



CITY OF BLACK DIAMOND
March 15, 2012 Meeting Agenda
25510 Lawson St., Black Diamond, Washington

7:00 P.M. – CALL TO ORDER, FLAG SALUTE, ROLL CALL

PUBLIC COMMENTS: Persons wishing to address the City Council regarding items of new business are encouraged to do so at this time. When recognized by the Mayor, please come to the podium and clearly state your name and address. Please limit your comments to 3 minutes. If you desire a formal agenda placement, please contact the City Clerk at 360-886-5700. Thank you for attending this evening.

PUBLIC HEARINGS: None

APPOINTMENTS, PRESENTATIONS, ANNOUNCEMENTS:

Council Position #4 Appointment

Presentation – Fire Department

Chief Smith

UNFINISHED BUSINESS: None

NEW BUSINESS:

- | | |
|--|----------------|
| 1.) AB12-012A – Ordinance Amending BDMC for Town Hall Meetings | Mr. Bacha |
| 2.) AB12-013A – Resolution Amending Council Rules for Town Hall Meetings | Mr. Bacha |
| 3.) AB12-016 – Resolution Authorizing Amendment #1 to Stormwater Grant #G110019 | Mr. Williamson |
| 4.) AB12-017 – Resolution Authorizing Lease Agreement with Historical Society | Mayor Olness |

DEPARTMENT REPORTS:

MAYOR'S REPORT:

COUNCIL REPORTS:

ATTORNEY REPORT:

PUBLIC COMMENTS:

CONSENT AGENDA:

- 5.) **Claim Checks** – March 15, 2012 Check No. 38007 through No. 38060 in the amount of \$63,091.09
- 6.) **Payroll** – February 29, 2012 No. 17665 through No. 17688 (voided No. 17669 and No. 17672) and ACH Pay in the total amount of \$283,783.23
- 7.) **Minutes** – Council Meeting of March 1, 2012 and Town Hall Notes of March 8, 2012

EXECUTIVE SESSION:

ADJOURNMENT:

CITY COUNCIL AGENDA BILL

City of Black Diamond
Post Office Box 599
Black Diamond, WA 98010

ITEM INFORMATION		
SUBJECT: Ordinance No. 12-974, amending section 2.04.010 of the Black Diamond Municipal Code regarding City Council meetings	Agenda Date: March 15, 2012 AB12-0012A	
	Department/Committee/Individual	
	Mayor Rebecca Olness	
	City Administrator –	
	City Attorney –Chris Bacha	X
	City Clerk – Brenda L. Martinez	
	Finance – May Miller	
	Public Works – Seth Boettcher	
	Economic Devel. – Andy Williamson	
Cost Impact:	Police – Jamey Kiblinger	
Fund Source:	Court – Stephanie Metcalf	
Timeline:	Comm. Dev. – Steve Pilcher	
Attachments: Ordinance No. 12-974, current code section 2.04.010		
SUMMARY STATEMENT: <p>As discussed it is the desire of City Council to add a third regular meeting of the City Council for the purpose of holding informal Town Hall meetings to give members of the community an opportunity to discuss emerging issues and to voice concerns and preferences for their community as well as an opportunity for the City Council to solicit and provide information regarding specific topics affecting the community.</p> <p>The proposed ordinance prepared by City Attorney Bacha amends section 2.04.010 of the Black Diamond Municipal Code relating to City Council meetings and establishes a Town Hall regular meeting schedule.</p>		
COMMITTEE REVIEW AND RECOMMENDATION:		
RECOMMENDED ACTION: MOTION to adopt Ordinance No. 12-974, relating to City Council meetings; amending section 2.04.010 of the Black Diamond Municipal Code; establishing a Town Hall regular meeting schedule; providing for severability; and establishing an effective date.		
RECORD OF COUNCIL ACTION		
<i>Meeting Date</i>	<i>Action</i>	<i>Vote</i>
February 16, 2012	Motion to postpone to the March 15, 2012 meeting.	4-0
March 15, 2012		

CITY OF BLACK DIAMOND WASHINGTON

ORDINANCE NO. 12-974

**AN ORDINANCE OF THE CITY OF BLACK DIAMOND,
WASHINGTON, RELATING TO CITY COUNCIL
MEETINGS; AMENDING SECTION 2.04.010 OF THE
BLACK DIAMOND MUNICIPAL CODE; ESTABLISHING
A TOWN HALL REGULAR MEETING SCHEDULE;
PROVIDING FOR SEVERABILITY; AND ESTABLISHING
AN EFFECTIVE DATE**

WHEREAS, regular meetings of the City Council occur on the first and third Thursdays of each month; and

WHEREAS, the City Council desires to add a third regular meeting of the City Council for the purpose of holding informal Town Hall meetings to give members of the community an opportunity to discuss emerging issues and to voice concerns and preferences for their community as well as an opportunity for the City Council to solicit and provide information regarding specific topics affecting the community; and

WHEREAS, the City Council desires to amend the City Code to establish a regular schedule for Town Hall meetings;

NOW, THEREFORE, the City Council of the City of Black Diamond, Washington, do ordain as follows:

Section 1. Amendment of BDMC 2.04.010 (Meetings).

The regular meetings of the City Council of the City shall be held at the Black Diamond Municipal Building, 25510 Lawson Street, Black Diamond, King County, Washington on the first and third Thursdays of each month at the hour of seven p.m., with the first such meeting to be May 7, 1998. Town Hall meetings of the City Council shall be held at **, Black Diamond, King County, Washington on the second Thursday of each month at the hour of seven p.m. with the first such regular meeting to be held on April 12, 2012.

Section 2. Severability. Should any section, paragraph, sentence, clause or phrase of this Ordinance, or its application to any person or circumstance, be declared unconstitutional or otherwise invalid for any reason, or should any portion of this Ordinance be pre-empted by State

or Federal law or regulation, such decision or pre-emption shall not affect the validity of the remaining portions of this Ordinance or its application to other persons or circumstances.

Section 3. Effective Date. This Ordinance shall be published in the official newspaper of the City, and shall take effect and be in full force five (5) days after the date of publication.

ADOPTED BY THE CITY COUNCIL AT A REGULAR MEETING THEREOF ON THE 15TH DAY OF MARCH, 2012.

CITY OF BLACK DIAMOND

Rebecca Olness, Mayor

ATTEST/AUTHENTICATED:

Brenda L. Martinez, City Clerk

Approved as to form:

Chris D. Bacha,
Kenyon Disend PLLC
City Attorney

Filed with the City Clerk:
Passed by the City Council:
Ordinance No.
Date of Publication:
Effective Date:

CITY COUNCIL AGENDA BILL

City of Black Diamond
Post Office Box 599
Black Diamond, WA 98010

ITEM INFORMATION		
SUBJECT: Resolution No. 12-786, amending the City Council Rules of Procedure to establish Rules of Procedures for Town Hall meetings	Agenda Date: March 15, 2012	
	AB12-013A	
	Department/Committee/Individual	
	Mayor Rebecca Olness	
	City Administrator –	
	City Attorney –Chris Bacha	X
	City Clerk – Brenda L. Martinez	
	Finance – May Miller	
	Public Works – Seth Boettcher	
	Economic Devel. – Andy Williamson	
Cost Impact:	Police – Jamey Kiblinger	
Fund Source:	Court – Stephanie Metcalf	
Timeline:	Comm. Dev. – Steve Pilcher	
Attachments: Resolution No. 12-786		
SUMMARY STATEMENT: <p>The City Council has established a regular meeting of the City Council for the purpose of conducting regularly scheduled informal Town Hall meetings.</p> <p>The next step in the process is to amend the current Council Rules of Procedure to provide for such meetings. The proposed resolution prepared by City Attorney Bacha amends rule 2.4 regarding schedule of regular meetings and also adds a new rule 3.21 relating to Town Hall meetings.</p>		
COMMITTEE REVIEW AND RECOMMENDATION:		
RECOMMENDED ACTION: MOTION to adopt Resolution No. 12-786, amending the City Council Rules of Procedures to establish Rules of Procedures for Town Hall meetings.		
RECORD OF COUNCIL ACTION		
Meeting Date	Action	Vote
February 16, 2012	Motion to postpone to the March 15, 2012 meeting.	4-0
March 15, 2012		

RESOLUTION NO. 12-786

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY
OF BLACK DIAMOND, KING COUNTY, WASHINGTON
AMENDING THE CITY COUNCIL RULES OF
PROCEDURES TO ESTABLISH RULES AND
PROCEDURES FOR TOWN HALL MEETINGS**

WHEREAS, the City of Black Diamond has established rules and procedures governing the conduct of Council meetings, proceedings and business; and

WHEREAS, the City Council has established a regular meeting of the City Council for purpose of conducting regularly scheduled informal Town Hall meetings; and

WHEREAS, the City Council desires to amend the City Council Rules of Procedure to provide for town hall meetings;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF BLACK DIAMOND, WASHINGTON, DOES RESOLVE AS FOLLOWS:

Section 1. The Rules of Procedure of the Black Diamond City Council are hereby amended as follows:

A. Amendment of Rule 2.4 (Schedule of Regular Meetings). Rule 2.4 of the City Council Rules of Procedure is hereby amended to read as follows:

2.4 Schedule of Regular Meetings. In accordance with Section 2.04.010 of the Municipal Code, the regular meetings of the City Council shall be held on the first and the third Thursdays of every month at 7:00 p.m. in the City Hall Council Chambers located at 25510 Lawson Street, Black Diamond, Washington. The regular meeting location may be changed by a majority vote of the City Council. Town Hall meetings shall be held on the second Thursday of every month at 7:00 p.m. in the ** located at **, Black Diamond, Washington; provided that,

nothing herein prohibits the City from holding a Town Hall meeting during a special meeting of the City Council.

B. New Rule 3.21 (Town Hall Meetings) Added. Section 3 of the City Council Rules of Procedure is hereby amended by the addition of new rule 3.21 (Town Hall Meetings), reading as follows:

3.21 Town Hall Meetings.

3.21.1 Purpose. Town Hall meetings are intended to be informal meetings of the City Council and members of the community of Black Diamond held for the purpose of providing interested members of the community an opportunity to discuss emerging issues and to voice concerns, opinions and preferences for their community as well as an opportunity for the City to provide information to the community and solicit information and opinions regarding specific topics affecting the community, and to respond to questions. It is not the purpose of Town Hall meetings to take final action on any matter before the City Council.

3.21.1 Town Hall Agenda. The agenda for a Town Hall meeting shall be prepared in conformance with Rule 3.1. The order of the Agenda shall be in conformance with Rules 3.2, 3.3, 3.4, 3.5, 3.17 and 3.19 of the City Council Rules of Procedure; provided that, the public comment period may be limited to specific topics identified in the Town Hall Meeting Agenda. The public comment period shall conform to Section 3.8.5 of the City Council Rules of Procedure. Rules 10.1 and 10.2 of the City Council Rules of Procedure will not be applicable to public comment period during Town Hall meetings. Presentations to be made during a Town Hall meeting shall be scheduled and presented in accordance with Section 3.8.4 of the City Council Rules of Procedure.

The presiding officer shall retain authority to impose rules of procedure to ensure open discussion during the Town Hall meeting, an equal opportunity for people with opposing or different viewpoints to speak, an opportunity for everyone who wants to speak to have a turn before anyone is allowed to speak a second time, and to ensure order and decorum. Where necessary, due to the number or persons who want to speak, the presiding officer shall retain authority to limit all persons' remarks to an equal period of time.

C. Staffing. City staff and the City Attorney shall not be required attend Town Hall meetings unless otherwise directed by the Mayor; with the exception that, the City Clerk, or designee, shall attend Town Hall meetings for the purpose of keeping a journal of the minutes of the meeting and to act as the City Council's parliamentarian in the absence of the City Attorney.

**PASSED BY THE CITY COUNCIL OF THE CITY OF BLACK DIAMOND,
WASHINGTON, AT A REGULAR MEETING THEREOF, THIS 15TH DAY OF MARCH,
2012.**

CITY OF BLACK DIAMOND:

Rebecca Olness, Mayor

Attest:

Brenda L. Martinez, City Clerk

CITY COUNCIL AGENDA BILL

City of Black Diamond
Post Office Box 599
Black Diamond, WA 98010

ITEM INFORMATION			
SUBJECT: Resolution No. 12-789, amending FY 2011 Municipal Stormwater Capacity Grant Agreement.	Agenda Date: March 15, 2012		AB12-016
	Department/Committee/Individual	Created	Reviewed
	Mayor Rebecca Olness		
	City Administrator –		
	City Attorney –Chris Bacha		
	City Clerk – Brenda L. Martinez		
	Finance – May Miller		
	Public Works – Seth Boettcher	X	
	Economic Devel. – Andy Williamson		X
	Cost Impact: \$50,000 revenue	Police – Jamey Kiblinger	
Fund Source: Department of Ecology	Court – Stephanie Metcalf		
Timeline: FY July 2012 – June 2013	Comm. Dev. – Steve Pilcher		
Attachments: Resolution No. 12-789, Grant amendment			
<p>SUMMARY STATEMENT:</p> <p>The purpose of this grant is to provide additional assistance to the City of Black Diamond with Phase II of our Municipal Stormwater Permit requirements.</p> <p>The Department of Ecology has received additional funds for July 2012 to June 2013. This amendment will increase grant funds by \$50,000. The deadline to use these funds will also increase by one year from June 30, 2012 to June 30, 2013.</p> <p>This gives the City more time to use the \$81,076 originally granted, but state assistance for meeting Phase II Stormwater Permit requirements is being reduced for the next year.</p>			
COMMITTEE REVIEW AND RECOMMENDATION:			
<p>RECOMMENDED ACTION: MOTION to adopt to adopt Resolution No. 12-789 authorizing the Mayor to sign an amendment to the grant agreement with the Department of Ecology for Phase II Stormwater Permit requirement assistance.</p>			
RECORD OF COUNCIL ACTION			
<i>Meeting Date</i>	<i>Action</i>	<i>Vote</i>	
March 15, 2012			

RESOLUTION NO. 12-789

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
BLACK DIAMOND, KING COUNTY, WASHINGTON
AUTHORIZING AN AMENDMENT TO THE GRANT
AGREEMENT WITH THE DEPARTMENT OF ECOLOGY
FOR PHASE II STORMWATER PERMIT REQUIREMENT
ASSISTANCE**

WHEREAS, the City of Black Diamond is required to meet Phase II Municipal Stormwater Permit requirements; and

WHEREAS, the City of Black Diamond executed an agreement with the Department of Ecology to receive grant funds on November 4, 2010; and

WHEREAS, the Department of Ecology is providing grant funds of \$50,000 July 2012 to June 2013; and

WHEREAS, the Department of Ecology is also extending the deadline to use current grant funds by one year with a new termination date of June 30, 2013;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF BLACK DIAMOND, WASHINGTON, DOES RESOLVE AS FOLLOWS:

Section 1. The Mayor is hereby authorized to execute the amendment to the grant agreement with the Department of Ecology for Phase II Municipal Stormwater Permit requirement assistance as attached hereto as Exhibit A.

PASSED BY THE CITY COUNCIL OF THE CITY OF BLACK DIAMOND, WASHINGTON, AT A REGULAR MEETING THEREOF, THIS 15TH DAY OF MARCH, 2012.

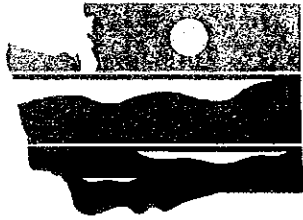
CITY OF BLACK DIAMOND:

Rebecca Olness, Mayor

Attest:

Brenda L. Martinez, City Clerk

EXHIBIT 'A'



DEPARTMENT OF ECOLOGY State of Washington

AMENDMENT NO. 1 TO GRANT AGREEMENT NO. G1100019 BETWEEN THE STATE OF WASHINGTON DEPARTMENT OF ECOLOGY AND CITY OF BLACK DIAMOND

PURPOSE: To amend the above-referenced grant agreement between the Department of Ecology [DEPARTMENT] and City of Black Diamond [RECIPIENT] for the Municipal Stormwater Capacity Grant Project. This amendment is needed to increase the budget for Phase II community NPDES Permit Activities by \$50,000 and extend the expiration date of the grant agreement.

IT IS MUTUALLY AGREED that the grant agreement is amended as follows:

PART I. GENERAL INFORMATION

1. The general information shall be modified as follows:
 - a. The expiration date is extended from June 30, 2012 to **June 30, 2013**.

PART IV. PROJECT BUDGET

1. The project budget shall be modified as followed:

	Current Budget Element Cost	Revised Budget Element Cost
Element No.		
Task 1 – Project Administration/Management (limited to 10% of total)	\$ 3,000	\$ 8,000
Task 2 – Implementation and management of Stormwater Program	\$ 51,076	\$ 96,076
Task 3 – Reconfigure the city warehouse building to house equipment	\$20,000	\$20,000
Task 4 – Purchase Hazardous material storage facilities and IDDE equipment	\$ 7,000	\$ 7,000
Project Totals	\$ 81,076	\$ 131,076

City of Black Diamond
Amendment to Grant Agreement G1100019
Page 2

FURTHER, this amendment shall be effective upon the date of signature by the Water Quality Program Manager of the DEPARTMENT.

Except as expressly provided by this amendment, all other terms and conditions of the original grant agreement and all amendments remain in full force and effect.

IN WITNESS WHEREOF: the parties have signed this amendment.

STATE OF WASHINGTON
DEPARTMENT OF ECOLOGY

CITY OF BLACK DIAMOND

KELLY SUSEWIND, P.E., P.G. DATE
WATER QUALITY PROGRAM MANAGER

REBECCA OLNESS DATE
MAYOR

APPROVED AS TO FORM ONLY
ASSISTANT ATTORNEY GENERAL

CITY COUNCIL AGENDA BILL

City of Black Diamond
Post Office Box 599
Black Diamond, WA 98010

ITEM INFORMATION		
SUBJECT: Resolution No. 12-790, authorizing the Mayor to enter into a lease agreement with the Black Diamond Historical Society	Agenda Date: March 15, 2012	
	AB12-017	
	Department/Committee/Individual	
	Mayor Rebecca Olness	X
	City Administrator –	
	City Attorney –Chris Bacha	
	City Clerk – Brenda L. Martinez	
	Finance – May Miller	
	Public Works – Seth Boettcher	
	Economic Devel. – Andy Williamson	
Cost Impact:		
Fund Source:		
Timeline:		
Attachments: Resolution No. 12-790; Current Lease Agreement; Proposed Lease Agreement		
SUMMARY STATEMENT: <p>The current lease agreement with the Black Diamond Historical Society expires on March 31, 2012. In consideration of the public benefit the Black Diamond Historical Society provides for the City and its citizens, it is the desire of both the City and Historical Society to enter into a new lease agreement.</p> <p>The proposed agreement is basically the same except (5) Utilities and Fees and (6) Accidents and Liabilities, both have been changed to reflect the current practice of the City.</p>		
COMMITTEE REVIEW AND RECOMMENDATION:		
RECOMMENDED ACTION: MOTION to adopt Resolution No. 12-790, authorizing the Mayor to enter into a lease agreement with the Black Diamond Historical Society for the term of 10 years commencing April 1, 2012 and expiring March 31, 2022.		
RECORD OF COUNCIL ACTION		
<i>Meeting Date</i>	<i>Action</i>	<i>Vote</i>
March 15, 2012		

RESOLUTION NO. 12-790

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
BLACK DIAMOND, KING COUNTY, WASHINGTON
AUTHORIZING THE MAYOR TO ENTER INTO A LEASE
AGREEMENT WITH THE BLACK DIAMOND HISTORICAL
SOCIETY**

WHEREAS, the City is authorized to enter into lease agreements with non-profit corporations; and

WHEREAS, the current lease agreement with the Black Diamond Historical Society expires on March 31, 2012; and

WHEREAS, in consideration of the public benefit the Black Diamond Historical Society provides for the City and its citizens, it is the desire of both the City of Black Diamond and the Black Diamond Historical Society to enter into a new lease agreement;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF BLACK DIAMOND, WASHINGTON, DOES RESOLVE AS FOLLOWS:

Section 1. The Mayor is hereby authorized to execute a Lease Agreement between the City of Black Diamond and the Black Diamond Historical Society substantially in the form attached hereto as Exhibit A.

PASSED BY THE CITY COUNCIL OF THE CITY OF BLACK DIAMOND, WASHINGTON, AT A REGULAR MEETING THEREOF, THIS 15TH DAY OF MARCH, 2012.

CITY OF BLACK DIAMOND:

Rebecca Olness, Mayor

Attest:

Brenda L. Martinez, City Clerk

After Recording Return to:

City of Black Diamond

PO Box 599

Black Diamond, WA 98010

COMMERCIAL LEASE

THIS LEASE made this 1st day of April, 2002, by and between The City of Black Diamond, a municipal corporation, organized under the Optional Municipal Code, hereinafter called "Lessor," and The Black Diamond Historical Society, a non profit corporation, hereinafter referred to as "Lessee."

WITNESSETH:

1. **PREMISES:** Lessor does hereby lease to Lessee those certain lands and improvements legally described on Exhibit "1" attached hereto and incorporated herein as if set forth in full, commonly known as the site upon which the Black Diamond Historical Society and Museum is located in Black Diamond, King County, Washington.
2. **TERM:** The term of this Lease shall be for ten (10) years commencing the 1st day of April 2002 ending the 31st day of March 2012, as long as the facility is an operational museum and is open to the public.
3. **RENT:** Lessee covenants and agrees to pay the Lessor as rental for said premises the sum of One and no/100 (\$1.00) DOLLAR per year. Rent is payable

in advance on the 1st day of the year to Lessor at City Hall, Black Diamond. The parties agree that the benefit to the citizens of the City of Black Diamond provided by the Black Diamond Historical Society and Museum is greater than or equal to the fair market value of the leased premises.

4. REPAIRS AND MAINTENANCE: Premises have been inspected and are accepted by Lessee in their present condition. Lessee shall, at its own expense, and at all times, keep the premises neat, clean and in a sanitary condition, and keep and use the premises in accordance with applicable laws, ordinances, rules, regulations and requirements of governmental authorities. Lessee shall permit no waste, damage or injury to the premises; keep all drain pipes free and open; protect water, heating, gas and other pipes to prevent freezing or clogging; repair all leaks and damage caused by leaks; replace all glass in windows and doors of the premises which may become cracked or broken; and remove ice and snow from sidewalks. The roof, exterior walls and foundations, which are the responsibility of the Lessee, Lessee shall make such repairs as necessary to maintain the premises in as good a condition as they now are in, reasonable use and wear and damage by fire and other casualty excepted.
5. UTILITIES AND FEES: Lessee agrees to pay all charges for lights, heat, water, sewer, garbage and all other utilities and services to the premises; and all license fees and other governmental charges levied on the operation of Lessee's business on the premises.
6. ACCIDENTS AND LIABILITIES: Lessor or its agents shall not be liable for any injury or damage to persons or property sustained by Lessee or others in and about the premises. Lessee agrees to defend and hold Lessor and its agents harmless from any claim, action and/or judgment for damages to property or injury to persons suffered or alleged to be suffered on the premises by any person, firm or corporation, unless caused by Lessor's negligence.
7. USE: Lessee shall use the premises for the purpose of operating a museum, historical site, and other civic uses that would benefit the historical society.
8. LIENS AND INSOLVENCY: Lessee shall keep the premises free from any liens arising out of any work performed for, materials furnished to, or obligations incurred by Lessee and shall hold Lessor harmless against the same. In the event Lessee becomes insolvent, bankrupt, or if a receiver, assignee or other liquidating officer is appointed and not dismissed within thirty (30) days for the business of Lessee, Lessor may cancel this Lease at its option.
9. SUBLETTING OR ASSIGNMENT: Lessee shall not sublet the whole or any part of the premises, nor assign this lease without written consent of Lessor. The Lessor may withhold its consent for any reason.

10. ACCESS: Lessor shall have the right to enter the premises at all reasonable times for the purpose of inspection or of making repairs, additions or alterations, and to show the premises to prospective tenants for sixty (60) days prior to the expiration of the lease term.
11. POSSESSION: Lessor shall deliver possession of the premises to Lessee at the commencement of the term.
12. FIRE AND OTHER CASUALTY: In the event the premises are destroyed or damaged by fire, earthquake or other casualty to such an extent as to render the same untenable in whole or in a substantial part thereof, it shall be optional with the Lessor to rebuild or repair the same; and after the happening of any such contingency, the Lessee shall give Lessor or Lessor's agents immediate written notice thereof. Lessor shall have not more than ninety (90) days after date of such notification to notify the Lessee in writing of Lessor's intentions to rebuild or repair said premises, or the part so damaged as aforesaid, and if Lessor elects to rebuild or repair said premises, Lessor shall prosecute the work of such rebuilding or repairing without unnecessary delay and during such period the rent of said premises shall be abated in the same ratio that that portion of the premises rendered for the time being unfit for occupancy shall bear to the whole of the leased premises. If the Lessor shall fail to give the notice aforesaid, Lessee shall have the right to declare this lease terminated by written notice served upon the Lessor or Lessor's agents.

In the event the building in which the premises hereby leased are located shall be destroyed or damaged by fire, earthquake or other casualty (even though the premises hereby leased shall not be damaged thereby) to such an extent that in the opinion of Lessor it shall not be practicable to rebuild or repair, then it shall be optional with the Lessor to terminate this lease by written notice served on Lessee within ninety (90) days after such destruction or damage.

13. SIGNS: Lessee may install signs on the premises, as Lessee deems appropriate to identify Lessee's business. At the termination of this lease, Lessee will remove all signs placed by it upon the premises, and will repair any damage caused by such removal, and replace prior signposts and cover at the option of Lessor.
14. ALTERATIONS: After prior written consent of Lessor, Lessee may make alterations, additions and improvements in said premises, at its sole cost and expense. In the performance of such work, Lessee agrees to comply with all laws, ordinances, rules and regulations of any proper public authority, and to save Lessor harmless from damage, loss or expense. Upon termination of this lease and upon Lessor's request, or Lessor's approval, Lessee shall remove such improvements and restore the premises to its original condition at option of Lessor, not later than the termination date, at Lessee's sole cost and expense. Any improvements not so removed shall remain in and be surrendered with the

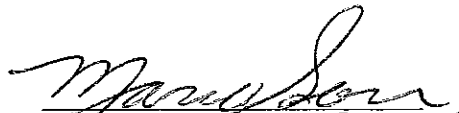
premises as a part thereof. Trade fixtures may be removed at Lessee's expense provided that Lessee shall pay for any damage caused by such removal.

15. DEFAULT AND RE-ENTRY: If Lessee shall fail to keep and perform any of the covenants and agreements herein contained, including the payment of rent or the operation of a public museum on a regular basis, and such failure continued for thirty (30) days after written notice from Lessor, unless the rent is paid or appropriate action has been taken by Lessee in good faith to cure such failure, Lessor may terminate this lease and re-enter said premises, and sublet the whole or any part thereof for the account of the Lessee upon as favorable terms and conditions as the market will allow for the balance of the term of the lease and Lessee covenants and agrees to pay to Lessor any deficiency arising from a re-letting of the premises at a lesser amount than herein agreed to. Lessee shall pay such deficiency each month as the amount thereof is ascertained by Lessor.
16. REMOVAL OF PROPERTY: In the event Lessor lawfully re-enters the premises as provided herein, Lessor shall have the right, but not the obligation, to remove all the personal property located therein and to place such property in storage at the expense and risk of Lessee.
17. COSTS AND ATTORNEY FEES: If by reason of any default on the part of the Lessee it becomes necessary for the Lessor to employ an attorney or in case Lessor shall bring suit to recover any rent due hereunder, or for breach of any provision of this lease or to recover possession of the leased premises, or if Lessee shall bring any action for any relief against Lessor, declaratory or otherwise, arising out of this lease and Lessor shall prevail in such action, then and in any of such events Lessee shall pay Lessor a reasonable attorney's fees and all costs and expenses expended or incurred by the Lessor in connection with such default or action.
18. NO WAIVER OR COVENANTS: Any waiver by either party of any breach hereof by the other shall not be considered a waiver of any future similar breach. This lease contains all the agreements between the parties; and there shall be no modification of the agreements contained herein except by written instrument.
19. SURRENDER OF PREMISES: Lessee agrees, upon termination of this lease, to peacefully quit and surrender the premises without notice, leave the premises neat and clean, and to deliver all keys to the premises to Lessor. Lessee agrees to leave all buildings and facilities that it has constructed.
20. HOLDING OVER: If Lessee, with the implied or expressed consent of Lessor, shall hold over after the expiration of the term of this lease, Lessee shall remain bound by all the covenants and agreements herein, except that the tenancy shall be from month to month.


21. NOTICE: Any notice required to be given by either party to the other shall be deposited in the United State mail, postage paid, addressed to Lessor at City Hall, City of Black Diamond PO Box 599, Black Diamond, Washington 98010 or to Lessee at Black Diamond Historical Society, PO Box 232, Black Diamond, Washington 98010 or at such other address as either party may designate in writing from time to time.
22. TIME IS THE ESSENCE OF THIS LEASE:
IN WITNESS WHEREOF, the parties have hereunto set their hands and seals the date first above written.

LESSORS:

City of Black Diamond



~~Mayor Howard Botts~~ Pro-Tem Sorci

Attested:


Cris Kandior, City Clerk

LESSEES:

Black Diamond Historical Society


President

STATE OF WASHINGTON)

) : ss.

County of KING)

On this day personally appeared before me Mario Sorci to me known to be the Mayor Pro-Tem of the City of Black Diamond, described in and who executed the within and foregoing instrument, and acknowledged that he signed the same as the City's free and voluntary act and deed for the uses and purposes therein mentioned.

GIVEN under my hand and official seal this 22nd day of March, 2002.



Cristine Kandior

NOTARY PUBLIC in and for
The State of Washington residing

at Maple Valley, WA.

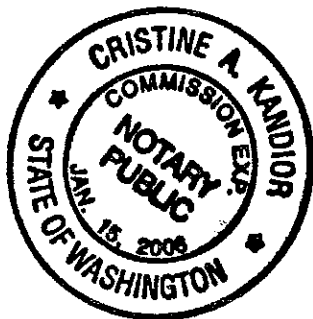
STATE OF WASHINGTON)

) : ss.

County of KING)

On this day personally appeared before me Don Mason to me known to be the President of the Black Diamond Historical Society, described in and who executed the within and foregoing instrument, and acknowledged that he signed the same as the his free and voluntary act and deed for the uses and purposes therein mentioned.

GIVEN under my hand and official seal this 27th day of March, 2002.



Cristine A. Kandior

NOTARY PUBLIC in and for
The State of Washington residing

at 1/15/2006

EXHIBIT 1

The following described premises situated in King County, Washington, to wit:

Being a portion of Qtr-NW, Sec-14, Twp-21, Rge-6, Lot 1, Block 12. Parcel number 084400-0600-0. Known as 32627 Railroad Avenue, Black Diamond, Washington, 98010.

After Recording Return to:
City of Black Diamond
PO Box 599
Black Diamond, WA 98010

COMMERCIAL LEASE

THIS LEASE made this 1st day of April, 2012 by and between the City of Black Diamond, a municipal corporation, organized under the Optional Municipal Code, hereinafter called "Lessor", and the Black Diamond Historical Society, a non profit corporation, hereinafter referred to as "Lessee".

WITNESSETH:

1. **PREMISES:** Lessor does hereby lease to Lessee those certain lands and improvements legally described on Exhibit "1" attached hereto and incorporated herein as if set forth in full, commonly known as the site upon which the Black Diamond Historical Society and Museum is located in Black Diamond, King County, Washington.
2. **TERM:** The term of this Lease shall be for ten (10) years commencing the 1st day of April, 2012.

3. RENT: Lessee covenants and agrees to pay the Lessor as rental for said premises the sum of One and no/100 (\$1.00) DOLLAR per year. Rent is payable in advance of the 1st day of the year to Lessor at City Hall, Black Diamond. The parties agree that the benefit to the citizens of the City of Black Diamond provided by the Black Diamond Historical Society and Museum is greater than or equal to the fair market value of the leased premises.
4. REPAIRS AND MAINTENANCE: Premises have been inspected and are accepted by Lessee in their present condition. Lessee shall, at its own expense, and at all times, keep the premises neat, clean and in a sanitary condition, and keep and use the premises in accordance with applicable laws, ordinances, rules, regulations and requirements of governmental authorities. Lessee shall permit no waste, damage or injury to be premises; keep all drain pipes free and open; protect water, heating, gas and other pipes to prevent freezing or clogging; repair all leaks and damage caused by leaks; replace all glass in windows and doors of the premises which may become cracked or broken; and remove ice and snow from sidewalks. The roof, exterior walls and foundations, which are the responsibility of the Lessee, Lessee shall make such repairs as necessary to maintain the premises in as good a condition as they now are in, reasonable use and wear and damage by fire and other casualty excepted.
5. UTILITIES AND FEES: Lessor agrees to pay all charges for lights, heat water, sewer, and stormwater and all other utilities and services to the premises; and all license fees and other governmental charges levied on the operation of Lessee's business on the premises.
6. ACCIDENTS AND LIABILITIES: Lessor shall provide property and liability insurance for the premises. At such time as the Lessor is unable or unwilling to continue to provide such insurance, the insurance shall be provided by the Lessee in such amounts and limits as acceptable to the Lessor.
7. USE: Lessee shall use the premises for the purpose of operating a museum, historical site, and other civic uses that would benefit the historical society.
8. LIENS AND INSOLVENCY: Lessee shall keep the premises free from any liens arising out of any work performed for, materials furnished to, or obligations incurred by Lessee and shall hold Lessor harmless against the same. In the event Lessee becomes insolvent, bankrupt, or if a receiver, assignee or other liquidating officer is appointed and not dismissed within thirty (30) days for the business of Lessee, Lessor may cancel this Lease at its option.
9. SUBLETTING OR ASSIGNMENT: Lessee shall not sublet the whole or any part of the premises, nor assign this lease without written consent of the Lessor.

10. ACCESS: Lessor shall have the right to enter the premises at all reasonable times for the purpose of inspection or of making repairs, additions or alterations, and to show the premises to prospective tenants for sixty (60) days prior to the expiration of the lease term.
11. POSSESSION: Lessor shall deliver possession of the premises to Lessee at the commencement of the term.
12. FIRE AND OTHER CASUALTY: In the event the premises are destroyed or damaged by fire, earthquake or other casualty to such an extent as to render the same untenable in whole or in a substantial part thereof, it shall be optional with the Lessor to rebuild or repair the same; and after the happening of any such contingency, the Lessee shall give Lessor or Lessor's agents immediate written notice thereof. Lessor shall have not more than ninety (90) days after date of such notification to notify the Lessee in writing of Lessor's intentions to rebuild or repair said premises, or the part so damaged as aforesaid, and if Lessor elects to rebuild or repair said premises, Lessor shall prosecute the work of such rebuilding or repairing without unnecessary delay and during such period the rent of said premises shall be abated in the same ratio that that portion of the premises rendered for the time being unfit for occupancy shall bear to the whole of the leased premises. If the Lessor shall fail to give the notice aforesaid, Lessee shall have the right to declare this lease terminated by written notice served upon Lessor or Lessor's agents.

In the event the building in which the premises hereby leased are located shall be destroyed or damaged by fire, earthquake or other casualty (even though the premises hereby leased shall not be damaged thereby) to such an extent that in the opinion of the Lessor it shall not be practicable to rebuild or repair, then it shall be optional with the Lessor to terminate this lease by written notice served on Lessee within ninety (90) days after such destruction or damage.

13. SIGNS: Lessee may install signs on the premises, as Lessee deems appropriate to identify Lessee's business. At the termination of this lease, Lessee will remove all signs place by it upon premises, and will repair any damage caused by such removal, and replace prior signposts and cover at the option of Lessor.
14. ALTERATIONS: After prior written consent of Lessor, Lessee may make alterations, additions and improvements in said premises, at its sole cost and expense. In the performance of such work, Lessee agrees to comply with all laws, ordinances, rules and regulations of any proper public authority, and to save Lessor harmless from damage, loss or expense. Upon termination of this lease and upon Lessor's request, or Lessor's approval, Lessee shall remove such

improvements and restore the premises to its original condition at option of Lessor, not later than the termination date, at Lessee's sole cost and expense. Any improvements not so removed shall remain in and be surrendered with the premises as a part thereof. Trade fixtures may be removed at Lessee's expense provided that Lessee shall pay for any damage caused by such removal.

15. DEFAULT AND RE-ENTRY: If Lessee shall fail to keep and perform any of the covenants and agreements herein contained, including the payment of rent, and such failure continued for thirty days after written notice from Lessor, unless the rent is paid or appropriate action has been taken by Lessee in good faith to cure such failure, Lessor may terminate this lease and re-enter said premises, and sublet the whole or any part thereof for the account of the Lessee upon as favorable terms and conditions as the market will allow for the balance of the term of the lease and Lessee covenants and agrees to pay to Lessor any deficiency arising from a re-letting of the premises at a lesser amount than herein agreed to. Lessee shall pay such deficiency each month as the amount thereof in ascertained by Lessor.
16. REMOVAL OF PROPERTY: In the event Lessor lawfully re-enters the premises as provided herein, Lessor shall have the right, but not the obligation, to remove all the personal property located therein and to place such property in storage at the expense and risk of Lessee.
17. COSTS ATTORNEY FEES: If by reason or any default on the part of the Lessee it becomes necessary for the Lessor to employ an attorney or in case Lessor shall bring suit to recover any rent due hereunder, or for breach of any provision of this lease or to recover possession of the leased premises, or if Lessee shall bring any action for any relief against Lessor, declaratory or otherwise, arising out of this lease and Lessor shall prevail in such action, then and in any of such events Lessee shall pay Lessor a reasonable attorney's fees and all costs and expenses expended or incurred by the Lessor in connection with such default or action.
18. NO WAIVER OR COVENANTS: Any waiver by either party of any breach hereof by the other shall not be considered a waiver of any future similar breach. This lease contains all the agreements between the parties; and there shall be no modification of the agreements contained herein except by written instrument.
19. SURRENDER OF PREMISES: Lessee agrees, upon termination of this lease, to peacefully quit and surrender the premises without notice, leave the premises neat and clean, and to deliver all keys to the premises to Lessor. Lessee agrees to leave all buildings and facilities that it has constructed.
20. HOLDING OVER: If Lessee, with the implied or expressed consent of Lessor, shall hold over after the expiration of the term of this lease, Lessee shall remain

bound by all the covenants and agreements herein, except that the tenancy shall be from month to month.

21. NOTICE: Any notice required to be given by either party to the other shall be deposited in the United States mail, postage paid, addressed to Lessor at City Hall, City of Black Diamond, P.O. Box 559, Black Diamond, Washington 98010, or to Lessee at Black Diamond Historical Society, P.O. Box 232, Black Diamond, Washington 98010, or at such other address as either party may designate in writing from time to time.

22. TIME IS OF THE ESSENCE OF THIS LEASE:

IN WITNESS WHEREOF, the parties have hereunto set their hands and seals the date first above written.

LESSEE:

Black Diamond Historical Museum

LESSORS:

City of Black Diamond

President

Mayor Rebecca Olness

Attested:

Brenda L. Martinez, City Clerk

STATE OF WASHINGTON)

:SS.

County of KING)

On this day personally appeared before me Rebecca Olness to me known to be the Mayor of the City of Black Diamond, described in and who executed the within and foregoing instruments, and acknowledged that he signed the same as the City's free and voluntary act and deed for the uses and purposes herein mentioned.

GIVEN under my hand and official seal this _____ day of _____, 2012.

NOTARY PUBLIC in and for
the State of Washington residing
at _____
My commission expires _____

STATE OF WASHINGTON)

:SS.

County of KING)

On this day personally appeared before me _____ to me known to be the _____ of the Black Diamond Historical Society, described in and who executed the within and foregoing instrument, and acknowledged that he signed the same as the _____ free and voluntary act and deed for the uses and purposes herein mentioned.

GIVEN under my hand and official seal this _____ day of _____, 2012.

NOTARY PUBLIC in and for
the State of Washington residing
at _____
My commission expires _____

EXHIBIT 1

The following described premises situated in King County, Washington, to wit:

Being a portion of Qtr-NW, Sec 14, Twp-21, Rge-6, Lot 1, Block 12. Parcel number 084400-0600-0. Known as 32627 Railroad Avenue, Black Diamond, Washington 98010