

**GRANT AGREEMENT  
BETWEEN LEWIS COUNTY AND  
THE ECONOMIC ALLIANCE OF LEWIS COUNTY**

This Grant Agreement is made and entered into by Lewis County and the Economic Alliance of Lewis County as to the conditions for acceptance of monies by the Economic Alliance of Lewis County from the “Distressed Counties Fund” pursuant to RCW 82.14.370.

**I. PURPOSE**

RCW 82.14.370 authorizes the availability of a sales and use tax to be used to finance public facilities serving economic development purposes in rural counties. the Lewis County Board of County Commissioners (BOCC) wishes to approve funding in the amount of \$175,000 annually for two years -- for a grand total of \$350,000 -- to finance personnel in the economic development office of Lewis County Economic Alliance, an associate development organization (ADO) engaged in economic development in Lewis County as the term is defined in RCWs 82.14.370(3)(a) and 82.14.370(3)(c)(iii). The name of this project shall be “Economic Alliance operations and implementations of economic development,” and it shall be funded from Q2 2024 through Q1 2026.

**II. ELIGIBILITY**

The public facility must be listed as an item in the officially adopted Lewis County Comprehensive Economic Development Strategy (CEDS) and must meet other requirements as set forth by County resolution, adopted policy, and growth management planning. Monies collected shall only be used to finance public facilities serving economic development purposes in rural counties.

**III. APPLICANT’S RESPONSIBILITIES**

Upon approval of application by the Lewis County Commissioners, applicant agrees that:

1. The project must be in progress within six (6) months of the date of this agreement or grant funds shall revert back to the Lewis County “Distressed Counties Fund.” For purposes of being “in progress,” the project must have proceeded beyond the initial planning stage and into the implementation stages of the project. The Economic Alliance of Lewis County shall promptly notify Lewis County in writing of any actual or anticipated event that is delaying or could delay achievement of any milestone or performance of any critical path activity of the project. A copy of this report shall also be placed in the file of the Economic Development Public Facilities Advisory Committee.
2. The Applicant must provide semi-annual progress report to the Lewis County Board of County Commissioners in order to ensure satisfactory completion of the project and proper expenditure of grant monies. The scope of project work is contained in the .09 application dated December 17, 2023, and is hereby incorporated by reference into this

agreement. Failure to provide progress reports or sufficient information may result in reversion to the “Distressed Counties Fund” of all or part of the funding balance. At such times as the Lewis County Board of County Commissioners deems necessary for reasonable cause, the applicant shall permit the County to inspect and audit all pertinent books and records of the applicant or other persons or entities that have performed work in connection with or related to this funding. The audit may take place up to three (3) years after completion of the project. The books and records are to be made available at reasonable times at such reasonable location as County selects. At Lewis County’s request, the applicant shall supply County with, or shall permit County to make a copy of, any books and records and any portion thereof.

3. Applicant has requested these County funds in order to achieve the goals outlined in the attached Marketing Plan by increasing the number of jobs available to the community and improving the quality of life. To succeed in this, the Alliance will work to meet its mission by working with and recruiting industrial and primary employers that produce goods and/or services to expand and locate to Lewis County. Failure to comply with the intent of this section may result in reversion to the “Distressed Counties Fund” of all or part of the funding balance. Funding to complete the full project as presented in the application must be confirmed and available prior to release of these grant funds. Failure to comply with this section may result in reversion to the “Distressed Counties Fund” of all or part of the funding balance.
4. Applicant shall provide documented evidence of expenditures of all funds for this project at the semi-annual updates denoted in item #2 (or within 60 [sixty] days of project completion) to both the Rural Economic Development Public Facilities Advisory Committee and the County. Funds spent under this program must be for the purpose of financing public facilities or supporting related economic development projects, as defined under RCW 82.14.370 and AGO 2002, No.1. Failure to comply with this section may result in reversion to the “Distressed Counties Fund” of all or part of the funding balance.
5. Billings and invoices together with audit-sufficient supporting documentation shall be remitted to the County for payment not more than one time each month. Within 30 (thirty) days of receiving a reimbursement claims voucher that meets the requirements of this Agreement and applicable law, the Clerk of the Board, on behalf of the County, shall remit to the organization a warrant for the approved reimbursement amount. The applicant will be responsible to the County for the timely sharing and/or exchange of any or all documentation related to the project as well as accounting and record retention responsibilities for the project.
  - **Permitted use of County Funds:** Economic Alliance shall use all funds received from the County pursuant to this Agreement. Economic Alliance hereby recognizes and expressly agrees that all salaries funded under the authority of this Agreement are intended to support economic development and job creation.

- **Accounting and Payment for Contractor Services:** Payment shall be based upon written claims supported by documentation of hours worked on each project/task, the rate of pay for the employee performing the work, the total number of hours for the month and the total dollar payment requested so as to comply with municipal auditing requirements on a standard form supplied by the County.
6. Applicant shall comply with and give notices required by all federal, state, and local laws, ordinances, rules, regulations, and lawful order of public authorities applicable to performance of the project. Lewis County reserves the right to terminate this Agreement and demand reversion of "Distressed Counties Fund" monies at any time during the undertaking of said project if it is discovered that said project is in violation of any local, state, or federal laws.
  7. Independent Contractor: Applicant's services shall be furnished by the Applicant as an independent contractor, and nothing herein contained shall be construed to create a relationship of employer-employee. All payments made hereunder and all services performed shall be made and performed pursuant to this contract by the Applicant as an independent contractor.
  8. Applicant acknowledges that the entire compensation for this contract is specified in Exhibit B Compensation and the Applicant is not entitled to any benefits including, but not limited to: vacation pay, holiday pay, sick leave pay, medical, dental, or other insurance benefits, or any other rights or privileges afforded to employees of COUNTY. The Applicant represents that he/she/it maintains a separate place of business, serves clients other than COUNTY, will report all income and expense accrued under this contract to the Internal Revenue Service, and has a tax account with the State of Washington Department of Revenue for payment of all sales and use and Business and Occupation taxes collected by the State of Washington.
  9. Applicant will defend, indemnify and hold harmless COUNTY, its officers, agents or employees from any loss or expense, including, but not limited to, settlements, judgments, setoffs, attorneys' fees or costs incurred by reason of claims or demands because of breach of the provisions of this paragraph.
  10. Taxes: Applicant understands and acknowledges that COUNTY will not withhold Federal or State income taxes. Where required by State or Federal law, the Applicant authorizes COUNTY to withhold for any taxes other than income taxes (i.e., Medicare). All compensation received by the Applicant will be reported to the Internal Revenue Service at the end of the calendar year in accordance with the applicable IRS regulations. It is the responsibility of the Applicant to make the necessary estimated tax payments throughout the year, if any, and the Applicant is solely liable for any tax Applicant arising from the Applicant's performance of this contract. The contractor hereby agrees to indemnify COUNTY against any demand to pay taxes arising from the Applicant's failure to pay taxes on compensation earned pursuant to this contract.

11. Applicant will pay sales and use taxes imposed on goods or services acquired hereunder as required by law. Applicant must pay all other taxes, including, but not limited to, Business and Occupation Tax, taxes based on the Applicant's gross or net income, or personal property to which Lewis County does not hold title. Lewis County is exempt from Federal Excise Tax.

## **IV. INSURANCE REQUIREMENTS**

### **A. Minimum Insurance Requirements:**

1. Commercial General Liability Insurance using Insurance Services Office "Commercial General Liability" policy form CG 00 01, with an edition date prior to 2004, or the exact equivalent. Coverage for an additional insured shall not be limited to its vicarious liability. Defense costs must be paid in addition to limits. Limits shall be no less than \$1,000,000 per occurrence for all covered losses and no less than \$2,000,000 general aggregate, for bodily injury, personal injury, and property damage, including without limitation, blanket contractual liability.
2. Workers' Compensation on a state-approved policy form providing statutory benefits as required by law with employer's liability limits for Applicant, with two (2) or more employees and/or volunteers, no less than \$1,000,000 per accident for all covered losses.
3. Business Auto Coverage on ISO Business Auto Coverage form CA 00 01 including owned, non-owned and hired autos, or the exact equivalent. Limits shall be no less than \$1,000,000 per accident, combined single limit. If Applicant owns no vehicles, this requirement may be satisfied by a non-owned auto endorsement to the general liability policy described above. If contractor or contractor's employees will use personal autos in any way on this project, contractor shall obtain evidence of personal auto liability coverage for each such person.
4. Professional liability (errors & omissions) insurance. Applicant shall maintain professional liability insurance that covers the services to be performed in connection with this contract, in the minimum amount of \$1,000,000 per claim and in the aggregate. Any policy inception date, continuity date, or retroactive date must be before the effective date of this contract and contractor agrees to maintain continuous coverage through a period no less than three years after completion of the services required by this contract.
5. Excess or Umbrella Liability Insurance (Over Primary) if used to meet limit requirements, shall provide coverage at least as broad as specified for the underlying coverages. Such policy or policies shall include as insureds those covered by the underlying policies, including additional insureds. Coverage shall be "pay on behalf," with defense costs payable in addition to policy limits. There shall be no cross liability exclusion precluding coverage for claims or suits by one insured against another.

Coverage shall be applicable to Lewis County for injury to employees of contractor, subcontractors or others involved in the Work. The scope of coverage provided is subject to approval of Lewis County following receipt of proof of insurance as required herein.

**B. Certificate of Insurance:**

A Certificate of Insurance naming Lewis County as the Certificate Holder must be provided to Lewis County within five (5) days of contract execution.

**C. Basic Stipulations:**

1. Applicant agrees to endorse third-party liability coverage required herein to include as additional insureds Lewis County, its officials, employees and agents, using ISO endorsement CG 2010 with an edition date prior to 2004. Applicant also agrees to require all subcontractors, and anyone else involved in this contract on behalf of the Applicant (hereinafter “indemnifying parties”) to comply with these provisions.
2. Applicant agrees to waive rights of recovery against Lewis County regardless of the applicability of any insurance proceeds, and to require all indemnifying parties to do likewise.
3. All insurance coverage maintained or procured by Applicant or required of others by Applicant pursuant to this contract shall be endorsed to delete the subrogation condition as to Lewis County, or must specifically allow the named insured to waive subrogation prior to a loss.
4. All coverage types and limits required are subject to approval, modification and additional requirements by Lewis County. Applicant shall not make any reductions in scope or limits of coverage that may affect Lewis County’s protection without Lewis County’s prior written consent.
5. Applicant agrees upon request by Lewis County to provide complete, certified copies of any policies required within 10 days of such request. Lewis County has the right, but not the duty, to obtain any insurance it deems necessary to protect its interests. Any premium so paid by Lewis County shall be charged to and promptly paid by Applicant or deducted from sums due Applicant. Any actual or alleged failure on the part of Lewis County or any other additional insured under these requirements to obtain proof of insurance required under this contract in no way waives any right or remedy of Lewis County or any additional insured, in this or in any other regard.
6. It is acknowledged by the parties of this contract that all insurance coverage required to be provided by Applicant or indemnifying party, is intended to apply first and on a

primary non-contributing basis in relation to any other insurance or self-insurance available to Lewis County.

7. Contractor agrees not to self-insure or to use any self-insured retentions on any portion of the insurance required herein and further agrees that it will not allow any indemnifying party to self-insure its obligations to Lewis County. If Applicant's existing coverage includes a self-insured retention, the self-insured retention must be declared to Lewis County. Lewis County may review options with Applicant, which may include reduction or elimination of the self-insured retention, substitution of other coverage, or other solutions.

Applicant will renew the required coverage annually as long as Lewis County, or its employees or agents face an exposure from operations of any type pursuant to this contract. This obligation applies whether or not the contract is canceled or terminated for any reason. Termination of this obligation is not effective until Lewis County executes a written statement to that effect.

The limits of insurance as described above shall be considered as minimum requirements. Should any coverage carried by Applicant or a subcontractor of any tier maintain insurance with limits of liability that exceed the required limits or coverage that is broader than as outlined above, those higher limits and broader coverage shall be deemed to apply for the benefit of any person or organization included as an additional insured and those limits shall become the required minimum limits of insurance in all Paragraphs and Sections of this contract.

None of the policies required herein shall be in compliance with these requirements if they include any limiting endorsement that has not been first submitted to Lewis County and approved of in writing.

The requirements in this Exhibit supersede all other sections and provisions of this contract to the extent that any other section or provision conflicts with or impairs the provisions of this Exhibit.

Unless otherwise approved by Lewis County, insurance provided pursuant to these requirements shall be by insurers authorized to do business in Washington and with a minimum A.M. Best rating of A-:VII.

All insurance coverage and limits provided by Applicant and available or applicable to this contract are intended to apply to the full extent of the policies. Nothing contained in this contract limits the application of such insurance coverage.

Contractor agrees to provide prompt notice to Lewis County of any notice of cancellation of any required policy or of any material alteration or non-renewal of any such policy, other than for non-payment of premium. Applicant shall assure that this provision also applies to any of its employees, agents or subcontractors engaged by or on behalf of Applicant in relation to this contract.

Lewis County reserves the right at any time during the term of the contract to change the amounts and types of insurance required by giving the Applicant ninety (90) days advance written notice of such change. If such change results in substantial additional cost to the Applicant, the Lewis County and Applicant may renegotiate Applicant's compensation.

Requirements of specific coverage features are not intended as limitation on other requirements or as waiver of any coverage normally provided by any given policy. Specific reference to a coverage feature is for purposes of clarification only as it pertains to a given issue and is not intended by any party or insured to be all-inclusive.

Contractor agrees to provide immediate notice to Lewis County of any claim or loss against contractor arising out of the work performed under this contract. Lewis County assumes no obligation or liability by such notice but has the right (but not the duty) to monitor the handling of any such claim or claims if they are likely to involve Lewis County.

#### **V. ENTIRE AGREEMENT**

This Agreement represents the entire Agreement between the parties and supersedes any prior oral statements, discussions, or understandings.

#### **VI. FUTURE SUBSIDY**

Lewis County makes no commitment to future support and assumes no obligation for future support of the activity contracted for herein, except as expressly set forth in this Contract. The maximum amount of funding available is as stated in the Lewis County Economic Development Public Facilities Project Proposal attached herein. This item is hereby incorporated into this Agreement by reference.

#### **VII. GOVERNING LAW**

This Agreement is governed by, and shall be construed in accordance with, the laws of the State of Washington except for Washington's choice of law rules. Except as otherwise required by applicable law, any legal action under this Agreement shall be brought in the Superior Court of the State of Washington in and for Lewis County.

#### **VIII. WAIVER OF BREACH**

No waiver of any breach of any covenant or agreement contained herein shall operate as a waiver of any subsequent breach of the same covenant or agreement or as a waiver of any breach of any other covenant or agreement, and in case of a breach by either party of any covenant, agreement or undertaking, the non-defaulting party may nevertheless accept from the other any payment or payments or performance hereunder without in any way waiving its right to exercise any of its rights and remedies provided for herein or otherwise with respect to

any such default or defaults that were in existence at the time such payment or payments or performance were accepted by it.

## **IX. INDEMNIFICATION**

To the fullest extent permitted by law, the Economic Alliance of Lewis County shall protect, defend, indemnify and hold harmless Lewis County, the Lewis County Board of County Commissioners, its officers, agents and employees, or any of them from and against any and all claims, actions, suits, liability, loss, costs, expenses and damages of any nature whatsoever, which are caused by or result from the performance of this Agreement by either party, except those resulting exclusively from the County's sole negligence. In the event of the concurrent negligence of the Economic Alliance of Lewis County, its subcontractors, agents or employees, and the County, its officers, agents, or employees, this indemnification obligation shall be valid and enforceable only to the extent of the negligence Economic Alliance of Lewis County, its subcontractors, agents, and employees. This indemnification obligation of the Contractor 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 Economic Alliance of Lewis County hereby expressly waives any immunity afforded by such acts. The foregoing indemnification obligations of Economic Alliance of Lewis County are a material inducement to County to enter into this Agreement, are reflected in the grant funding, and have been mutually negotiated. Economic Alliance of Lewis County shall require any subcontractors performing on the project herein to indemnify the County to an equal or greater extent than provided herein. 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 any indemnity protections under this Agreement. Economic Alliance's obligations under this provision shall survive the completion, termination, or expiration of this contract.

## **X. DISPUTE RESOLUTION**

- A.** If a dispute arises between the parties with regard to the performance of any provision of this agreement or the interpretation thereof, the parties agree to follow the procedure set forth below. It is the goal of the parties to resolve their differences as early and amicably as possible.
- B.** The parties shall first meet to attempt to see if the matter can be informally resolved. This informal resolution attempt may involve more than one meeting but is not required to involve more than one meeting.
- C.** If the parties are unable to resolve their differences, the parties will endeavor to settle the dispute by mediation under such mediation rules as shall be mutually agreeable to the parties. Such mediation shall be non-binding but shall be a condition precedent to having said dispute decided in court by a judge or jury. Mediation shall commence, unless otherwise agreed, within 30 (thirty) days of a party's written request for mediation of a dispute. Any resolution at this stage shall be reduced to writing and, if it involves an interpretation of the agreement, it shall be considered an addendum to



this agreement without the need for formal adoption by the governing bodies of the jurisdictions that are parties to this agreement. Any costs related to mediation shall be shared equally by the parties.

**XI. TERMINATION OF AGREEMENT**

- A. If the ORGANIZATION breaches or violates any provision of this Agreement, the COUNTY may, in addition to any other rights provided by law, terminate this Agreement and withhold any further reimbursement, provided the violation or breach is not corrected to the satisfaction of the COUNTY within ten (10) days of the COUNTY mailing – first class and postage prepaid – written notice to the ORGANIZATION of the breach or violation.
- B. In addition, either party may terminate this Agreement at any time by providing written notice of such termination and specifying the effective date thereof to the other party at least twenty (20) days prior to the effective date.

Signed by the Lewis County Board of County Commissioners this \_\_\_\_ day of \_\_\_\_\_ 2024.

APPROVED AS TO FORM  
Prosecuting Attorney Jonathan Meyer

BOARD OF COUNTY COMMISSIONERS  
LEWIS COUNTY, WASHINGTON

\_\_\_\_\_  
By: David Bailey, Chief Civil DPA

\_\_\_\_\_  
Scott J. Brummer, Chair

ATTEST

\_\_\_\_\_  
Lindsey R. Pollock, DVM, Vice Chair

\_\_\_\_\_  
Rieva Lester, Clerk of the Board

\_\_\_\_\_  
Sean D. Swope, Commissioner

**Grantee: Economic Alliance of Lewis County**

By: \_\_\_\_\_

Title: \_\_\_\_\_

For: \_\_\_\_\_

Date: \_\_\_\_\_