGE OR DESTRUCTION:

**A.** TENANT IMPROVEMENTS: In the event the construction in accordance with Section 13 - IMPROVEMENTS herein, or improvements thereto, is partially or totally damaged by fire or other casualty, the LESSEE shall repair or replace the same at solely its own expense. The new improvements shall be at least the same size, design and quality as that which existed prior to any damage or destruction. Both parties agree, however, that any insurance proceeds shall be first applied to the cost of repair or replacement of improvements.

LESSEE may elect not to repair or replace said construction or improvements. LESSEE shall advise LESSOR of its intent within thirty (30) days of the damage or destruction. If LESSEE elects not to repair or replace the improvements, this Lease shall be terminated. In such event, LESSOR may either accept ownership of the improvements or require LESSEE to remove the improvements and restore the Premises to a condition satisfactory to the LESSOR. The insurance proceeds shall be used for such restoration and the balance divided between the LESSOR and LESSEE as their interests bear in accordance with a straight line depreciation schedule. The straight line depreciation schedule shall be over the initial term of the lease and shall begin to run on the lease effective date. The amount so depreciated shall vest in the LESSOR. LESSOR shall notify LESSEE of its intent within thirty (30) days of receipt of LESSEE's notification. If LESSOR elects to have LESSEE remove the improvements, LESSEE shall have sixty (60) days to do so.

**B. OTHER AIRPORT PROPERTY:** In the event of damage or destruction of Airport property caused by the LESSEE, its agents, employees, aircraft or other equipment, LESSEE agrees to repair, reconstruct, or replace the affected property to the condition

which existed prior to such damage or destruction, to the extent that same is not covered by insurance required under this Lease. LESSEE further agrees to cause such repair, reconstruction or replacement of affected property with due diligence.

## 23. DEFAULT, TERMINATION & FORFEITURE:

- **A.** The failure by LESSEE to pay rent in the amounts and at the times specified herein, or the failure by LESSEE to otherwise comply with any term, provision or condition of this Lease, shall constitute grounds for termination of this Lease and forfeiture of all rent paid by LESSEE to the time of termination. This Lease and tenancy shall terminate and rent paid shall be forfeited for cause as specified above on written notice by LESSOR to LESSEE stating the amount of rent in default or otherwise stating accurately the manner in which LESSEE fails or has failed to comply with this Lease. LESSEE shall make full payment or otherwise comply with this Lease in the manner specified in the notice within thirty (30) days (except three (3) days for payment of rent) from LESSEE's receipt of such notice, otherwise this Lease and tenancy shall be terminated and rent forfeited. Such notice shall be given in writing and served on LESSEE by personal delivery or mailed by certified mail with return receipt requested addressed to LESSEE at its address stated below LESSEE's signature to this Lease or such other address as the parties may advise each other in writing. It is further agreed that after receipt of notices and as an additional condition to avoid forfeiture, LESSEE shall pay LESSOR's costs and expenses, including attorney's 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 save such amount as LESSOR recovers as rent from any subsequent lessee during the term of this Lease. Notices shall be deemed received three (3) days after mailing to LESSEE at the address below LESSEE's signature to this Lease or such other address as the parties may advise each other in writing.
- **B**. As additional and not alternative remedy, optional with LESSOR and upon thirty (30) days written notice to LESSEE, should LESSEE be in default hereunder other than default in the payment of rent, LESSOR may cure or correct the same and the cost of such action by LESSOR shall immediately become due and payable from LESSEE, together with late fees on said sum at a rate of twelve percent (12%) per annum, and the non-payment of said sum by LESSEE shall be adequate grounds for LESSOR to invoke the other remedies as provided in this Lease.
- **C.** Upon termination of this Lease for any reason, LESSEE shall immediately surrender the premises to the LESSOR in good condition and repair, ordinary wear and usage excepted; and LESSEE shall remove all of LESSEE'S personal property, trade fixtures, equipment or improvements removable by prior agreement with LESSOR from the premises and shall repair any damage to the premises caused by such removal. Any personal property of LESSEE, or anyone claiming under LESSEE, which shall remain upon the premises at the expiration or termination of this Lease shall be deemed to have been abandoned and may be retained by LESSOR as LESSOR'S property or disposed of by LESSOR in such manner as LESSOR sees fit without compensation to any party.

#### 24. INSOLVENCY:

In the event LESSEE is declared bankrupt by a court of competent jurisdiction or in the event LESSEE makes an assignment for the benefit of creditors, or if a receiver otherwise is appointed for LESSEE, or in the event LESSEE's leasehold estate is subjected to execution to satisfy any judgement against LESSEE, then in that event LESSOR may immediately or at any time thereafter without notice or demand enter into and upon the premises or any part thereof and repossess the same and expel LESSEE or any person upon the premises and remove their effects, and thereupon this Lease and the tenancy hereby created shall absolutely terminate, without prejudice to any remedies which might otherwise be available to LESSOR for collection of past due or future rent.

# 25. VENUE, ATTORNEY FEES:

In the event of litigation to enforce the rights and obligations hereunder, venue shall lie in a court of competent jurisdiction in Yakima County, Washington and the prevailing party shall be entitled to its reasonable attorney fees in addition to court costs.

#### 26. NON-DISCRIMINATION CLAUSE:

To the extent required by law, LESSEE, for itself, its personal representative, successors in interest and assigns, as a part of the consideration hereof, does hereby covenant and agree as follows:

- **A.** No person, on the grounds of race, color, religion, sex, age, marital status, handicap or national origin, shall be unreasonably excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in LESSEE's personnel policies and practices or in the use or operation of LESSEE's services or facilities.
- **B.** LESSEE agrees that in the construction of any improvements on, over or under Airport land and the furnishing of services thereon, no person, on the grounds of race, color, religion, sex, marital status, handicap, age or national origin, shall be unreasonably excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination.
- **C.** LESSEE shall use the Premises in compliance with all other requirements imposed by or pursuant to Title 49. Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Non-discrimination in Federally Assisted Programs of the Department of Transportation-Effectuation of Title VI of the Civil Rights Act of 1964, and as said Regulations may be amended.

**D.** It is the policy of the Department of Transportation that minority business enterprise as defined in 49 CFR Part 23, i.e., firms owned and controlled by minorities; firms owned and controlled by women and firms owned and controlled by financially disadvantaged persons; shall have the maximum opportunity to participate in the performance of leases as defined in 49 CFR Section 23.5. Consequently, this Lease is subject to 49 CFR Part 23 as applicable.

Lessee hereby assures that no person shall be excluded from participation in, denied the benefits of or otherwise discriminated against in connection with the award and performance of any contract, including leases, covered by 49 CFR Part 23 on the grounds of race, color, national origin or sex.

Lessee hereby assures that it will include the above clauses in all sub-leases and cause sub-lessees to similarly include clauses in further sub-leases.

## 27. AIRPORT SECURITY AND ACCESS CONTROL:

The current configuration of the airport's primary security fence does not allow access to the Air Operations Area. In the event this should change and allow the property access, LESSEE should adhere to current airport security rules and regulations imposed by 49 CFR 1542 Airport Security.

28. OFFICIAL NOTIFICATIONS: All notices, requests and other communication under this Agreement shall be effectively given only if in writing and sent by United States certified mail, returned receipt requested, postage prepaid, or by nationally recognized and receipted overnight courier service (e.g. FedEx, UPS, DHL, or Airborne Express) guaranteeing next business day delivery, addressed as follows:

If to LESSOR:

Robert K. Peterson, Airport Director Yakima Air Terminal-McAllister Field 2406 W. Washington Ave, Suite B Yakima, WA 98903 (509) 575-6149 Rob.Peterson@yakimawa.gov (509) 575-6260

If to LESSEE:

Ronald W. Munson & Sandra L Munson 11 N. 11<sup>th</sup> Ave. Suite 106 Yakima, WA 98902 509-930-5192 ronsclassic@aol.com

# 29. INTEGRATION:

This document embodies the entire Lease terms conditions and understandings between the parties with respect to the subject matter herein contained. No amendments or modifications hereof shall be enforceable unless in writing, signed by the party to be charged.

# 30. TIME OF ESSENCE:

It is mutually agreed that time is of the essence in the performance of all covenants and conditions to be kept and performed under the terms of this agreement.

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#### LESSOR:

# YAKIMA AIR TERMINAL - Mcallister Field

2406 W. Washington Avenue, Suite B
Yakima, Washington 98903
(509) 575-6149 - phone
(509) 575-6185 - fax

Cliff Moore, City Manager

STATE OF WASHINGTON
County of Yakima

I certify that I know or have satisfactory evidence that Cliff Moore signed this instrument, on oath stated that he is authorized to execute this instrument and acknowledged it as the City Manager to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Date \_\_\_\_\_\_

By:\_\_\_\_\_

Notary Public

Appointment Expires\_\_\_\_\_\_

## LESSEE:

Yakima Coffee Castle, LLC Ronald W. Munson, Manager 11 N. 11<sup>th</sup> Ave. Suite 106 Yakima, WA 98902 509-930-5192 (cell) ronsclassic@aol.com

Ron Munson Signature	Date	

STATE OF WASHINGTON County of Yakima

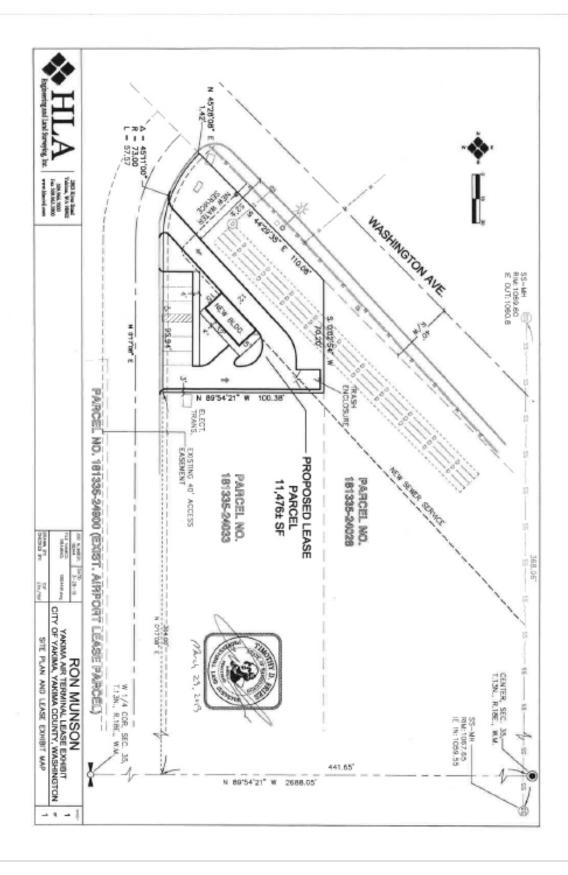
I certify that I know or have satisfactory evidence that Ronald W. Munson signed this instrument and on oath stated that he is authorized to execute this instrument on behalf of and as the Manager of Yakima Coffee Castle, LLC, and that his signature hereon was his free and voluntary act for the uses and purposes mentioned in the instrument.

Date	
Ву:	
Notary Public	
Appointment Expires_	

Yakima Coffee Castle, LLC Sandra L. Munson, Member 11 N. 11<sup>th</sup> Ave. Suite 106 Yakima, WA 98902 509-949-9604

Sandra Munson	Date
Signature	
STATE OF WASHINGTON	
County of Yakima	
I certify that I know or have satisfactory evidence and on oath stated that he is authorized to ex Member of Yakima Coffee Castle, LLC, and that act for the uses and purposes mentioned in the in	xecute this instrument on behalf of and as a his signature hereon was his free and voluntary
Date	
By:	
Notary Public	
Appointment Expires	

# **ATTACHMENT A**



Ron Munson Yakima Air Terminal Lease HLA Project #18044S March 29, 2019

#### Lease Parcel 'A'

That portion of the Northwest quarter of Section 35, Township 13 North, Range 18 East, W.M. described as follows:

Commencing at the Center of said Section 35;

Thence North 89°54'21" West along the South line of said Northwest quarter 441.65 feet;

Thence North 0°17'08" East 304.00 feet to the Point of Beginning;

Thence continuing North 0°17'08" East 95.94 feet to the point of curvature of a curve concave to the Southeast and having a radius of 73.00 feet;

Thence Northeasterly along said curve consuming a central angle of 45°11'00" an arc length of 57.57 feet;

Thence North 45°28'08" East 1.42 feet to the Southerly right of way line of Washington Avenue;

Thence South 44°29'35" East along said right of way line 110.08 feet to a point that is 340.00 feet West of the East line of said Northwest quarter as measured perpendicular thereto;

Thence South 0°02'54" West parallel with said East line 70.20 feet;

Thence North 89°54'21" West parallel with the South line of said Northwest quarter 100.38 feet to the Point of Beginning;

Situate in Yakima County, State of Washington.

