

**WHATCOM COUNTY
CONTRACT INFORMATION SHEET**

Whatcom County Contract Number:

Originating Department:	85 Health and Community Services
Division/Program: (i.e. Dept. Division and Program)	8550 Human Services / 855040 Housing
Contract or Grant Administrator:	Michaela Mandala
Contractor's / Agency Name:	Lutheran Community Services Northwest

Is this a New Contract?	If not, is this an Amendment or Renewal to an Existing Contract?	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	If Amendment or Renewal, (per WCC 3.08.100 (a)) Original Contract #:	

Does contract require Council Approval?	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	If No, include WCC:
Already approved? Council Approved Date:	(Exclusions see: Whatcom County Codes 3.06.010, 3.08.090 and 3.08.100)		

Is this a grant agreement?	If yes, grantor agency contract number(s):		ALN#:
Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>		

Is this contract grant funded?	If yes, Whatcom County grant contract number(s):		202507023
Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>		

Is this contract the result of a RFP or Bid process?	If yes, RFP and Bid number(s):		Contract Cost Center:	18521002.6870
Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>			

Is this agreement excluded from E-Verify?	No <input type="checkbox"/>	Yes <input checked="" type="checkbox"/>
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If YES, indicate exclusion(s) below:

<input type="checkbox"/> Professional services agreement for certified/licensed professional.	<input type="checkbox"/> Goods and services provided due to an emergency.
<input type="checkbox"/> Contract work is for less than \$100,000.	<input type="checkbox"/> Contract for Commercial off the shelf items (COTS).
<input type="checkbox"/> Contract work is for less than 120 days.	<input type="checkbox"/> Work related subcontract less than \$25,000.
<input type="checkbox"/> Interlocal Agreement (between Governments).	<input type="checkbox"/> Public Works - Local Agency/Federally Funded FHWA.

Contract Amount:(sum of original contract amount and any prior amendments):	Council approval required for; all property leases, contracts or bid awards exceeding \$40,000 , and professional service contract amendments that have an increase greater than \$10,000 or 10% of contract amount, whichever is greater, except when : 1. Exercising an option contained in a contract previously approved by the council. 2. Contract is for design, construction, r-o-w acquisition, prof. services, or other capital costs approved by council in a capital budget appropriation ordinance. 3. Bid or award is for supplies. 4. Equipment is included in Exhibit "B" of the Budget Ordinance 5. Contract is for manufacturer's technical support and hardware maintenance of electronic systems and/or technical support and software maintenance from the developer of proprietary software currently used by Whatcom County.
\$ 66,455	
This Amendment Amount:	
\$	
Total Amended Amount:	

Summary of Scope: This agreement outlines the requirements for leasing a facility intended for use as the County's 2025-2026 winter shelter.

Contract Term Ends: 03/31/2026

Contract Routing:	1. Prepared by:	J. Thomson	Date:	07/08/2025
	2. Health Budget Approval	CR	Date:	09/10/2025
	3. Attorney signoff:	KT	Date:	09/12/2025
	4. AS Finance reviewed:	Bbennett	Date:	09/19/2025
	5. IT reviewed (if IT related):		Date:	
	6. Contractor signed:		Date:	
	7. Submitted to Exec.:		Date:	
	8. Council approved (if necessary):	AB2025-670	Date:	
	9. Executive signed:		Date:	
	10. Original to Council:		Date:	

COMMERCIAL LEASE AGREEMENT

This Commercial Lease Agreement “Lease”) is agreed and entered into by Lutheran Community Services Northwest (“Landlord” or “LCSNW”), whose principal address is 1944 Pacific Ave, Suite 206, Tacoma, Washington, and Whatcom County, (“Tenant” or “County”), with its principal address at 509 Girard Street, Bellingham, WA 98225.

Landlord and Tenant hereby agree as follows:

- 1. DESCRIPTION OF PREMISES.** Landlord agrees to lease to Tenant approximately 6,000 square feet of interior space and certain designated outdoor space (collectively, the “Premises”) of the Landlord’s property located at 925 N. Forest Street, Bellingham WA 98225 (the “Property”). The Premises are more precisely described by the illustration attached to this Lease and incorporated at Exhibit A.
- 2. TENANT’S USE OF PREMISES.** Landlord agrees to lease the Premises to Tenant for the Tenant’s purpose of operating a severe weather shelter during the winter months for the benefit of the community, including all activities associated with this purpose. The severe weather shelter is expected to open to guests at 4:00 pm and remain open until 9:00 am the following day on days when severe weather conditions warrant opening the shelter, and the shelter may operate for up to 13 consecutive days, if necessary. Tenants will also be allowed reasonable access to the property outside of shelter hours for purposes of cleaning and preparing the Premises. Any change in the use or purpose of the Premises as described in this section may be permitted only with the prior written consent of Landlord.
- 3. LEASE PERIOD AND OCCUPANCY.** This Lease shall commence November 1, 2025 (the “Effective Date”), and it shall expire at Midnight on March 31, 2026 (the “End Date”). The time during which the Lease is effective is referred to as the “Lease Period”. Tenant’s use of the Premises shall commence as of November 1st, 2025 (the “Occupancy Date”).
- 4. EXCLUSIVE USE.** The Tenant shall have exclusive use of the Premises during the Lease Term, except as otherwise permitted by the terms of this Lease, not hold exclusive rights on the Property. The Landlord shall hold the rights to lease other areas of the Property to any same or like use as the Tenant.
- 5. RENT AMOUNT.** Payment shall be made by the Tenant to the Landlord in the amount of \$13,291 per month during the Lease Period (“Rent”). Utilities expenses resulting from Tenant’s occupation during the term of this Lease are already included in the Rent amount. Those utilities include electric, gas, sewer, water, garbage, recycling, internet, telephone, IT services, insurance, and maintenance. Rent will be prorated on a per day basis for any partial months during the Lease Period.

6. RENT BREAKDOWN

Description	Rent Monthly	5 Months' Rent (11/01/25 – 3/31/26)
- Base Lease	\$13,000	\$65,000
- Other Expense Facilities Services	\$221	\$1,105
- Required Building Improvements	\$70	\$350
Total Rent	\$ 13,291	\$ 66,455

- 7. RENT PAYMENT.** The Rent shall be paid by the Tenant to the Landlord on a per month basis with payment due for the first month no later than the Occupancy Date, and no later than the first day of every following month during the Lease Period. Rent shall be paid by the Tenant to the Landlord by check sent to Lutheran Community Services Northwest, PO Box 94492 Seattle, WA 98124, or by other method, such as electronic transfer (ACH), if mutually agreed by the Parties.
- 8. EXPIRATION AND RENEWAL OF LEASE.** During 2026, the parties agree to meet to discuss the possibility of renewing or extending the lease for the 2026-2027 winter weather season and to coordinate any ongoing partnership. At such time, and on an ongoing basis, Landlord and Tenant may discuss future improvements to the Premises that may be desired and funded by Tenant and other changes to the Property and the operation of the severe weather shelter.
- 9. CONDITION OF PREMISES.** The premises shall be in a condition suited for the purpose of the lease. Tenant and Landlord shall agree on the conditions of suitability in writing prior to execution of this lease. Tenant may inspect the premises prior to commencement of the lease to confirm suitability has been achieved.
- 10. LATE FEE.** If rent is not paid by Tenant on or before each day rent is due, Landlord will charge a late fee to Tenant in the amount of 2.5% of the monthly rent amount per month, per occurrence.
- 11. SECURITY DEPOSIT.** Tenant will pay Landlord a security deposit equal to one full of the monthly rent amount upon or soon after the Effective Date, and prior to the Occupancy Date. Landlord shall hold the security deposit to be applied against any damages to the property that arise during or are discovered following the end of the Lease Period. Landlord may invoice Tenant for costs in excess of the amount of the Security Deposit. Landlord shall return any unused portion of the Security Deposit to Tenant within 60 days of the End Date, unless otherwise agreed by the parties.
- 12. INSURANCE.**
- 12.1. Tenant shall obtain and keep in force during the term of this Lease a commercial (comprehensive) liability insurance policy protecting Tenant against claims for bodily injury, personal injury and property damage based upon, involving or arising out of the ownership, use, occupancy or maintenance of the Premises and all areas appurtenant thereto. Such insurance shall provide single limit coverage in an amount not less than \$2,000,000 per occurrence with an "Additional Insured - Managers or Landlords of Premises" endorsement, or equivalent, including contractual liability. The policy shall not contain any inter-insured exclusions between insured

persons or organizations. The limits of said insurance required by this Lease or as carried by Tenant shall not, however, limit the liability of Tenant nor relieve the Tenant of any obligation hereunder. All insurance to be carried by Tenant shall be primary to and not contributory with any similar insurance carried by Landlord, whose insurance shall be considered excess insurance only.

12.2. Tenant may satisfy its insurance obligations herein through Tenant's participation in a joint self-insurance program, through the Washington Counties Risk Pool (WCRP).

12.3. The Tenant is a member of the Washington Counties Risk Pool (the "Pool"), as authorized by RCW 48.62.031, and the County is covered by the Pool's Joint Self-Insurance Liability Program. The Pool's Joint Self-Insurance Liability Program was created by interlocal cooperative agreement amongst the Pool's member counties to share risks by "jointly, self-insuring" certain third-party liabilities. The Pool is not an insurance company. Claims that are covered under a Memorandum of Liability Coverage ("MLS") from the Pool and were submitted under Chapter 4.96 RCW ("Actions against political subdivisions, municipal and quasi-municipal corporations") against the County, its employees, officers, volunteers and agents and/or actions in connection with or incidental to the performance of an agreement/contract which the County and/or its officers, employees or volunteers are found to be liable for will be paid by the Pool and/or the Tenant.

12.4. To the extent permitted by law, Landlord and Tenant each hereby waive any right of subrogation that their respective insurers may have against the other party as a result of any damage or loss covered by insurance maintained by either party. Each party agrees to provide written confirmation of this waiver from their respective insurers, if requested by the other party. The intent of this clause is to ensure that the insurance policies maintained by each party shall cover their respective risks without seeking recovery from the other party.

12.5. Prior to the Effective Date, Tenant shall provide Landlord with a Certificate of Insurance (COI) or equivalent proof of coverage demonstrating insurance coverage meeting the requirements of this section. Tenant shall ensure that Landlord receives a COI or equivalent proof of coverage upon renewal of Tenant's insurance policy, if applicable. Failure to provide current proof of coverage shall constitute a material breach of the terms of this Lease.

13. INDEMNIFICATION BY TENANT. Tenant agrees to indemnify, defend, and hold harmless the Landlord, its officers, agents, and employees from and against any and all claims, demands, actions, losses, liabilities, damages, costs, and expenses (including reasonable attorneys' fees and court costs) arising out of or in connection with Tenant's use, occupancy, or operations on the leased premises, except to the extent that such claims, demands, or actions arise from the gross negligence or willful misconduct of Landlord. This indemnification obligation shall survive the termination or expiration of this Lease.

14. OPERATING EXPENSES.

14.1. Using an All In lease agreement, the Landlord and Tenant agree that general operating expenses, including but not limited to utilities, routine maintenance, and Landlord's

administrative costs will not be billed to Tenant, but have instead been included in the monthly rent.

14.2. If Tenant fails to perform its responsibilities under this Lease, including but not limited to the responsibilities listed under Section 18, Tenant's Responsibilities, below, and such failure results in additional expenses incurred by Landlord, Landlord may invoice Tenant for such additional expenses, and Tenant agrees to pay such expenses.

14.3. Notwithstanding any other provisions of this Lease, if at any time during the Lease Period, as a result of Tenant's use, occupancy, or operations, Landlord's insurance provider requires additional coverage, increased premiums, or separate insurance policies, Tenant shall be responsible for such costs as an operating expense. Landlord shall provide reasonable notice of such requirements and may bill Tenant for any additional insurance coverage or policy required. Tenant agrees to reimburse the Landlord for these costs within thirty (30) days of receipt of such notice and accompanying documentation.

15. PARKING. Tenant shall have access to up to ten parking spaces in the lot across the street from the Property at 920 N. Forest Street. There shall be no fee charged to the Tenant for the use of the Parking Space(s). Parking is shared with other guests and is available on a first-come first-served basis. Vehicles left in the parking lot for more than 24 hours will be towed without notice to the owner or Tenant, unless Landlord agrees to other arrangements.

16. IMPROVEMENTS TO THE PREMISES.

16.1. Landlord will make all reasonable efforts to complete the improvements to the Premises necessary for the Tenant's occupants prior to the Occupancy Date. In the event that improvements cannot be completed by the Occupancy Date, Landlord and Tenant will coordinate to postpone the Occupancy Date, with a commensurate rent abatement to be applied to the following month's rent, or to arrange for Tenant's occupancy to begin while improvements are being completed.

16.2. All expenses related to improvements to the Premises shall be covered by the Tenant. This includes, but is not limited to, costs associated with construction, renovation, installation of fixtures, and any other modifications made to the Premises during the Term of the Lease. The Landlord shall not be responsible for any such expenses unless otherwise agreed in writing.

16.3. Nothing in this Lease shall be construed to authorize the Tenant or any other person acting for the Tenant to encumber the rents of the Premises or the interest of the Tenant in the Premises or any person under and through whom the Tenant has acquired its interest in the Premises with a mechanic's lien or any other type of encumbrance. Under no circumstance shall the Tenant be construed to be the agent, employee or representative of Landlord. In the event a lien is placed against the Premises, through actions of the Tenant, Tenant will promptly pay the same or bond against the same and take steps immediately to have such lien removed. If the Tenant fails to have the Lien removed, the Landlord shall take steps to remove the lien and the Tenant shall pay Landlord for all expenses related to the Lien and removal thereof and shall be in default of this Lease.

- 17. LICENSES AND PERMITS.** Copies of all local, state and federal permits acquired by the Tenant which are required for the use of the Premises shall be kept on-site at all times and shall be readily accessible and produced to the Landlord and their agents or any local, state, or federal officials upon demand. This includes fire alarm panel and sprinkler inspections.
- 18. MAINTENANCE.** Landlord shall be responsible for all repairs and maintenance resulting from normal wear and tear on the Premises. Tenant shall notify Landlord promptly of any damage or other conditions which require repair or maintenance, and Landlord shall make all reasonable efforts to perform such repair or maintenance in a timely manner with minimal disruption of Tenant's use of the Premises. In the event that the Premises are damaged as a result of any neglect or negligence of Tenant or Tenant's employees, agents, business invitees, or any independent contractors serving the Tenant or in any way as a result of Tenant's use and occupancy of the premises, then Landlord, or Landlord's insurance company, may bill Tenant, or Tenant's insurance company, for any costs arising from or caused by Tenant's use of the Premises, and Tenant shall pay any such bills.
- 19. TENANT'S RESPONSIBILITIES.** In addition to other responsibilities under the terms of this Lease, Landlord and Tenant agree that Tenant shall be responsible for the following:
- 19.1. Tenant shall arrange for temporary outdoor restrooms that will be available to guests. These will be placed in the outdoor portion of the Premises as illustrated by Exhibit A. Tenant shall be responsible for the delivery, installation, cleaning, emptying, maintenance and removal of these facilities.
- 19.2. Tenant shall engage and coordinate janitorial services for the Premises, including but not limited to trash collection on the Premises (indoor and outdoor), and hazardous/medical waste removal.
- 19.3. Tenant shall provide prior notice to Landlord of any contractors or vendors being on site, or in the case of vendors or contractors that visit regularly, a schedule of expected visits to the Property. Such notice should include the business name, contact information, purpose, and expected date, time, and duration of the visit.
- 19.4. Tenant shall provide furnishings, water dispensers, microwaves, other appliances needed by the program, janitorial supplies, restroom supplies, and other general supplies to be used by the severe weather shelter and guests.
- 19.5. Tenant shall provide emergency supplies, first-aid kits, one or more AED devices, flashlights, and other appropriate emergency equipment. Tenant shall provide appropriate emergency training for Tenant's staff and volunteers. Tenant shall also be responsible for training Tenant's staff, volunteers and guests on proper building evacuation in the event of the emergency.
- 19.6. Tenant shall be responsible for engaging a vendor or contractor to provide on-site security while the severe weather shelter is operating and guests are present on the Premises. Tenant shall manage such security provider and provide appropriate directions to the security provider to ensure safety.

- 19.7. Tenant shall be responsible for tasks and work associated with the operation of the severe weather shelter, including staffing, volunteer management, managing and vendors and service providers engaged by Tenant, and other necessary tasks.
- 19.8. Tenant shall be responsible for supervising and managing all of Tenant's staff, volunteers, contractors, agents, invitees, guests of the shelter, and animals/pets belonging to guests. Tenant's training or orientation for staff and volunteers should include information about the Premises boundaries to avoid using or occupying any other parts of the Property that are not specifically included in the Premises.
- 19.9. Tenant shall make all reasonable efforts to prohibit firearms on the Property, in accordance with Section 22, Security, below.
- 19.10. Tenant shall be responsible for seeing that the Premises is always used safely, responsibly and without undue risk of damage.
- 19.11. Exhibit B-1 and Exhibit B-2 outline the Premises improvements agreed upon under this Lease. Any changes to the placement of storage Conex boxes or portable toilets that differ from what is depicted in Exhibit B-1 must receive prior written approval from the Landlord. Such approval shall not be unreasonably withheld.
- 19.11.1. Tenant shall be responsible for relocating the two existing storage Conex boxes and the portable toilet located on the Premises, and for installing temporary security fencing as illustrated in Exhibit B-1, to help mitigate sound pollution.
- 19.11.2. Tenant currently stores two Conex boxes on the Property, in the parking lot adjacent to Rose Street. Tenant must obtain prior written approval from the Landlord before delivering or storing any additional Conex boxes on the Property. Continued storage of any Conex boxes on the Property after the Lease termination date also requires prior written approval from the Landlord.
- 19.12. Tenant shall, at its own expense, configure and install temporary security fencing in strict accordance with Exhibit B-1. Tenant shall also comply with all applicable City fire codes, safety regulations, and ordinances. This includes maintaining unobstructed access for emergency services, preserving designated egress routes, and ensuring that fire lanes and exits remain clear. Tenant shall promptly address and correct any deficiencies identified by the relevant authorities, also at its own expense.
- 19.12.1. Tenant shall provide Landlord with copies of all written inspection reports and findings issued by the City and the Fire Marshal related to the temporary fencing within three (3) business days of receipt by the Tenant.
- 19.12.2. Tenant acknowledges that the temporary fencing may necessitate the installation of a temporary mailbox, which shall be installed and paid for by the Landlord. If required, Tenant shall install and pay for a temporary Knox Box to ensure emergency access.

19.12.3. Throughout the Lease term, Tenant shall maintain and repair the temporary fencing as needed. Tenant shall remove the temporary fencing within thirty (30) days following the expiration or termination of the Lease.

19.12.4. Any proposed changes to the temporary security fencing as described in Exhibit B-1 must be approved in writing by the Landlord, which shall not be unreasonably withheld.

19.13. Tenant shall respond to neighbor complaints regarding the severe weather shelter, regardless of how the complaints are received. Tenant will begin its review and investigation within three (3) business days of receiving the complaint or concern. Depending on the number of individuals involved and the complexity of the issue, the investigation may take up to seven (7) business days. Tenant shall respond in a manner consistent with the format of the complaint—verbal complaints will receive verbal responses; written complaints will receive written responses and may also conduct in-person outreach to individuals who submit complaints regarding the severe weather shelter.

19.14. The Tenant shall provide the Landlord with written monthly reports detailing all complaints received during the reporting period. Each report shall include the date of the complaint, the name, and the contact information of the complainant (if available), a summary of the complaints, the tenants dated response. Reports shall be submitted not later than the 5th business day of each calendar month for the previous month's complaints.

19.15. Tenant shall not knowingly commit nor permit to be committed any act or thing contrary to the rules and regulations prescribed from time to time by any federal, state or local authorities and shall expressly not be allowed to keep or maintain any hazardous waste materials or contamination on the premises. Tenant shall also be responsible for the cost, if any, which would be incurred to bring the contemplated operation and business activity into compliance with any law or regulation of a federal, state or local authority.

20. LANDLORD'S RESPONSIBILITIES. In addition to other responsibilities under the terms of this Lease, Landlord and Tenant agree that Landlord shall be responsible for the following:

20.1. Landlord and Tenant agree that Landlord shall be responsible for heating, air conditioning, electricity, internet/Wi-Fi, water, waste disposal (dumpster collection), sewage, lawn care, snow removal, repairs, repaving, property insurance, and all other direct costs of operating and maintaining the Property and related parking areas.

20.2. Landlord shall install and pay for an Americans with Disabilities Act (ADA) permanent accordion door on Laurel St. as illustrated in Exhibit B-1. The estimated cost of the Tenant's pro-rata share of this expense, as indicated in Exhibit B-2, has been included in the Rent.

20.3. Landlord shall install and pay for a crash bar for the N. Forest Street gate exit as illustrated in Exhibit B-1. The estimated cost of the Tenant's pro-rata share of this expense, as indicated in Exhibit B-2, has been included in the Rent.

20.4. Landlord's managerial personnel shall work with the Tenant to help schedule and coordinate meetings related to the operations of the severe weather services during the lease term. Additional details are provided in a separate contract with the Tenant for property management services.

20.5. Landlord or Landlord's managerial personnel is not responsible for the responding to complaints regarding the severe weather services or any other concerns or issues.

21. SIGNAGE.

21.1. Tenant shall not place on any exterior door, wall or window of the premises any sign or advertising matter without Landlord's prior written consent and, if applicable, the approval of the local municipality. Thereafter, Tenant agrees to maintain such sign as first approved by Landlord in good condition and repair. Furthermore, Tenant shall conform to any uniform reasonable sign plan or policy that the Landlord may introduce with respect to the building. Upon vacating the premises, Tenant agrees to remove all signs and to repair all damages caused or resulting from such removal.

21.2. Notwithstanding Section 20.1 above, Landlord and Tenant agree that free-standing, movable signs may be placed on the property as may be necessary and reasonable, and that interior non-permanent signage is also permitted, provided, however, that Tenant shall move or modify any such permitted signage in response to any reasonable request from Landlord.

22. ACCESS. Landlord and Tenant will coordinate to ensure that, as of the Occupancy Date, Tenant has access to the Premises during regular working hours, as needed, and up to 24 hours per day when the severe weather shelter is operating, and as provided by Section 2 of this Lease. Landlord shall issue keys, key fobs, key cards, and/or security codes to tenant as necessary. Tenant agrees to return any keys, key fobs, or key cards issued on or within fourteen days following the End Date.

23. SECURITY.

23.1. Tenant shall be responsible for engaging or arranging in-person security services at all times when the severe weather shelter is operating.

23.2. Landlord shall be responsible for maintaining secure doors, locks, and other fixtures necessary to maintain building security.

23.3. Landlord and Tenant agree that firearms are not permitted in the Premises or on the Property, except by law enforcement and professional, uniformed security personnel. One or more signs prohibiting firearms will be posted by Landlord at all times.

24. DAMAGE TO LEASED PREMISES. In the event the Property or Premises are damaged or destroyed as a result of a fire or any other cause, other than the intentional acts or negligence of Tenant, and which precludes or adversely affects the Tenant's occupancy of the Premises, then the Rent shall be abated or adjusted according to the extent to which the Premises have been rendered unfit for use and occupation by the Tenant and until the demised Premises have been put in a condition at the expense of the Landlord, at least to the extent of the value and as nearly as possible to the condition of the premises existing immediately prior to such damage. It is understood, however, in the event of total or substantial destruction to the Premises that in no event shall Landlord's obligation to restore, replace or rebuild exceed an amount equal to the sum of the insurance proceeds available for reconstruction with respect to said damage.

25. TENANT'S DEFAULT AND POSSESSION. In the event that the Tenant shall fail to pay said rent and expenses as set forth herein, or any part thereof, when the same are due and payable, or shall otherwise be in default of any other terms of said Lease for a period of more than 30 days, after receiving notice of said default, then the parties hereto expressly agree and covenant that the Landlord may declare the Lease terminated and may immediately re-enter said premises and take possession of the same, together with any of Tenant's personal property, equipment or fixtures left on the premises which items may be held by the Landlord as security for the Tenant's eventual payment and/or satisfaction of rental defaults or other defaults of Tenant under the Lease. The parties further agree that if the Tenant is in default, that the Landlord shall be entitled to take any and all action to protect its interest in the personal property and equipment, to prevent the unauthorized removal of said property or equipment which threatened action would be deemed to constitute irreparable harm and injury to the Landlord in violation of its security interest in said items of personal property. Furthermore, in the event of default, the Landlord may expressly undertake all reasonable preparations and efforts to release the Premises including, but not limited to, the removal of all inventory, equipment or leasehold improvements of the Tenant's, at the Tenant's expense, without the need to first procure an order of any court to do so, although obligated in the interim to undertake reasonable steps and procedures to safeguard the value of Tenant's property, including the storage of the same, under reasonable terms and conditions at Tenant's expense, and, in addition, it is understood that the Landlord may sue the Tenant for any damages or past rents due and owing and may undertake all and additional legal remedies then available.

26. TERMINATION BY TENANT.

26.1. **LANDLORD'S DEFAULT.** Tenant may send written notice to Landlord stating duties or obligations that have not been fulfilled under the full performance of this Lease. If said duties or obligations have not been cured within 15 days from receiving such notice, unless Landlord needs to more time to cure or remedy such issue in accordance with standard industry protocol, then Landlord shall be in default of this Lease. If Landlord should be in default, Tenant shall have the option to terminate this Lease and be held harmless against any of its terms or obligations.

26.2. **REDUCTION IN FUNDING.** If Tenant's funding from State, Federal or other sources is withdrawn, reduced, or limited in any way during the Lease Period, Tenant may terminate this Lease in part as to the funds withdrawn, reduced, or limited, notwithstanding any other termination provisions of this Lease. If the level of funding withdrawn, reduced or limited is so great that Tenant deems that the continuation of the severe weather shelter program is no longer in the best interest of Tenant, Tenant may terminate this Lease in whole, notwithstanding any other termination provisions of this Lease. Termination under this section shall be effective upon receipt of written notice as specified herein, or within three days of the mailing of the notice, whichever occurs first.

27. SUBLET AND ASSIGNMENT. The Tenant may not transfer or assign this Lease, or any right or interest hereunder or sublet said leased premises or any part thereof.

28. DISPUTES. If any dispute should arise in relation to this Lease, the Landlord and Tenant shall first negotiate in good faith to resolve the dispute. Afterwards, if the dispute is not resolved, then the Landlord and Tenant shall seek mediation in accordance with the laws in the State of Washington. If

the Landlord and Tenant fail to resolve the dispute through mediation, then the parties shall be allowed to submit their cases in accordance with the local court system.

- 29. CERTIFICATION REGARDING FEDERAL DEBARMENT, SUSPENSION, INELIGIBILITY AND VOLUNTARY EXCLUSION - LOWER TIER COVERED TRANSACTIONS.** If applicable, the Landlord further certifies, by executing this Lease, that neither it nor its principles are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal department or Agency. The Landlord also agrees that it shall not knowingly enter into any lower tier covered transactions (a transaction between the Landlord and any other person) with a person who is proposed for debarment, debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction. The “Excluded Parties List System” in the System for Award Management (SAM) website is available to research this information at WWW.SAM.GOV. Landlord shall immediately notify Whatcom County if, during the term of this Lease, the Landlord becomes debarred.
- 30. SUBORDINATION AND ATTORNMENT.** Upon request of the Landlord, Tenant will subordinate its rights hereunder to the lien of any mortgage now or hereafter in force against the property or any portion thereof, and to all advances made or hereafter to be made upon the security thereof, and to any ground or underlying lease of the property provided, however, that in such case the holder of such mortgage, or the Landlord under such Lease shall agree that this Lease shall not be divested or in any way affected by foreclosure, or other default proceedings under said mortgage, obligation secured thereby, or Lease, so long as the Tenant shall not be in default under the terms of this Lease. Tenant agrees that this Lease shall remain in full force and effect notwithstanding any such default proceedings under said mortgage or obligation secured thereby. Tenant shall, in the event of the sale or assignment of Landlord's interest in the building of which the Premises form a part, or in the event of any proceedings brought for the foreclosure of, or in the event of exercise of the power of sale under any mortgage made by Landlord covering the Premises, attorn to the purchaser and recognize such purchaser as Landlord under this Lease.
- 31. TENANT’S COMPLIANCE WITH LAW.** Tenant shall comply with all rules, regulations and laws of any governmental authority with respect to use and occupancy. Tenant shall not conduct or permit to be conducted upon the premises any business or permit any act which is contrary to or in violation of any law, rules or regulations and requirements that may be imposed by any authority or any insurance company with which the premises is insured, nor will the Tenant allow the premises to be used in any way which will invalidate or be in conflict with any insurance policies applicable to the building. In no event shall explosives or extra hazardous materials be taken onto or retained on the premises. Furthermore, Tenant shall not install or use any equipment that will cause undue interference with the peaceable and quiet enjoyment of the premises by Landlord or other Tenants of the building.
- 32. RIGHT OF ENTRY.** It is agreed and understood that the Landlord and its agents shall have the complete and unencumbered right of entry to the Premises at any time or times for purposes of inspecting or showing the Premises and for the purpose of making any necessary repairs to the building or equipment as may be required of the Landlord under the terms of this Lease or as may be deemed necessary with respect to the inspection, maintenance or repair of the building. In accordance with State and local laws, the Landlord shall have the right to enter the Premises without the consent of the Tenant in the event of an emergency.

33. HOLDOVER PERIOD. Should the Tenant remain in possession of the Premises after the cancellation, expiration or sooner termination of the Lease, or any renewal thereof, without the execution of a new Lease or addendum, such holding over in the absence of a written agreement to the contrary shall be deemed to have created and be construed to be a tenancy from month to month with the Rent to be due and payable in the same amount as the previous month, terminable upon thirty 30 days' notice by either party.

34. WAIVER. Waiver by Landlord of a default under this Lease shall not constitute a waiver of a subsequent default of any nature.

35. GOVERNING LAW. This Lease shall be governed by the laws of the State of Washington.

36. NOTICES. Notices shall be addressed to the following:

36.1. To Landlord:
Lutheran Community Services Northwest
Attn: Heike Lake, President & COO
1944 Pacific Ave, Suite 206
Tacoma, WA 98402

36.2. To Tenant:
Whatcom County
c/o Michaela Mandala, Program Specialist
509 Girard Street
Bellingham, WA 98225

37. AMENDMENT(S). This Lease may be modified only by written agreement of the parties, executed by their authorized representatives.

38. SEVERABILITY. If any term or provision of this Lease is illegal, invalid or unenforceable, such term shall be limited to the extent necessary to make it legal and enforceable, and, if necessary, severed from this Lease. All other terms and provisions of this Lease shall remain in full force and effect.

39. BINDING EFFECT. This Lease and any amendments thereto shall be binding upon the Landlord and the Tenants and their respective successors, heirs, assigns, executors and administrators.

LANDLORD: Lutheran Community Services Northwest

David Duea, CEO

Date

EXHIBIT A: Interior Lease Area

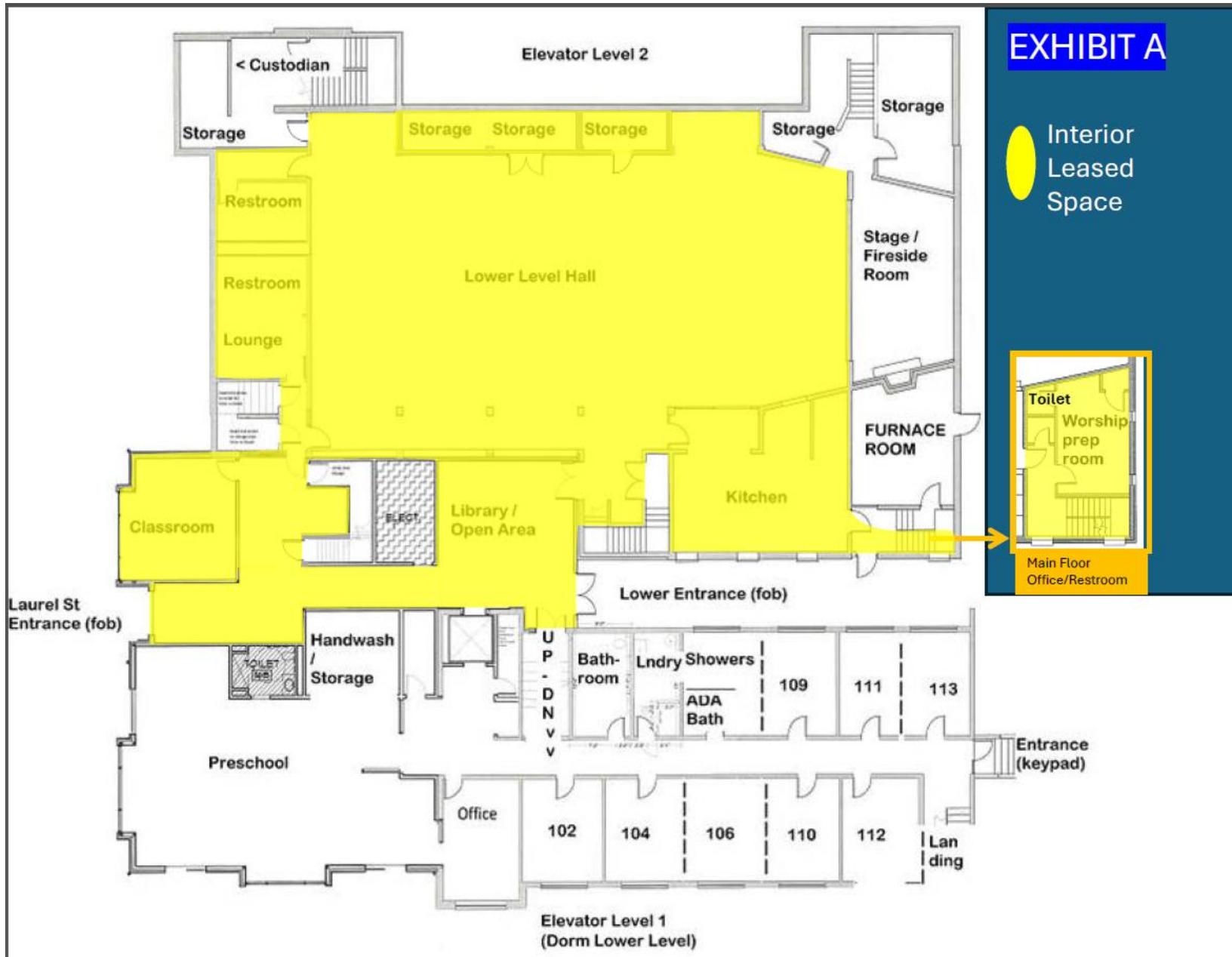


EXHIBIT A

Interior Leased Space

Toilet
Worship prep room
Main Floor Office/Restroom

EXHIBIT B-1: Exterior Lease Area

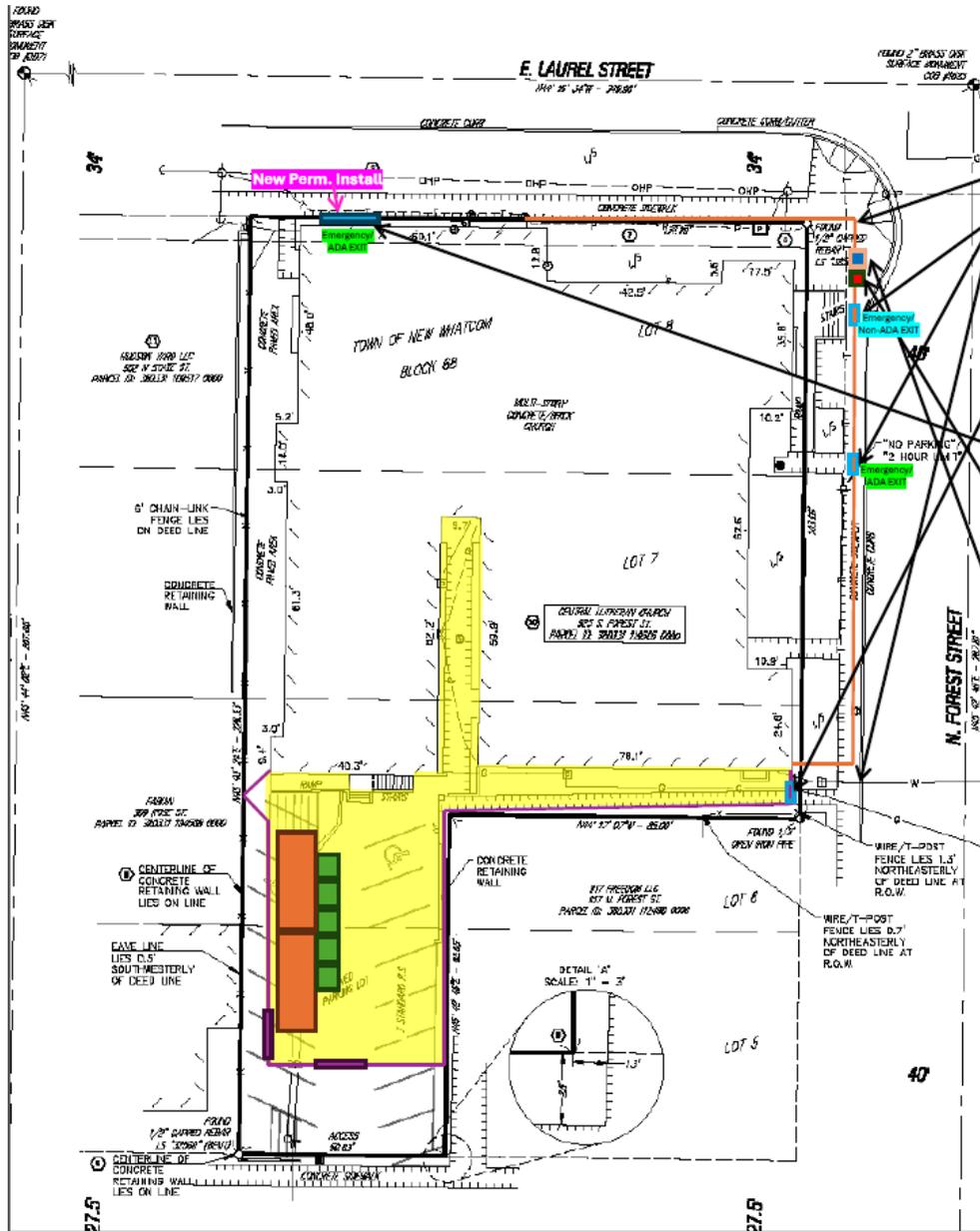


EXHIBIT B-1

- Temporary Fencing
- (1) Temp. Fencing Gates w/ Emer./ADA Exit
- (1) Temp. non-ADA Fence Gate
- Permanent Fencing
- Permanent Fencing Gates
- Permanent Fencing Gate w/ Emer./ADA Exit
- (New Install) Perm. Accordion Gate w/ Emer./ADA Exit
- (1) Newly installed FD Knox Box
- Temporary Toilets
- Mailbox
- Existing Connex, Box Locations
- Exterior Leased Space
- Emergency/ADA EXIT (1) Temporary Single-man ADA Compliant Egress
- Emergency/Non-ADA EXIT (1) Temporary Single-man Egress
- New Perm. Install New Install of Permanent Gate

EXHIBIT B-2: Allocation of Expenses - Landlord and Tenant for Work Performed

Exhibit B-2								
Bellingham Exterior Work	Scope Item	Performer of Work		Payer			Monthly Amount	Notes
		LCSNW	COUNTY	LCSNW	County	Total Lease Expense		
	Cost Estimate							
Permanent ADA Accordion Door on Laurel St. (+ Contingency)	\$ 6,000.00	X		X		\$ 300.00	\$ 50.00	Tenant Pro-rata Share = \$6000/ 10 yrs life = \$600 a year, \$300 a half year lease or \$50 per month
New FD Knox Box and Install to Temporary Fence			X		X			The work is sourced by the Tenant and paid for directly by the Tenant to the vendor.
New Mailbox		X		X				
~ 220' of Temporary Fence w extra bracing @ \$4/ lft - per month			X		X			The work is sourced by the Tenant and paid for directly by the Tenant to the vendor.
One Temporary ADA Man Door + 1 Non-ADA & accessories			X		X			The work is sourced by the Tenant and paid for directly by the Tenant to the vendor.
Crash Bar for N Forest Exit	\$ 1,000.00	X		X		\$ 50.00	\$ 8.33	Tenant Pro-rata share" \$1,000 /10 yrs = \$100 per year, \$50 for a half year lease; or \$8.33 per month.
Subtotal	\$ 7,000.00	\$ 7,000.00	\$ -	\$ 7,000.00		\$ 350.00	\$ 58.33	