

IMPORTANT NOTICE

Until further notice, City Council meetings will be restricted to Council and staff.

The City of Chehalis wishes to do its part to implement social distancing and slow the transmission rate of COVID-19, while still meeting the requirements of the Open Public Meetings Act RCW 42.30.

Citizens may live stream the May 11, 2020, meeting beginning at 5:00 pm using the following link:

<https://www.ci.chehalis.wa.us/citycouncil/live-streaming-and-demand-viewing-city-council-meetings>

Citizens wishing to provide public comments in general and on agenda items must submit comments by 2:00 pm on the day of the meeting. All comments received will be read by the Mayor under the Citizens Business portion of the meeting agenda. Please use the following form to submit comments – <https://www.ci.chehalis.wa.us/contact>.

If you have any questions about live streaming the meeting or submitting a comment, please contact City Clerk Caryn Foley at cfoley@ci.chehalis.wa.us or 360-345-1042.

**The City truly appreciates the community's cooperation
and patience during this challenging time.**

CHEHALIS CITY COUNCIL AGENDA

CITY HALL
350 N MARKET BLVD | CHEHALIS, WA 98532

Jerry Lord, District 1 Daryl J. Lund, District 2 Dr. Isaac S. Pope, District 4	Dennis L. Dawes, Position at Large Mayor	Anthony E. Ketchum Sr., District 3 Chad E. Taylor, Position at Large, Mayor Pro Tem Robert J. Spahr, Position at Large
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Regular Meeting of Monday, May 11, 2020 5:00 p.m.

1. <u>Call to Order</u> . (Mayor)

ITEM	ADMINISTRATION RECOMMENDATION	PAGE
PROCLAMATIONS / PRESENTATIONS		
2. <u>Proclamation – National Public Works Week, May 17-23</u> . (Mayor)		

CITIZENS BUSINESS
This is an opportunity for members of the audience to address the council on matters not listed elsewhere on the agenda. Speaker identification forms are available at the door and may be given to the city clerk prior to the beginning of the meeting.

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3. <u>Minutes of the Regular City Council Meeting of April 27, 2020</u> . (City Clerk)	APPROVE	1
4. <u>Vouchers and Transfers – Accounts Payable in the Amount of \$501,221.78 Dated April 30, 2020</u> . (City Manager, Finance Director)	APPROVE	3

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ITEM	ADMINISTRATION RECOMMENDATION	PAGE
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5. <u>Vouchers and Transfers – Payroll in the Amount of \$764,626.80 Dated April 30, 2020.</u> (City Manager, Finance Director)	APPROVE	4
6. <u>Change Order No. 3 in the Amount of \$19,054.35 for the Shaw Aquatics Center Pool Resurfacing Project.</u> (City Manager, Public Works Director, Parks & Facilities Manager)	APPROVE	5
7. <u>Authorize City Manager to Sign Early Renewal of Agreement for Lease of Train Engine with the Chehalis-Centralia Railroad & Museum.</u> (City Manager)	APPROVE	9

ITEM	ADMINISTRATION RECOMMENDATION	PAGE
ADMINISTRATION AND CITY COUNCIL REPORTS		
8. <u>Administration Reports.</u> a. City Manager Update. (City Manager)	INFORMATION ONLY	- - -
9. <u>Councilor Reports/Committee Updates.</u> (City Council)	INFORMATION ONLY	- - -

EXECUTIVE SESSION
10. Pursuant to RCW: a. 42.30.110(1)(b) – Selection of Site or Acquisition of Real Estate. b. 42.30.110(1)(c) – Sale/Lease of Property.

**THE CITY COUNCIL MAY ADD AND TAKE ACTION ON OTHER ITEMS NOT LISTED ON THIS AGENDA.
NEXT REGULAR CITY COUNCIL MEETING IS **TUESDAY**, MAY 26, 2020.**

April 27, 2020

The Chehalis city council met in regular session on Monday, April 27, 2020, in the Chehalis city hall. Mayor Dennis Dawes (present in the council chambers) called the meeting to order at 5:00 pm with the following council members present telephonically: Tony Ketchum, Jerry Lord, Daryl Lund, Dr. Isaac Pope; Bob Spahr; and Chad Taylor (joined the call at 5:03 pm). Staff present in the council chambers included: Jill Anderson, City Manager; Caryn Foley, City Clerk; Erin Hillier, City Attorney; and Brandon Rakes, Airport Operations Coordinator. Due to orders from the Governor's office relating to COVID-19, members of the public and the press were restricted from the meeting room, but were able to view the meeting via live streaming and were provided a process for submitting comments prior to the meeting.

1. **Proclamation – Administrative Professionals Week.** Mayor Dawes read a proclamation designating May 10-16 as Police Week, and May 15 as Peace Officers' Memorial Day.

2. **Consent Calendar.** Councilor Spahr moved to approve the consent calendar comprised of the following:

a. Minutes of the regular City Council meeting of April 13, 2020;

b April 15, 2020 Claim Vouchers No. 128743 – 128889 and Electronic Funds Transfer Nos. 32020, 320201, 320202 and 320203 in the amount of \$496,176.58;

c. Amendment No. 1 to the agreement for professional services with Shea, Carr & Jewell, Inc., (SCJ Alliance) in the amount of \$25,000 for the high-level reservoir booster pump station;

d. Credit card service agreement renewal with Epic Card Services, LLC and affirmation of existing credit card policy; and

e. Resolution No. 6-2020, first and final reading – continuing support for a basin-wide solution to flooding and aquatic species restoration.

The motion was seconded by Councilor Pope.

There was discussion amongst council members regarding the recommendation to absorb credit card fees for the purchase of fuel at the airport. It was clarified that the cost of transaction fees was built into the price of fuel, and Brandon Rakes stated the airport profits from the sale of fuel.

Councilor Spahr asked for clarification on the proposed amendment with SCJ Alliance, specifically related to time and materials. The proposed amendment noted that the total estimated fee was \$25,000, plus time and materials. City Manager Anderson assured council that if the contract was expected to exceed \$25,000 it would be brought back to council for approval.

The motion carried unanimously.

3. **Administration Reports.**

a. **City Manager Update.** City Manager Anderson reported that the city continues to operate in a modified fashion to protect the public and staff from spread of the COVID-19 virus. All staff members who have been tested for COVID-19 have come back negative. Staff appreciates the public's cooperation as the city continues to provide service in a safe manner.

4. **Councilor Reports/Committee Updates.**

a. **Councilor Lund.** Work continues on the steam train.

b. **Mayor Dawes.** Mayor Dawes reported he was involved in many phone conferences in the last couple weeks. An email was sent to the Governor's office requesting that the Governor expand his order regarding vehicle sales. The city also signed on supportively with the county commissioners regarding the Governor's office giving individual counties the ability to work with their local health department to open up things. The chamber was working on a business recovery center and are looking for funding sources. Mayor Dawes stated they are looking outside the box to deal with the anticipated economic impacts of COVID-19.

April 27, 2020

5. **Executive Session.** Mayor Dawes announced the council would be in executive session pursuant to RCW 42.30.110(1)(c) – Sale/Lease of Property, not to exceed 6:00 pm and there would be no decision following conclusion of the executive session. Councilor Taylor stated he would not be participating in the executive session due to a potential conflict of interest. Mayor Dawes closed the regular meeting at 5:32 and immediately began the executive session. Mayor Dawes closed the executive session and reopened the regular meeting at 6:00 pm to announce the council would continue in executive session not to exceed 6:30 pm. Following conclusion of the executive session, the regular meeting was reopened and immediately adjourned at 6:28 pm.

Dennis L. Dawes, Mayor

Caryn Foley, City Clerk

Approved:

Initials: _____

**CHEHALIS CITY COUNCIL MEETING
AGENDA REPORT**

TO: The Honorable Mayor and City Council

FROM: Jill Anderson, City Manager

BY: Chun Saul, Finance Director
Michelle White, Accounting Tech II

MEETING OF: May 11, 2020

SUBJECT: Vouchers and Transfers – Accounts Payable in the Amount of \$501,221.78

ISSUE

City Council approval is requested for Vouchers and Transfers dated April 30, 2020.

DISCUSSION

The April 30, 2020 claim vouchers have been reviewed by a committee of three councilors prior to the release of payments. The administration is requesting City Council approval for Claim Vouchers No. 128890 – 128993 in the amount of \$501,221.78 dated April 30, 2020 which includes the transfer of:

- \$ 36,593.59 from the General Fund
- \$ 2,376.68 from Dedicated Street Fund – 4% Sales Tax
- \$ 13,645.92 from Transportation Benefit District Fund
- \$ 64,701.08 from the Tourism Fund
- \$ 2,542.20 from the LEOFF 1 OPEB Reserve Fund
- \$ 43,724.02 from the Public Facilities Reserve Fund
- \$ 258,834.06 from the Wastewater Fund
- \$ 45,230.31 from the Water Fund
- \$ 980.10 from the Storm & Surface Water Utility Fund
- \$ 31,658.05 from the Airport Fund
- \$ 935.77 from the Firemen’s Pension Fund

RECOMMENDATION

It is recommended that the City Council approve the April 30, 2020 Claim Vouchers No. 128890 – 128993 in the amount of \$501,221.78.

SUGGESTED MOTION

I move that the City Council approve the April 30, 2020 Claim Vouchers No. 128890 – 128993 in the amount of \$501,221.78.

**CHEHALIS CITY COUNCIL MEETING
AGENDA REPORT**

TO: The Honorable Mayor and City Council

FROM: Jill Anderson, City Manager

BY: Chun Saul, Finance Director
Betty Brooks, Payroll Accountant

MEETING OF: May 11, 2020

SUBJECT: Vouchers and Transfers – Payroll in the Amount of \$764,626.80

ISSUE

City Council approval is requested for Payroll Vouchers and Transfers dated April 30, 2020.

DISCUSSION

The administration requests City Council approval for Payroll Vouchers No. 41271-41297, Direct Deposit Payroll Vouchers No. 12028-12133, Electronic Federal Tax and DRS Pension/Deferred Comp Payments No. 291-294 dated April 30, 2020 in the amount of \$764,626.80, which include the transfer of:

- \$503,617.54 from the General Fund
- \$7,462.63 from the Arterial Street Fund
- \$5,940.00 from the LEOFF1 OPEB Reserve Fund
- \$93,300.12 from the Wastewater Fund
- \$97,154.16 from the Water Fund
- \$24,350.74 from the Storm & Surface Water Utility Fund
- \$32,801.61 from the Airport Fund

RECOMMENDATION

It is recommended that the City Council approve the April 30, 2020 Payroll Vouchers No. 41271-41297, Direct Deposit Payroll Vouchers No. 12028-12133, Electronic Federal Tax and DRS Pension/Deferred Comp Payments No. 291-294 in the amount of \$764,626.80.

SUGGESTED MOTION

I move that the City Council approve the April 30, 2020, Payroll Vouchers No. 41271-41297, Direct Deposit Payroll Vouchers No. 12028-12133, Electronic Federal Tax and DRS Pension/Deferred Comp Payments No. 291-294 in the amount of \$764,626.80.

**CHEHALIS CITY COUNCIL MEETING
AGENDA REPORT**

TO: The Honorable Mayor and City Council

FROM: Jill Anderson, City Manager

BY: Trent Lougheed, Public Works Director
Andrew Hunziker, Parks & Facilities Manager

MEETING OF: May 11, 2020

SUBJECT: Shaw Aquatics Center Pool Resurfacing Project - Change Order No. 3 in the Amount of \$19,054.35

ISSUE

City Council approval is being requested for Change Order No. 3 for the Shaw Aquatics Center Pool Resurfacing Project to add two more rows of waterline tile around the interior perimeter of the pool, using a reallocation of previously budgeted funds.

BACKGROUND

In 2019, the pool resurfacing project was awarded to Anderson Pool Works in the amount of \$285,215.20 and included a five percent contingency of \$14,260.76, which authorized the City Manager to execute change orders not to exceed the total project budget. Since award of the bid, two change orders have been approved by the City Manager and are summarized below:

Change Order No. 1 – \$5,054.94: Replaced markers located on the pool deck that indicate the depth of the water. Stickers were previously used, which peeled off. The stickers were replaced with an engraved tile inset into the concrete pool deck. These tiles will never have to be replaced unless the tile is broken.

Change Order No. 2 – \$7,220.93: This change order included multiple items:

- 1) Demolished the rusted steps that were inset in the pool wall.
- 2) Light rings replaced. The rings that hold light fixtures in the pool wall were worn out and lights actually came out several times and were difficult to fix when the pool was full of water.
- 3) Installed new wall returns. Wall returns are used to move the filtered water from the sand filters back into the pool. After demolition of the pool bottom it was found that the wall returns had originally been installed poorly and staff was certain that pool water was being lost through the concrete wall. The wall returns were sealed up and new ends put on them.
- 4) Repaired discrepancies in light sizes. Lights in the deep end of the pool are three times the size of the lights in the shallow end. The lights were originally retrofitted with a bracket to house the same size light as in the shallow end leaving a big hole in the side of the pool. The hole was filled in and the proper sized brackets were installed to hold the lights. It is believed this situation could have also been causing water loss in the pool.

DISCUSSION

After completing the demolition of the pool surface there was a grout line found (photo below) that was installed when the pool was renovated in 2013 to change the style of the gutter system that was in the old pool. This line was not visible at the time of the bidding process. The grout line expands and contracts with the weather and cannot be plastered over as the plaster would most likely crack and flake off. The bid specifications called for one row of 2" X 2" waterline tiles; however, the contractor is recommending two additional rows of tile to get past the grout line. The three rows of tile will get passed the grout line and allow plastering up to the three rows of tiles. The contractor cannot guarantee their work if this is not done because the plaster will not stick to the grout line. It is estimated that this change order will add about seven days to the project.



FISCAL IMPACT

The amount of Change Order No. 3 is \$19,054.35. After reviewing the Parks and Facilities 2020 budget, staff has identified existing projects that could be delayed until 2021, combined with savings from other projects completed with Repairs and Maintenance and Operating Supply funds, to cover the cost of the change order. Projects that could be delayed include:

1. New Filter pump for the pool to serve as a spare (\$7,500)
2. Rental cost for fixing old overflow parking lot at Stan Hedwall Park (\$2,500)
3. Landscape enhancements for National Avenue (\$5,000)
4. Anticipated reduction in the use of operating supplies and professional services (\$5,000)

RECOMMENDATION

It is recommended that the City Council approve Change Order No. 3 in the amount of \$19,054.35 to complete the Shaw Aquatics Center Pool Resurfacing Project, increasing the total project budget to \$316,545.42.

SUGGESTED MOTION

I move that the City Council approve Change Order No. 3 in the amount of \$19,054.35 to complete the Shaw Aquatics Center Pool Resurfacing Project, increasing the total project budget to \$316,545.42.

**CHANGE
ORDER**

X
X
X

OWNER
ARCHITECT
CONTRACTOR
FIELD
OTHER



PROJECT: **Gail And Carolyn Shaw Aquatic Center**
 401 SW Parkland Dr,
 Chehalis, WA 98532
Anderson Poolworks
 9500 Boeckman Rd
 Wilsonville, OR 97070

CHANGE ORDER NUMBER: 003
 DATE: 4/30/2020
 PO#:
 CONTRACT DATE: 11/19/2019

The Contract is changed as follows:

1. 2x2 4" Waterline Tile Installation (LF)
2. 2x2 4" Waterline Tile Material (SQFT)
3. Hotel For Crew (8 Nights 2 Rooms)
4. Crew Travel Time (2 round trips)
5. Admin Time
6. General Contractor Mark Up (15%)

Qty:	Cost Per Unit:	Schedule Impact	Total:
538.00	\$ 22.50	10	\$ 12,105.00
269.00	\$ 6.00	0	\$ 1,614.00
8.00	\$ 240.00	0	\$ 1,920.00
2.00	\$ 275.00	0	\$ 550.00
4.00	\$ 95.00	0	\$ 380.00
1.00	\$ 2,485.35	0	\$ 2,485.35

Total: \$ 19,054.35

Exclusions: Sales Tax,

Not valid until signed by the Owner, Architect and Contractor.

\$ 285,215.20
\$12,275.87
\$ 297,491.07

\$19,054.35
\$ 316,545.42

The original (Contract Sum) (Guaranteed maximum Price) was
 Net change by previously authorized Change orders
 The (Contract Sum) (Guaranteed maximum Price) prior to this Change order was
 The (Contract Sum) (Guaranteed maximum price) will be (increased)
 by this Change Order in the amount of
 The new (Contract Sum) (Guaranteed maximum Price) including this Change order will be

 The Contract Time will be (changed) by 10 days scheduled completion date of 05/29/2020

GENERAL CONTRACTOR
 Anderson Poolworks
 Address 9500 Boeckman Rd
 Wilsonville, OR 97070

 BY _____
 DATE _____

SUB-CONTRACTOR

 Address _____

 BY _____
 DATE: _____

OWNER
 City Of Chehalis
 Address 401 SW Parkland Dr,
 Chehalis, WA 98532

 BY _____
 DATE _____

**CHEHALIS CITY COUNCIL MEETING
AGENDA REPORT**

TO: The Honorable Mayor and City Council

FROM: Jill Anderson, City Manager

BY: Caryn Foley, City Clerk

MEETING OF: May 11, 2020

SUBJECT: Authorize City Manager to Sign Early Renewal of Agreement for Lease of Train Engine with the Chehalis-Centralia Railroad & Museum

ISSUE

The Chehalis-Centralia Railroad & Museum (CCRM) has requested an early extension of the lease agreement for the city-owned 1916 Baldwin Steam Engine No. 15 in order to meet requirements associated with an award of State funds for repair of the steam engine.

DISCUSSION

The CCRM has been making needed repairs to the steam engine, which has been out of commission since February 2019. Work on the engine began in May 2019, funded through community donations and Chehalis lodging tax funds; however, more funds were needed to complete the project.

CCRM applied for and was recently awarded \$154,000 from the State's 2020 supplemental capital budget, which was signed by Governor Inslee on April 6. There are several requirements that must be met, one of which requires the CCRM to have in place at least a 10-year lease for operation of the engine.

The 1916 steam engine is owned by the city and has been leased to the CCRM since 1987. The agreement provided for an initial term of 10 years with the option to renew the lease for four consecutive additional 10-year terms. The current extension expires August 27, 2027. If the extension is approved at this time, it would be the fourth and final renewal of the agreement, which has not been updated since 1987. In addition to the options to extend the lease, the contract provides for:

- Rent of \$1.00 per year
- Liability insurance in an amount of not less than \$1 million per occurrence
 - The CCRM currently has \$5 million per occurrence
- Lessee (CCRM) shall hold Lessor (the City) harmless from any and all liability of every kind and nature that may arise by reason of the use of the described real property whether such use is by Lessee or any other person
- The Lessor (CCRM) can terminate the lease with 90 days' notice.
- The Lessee (City) can only terminate if there is a default by the Lessor (CCRM)

Due to the current restrictions on matters that can be addressed by the City Council due to the COVID-19 public health emergency, the ability to discuss updates to the agreement are limited, but should be considered in the future due to the age of the agreements to ensure the mutual benefit of both parties. This is further complicated by the sense of urgency of meeting the State requirements to secure the

funding, which is considered to be at risk due to the projected State budget shortfalls associated with the cost of responding to the COVID-19 outbreak and the subsequent shutdown of the economy.

The City Council has taken multiple actions to support the continuation of the CCRM tourist railroad activities, including the award of lodging tax dollars to the CCRM for the repair of the steam train on November 12, 2019. Therefore, the fourth lease extension is being presented for City Council approval at this time.

FISCAL IMPACT

There is no fiscal impact by this action.

RECOMMENDATION

It is recommended that the City Council authorize the City Manager to sign an early renewal of agreement for lease of the train engine with the Chehalis-Centralia Railroad & Museum to expire August 27, 2037.

SUGGESTED MOTION

I move that the City Council authorize the City Manager to sign an early renewal of agreement for lease of the train engine with the Chehalis-Centralia Railroad & Museum to expire August 27, 2037.

LEASE AGREEMENT EXTENSION

The Chehalis-Centralia Railroad & Museum requests an extension of the lease payable as set forth in the original lease dated August 28, 1987 for:

One (1) Baldwin Steam Locomotive: Serial Number 44106, Class 12-34 ¼ E, 43.

This extension is pursuant to the original agreement dated August 28, 1987. This is the fourth and final extension to begin on the date of execution by Chehalis City Manager Jill Anderson and expire on August 27, 2037.

Approved by _____ on _____, 2020.

Jill Anderson, City Manager

PERSONAL PROPERTY LEASE AGREEMENT

THIS AGREEMENT, made and entered into this 28th day of August, 1987, by and between CITY OF CHEHALIS, WASHINGTON, a municipal corporation, herein called Lessor, and CHEHALIS-CENTRALIA RAILROAD ASSOCIATION, a Washington nonprofit corporation, herein called Lessee,

W I T N E S S E T H:

Lessor does hereby lease and demise unto Lessee, and Lessee does hereby rent and lease from Lessor, the following described personal property:

One 1916 Baldwin Steam Engine, Serial Number 44106,
Class 1234 1/4 E4S; Steam Test--225 lbs.; Water Test--
267 lbs.; Working Pressure--200 lbs.;

subject to the terms and conditions herein.

1. Term. The term of this Lease Agreement shall commence on the date of execution hereof and terminate on the tenth anniversary of the date of execution hereof, unless earlier terminated as provided herein.

2. Option to Renew and Extend. Lessee shall have the option to renew and extend the term of this Lease Agreement for four (4) consecutive additional 10-year terms, provided that written notice of Lessee's intention to renew and extend the term or any extended term hereof shall be given to Lessor not less than one hundred eighty (180) days prior to the effective date of termination of the initial term or any extended term hereof.

3. Rent. Lessee shall pay to Lessor as and for the rental of the described personal property the sum of One and no/100ths Dollar (\$1.00) each year, payable in advance on the date of execution hereof and annually thereafter on the anniversary of the date of execution hereof during the initial term hereof or any renewed or extended term hereof. As additional consideration, Lessee shall use the described personal property for purposes of tourist promotion and economic development exclusively on railroad

lines in the City of Chehalis, Washington, and the immediate surrounding vicinity.

4. Renovation and Maintenance. Lessee shall, within three (3) years of execution of this Agreement, at its own expense, rebuild and renovate the described personal property to a proper and safe working condition and appearance, and shall maintain said personal property in such condition and appearance during the full term or any extended term hereof. Specifically, Lessee shall maintain the original lettering and color scheme of the described personal property. Lessee shall keep the described personal property free and clear of any and all liens or claims that may arise by reason of the renovation and rebuilding thereof or the maintenance thereof and shall hold Lessor harmless from any and all liability for expense and costs incidental thereto, including the costs of moving the same from its present location to a location desired by Lessee and the return thereof to its present location or such location as may be designated by Lessor upon the termination hereof.

5. Bond. To insure the agreement of Lessee to rebuild and renovate the described personal property, maintain the same and return the same to its present location or such location as may be designated by Lessor upon the termination hereof, Lessee agrees that it shall furnish Lessor a bond in the sum of Twenty-five Thousand and no/100ths Dollars (\$25,000.00). Said bond shall be in cash or through a surety acceptable to Lessor and shall be furnished to Lessor prior to removal of the described personal property from its present location. Said bond shall be reduced to the sum of Five Thousand and no/100ths Dollars (\$5,000.00) upon Lessee's completion of rebuilding and renovating the described personal property to a proper and safe working condition and appearance. The provisions herein notwithstanding, Lessee may submit, in lieu of a bond, such other forms of security, warranties or guaranties to insure the agreement of Lessee to

rebuild and renovate the described personal property, subject to the approval and acceptance thereof by Lessor.

6. Name. Lessee shall at all times maintain the designation "Chehalis, Cowlitz and Cascade Railway" or "C. C. & C. Railway", or any combination thereof, as the railway designation on the described personal property.

7. Insurance and Liability. Lessee shall at all times keep the described personal property insured for loss or damage from all perils to the full insurable value thereof or the market value thereof, whichever shall be greater, and shall at all times maintain liability insurance for personal injury, death or property damage in an amount of not less than One Million and no/100ths Dollars (\$1,000,000.00) per occurrence. Lessee shall hold Lessor harmless from any and all liability of every kind and nature that may arise by reason of the use of the described real property whether such use is by Lessee or any other person.

8. Subletting and Assignment. Lessee shall not enter into any agreement to sublease the described personal property nor assign Lessee's interest in and to this Lease Agreement without the prior written consent of Lessor. In the event Lessee desires to sublet the described personal property or assign its interest in this Lease Agreement, such subletting or assignment shall be subject to the terms and provisions hereof and shall not exonerate Lessee from its obligations hereunder. Lessor reserves the right to renegotiate the rent to be paid hereunder and receive a fair rental value for the described personal property in the event Lessee shall be allowed to sublet the described personal property or assign its interest in this Lease Agreement.

9. Termination.

A. Notwithstanding any other provision herein, Lessee shall have the right and option to terminate this Lease Agreement at any time during the initial term or any extended term hereof by giving Lessor written notice

of such termination not less than ninety (90) days prior to the effective date of such termination.

B. In the event Lessee shall default in the terms and provisions of this Lease Agreement or in the event any sublessee or assignee of Lessee shall default in the terms and provisions of this Lease Agreement or the terms and provisions of any sublease or assignment consented to by Lessor, including the payment of rent for the use of described personal property for tourist promotion purposes, Lessor may terminate this Lease Agreement upon sixty (60) days' prior written notice to Lessee.

C. Upon termination of this Lease Agreement, Lessee shall deliver the described personal property to Lessor at such location as Lessor may designate in as good as or better condition than the described personal property is in as of the date of this Lease Agreement.

10. Collateral. Lessee shall not use nor pledge the described personal property for collateral purposes.

11. Attorney Fees. In the event it is necessary for either party hereto to employ the services of an attorney to enforce the terms and provisions hereof, the prevailing party shall be entitled to a reasonable attorney fee together with any costs of litigation.

EXECUTED IN DUPLICATE on the date and year first above written.

CITY OF CHEHALIS, WASHINGTON,
a municipal corporation

By Lloyd G. Wallin
Its City Manager

Attest: Janet E. Daskam
Its City Clerk

LESSOR

CHEHALIS-CENTRALIA RAILROAD
ASSOCIATION, a Washington
nonprofit corporation

By *Steve Hendricks*
its President

Attest: _____
Its _____

LESSEE

STATE OF WASHINGTON)
 :SS
COUNTY OF LEWIS)

On this 28th day of August, 1987, before me, the undersigned Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared Lloyd E. Willis and Danielle E. Daskam, to me known to be the City Manager and City Clerk, respectively, of CITY OF CHEHALIS, WASHINGTON, the corporation that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that they are authorized to execute the said instrument and that the seal affixed is the corporate seal of said corporation.

WITNESS my hand and official seal hereto affixed the day and year first above written.

John Hakola
Notary Public in and For the
State of Washington residing
at Chehalis

My appointment expires 10-87