

RESOLUTION 2020 - 31

**A RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF SUNNYSIDE, WASHINGTON,
APPROVING AN INTENT TO LEASE AGREEMENT AND
FURTHER AUTHORIZING THE CITY MANAGER TO NEGOTIATE AND
EXECUTE A LEASE WITH MLS COMPANY, INC.**

WHEREAS, the MLS Company, Inc., hereinafter referred to as the "MLS Company, Inc.", and the City of Sunnyside, hereinafter referred to as the "City"; and

WHEREAS, the City and the MLS Company, Inc. have negotiated an Intent to Lease Agreement for a portion of real property owned by the District and located on Yakima Valley Highway, Sunnyside, WA 98944 (Parcel numbers 221027-21001, 221028-11002, 11003, 12001, 12004, and 12006); and

WHEREAS, the City Council of the City of Sunnyside finds and determines that approval of such Intent to Lease Agreement and a Lease Agreement is in the best interests of residents of the City of Sunnyside, and will promote the general health, safety and welfare.

NOW, THEREFORE, IT IS HEREBY RESOLVED BY THE CITY COUNCIL OF THE CITY OF SUNNYSIDE, WASHINGTON, as follows:

SECTION 1. That the "Intent to Lease Agreement", a copy of which is attached hereto as Exhibit "A" and incorporated herein by this reference, by and between the City of Sunnyside and MLS Company, Inc., is hereby approved; and

SECTION 2. That City Manager is hereby authorized to administer and execute such agreement for and on behalf of the City of Sunnyside, and to execute and implement the terms thereof.

SECTION 3. That City Manager is hereby further authorized to negotiate and execute a Lease in accordance with the terms and conditions specified by Council for and on behalf of the City of Sunnyside, and to execute and implement the terms thereof.

SECTION 4. This Resolution shall be effective upon passage, approval and signatures hereon in accordance with law.

PASSED this 26th day of October, 2020.


FRANCISCO GUERRERO, MAYOR

ATTEST:


JACQUELINE RENTERÍA, CITY CLERK

ALMON COMMERCIAL REAL ESTATE

INTENT TO LEASE
This Document Contains Offered Terms for a Land Lease
Read Carefully Before Signing

Commonly known as NNA Yakima Valley Hwy., Sunnyside WA. 98944, the legal description of which is attached hereto as Exhibit "A":

[If the legal description of the property is omitted, incomplete or inaccurate at the time of signing, this Intent to Lease shall not be invalidated, and Leasing Broker or Listing Broker is authorized to insert or attach the correct legal description.]

Tenant/Buyer hereby offers to lease from Landlord/Owner the above-described Property under the following terms and conditions: See Addendum dated November 26, 2019.

1. **SQUARE FOOTAGE/ACRAGE:** Said property contains approximately 67.66 Acres, of which Buyer / Tenant herein proposes to lease 67.66 +/- acres of leasable area, as set out in Exhibit "A" attached hereto.
2. **USE:** For the purpose of operating or conducting: All legal uses according to the Sunnyside zoning ordinance for above said property.
3. **EFFECTIVE DATE:** The lease term shall commence at signing and continue perpetually from the date of signing.
4. **TERMS:** Lease to be ten years with an option to renew for an additional ten years at the end of the lease period. Tenant has right of first refusal for any future leases or offers to purchase the Property. Lease payments shall be applied to the purchase price as follows: forty percent (40 %) of rent due shall retained and may be applied to the purchase price if the Tenant/Buyer elects to purchase pursuant to the Purchase and Sale Agreement. In the event this lease terminates and Tenant does not purchase the Property, the aforementioned percentage of rent shall be retained by Seller / Landlord. Tenant/Buyer shall have the right to invoke all or any conditions in the agreed contractual Purchase and Sale Agreement as financing is secured. Possession of the property by Buyer / Tenant shall not be authorized until Tenant has secured and delivered to Seller / Landlord an insurance binder naming the Landlord as also insured.
5. **RENTAL:** Buyer / Tenant shall pay to Owner / Landlord monthly by the tenth of each month. Lease payments to start after financing is secured, funded and income derived. Payments shall be five percent (5 %) of the gross income from land transport logistics machinery, equipment, truck, trailer and container parking and any and all other lawful uses of the Property under this agreement. Property will be fenced and graveled by tenant at their sole expense prior to parking lot occupancy. When a parcel is purchased it shall be stricken from the lease and the payments reduced proportionately.

6. TAXES: Landlord agrees to pay, before interest and penalties accrue, all real estate taxes and assessment which during the term may be imposed on or become due and payable for the leased premises hereunder, however Tenant will be responsible for reimbursement to Landlord for such taxes, as Additional Rent, if required.
7. INSURANCE: Buyer / Tenant shall upon occupancy, insure itself/himself and indemnify the Owner / Landlord against all liability, resulting from any occurrence on the demised property and common areas, except for negligence of Landlord. Tenant's insurance responsibility to begin and take effect upon permits being issued and to continue in force throughout the balance of lease term until portions or all the property, whichever comes first, are purchased. In the event there is any increase in premiums due to Tenant's use of said Property, cost of said difference shall be borne by the Tenant, as Additional Rent. The insurance carriers and policies required by these covenants, as well as extent of coverage and deductibles, shall be set in accordance to Lenders and/or the Department of Transportation Liability Coverage as it is applicable.
10. CONDITION OF PROPERTY: The Property is to be leased "AS IS", in present condition. Water well and pump for the well on parcel #221028-12004 shall be made servable by the city for domestic use for caretaker house.
11. CURE PERIODS: Ten (10) days shall be allowed to cure a monetary default, and thirty (30) days shall be allowed to cure a non-monetary default under the Lease.
12. HAZARDOUS MATERIALS: Landlord knows of no hazardous materials on the Property. Landlord warrants the property is free of hazardous materials and contamination to the best of its knowledge and understands it could be liable under state and federal law for any preexisting hazardous waste later discovered on site. Tenant shall not allow Hazardous Maternal to be manufactured, stored, transported, or disposed of on site and will obey all laws, ordinances and regulations relative to hazardous materials, and defend, indemnify and hold harmless Landlord from and against all losses, claims and damages resulting from Tenant's violation of such laws.
13. EXPRESSION OF INTENT AND COMMITMENT TO LEASE: This Intent to Lease is not a lease and is not contractually binding upon the parties but is only an expression of the basic terms and conditions to be incorporated into a formal written Lease agreement. This Intent does not obligate either party to proceed to the completion of an Agreement. The parties shall not be contractually bound unless and until they execute a formal lease, which must be in form and content satisfactory to each party and its counsel in their sole discretion.
14. AGENCY: At the signing of this Intent to Lease, the Leasing Broker, John Hodkinson of Almon Commercial Real Estate is acting as a Dual Agent between Landlord and Tenant. Each party signing this Intent confirms that prior oral and/or written disclosure of agency was provided him/her in this transaction, and that each has received a copy of the pamphlet "The Law of Real Estate Agency". If Leasing Agent and Listing Agent are the same person representing both parties, then both parties confirm their consent to that

agent and his/her broker acting as a dual agent and acknowledge the terms of broker compensation are as set out herein. Landlord agrees to pay a leasing commission in accordance with terms of the Listing Agreement. If the lease provides for renewal options, leasing commissions for renewal shall not be payable until entry into the renewal term, at which time said commissions shall be payable for the renewal terms in the same percentage. Parties agree that Agent(s) have no responsibility for maintenance of the Property, collection of rent, or other compliance with terms of the Lease Agreement.

If Tenant purchases the Property, or a larger parcel of which the Property is a part, or if Tenant exercises an Option to Purchase which was granted while Tenant is in possession of said property, Landlord shall pay Agent a sales commission equivalent to the same percentage of gross sales prices as is applicable to the lease income stream set out above.

15. **NO ADVICE:** Leasing Broker and Listing Broker are not authorized to give legal, accounting, or tax advice. Both parties hereto are urged to discuss such matters with their own consultants prior to signing this Intent and prior to entry into a Lease Agreement. Tenant acknowledges that the decision to lease the Property is not based upon statements of fact by Leasing Broker or Listing Broker, their agents or employees concerning the condition of the Property, Tenant's financing ability, Tenant's ability to carry on its proposed business therein, or any other matters concerning the Property or the parties unless the facts have been either (a) included as terms of this Intent or (b) independently verified as true by Tenant to the complete satisfaction of Tenant. Tenant has examined the Property and has reached his or its own conclusion that it is adequate and acceptable to Tenant.
16. **FAXES AND COUNTERPARTS:** Facsimile transmission of any signed original documented, and retransmission of any signed facsimile transmission shall be the same as delivery of an original. At the request of either party, or either Agent, the parties will confirm facsimile transmitted signatures by signing an original document. This Agreement may be signed in counterparts.
17. **ADDENDA/ATTACHMENTS:** At the time this Intent was signed by Tenant, the following addenda/attachments are part of this Intent: Exhibit "A".
18. **TERMINATION OF INTENT:** This offer to lease will remain open until October 27th, 2020, at 5:00 pm., Pacific Time, unless sooner terminated by notice to Listing Broker. If not accepted by said termination date and time, it will be deemed null and void.

TENANT: MLS Company, Inc. Dba One Drive Realty and or IEC dba Global Faiths and/or assigns;

By: _____
Allal Amrani

Date: October _____, 2020.

Revision Date: 01/14/00

Form 371-10

Address: 1750 OUTLOOK ROAD

Business Phone: 206-788-7190

OUTLOOK, WA 98938

Residence Phone: 206-788-7190

E-Mail: allalamrani5@gmail.com

mlsmortgage@outlook.com

Tenant acknowledges receipt of a copy of this Intent to Lease.

LEASING BROKER: Almon Commercial Real Estate.

By: John P. Hodkinson Jr.

Date: October 22, 2020.

ACCEPTANCE: Landlord hereby accepts this Intent to Perpetual Lease and shall prepare perpetual lease in accordance with the terms and conditions contained herein and agrees to pay the agreed brokerage commission upon terms above outlined. All other terms of the Purchase and Sale Agreement and Addendums are included and in full force. Receipt of a copy of this Intent to Lease is hereby acknowledged:

LANDLORD: City of Sunnyside

By: _____
Sunnyside City Manager

Date: _____, 2020.

LISTING BROKER:

Almon Commercial Real Estate
(office)

By: John P. Hodkinson Jr.
(agent)

Date: October 22, 2020.