

**WHATCOM COUNTY CONTRACT
INFORMATION SHEET**

Whatcom County Contract No.

202410007

Originating Department:	Administrative Services
Division/Program: <i>(i.e. Dept. Division and Program)</i>	Facilities Management 505020
Contract or Grant Administrator:	Rob Ney
Contractor's / Agency Name:	Best Chopsticks c/o Yan Hua Chen Cheng
Is this a New Contract? If not, is this an Amendment or Renewal to an Existing Contract? Yes <input type="radio"/> No <input checked="" type="radio"/> Yes <input checked="" type="radio"/> No <input type="radio"/> If Amendment or Renewal, (per WCC 3.08.100 (a)) Original Contract #: _____	
Does contract require Council Approval? Yes <input checked="" type="radio"/> No <input type="radio"/> 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? Yes <input type="radio"/> No <input checked="" type="radio"/> If yes, grantor agency contract number(s): _____ CFDA#: _____	
Is this contract grant funded? Yes <input type="radio"/> No <input checked="" type="radio"/> If yes, Whatcom County grant contract number(s): _____	
Is this contract the result of a RFP or Bid process? Contract _____ Yes <input type="radio"/> No <input checked="" type="radio"/> If yes, RFP and Bid number(s): _____ Cost Center: _____	
Is this agreement excluded from E-Verify? No <input checked="" type="radio"/> Yes <input type="radio"/> If no, include Attachment D Contractor Declaration form.	
If YES, indicate exclusion(s) below: <input checked="" 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): \$ <u>42,099.72</u> This Amendment Amount: \$ _____ Total Amended Amount: \$ <u>42,099.72</u>	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.
Summary of Scope: This contract is between Whatcom County and Best Chopsticks c/o Yim Ming Chan and Yan Hua Chen Cheng for the lease of the 121 Unity Street Best Chopsticks restaurnt facility. The purpose is to provide a source of revenue for Whatcom County and provide Best Chopsticks a space to conduct their restaurnt business.	
Term of Contract:	Expiration Date: 10/31/26

Contract Routing:	1. Prepared by: <u>HHoward</u>	Date: <u>10/01/24</u>
	2. Attorney signoff: <u>CQuinn</u>	Date: <u>10/07/24</u>
	3. AS Finance reviewed: <u>BBennett</u>	Date: <u>10/11/24</u>
	4. IT reviewed (if IT related): _____	Date: _____
	5. Contractor signed: _____	Date: _____
	6. Executive contract review: _____	Date: _____
	7. Council approved, if necessary: <u>AB2024-701</u>	Date: _____
	8. Executive signed: _____	Date: _____
	9. Original to Council: _____	Date: _____

**LEASE AGREEMENT
FOR Best Chopsticks c/o Yan Hua Chen Cheng**

Best Chopsticks c/o of Yan Hua Chen Cheng, hereinafter called **Lessee**, and Whatcom County, hereinafter referred to as **County**, agree and contract as set forth in this Agreement, including:

General Conditions, pp. 3 to 9,
Exhibit A (Certificate of Insurance), p. 10.

Copies of these items are attached hereto and incorporated herein by this reference as is fully set forth herein.

The term of this Lease shall be for a period of two (2) years, commencing on November 1, 2024, and ending October 31, 2026, inclusive. Pursuant to the provisions set forth in Section 9, below, Lessee shall have the right and option to extend the term of the Lease for an additional (1) year term from November 1, 2026 to October 31st, 2027 and again for (1) year on November 1, 2027 to October 31st, 2028.

The general purpose or objective of this Lease Agreement is to **lease the premises commonly known as 121 Unity Street, Bellingham, WA 98225** as more fully and definitely described in General Conditions – Paragraph 1 (Nature of Lease).

Lessee covenants and agrees to pay Lessor as Base Rent for the Premises, on or before the 1st day of each month of the first year of the initial lease term, prorated for any partial month, a monthly rental payment of \$16.31 per square foot totaling \$1,732.50 per month and \$20,790.00 annually for (Base Rent). Lessor and Lessee agree to carry over and honor a security deposit in the amount of \$1,000 for the performance of the provisions of this Lease. Monthly rent payments may be mailed by lessee to Lessor to the address set forth in section 11. Rent increases will be 2.5% annually as set forth in section 10.

Lessee acknowledges and by signing this contract agrees that the Indemnification provisions set forth in Paragraphs 12 & 17 if included, are totally and fully part of this contract and have been mutually negotiated by the parties.

IN WITNESS WHEREOF, the parties have executed this Agreement the _____ day of _____, 2024.

LESSEE:

Best Chopsticks c/o Yan Hua Chen Cheng
121 Unity Street
Bellingham, WA 98225

Each signatory to this Contract warrants that he/she is the authorized agent of the respective party; and that he/she has the authority to enter into the contract and to bind the party thereto.

Yan Hua Chen Cheng, Best Chopsticks

Date

DEPARTMENT APPROVAL

Robert Ney, Facilities Management

Date

Kayla Schott-Bresler, Deputy Executive

Date

Approved as to form:

Christopher Quinn, Prosecuting Attorney

Date

Approved:

Accepted for Whatcom County:

By: _____
Satpal Singh Sidhu, Whatcom County Executive

Date

LESSEE:

Best Chopsticks c/o Yan Hua Chen Cheng

GENERAL CONDITIONS

Provisions Related to Scope and Nature of Lease

1. Nature of Lease

This Lease Agreement provides Lessee with dedicated space to conduct a restaurant business. The premises shall be used for no other purpose without the written consent of the Lessor; which consent shall not be unreasonably withheld or delayed.

2. Property Description:

County, in consideration of the covenants and conditions herein set forth to be performed by Lessee, does hereby demise and let unto Lessee the following property, 121 Unity Street, Bellingham, WA 98225, legally described as follows:

Lots 11 and 12, Block 1, Plat of Central Whatcom, Whatcom County, W.T, now part of the consolidated City of Bellingham, Whatcom County, Washington, as per the map thereof, recorded in the Book 1 of Plats, page 32, in the Auditor's Office of said county and state.

Situate in Whatcom County, Washington

Parcel No. 380330 221236 0000 / PID# 75180

3. Condition of Property:

Lessee has inspected the above-described property and accepts the premises in the condition prevailing on the date of the execution of this Lease.

4. Use of Premises:

Lessee agrees to only conduct business operations related to restaurant and food services. Lessee shall comply with all state and local law applicable to occupancy of the Property and the provision of any services provided by Lessee.

5. Costs of Operations:

All operational costs associated with the Lessee's business operations on and within the Property pursuant to this Lease agreement shall be the sole responsibility of the Lessee.

6. Utilities:

Lessee shall pay for all utilities and services supplied to the Property, including but not limited to electricity, telephone, potable water, security, internet, natural gas and custodial cleaning, together with any applicable sales tax thereon. For those utilities or services that are not separately metered to the Property or separately billed to the Property, Lessee shall pay to County a reasonable proportion in an amount to be determined by County of all such charges jointly metered or billed with other premises in the Building. These services and utilities may include, but are not limited to, building fire alarm monitoring, building security, grounds maintenance and landscaping, common area utilities, and common area building maintenance. In addition, Lessee shall pay in a timely manner the following expenses: premiums for hazard and liability insurance as required of Lessee, as set forth in Sections 16.

7. Lease Holders Tax

Lessee shall pay Washington State Leasehold Excise Tax rate of .1284 of the rent paid for the property in lieu of property tax. Leasehold Excise Tax shall be paid with Base Rent. Leasehold Excise Tax value will be the following:

Year 1: .1284 X \$1,732.50/ month = \$222.45/ month

Year 2: .1284 X \$1,775.81/ month = \$228.01/ month

Year 3: .1284 X \$1,820.20/ month = \$233.71/ month

Year 4: .1284 X \$1,865.71/ month = \$239.56/ month

Provisions Related to Term and Termination

8. Term:

The term of this Lease shall be for a period of two (2) years, commencing on November 1, 2024, and ending October 31, 2026, inclusive. Pursuant to the provisions set forth in Section 9, below, Lessee shall have the right and option to extend the term of the Lease for an additional (1) year term for a total of (2) additional terms.

9. Option to Extend:

Lessee shall have the right and option to extend the term of the Lease for an additional (1) year term from November 1, 2026 to October 31st, 2027 and again for (1) year on November 1, 2027 to October 31st, 2028. The extension will commence on the day after the last day of the initial term, November 1, 2024, through October 31, 2026, inclusive.

10. Exercise of Option Period:

To exercise Lessee's Option Period, Lessee shall deliver written notice to that effect to Lessor, to be received at Lessor's address, as provided below in section 11, not later than 90 days prior to the expiration of the initial lease term. The Lease shall then be extended for the term of the First Option Period with a base rent increase of 2.5%.

Year 1: \$1,732.50/ month

Year 2: \$1,775.81/ month

Year 3: \$1,820.20/ month

Year 4: \$1,865.71/ month

11. Lessor Address for Rent Payment:

Whatcom County AS- Finance
311 Grand Avenue Ste 503
Bellingham, WA 98225

12. Termination for Default:

If the Lessee defaults by failing to perform any of the obligations of this lease or becomes insolvent or is declared bankrupt or commits any act of bankruptcy or insolvency or makes an assignment for the benefit of creditors, the County may, by depositing written notice to the Lessee in the U.S. mail, first class postage prepaid, terminate the lease. Termination shall be effective as provided in section 13 below. Any extra cost or damage to the County resulting from such default(s) shall be deducted from any money due or coming due to the Lessee. The Lessee shall bear any extra expenses incurred by the County in terminating the lease, including all costs for any damage sustained, or which may be sustained by the County by reason of such default.

13. Termination of Lease:

This lease shall terminate as follows:

- A. At the expiration of the initial term of this lease or any authorized renewal term.
- B. Upon the failure of Lessee to correct violations of any condition of this lease within 90 days of receiving written notice from the County of such violation.
- C. The Lease may be cancelled and terminated by either party provided that written notice of such cancellation and termination is provided at least ninety (90) days prior to the effective date of termination.

Provisions Related to Administration of Lease Agreement

14. Sub-lease:

Lessee may not sublet a portion of the leased facility to any other organizations.

15. Right to Review:

This lease is subject to review by any Federal, State, or County auditor.

16. Proof of Insurance:

The Lessee shall carry for the duration of this Lease Agreement, general liability and property damage insurance with the following minimums:

Commercial General Liability insurance: \$1,000,000 per occurrence and \$2,000,000 in the aggregate for bodily injury, personal and advertising injury and property damage. Coverage shall be at least as broad as that afforded under ISO form number CG 00 01 current edition, or its substantive equivalent. Such insurance shall include coverage for, but not limited to premises liability, products and completed operations, ongoing operations, and contractual liability. Limits may be satisfied by a single primary limit or by a combination of separate primary and umbrella or excess liability policies, provided that coverage under the latter shall be at least as broad as that afforded under the primary policy and satisfy all other requirements applicable to liability insurance including but not limited to additional insured status for the County with the use of an umbrella or excess liability policy, which is at least as broad as the underlying policy. If the scope of services involves one on one activities with minors, such policy shall include or not exclude sexual assault and misconduct coverage.

Other insurance provisions: The insurance coverage(s) required in this Lease are to contain, or be endorsed to contain, the following provisions:

All Liability Policies: Whatcom County, its officers, officials, employees and agents are to be covered as additional insureds, for full coverage and policy limits, as respects liability arising out of activities performed by or on behalf of the Lessee in connection with this Lease. Additional Insured Endorsement(s) shall be included with the certificate of insurance, "CG 2010 11/85" or its substantive equivalent is required. The County requires these Endorsement(s) to complete the Lease. Such coverage shall be primary and non-contributory insurance as respects the County, its officers, officials, employees and agents.

The Lessee's insurance coverage shall apply separately to each insured against whom a claim is made and/or lawsuit is brought, except with respect to the limits of the insurer's liability.

Coverage shall not be suspended, voided, canceled, reduced in coverage or in limits until after thirty (30) days prior written notice has been given to the County.

Each insurance policy may be written on either an "occurrence" basis/form or on a "claims made" basis/form.

If coverage is purchased on a "claims made" basis/form, the Lessee warrants continuation of coverage, either through policy renewals or the purchase of an extended discovery period, if such extended coverage is available, for not less than three (3) years from the date of Lease termination and/or conversion from a "claims made" form to an "occurrence" coverage form.

Acceptability of Insurers:

Insurance coverage is to be placed with insurers with an AM Best's rating of no less than A: VIII, or, if not rated with an AM Best's, with minimum surpluses the equivalent of an AM Best's surplus size VIII.

If at any time any of the foregoing policies fail to meet minimum requirements, the Lessee shall, upon notice to that effect from the County, promptly obtain a new policy, and shall submit the same to the County, with the appropriate certificates and endorsements, for approval.

Verification of coverage:

The Lessee shall furnish the County certificates of insurance and endorsements required by this Lease. Such certificates and endorsements, and renewals thereof, shall be attached to the Lease hereto as Exhibit "C". The certificates and endorsements for each insurance policy are to be on forms approved by the County prior to the commencement of the Lease. In the event of a claim, the County reserves the right to require complete, certified copies of all required insurance policies at any time, which may be redacted of confidential and proprietary information.

County's receipt or acceptance of Contractor's evidence of insurance without comment or objection, or County's failure to request certified copies of such insurance does not waive, alter, modify or invalidate any of the insurance requirements set forth above or, consequently, constitute County's acceptance of the adequacy of Contractor's insurance or preclude or prevent any action by County against Lessee for breach of the insurance requirements.

17. Indemnification

County shall not be liable and Lessee hereby waives all claims against County for any damage to any property or any injury to any person in or about the Property by or from any cause whatsoever, except to the extent caused by or arising from the gross negligence or willful misconduct of County or its agents, employees or contractors. Lessee shall protect, indemnify and hold the County harmless from and against any and all loss, claims, liability or costs incurred by reason of (a) any damage to any property or any injury to any person occurring in, on or about the Property to the extent that such injury or damage shall be caused by or arise from any actual or alleged act, neglect, fault, or omission by or of Lessee, its agents, servants, employees, invitees, or visitors to meet any standards imposed by any duty with respect to the injury or damage; (b) the conduct or management of any work or thing whatsoever done by the Lessee in or about the Property or from transactions of the Lessee concerning the Property; (c) Lessee failure to comply with any and all governmental laws, ordinances and regulations applicable to the condition or use of the Property or its occupancy; or (d) any breach or default on the part of Lessee in the performance of any covenant or agreement on the part of the Lessee to be performed pursuant to this Agreement. This provision 17 of the Agreement shall survive the termination of this Agreement with respect to any claims or liability accruing prior to such termination.

18. Conflict of Interest:

If at any time prior to commencement of, or during the term of this Agreement, Contractor or any of its employees involved in the performance of this Agreement shall have or develop an interest in the subject matter of this Agreement that is potentially in conflict with the County's interest, then Contractor shall immediately notify the County of the same. The notification of the County shall be made with sufficient

specificity to enable the County to make an informed judgment as to whether or not the County's interest may be compromised in any manner by the existence of the conflict, actual or potential. Thereafter, the County may require the Contractor to take reasonable steps to remove the conflict of interest. The County may also terminate this contract according to the provisions herein for termination.

19. Administration of Lease:

This Lease Agreement shall be subject to all laws, rules, and regulations of the United States of America, the State of Washington, and political subdivisions of the State of Washington. The County hereby appoints, and the Lessee hereby accepts, the Whatcom County Executive, and his or her designee, as the County's representative, hereinafter referred to as the Administrative Officer, for the purposes of administering the provisions of this Agreement, including the County's right to receive and act on all reports and documents, and any auditing performed by the County related to this Agreement. The Administrative Officer for purposes of this agreement is:

[Best Chopsticks c/o Yan Hua Chen Cheng](#)

121 Unity Street
Bellingham, WA 98225

20. Laws, Permits, and Regulations:

Lessee agrees to comply with all applicable federal, state, county, or municipal standards for licensing, certification and operation of facilities and programs, and accreditation and licensing of individuals. Lessee agrees to conform to and abide by all lawful rules, codes, laws and regulations in connection with its use of said premises and the construction of improvements and operation of Lessee's business thereon and not to permit said premises to be used in violation of any lawful rule, code, law, regulation or other authority.

Provisions Related to Interpretation of Agreement and Resolution of Disputes

21. Modifications:

Either party may request changes in the Agreement. Any and all agreed modifications, to be valid and binding upon either party, shall be in writing and signed by both of the parties.

22. Disposition of Improvements at End of Lease:

Lessee shall have the right to remove all equipment, personal property and improvements which may have been placed upon the premises by Lessee during the period of this lease provided that the same are removed before the lease is terminated and while the lease is in good standing. Any improvements not removed from the premises at the conclusion of the lease shall revert to the County. Leased premises shall be restored by Lessee to conditions prevailing at the time of commencement of the lease, normal wear excepted.

23. Janitorial Services:

Lessee shall be responsible for janitorial services of the facility as required.

24. Maintenance of Facilities:

A. County shall maintain the Facility structure and envelope and Lessee shall be responsible for maintaining its systems (HVAC, electrical, fire suppression, elevator, and exterior surveillance) in good repair and tenantable condition during the term of this Lease. For the purposes of maintaining the facility, the County reserves the right at reasonable times to enter and inspect the facility and to make any necessary repairs to the building. Lessee agrees to reimburse County for damages caused by its employees, contractors, licensees, invitees, clients and agents. This paragraph shall not be construed as making Lessee responsible for the repair of normal wear and tear.

- B. County shall perform preventive maintenance on the Facility as it deems necessary during the term of the Lease agreement. Examples of such maintenance include but are not limited roofing repairs or structure repairs as required
 - C. Corrective maintenance will be performed by County upon reasonable request by Lessee to restore components to operational condition. Lessee shall submit a work order to request corrective maintenance.
 - D. Lessee shall maintain landscaping and parking lot.
 - E. Furniture, fixtures and equipment that is not part of the structure of the building is the Lessee's responsibility for upkeep and replacement.
 - F. Lessee shall be responsible for maintaining the internal suite and repair and maintenance of items such as GWB wall repair, cosmetic blemishes, damage caused by occupants, wear and tear of carpet and flooring, carpet cleaning and floor striping and waxing, painting, light bulb replacement, and typical occupant wear and tear.
 - G. Tenant shall be solely responsible for all repair and maintenance of Furniture fixtures and Equipment not related to building systems.
 - H. Snow Removal shall be the responsibility of the Lessee.
25. Building Furnished items, Lessee Responsibility:
Furniture, fixtures and equipment that is not part of the structure of the building is the Lessee's responsibility for upkeep and replacement.
26. Access:
County reserves the right of access to the premises for the purpose of securing compliance with the terms of this lease.
27. Commit No Waste:
Lessee agrees not to allow conditions of waste and refuse to exist on the above-described premises and to keep the premises in a neat, clean and orderly condition and to be responsible for all damages caused to the leased premises by Lessee, its agents or any third party on the premises at the instance of Lessee.
28. Alterations:
No alterations may be made to the 121 Unity Street facility without written County authorization. County will perform or contract for any alterations. All improvements shall be made at the sole cost and expense of the Lessee.
29. Signs:
Lessee agrees that all signs will be designed and placed in accordance with County policy and any applicable zoning requirements of the City.
30. Hazardous Substances:
Lessee shall not keep on or about the premises, for use, disposal, treatment, generation, storage or sale any substances which are hazardous, toxic, harmful, or dangerous, and/or which are subject to regulation as hazardous or toxic, dangerous, or as a pollutant by any federal, state, or local law, regulation, statute, or ordinance (collectively referred to herein as "hazardous substances"). Lessee shall be fully liable to County and shall indemnify, defend and save harmless the County and its officials and employees, with respect to any and all damages, costs, fees (including attorneys' fees and costs), civil and criminal penalties, or clean-

up costs assessed against or imposed as a result of Lessee's use, disposal, generation, storage, or sale of hazardous substances or that of Lessee's employees, agents or invitees. Breach of this provision shall entitle County to terminate this Lease. This provision shall not apply to properly stored cleaning or office supplies.

31. Severability:

If any term or condition of this lease or the application thereof to any person(s) or circumstances is held invalid, such invalidity shall not affect other terms, conditions or applications which can be given effect without the invalid term, condition or application. To this end, the terms and conditions of this lease are declared severable.

32. Waiver:

Waiver of any breach or condition of this lease shall not be deemed a waiver of any prior or subsequent breach. No term or condition of this lease shall be held to be waived, modified or deleted except by an instrument, in writing, signed by the parties hereto. The failure of the County to insist upon strict performance of any of the covenants and agreements of this Agreement, or to exercise any option herein conferred in any one or more instances, shall not be construed to be a waiver or relinquishment of any such, or any other covenants or agreements, but the same shall be and remain in full force and effect.

33. Disputes:

General:

Differences between the Lessee and the County, arising under and by virtue of the Contract Documents, shall be brought to the attention of the County at the earliest possible time in order that such matters may be settled or other appropriate action promptly taken. Except for such objections as are made of record in the manner hereinafter specified and within the time limits stated, the records, orders, rulings, instructions, and decisions of the Administrative Officer shall be final and conclusive.

34. Venue and Choice of Law:

In the event that any litigation should arise concerning the construction or interpretation of any of the terms of this Agreement, the venue of such action of litigation shall be in the courts of the State of Washington in and for the County of Whatcom. This Agreement shall be governed by the laws of the State of Washington.

35. Survival:

The provisions of paragraphs 12 if utilized, 15, 17, 31, 33, and 34, shall survive, notwithstanding the termination or invalidity of this Agreement for any reason.

36. Entire Agreement:

This written Agreement, comprised of the writings signed or otherwise identified and attached hereto, represents the entire Agreement between the parties and supersedes any prior oral statements, discussions or understandings between the parties.

EXHIBIT "A"
(INSURANCE)