



MEMORANDUM

TO: Satpal Sidhu, County Executive

FROM: Erika Lautenbach, Director

RE: Compass Health – Whatcom Response Center Lease Agreement

DATE: September 14, 2021

Attached is a lease agreement between Whatcom County and Compass Health for your review and signature.

- **Background and Purpose**

This lease agreement is for the Whatcom Response Center, located in the northwest corner of the County-owned facility located at 2030 Division Street in Bellingham. Compass Health leases space in the building to provide behavioral health crisis response and support services.

- **Funding Amount and Source**

Compass Health pays a nominal rent of \$200/month and \$1,466.67/month for utilities at this facility, for a total of \$20,000 annually. This is a lease agreement and Council approval is required per WCC 3.08.100.

- **Differences between Previous Lease Agreements**

Compass Health has sub-leased this space from Pioneer Human Services since 2015. Pioneer Human Services has relocated to the new Crisis Stabilization Center, necessitating a new Lease Agreement between Compass Health and Whatcom County.

Please contact Perry Mowery, Human Services Supervisor at 360-778-6059 (PMowery@co.whatcom.wa.us) or Kathleen Roy, Assistant Director at 360-778-6007 (KRoy@co.whatcom.wa.us).



WHATCOM COUNTY CONTRACT INFORMATION SHEET		Whatcom County Contract No. _____	
Originating Department:		85 Health	
Division/Program: (i.e. Dept. Division and Program)		8550 Human Services / 855020 Mental Health	
Contract or Grant Administrator:		Perry Mowery	
Contractor's / Agency Name:		Compass Health	
Is this a New Contract? Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	If not, is this an Amendment or Renewal to an Existing Contract? If Amendment or Renewal, (per WCC 3.08.100 (a)) Original Contract #:		Yes <input type="checkbox"/> No <input type="checkbox"/>
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? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	If yes, grantor agency contract number(s): _____		CFDA#: _____
Is this contract grant funded? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	If yes, Whatcom County grant contract number(s): _____		_____
Is this contract the result of a RFP or Bid process? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	If yes, RFP and Bid number(s): _____		Contract Cost Center: 124116
Is this agreement excluded from E-Verify? No <input type="checkbox"/> Yes <input checked="" type="checkbox"/>		If no, include Attachment D Contractor Declaration form.	
If YES, indicate exclusion(s) below:			
<input type="checkbox"/> Professional services agreement for certified/licensed professional.		_____	
<input checked="" 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): \$ 21,667		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.	
This Amendment Amount: \$ _____			
Total Amended Amount: \$ _____			

Summary of Scope: The purpose of this agreement is to lease a portion of the Whatcom Response Center to Compass Health. The location of the center is the northwest corner of the County-owned facility located at 2030 Division Street in Bellingham.			
Term of Contract:	13 Months	Expiration Date:	09/30/2022
Contract Routing:	1. Prepared by: JT	Date:	08/06/2021
	2. Attorney signoff: RB	Date:	08/17/2021
	3. AS Finance reviewed: M Caldwell	Date:	8/17/21
	4. IT reviewed (if IT related):	Date:	
	5. Contractor signed:	Date:	
	6. Executive Contract Review:	Date:	
	7. Council approved (if necessary): AB2021-501	Date:	
	8. Executive signed:	Date:	
	9. Original to Council:	Date:	

**LEASE AGREEMENT FOR WHATCOM RESPONSE CENTER
Compass Health**

Compass Health, 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 6,
Exhibit A (Certificate of Insurance), p. 7.

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 commence on the 1st day of August, 2021, and shall, unless terminated or renewed as elsewhere provided in this agreement, terminate on the 30th day of September, 2022.

The general purpose or objective of this Agreement is to **lease property at the northwest corner of the County-owned building located at 2030 Division Street in Bellingham, Washington**, as more fully and definitely described in General Conditions – Paragraph 0.2 for the operation of the Whatcom Response Center

In consideration for the lease of property specified above, Lessee agrees to pay \$200 per month (\$2,400 per year) for rent and \$1,466.67 per month (\$17,600 per year) for utilities.

Lessee acknowledges and by signing this contract agrees that the Indemnification provisions set forth in Paragraphs 11.1, 21.1, 30.1, 31.2, 32.1, 34.2, and 34.3, 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 _____, 2021.

LESSEE:

Compass Health
PO Box 3810
Everett, WA 98203

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

Tom Sebastian, President/CEO

**WHATCOM COUNTY:
Recommended for Approval:**

DEPARTMENT APPROVAL

Anne Deacon, Human Services Manager

Date

Erika Lautenbach, Director

Date

Approved as to form:

Royce Buckingham, Prosecuting Attorney

Approved:

Accepted for Whatcom County:

By: _____
Satpal Singh Sidhu, Whatcom County Executive

LESSEE INFORMATION:

Compass Health
4526 Federal Avenue
Everett, WA 98203

GENERAL CONDITIONS

Series 00-09: Provisions Related to Scope and Nature of Lease

0.1 Nature of Lease

~~The purpose of the lease is to establish Whatcom County Behavioral Health Crisis Triage Center (Center). The Center will provide co-located mental health and substance abuse crisis services to people experiencing behavioral health crises 24 hours per day, 365 days per year. The purpose of this lease is to provide a location for the provision of behavioral health crisis and response and support services for Whatcom County residents in need.~~

0.2 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, all of the following-described property: Northwest corner of the Whatcom County Jail Work- & Triage Center located at 2030 Division Street, Bellingham, Washington consisting of 5,907 square feet of the 40,000 square foot building.

0.3 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.

0.4 Use of Premises:

Lessee, in consideration of the granting of this lease by County for the benefit of the citizens of Whatcom County, hereby understands and agrees that the only type of use or activity to be conducted upon the leased premises by Lessee shall be those covered by the Lessee's Community Behavioral Health Agency license. Carrying on other uses or activities without first obtaining a lease modification with County's written approval, shall constitute cause for default under the terms of this lease.

The Lessee agrees to maintain any required licenses in good standing and should the lessee lose any license required to provide behavioral health crisis response and support services for any reason it shall be considered basis for terminating this lease as called for in Section 11.4 of this lease.

Series 10-19: Provisions Related to Term and Termination

10.1 Term:

This lease shall commence on the 1st day of August, 2021 and end on the 30th day of September, 2022 unless sooner terminated according to this Agreement. Annual renewal of the lease on a yearly basis is available with both parties written agreement.

11.1 Termination for Default:

If the Lessee defaults by failing to perform any of the obligations of this lease or any other contract for services with County, 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 11.4 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.

11.2 Termination for Convenience

It is mutually agreed that Lease can be canceled and terminated by either party provided that written notice of such cancellation and termination has been provided in the U.S. Mail, first class postage prepaid at least sixty (60) days prior to the effective date of termination.

11.3 Termination of Lease:

This lease shall terminate as follows:

- A. At the expiration of the term of this lease.

- B. Upon the failure of Lessee to correct violations of any condition of this lease after 90 days written notice from the County.
- C. Upon notification by one part to the other as outlined in Section 11.2.

Series 30-39: Provisions Related to Administration of Agreement

30.2 Sub-lease:

Lessee may sublet a portion of the leased facility to other organizations providing compatible services upon written approval of County.

33.1 Right to Review:

This lease is subject to review by any Federal, State, or County auditor. The County or its designee shall have the right to review and monitor the financial and service components of this program by whatever means are deemed expedient by the Administrative Officer or by the County Auditor's Office. Such review may occur with or without notice and may include, but is not limited to, on-site inspection by County agents or employees, inspection of all records or other materials which the County deems pertinent to the Agreement and its performance, and any and all communications with or evaluations by service recipients under this Agreement. The County shall preserve and maintain all financial records and records relating to the performance of work under this Agreement for three (3) years after lease termination, and shall make them available for such review, within Whatcom County, State of Washington, upon request. County also agrees to notify the Administrative Officer in advance of any inspections, audits, or program review by any individual, agency, or governmental unit whose purpose is to review the services provided within the terms of this Agreement. If no advance notice is given to the County, then the County agrees to notify the Administrative Officer as soon as it is practical.

34.1 Proof of Insurance:

The Lessee shall, at its own expense, obtain and continuously maintain the following insurance coverage for the duration of this contract, which shall include insurance against claims for injuries to persons or damage to property which may arise from or in connection with the performance of the work hereunder by the Lessee, its agents, representatives, subcontractors or employees. All insurers providing such insurance shall have an A.M. Best Rating of not less than A- (or otherwise be acceptable to the County) and be licensed to do business in the State of Washington and admitted by the Washington State Insurance Commissioner. Coverage limits shall be the minimum limits identified in this Contract or the coverage limits provided or available under the policies maintained by the Lessee without regard to this Contract, whichever are greater.

1. Commercial General Liability

Property Damage	\$500,000.00, per occurrence
General Liability & bodily injury	\$1,000,000.00, per occurrence
Annual Aggregate	\$2,000,000.00

At least as broad as ISO form CG 00 01 or the equivalent, which coverage shall include personal injury, bodily injury and property damage for Premises Operations, Products and Completed Operations, Personal/Advertising Injury, Contractual Liability, Independent Contractor Liability, medical payments and Stop Gap/Employer's Liability. Coverage shall not exclude or contain sub-limits less than the minimum limits required, unless approved in writing by the County.

2. Additional Insurance Requirements and Provisions

- a. All insurance policies shall provide coverage on an occurrence basis.
- b. Additional Insured. Whatcom County, its departments, elected and appointed officials, employees, agents and volunteers shall be included as additional insureds on Lessee's and Lessee's subcontractors' insurance policies by way of endorsement for the full available limits of insurance required in this contract or maintained by the Lessee and subcontractor, whichever is greater.
- c. Primary and Non-contributory Insurance. Lessee shall provide primary insurance coverage and the County's insurance shall be non-contributory. Any insurance, self-insured retention, deductible, risk retention or insurance pooling maintained or participated in by the County shall be excess and non-contributory to Lessee's insurance.
- d. Waiver of Subrogation. The insurance policy shall provide a waiver of subrogation with respect to each insurance policy maintained under this Contract. When required by an insurer, or if a policy condition does not permit Lessee to enter into a pre-loss agreement to waive subrogation without an endorsement, then Lessee agrees to notify the insurer and obtain such endorsement. This requirement shall not apply to any policy which includes a condition expressly prohibiting waiver

of subrogation by the insured or which voids coverage should the Lessee enter into such a waiver of subrogation on a pre-loss basis.

- e. Review of and Revision of Policy Provisions. Upon request, the Lessee shall provide a full and complete certified copy of all requested insurance policies to the County. The County reserves the right, but not the obligation, to revise any insurance requirement, including but not limited to limits, coverages and endorsements, or to reject any insurance policies which fail to meet the requirements of this Contract. Additionally, the County reserves the right, but not the obligation, to review and reject any proposed insurer providing coverage based upon the insurer's financial condition or licensing status in Washington.
- f. Verification of Coverage/Certificates and Endorsements. The Lessee shall furnish the County with a certificate of insurance and endorsements required by this contract. The certificates and endorsements for each policy shall be signed by a person authorized by the insurer to bind coverage on its behalf. The certificate and endorsements for each insurance policy are to be on forms approved by the County prior to commencement of activities associated with the contract. The certificate and endorsements, and renewals thereof, shall be attached hereto as Exhibit "C". If Exhibit C is not attached, the Lessee must submit the certificate and endorsements required in this contract to the County prior to the commencement of any work on the contracted project. A certificate alone is insufficient proof of the required insurance; endorsements must be included with the certificate. The certificate of insurance must reflect the insurance required in this contract, including appropriate limits, insurance coverage dates, per occurrence, and in the description of operations, include the County project, Whatcom County, its departments, officials, employees, agents and volunteers as additional insureds, primary, non-contributory, and waiver of subrogation.
- g. The County must be notified immediately in writing of any cancellation of the policy, exhaustion of aggregate limits, notice of intent not to renew insurance coverage, expiration of policy or change in insurer carrier. Lessee shall always provide the County with a current copy of the certificate and endorsements throughout the duration of the contract.
- h. No Limitation on Liability. The insurance maintained under this Contract shall not in any manner limit the liability or qualify the liabilities or obligations of the Lessee to the coverage provided by such insurance, or otherwise limit the County's recourse to any remedy available at law or equity.
- i. Payment Conditioned on Insurance and Failure to Maintain Insurance. Compensation and/or payments due to the Lessee under this Contract are expressly conditioned upon the Lessee's compliance with all insurance requirements. Failure on the part of the Lessee to maintain the insurance as required shall constitute a material breach of contract. Payment to the Lessee may be suspended in the event of non-compliance, upon which the County may, after giving five business days' notice to the Lessee to correct the breach, immediately terminate the contract or, at its discretion, procure or renew such insurance and pay any and all premiums in connection therewith, with any sums so expended to be repaid to the County on demand or offset against funds due the Lessee. Upon receipt of evidence of Lessee's compliance, payments not otherwise subject to withholding or set-off will be released to the Lessee.
- j. Workers' Compensation. The Lessee shall maintain Workers' Compensation coverage as required under the Washington State Industrial Insurance Act, RCW Title 51, for all Lessees' employees, agents and volunteers eligible for such coverage under the Industrial Insurance Act.
- k. Failure of the Lessee to take out and/or maintain required insurance shall not relieve the Lessee or subcontractors from any liability under the contract, nor shall the insurance requirements be construed to conflict with or otherwise limit the obligations concerning indemnification. The County does not waive any insurance requirements even in the event the certificate or endorsements provided by the Lessee were insufficient or inadequate proof of coverage but not objected to by the County. The County's failure to confirm adequate proof of insurance requirements does not constitute a waiver of the Lessee's insurance requirements under this Contract.
- l. Availability of Lessee Limits. If the Lessee maintains higher insurance limits than the minimums shown above, the County shall be insured for the full available limits, including Excess or Umbrella liability maintained by the Lessee, irrespective of whether such limits maintained by the Lessee are greater than those required by this contract or whether any certificate furnished to the County evidences limits of liability lower than those maintained by the Lessee.
- m. Insurance for Subcontractors. If the Lessee subcontracts (if permitted in the contract) any portion of this Contract, the Lessee shall include all subcontractors as insureds under its policies or shall require separate certificates of insurance and policy endorsements from each subcontractor. Insurance coverages by subcontractors must comply with the insurance requirements of the Lessee in this contract and shall be subject to all of the requirements stated herein, including naming the County as additional insured.
- n. The Lessee agrees Lessee's insurance obligation shall survive the completion or termination of this Contract for a minimum period of three years.

34.3 Defense & Indemnity Agreement: To the fullest extent permitted by law, the Lessee agrees to indemnify, defend and hold the County and its departments, elected and appointed officials, employees, agents and volunteers, harmless from and against any and all claims, damages, losses and expenses, including but not limited to court costs, attorney's fees, and alternative dispute resolution costs, for any personal injury, for any bodily injury, sickness, disease, or death and for any damage to or destruction of any property (including the loss of use resulting therefrom) which: 1) are caused in whole or in part by any error, act or omission, negligent or otherwise, of the Lessee, its employees, agents or volunteers or Lessee's

subcontractors and their employees, agents or volunteers; or 2) directly or indirectly arise out of or occur in connection with performance of this Contract or 3) are based upon the Lessee's or its subcontractors' use of, presence upon, or proximity to the property of the County. This indemnification obligation of the Lessee shall not apply in the limited circumstance where the claim, damage, loss, or expense is caused by the sole negligence of the County.

Should a court of competent jurisdiction determine that this contract is subject to RCW 4.24.115, then in the event of concurrent negligence of the Lessee, its subcontractors, employees or agents, and the County, its employees or agents, this indemnification obligation of the Lessee shall be valid and enforceable only to the extent of the negligence of the Lessee, its subcontractors, employees, and agents. This indemnification obligation of the Lessee shall not be limited in any way by the Washington State Industrial Insurance Act, RCW Title 51, or by application of any other workmen's compensation act, disability benefit act or other employee benefit act, and the Lessee hereby expressly waives any immunity afforded by such acts.

It is further provided that no liability shall attach to the County by reason of entering into this contract, except as expressly provided herein. The parties specifically agree that this Contract is for the benefit of the parties only and this Contract shall create no rights in any third party. The County reserves the right, but not the obligation, to participate in the defense of any claim, damages, losses, or expenses, and such participation shall not constitute a waiver of Lessee's indemnity obligations under this Agreement.

In the event the Lessee enters into subcontracts to the extent allowed under this Contract, the Lessee's subcontractors shall indemnify the County on a basis equal to or exceeding Lessee's indemnity obligations to the County. The Lessee shall pay all attorney's fees and expenses incurred by the County in establishing and enforcing the County's rights under this indemnification provision, whether or not suit was instituted.

The Lessee agrees all Lessee's indemnity obligations shall survive the completion, expiration or termination of this Agreement. The foregoing indemnification obligations of the Lessee are a material inducement to County to enter into this Agreement and are reflected in the Lessee's compensation.

By signing this contract, the Lessee acknowledges that it has freely negotiated and agreed to the indemnification requirements to defend, indemnify and hold harmless the County from all claims and suits including those brought against the County by the Lessee's own employees, arising from this contract.

35.1 Non-Discrimination in Employment:

The County's policy is to provide equal opportunity in all terms, conditions and privileges of employment for all qualified applicants and employees without regard to race, color, creed, religion, national origin, sex, sexual orientation (including gender identity), age, marital status, disability, or veteran status. The Lessee shall comply with all laws prohibiting discrimination against any employee or applicant for employment on the grounds of race, color, creed, religion, national origin, sex, sexual orientation (including gender identity), age, marital status, disability, political affiliation, or veteran status, except where such constitutes a bona fide occupational qualification.

Furthermore, in those cases in which the Lessee is governed by such laws, the Lessee shall take affirmative action to insure that applicants are employed, and treated during employment, without regard to their race, color, creed, religion, national origin, sex, age, marital status, sexual orientation (including gender identity), disability, or veteran status, except where such constitutes a bona fide occupational qualification. Such action shall include, but not be limited to: advertising, hiring, promotions, layoffs or terminations, rate of pay or other forms of compensation benefits, selection for training including apprenticeship, and participation in recreational and educational activities. In all solicitations or advertisements for employees placed by them or on their behalf, the Lessee shall state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex or national origin.

The foregoing provisions shall also be binding upon any subcontractor, provided that the foregoing provision shall not apply to contracts or subcontractors for standard commercial supplies or raw materials, or to sole proprietorships with no employees.

35.2 Non-Discrimination in Client Services:

The Lessee shall not discriminate on the grounds of race, color, creed, religion, national origin, sex, age, marital status, sexual orientation (including gender identity), disability, or veteran status; or deny an individual or business any service or benefits under this Agreement unless otherwise allowed by applicable law; or subject an individual or business to segregation or separate treatment in any manner related to his/her/its receipt any service or services or other benefits provided under this Agreement unless otherwise allowed by applicable law; or deny an individual or business an opportunity to participate in any program provided by this Agreement unless otherwise allowed by applicable law.

36.2 Conflict of Interest:

If at any time prior to commencement of, or during the term of this Agreement, Lessee 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 Lessee 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 Lessee to take reasonable steps to remove the conflict of interest. The County may also terminate this contract according to the provisions herein for termination.

37.1 Administration of Lease:

This 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:

Perry Mowery, Human Services Supervisor
Whatcom County Health Department
509 Girard Street
Bellingham, WA 98225
360-778-6059
PMowery@co.whatcom.wa.us

37.2 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.

Series 40-49: Provisions Related to Interpretation of Agreement and Resolution of Disputes

40.1 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.

40.3 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 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.

40.4 Utilities:

The County acknowledges that Lessee is providing an improved public service with the relocation of their services to Leased premises. It is the intention of the County that the cost of the Lessee to provide services in the leased facility shall not increase over prior facility costs. Lessee shall annually contribute \$17,600 to be applied by County toward the cost of utility services for the facility. County shall review the contribution amount annually and may increase the contribution by an amount not to exceed 3%.

40.5 Janitorial Services:

Janitorial services will be provided by Lessee. Services shall comply with standards established by Whatcom County Facilities Management. Failure of Lessee to meet these standards will result in County performing services and billing the cost of such service to Lessee.

Lessee shall be responsible for routine cleaning and housekeeping three times per week in the Center and shall on a continuing basis maintain high standards for sanitation as specified by Whatcom County Facilities Management. Lessee

shall be responsible for providing all cleaning supplies, light bulbs, paper products, and any other consumable supplies to be used inside the facility.

Inspections of the facility by County will occur as deemed necessary by County. Any deficiencies in housekeeping noted during such inspections or at any other time will be corrected by Lessee in a timely manner. Failure of Lessee to respond in a timely manner will result in County performing services and billing the cost of such service to Lessee. For the purposes of this lease "timely manner" means 5 days or less unless a different duration is mutually agreed to.

Lessee shall be responsible for depositing all trash and garbage in the area marked for such purpose and providing for its removal on a regular basis. County shall provide janitorial services outside the facility. Lessee shall be responsible for the proper disposal of any bio-hazardous wastes in the Center.

40.6 Maintenance of Facilities:

A. County shall maintain the Center in good repair and tenantable condition during the term of this Lease, except in the case of damage caused by the Lessee, its clients, agents, or employees. For the purposes of so maintaining the Center, the County reserves the right at reasonable times to enter and inspect the Center 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 facility throughout the year. Examples include but are not limited to air filter changes; heating unit checks, electrical and plumbing system checks.

C. Corrective maintenance is performed by County upon request by Lessee to restore facility components to operational condition. Lessee shall submit a work order to request corrective maintenance.

40.7 Access:

County reserves the right of access to the premises for the purpose of securing compliance with the terms of this lease.

40.8 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.

40.9 Alterations:

No alterations may be made to the Center without written County authorization. County will perform or contract for any alterations, or Lessee may use a contractor approved by the County in advance of alterations. All improvements shall be made at the sole cost and expense of the Lessee.

40.10 Signs:

Lessee agrees that all signs will be designed and placed in accordance with County policy.

40.11 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.

41.1 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.

41.2 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.

42.1 Disputes:

a. 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.

43.1 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.

44.1 Survival:

The provisions of paragraphs 11.1, 11.2, 11.3 if utilized, 21.1, 22.1, 30.1, 31.1, 31.2, 32.1, 33.1, 34.2, 34.3, 36.1, 40.2, 41.2, 42.1, and 43.1, shall survive, notwithstanding the termination or invalidity of this Agreement for any reason.

45.1 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)