

COMMERCIAL LEASE AGREEMENT

THIS LEASE AGREEMENT (the "Lease") is entered into by LEWIS COUNTY, a political subdivision of Washington State ("County"), and THE SALVATION ARMY, a California corporation for its Northwest Division ("TSA" or "Lessee"). County and Lessee agree as follows:

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1. LEASE SUMMARY AND EXHIBITS.

- 1.1 Leased Premises. The leased premises (the "Premises") consist of the real property and all improvements located at 2015 NE Kresky Ave, Chehalis, WA, in the City of Chehalis and County of Lewis, State of Washington, dubbed tax parcel 021650-002-001 and legally described in the attached Exhibit A.
- 1.2 Lease Commencement Date. The Lease shall commence on ^{October 1, 2025}~~June 1, 2025~~, or such earlier or later date as provided in Section 3 (the "Commencement Date").
- 1.3 Lease Termination Date. The Lease shall terminate at midnight on the last day of the Term of this Lease, or such earlier or later date as provided in the Lease (the "Termination Date").
- 1.4 Monthly Rent. The Monthly Rent shall be Seven Thousand Five Hundred Dollars and Zero Cents (\$7,500.00). Rent shall accrue from the Commencement Date, prorated for any partial first month, and be payable at the County's address shown in Section 1.6 below or other place designated in writing by the County.
- 1.5 Permitted Use. The Premises shall be used only for a night-by-night shelter for people experiencing homelessness, in accordance with the terms and conditions of (i) Lessee and County's written agreement for Lessee to operate such a shelter at the Premises and (ii) the County's written agreement with the Washington Department of Commerce, and related encumbrances on the Premises, concerning the use of the Premises as such a shelter ("Lewis County Homeless Shelter"). The Premises shall be used for no other purpose without the prior written consent of the County.
- 1.6 Notice and Payment Addresses. Notices under this Lease and payments to the County shall be mailed or delivered to the following addresses:

Notices and Payments to the County:

Accounting Analyst for Lewis County Shelter
Public Health & Social Services
360 NW North Street
Chehalis, WA, 98532

Notice to the Lessee:

Captains Gin and Steven Pack, Centralia Corps
The Salvation Army
303 N. Gold St.
Centralia, WA 98531

1.7 Exhibits

Exhibit A: Legal Description

Exhibit B: Permissible Maintenance under CHG Guidelines (for Reference)

2. **PREMISES.** The County leases to Lessee, and Lessee leases from the County, the Premises upon the terms specified in this Lease.

3. **TERM.**

3.1 Initial Term and Continued Tenancy. This Lease shall be for a term of one year, commencing on ~~June~~^{October} 1, 2025, or earlier as described in section 3.3 ("Commencement Date"), and terminating on ~~May 31~~^{September 30}, 2026 ("Termination Date"), unless the Commencement Date or Termination Date are extended, as provided herein, or unless the Lease is terminated earlier as provided in this Lease ("Initial Term"). Thereafter, this Lease shall continue as a month to-month tenancy so long as TSA continues to operate the Lewis County Homeless Shelter as specified in the permitted use provision, above. The Initial Term together with any month-to-month tenancy described herein shall be referred to as the "Term."

TSA

County

3.2 Right to Terminate. At any point during the Term, either party may terminate this Lease on sixty (60) days' prior written notice to the other party.

3.3 Delivery of Possession. The County shall not be liable for any damages caused by failure to deliver possession of the Premises by ~~June~~^{October} 1, 2025. If Lessee accepts possession of the Premises prior to the Commencement Date, the date Lessee takes possession shall be the Commencement Date. All of the covenants and terms contained in this Lease shall apply, including the payment of Rent and other charges accruing hereunder, which shall be prorated for the number of days of such early possession.

TSA

County

4. **RENT.**

4.1 Lessee's Monthly Payment. On or before the Commencement Date, and thereafter on or before the first day of each month during the Term of this Lease, Lessee shall pay to the County the Rent set forth in Section 1.4, without notice or demand, at the address set forth in section 1.6, above.

4.2 County's Handling of Rent. To satisfy capital and operating reserve requirements relevant to the Housing Trust Fund appropriation which funded the County's purchase of the Premises, rent received from Lessee shall not be deposited into the general fund as unrestricted earned income but rather into the Homeless Shelter Capital Fund (currently fund No. 3500). Whereupon, such funds shall be used as capital and operating reserves for the Premises. The County shall consider the capital and operating reserve needs of the Premises when considering any changes to the Rent collected or its handling of such Rent.

_____ [Initials of Chair of Board of County Commissioners for section 4.2]

5. **TAXES AND SIMILAR CHARGES.**

5.1 Definition of Taxes. "Taxes" shall mean: (i) any form of real estate tax,
Lease to The Salvation Army
Lewis County Homeless Shelter

assessment, or similarly collected fee or charge imposed on the Premises by any authority including any County, state or federal government, or any improvement district, as against any legal or equitable interest of the County or Lessee in the Premises or in the real property of which the Premises are a part, or against rent paid for leasing the Premises; and (ii) any form of personal property tax or assessment imposed on any personal property, fixtures, furniture, lessee improvements, equipment, inventory, or other items, and all replacements, improvements, and additions to them located on the Premises, whether owned by the County or Lessee.

- 5.2 Lessee to Pay; Exemptions. In addition to any rent, Lessee shall be responsible to pay any applicable real or personal property taxes pertaining to the Premises, as well as any Leasehold Excise Tax as required by Ch. 82.29A RCW. It is anticipated that the Premises will be government-exempt from real property taxes, that Lessee will be exempt from real and personal property taxes under RCW 84.36.043, and that Lessee will be exempt from Leasehold Excise Tax under RCW 82.29A.020(1)(a).
- 5.3 Lessee to Provide Proof. It is Lessee's responsibility to undergo any processes necessary to obtain such tax exemptions. Lessee shall provide proof to the County of such exemptions if obtained.
- 5.4 If Exemptions do not Apply. If any exemption is not obtained or does not apply, and real or personal property taxes or Leasehold Excise Tax are due, Lessee shall pay such taxes at least ten (10) days before they are due, and shall indemnify and reimburse County for any quantity of taxes the County pays as a result of the lack of exemption or Lessee's failure to pay. Lessee shall provide proof to the County of any such payment.
- 5.5 Lessee's Right to Contest Taxes. Lessee may contest the amount or validity, in whole or in part, of any Taxes at its sole expense, only after paying such Taxes or posting such security as the County may reasonably require in order to protect the Premises against loss or forfeiture. Upon the termination of any such proceedings, Lessee shall pay the amount of such Taxes or part of such Taxes as finally determined, together with any costs, fees, interest penalties, or other related liabilities.
- 5.6 County's Right to Pay. If Lessee fails to pay, or reasonably appears that it will not pay, any taxes on the Premises, County may at its election pay such taxes and add such amount to the rent due from Lessee, or may deduct such amount from any payment due to Lessee.

6. LESSEE'S PROPERTY.

- 6.1 Lessee's Property. If paid for with Lessee's independent funds and not reimbursed by any sources of funds through the County, all of Lessee's personal property and trade fixtures ("Lessee's Property") will remain Lessee's property,

and Lessee may remove its property at any time during or upon expiration of the Term. Other personal property's ownership and removal will be dictated by the source(s) of funds and any associated agreements.

- 6.2 Removal of Personal Property at End of Lease. Upon the expiration or sooner termination of this Lease, Lessee shall remove Lessee's Property and also any personal property of any party (other than the County) brought onto the Premises during the term of this Lease. If such removal includes property owned by third parties, Lessee shall openly and publicly provide a means for third parties to reclaim their property from Lessee following such removal, and County shall participate in publicizing notice of that process.
- 6.3 Repair and Cleaning. Lessee shall repair damage to the Premises resulting from the installation or removal of its property, and Lessee shall promptly surrender the Premises in the condition required by Sections 10.3 and 23. If the Lessee fails to so remove its property or to so repair or clean the Premises upon the expiration or sooner termination of this Lease, Lessee shall reimburse the County for the cost of any such removal, repair or cleaning.
- 6.4 Abandoned Property. Any property left on the Premises after the expiration or termination of the Term or after Lessee's vacation or abandonment of the Premises ("Abandoned Property") will be deemed to have been abandoned and to have become the property of the County to dispose of at the County's discretion. Lessee shall reimburse the County for any of the County's court costs, attorneys' fees, and storage charges related to Abandoned Property, as well as for any open and public process to allow third parties to reclaim any Abandoned Property that may belong to third parties. The County may, at its option, sell Abandoned Property at private sale without notice or legal process pertaining to Lessee, for such price as the County may obtain, and apply the proceeds of such sale to any amounts due under this Lease from Lessee to the County, including expenses incident to the removal and sale of the Abandoned Property. Or, the County may otherwise dispose of Abandoned Property.

7. IMPROVEMENTS, CHANGES, AND MAINTENANCE.

- 7.1 Most improvements prohibited. Lessee shall make no improvements to the property beyond those eligible for reimbursement per CHG guidelines. These guidelines generally do not allow capital improvements and define maintenance narrowly to include only those activities that do not affect fixtures to the building or the building structure itself. Such activities shall be at Lessee's sole expense unless they are approved for reimbursement in the normal course of shelter funding. If improvements are needed, Lessee shall notify the County, and the County shall decide whether and how to make such improvements, following applicable public works and prevailing wage laws. County shall normally seek Lessee's permission to enter to make such improvements but may enter according to the procedures in section 18, below.

- 7.2 Emergency improvements. If an emergency occurs such that Lessee must make some improvement(s) to ensure the safety of its night-by-night shelter services for the participants and/or staff, Lessee shall immediately contact the County for assistance, but may make such temporary or emergency improvements as are necessary for safety. Lessee shall require that any work so performed complies with prevailing wage laws. Prevailing wage rates are available at this site: <https://www.lni.wa.gov/licensing-permits/public-works-projects/prevailing-wage-rates/>. Such temporary or emergency improvements shall be at Lessee's sole expense unless they are approved for reimbursement in the normal course of shelter funding or via special arrangement due to the emergency.
- 7.3 Other changes. Lessee may make other changes to the Premises that do not improve the premises, such as changes to equipment, equipment or furniture layout, manner of services, signage not affixed to the building, and other things contemplated in Lessee's provision of shelter services. Such activities shall be at Lessee's sole expense unless they are approved for reimbursement in the normal course of shelter funding, with due regard for CHG guidelines' limitations.
- 7.4 Maintenance distinguished from ordinary janitorial work. Lessee shall perform such maintenance as is permissible under CHG guidelines and is appropriate to night-by-night shelter services. A general table of permissible CHG maintenance activities is attached as Exhibit B for reference. As to the Premises specifically, the Parties agree that Lessee's maintenance is specific work related to the provision of shelter for the homeless and far exceeds the ordinary janitorial work sometimes contemplated in the term "maintenance" as it pertains to government buildings. Such maintenance includes, for example, rigorous cleaning and sanitation to provide a safe environment for participants who may change nightly, pest control, laundry, sanitary food practices, and general control of the site to reduce or eliminate unsafe conditions. For this reason, these night-by-night shelter services are a proper subject of homeless services funding via Lessee's operations contract with the County and not a building service maintenance contract subject to prevailing wage.
8. **UTILITIES.** Lessee shall be responsible for paying for utilities services at the Premises. As of the Commencement Date, electricity, water, gas, sewer, and telephone utilities, as well as broadband internet and garbage services, are available at or adjacent to the Premises and are in good working order. Lessee shall determine whether the available capacity of such utilities and services will meet Lessee's needs. Lessee shall install and connect, if necessary, and directly pay for all water, sewer, gas, electricity, garbage removal, telephone, broadband, and other utilities and services used by Lessee on the Premises during the Term, whether or not such services are billed directly to Lessee. The County will cooperate with Lessee as necessary to procure, or cause to be procured all necessary permits, licenses or other authorizations required for the lawful and proper installation, maintenance, replacement, and removal on or from the Premises of wires, pipes, conduits, tubes, and other equipment and appliances for use in supplying all utilities or services to the Premises. If Lessee fails to pay a

utility bill and such unpaid sum constitutes a lien against the Premises, the County may pay the delinquent amount add such amount to the rent due from Lessee, or may deduct such amount from any payment due to Lessee.

9. USE OF PREMISES.

- 9.1 Permitted Use. Lessee shall use the Premises for the purpose set forth in Section 1.5, and Lessee agrees that by taking possession of the Premises, Lessee has determined to its satisfaction that the Premises can be used for that purpose. Lessee waives any right to terminate this Lease if the Premises cannot be used for that purpose. The Premises may not be used for any other purpose without the County's prior written consent.
- 9.2 Restrictions on Use. Lessee may not use or occupy the Premises in violation of any law, ordinance, regulation or the certificate of occupancy issued for the Premises, and may not do, bring, or keep anything in or about the Premises that will cause the cancellation of any insurance covering the Premises. If Lessee does cause any such cancellation, the County may, but in no event shall the County be obligated to, provide substitute coverage and Lessee shall pay or reimburse the County for the entire amount thereof, without regard to whether the County elects to terminate this Lease as a result of Lessee's unauthorized use of the Premises. If the enactment or enforcement of any law, ordinance, regulation or code during the Term of this Lease requires any change to the Premises, Lessee shall perform all such changes pursuant to section 7 above, or notify the County as appropriate if section 7 so dictates. Lessee may not use the Premises in any manner that will constitute waste or a nuisance, nor may Lessee do anything that will cause damage to the Premises. Lessee may not place any signs, symbols, drapes or other materials in windows or other openings or on the exterior of the Premises without prior written approval from the County, which approval shall not be unreasonably withheld, conditioned or delayed.

10. DAMAGE AND CONDITION OF PREMISES.

- 10.1 Waste, Nuisance, or Damage. If Lessee commits waste or nuisance or damages the Premises, it shall be solely responsible for the cost of repair, cleanup, or correction. Such repair, cleanup, or correction may be handled as set forth in Section 7 or, at the County's sole discretion, the County may make such repair, cleanup, or correction and thereafter be reimbursed by Lessee. If so, County shall have discretion to seek reimbursement via any combination of payment by Lessee, adding the reimbursement amount to rent due from Lessee, or deductions from any other payment due to Lessee from County.
- 10.2 Lessee's Responsibility for Safe Condition of Premises. Lessee shall have exclusive day-to-day control of its operations and the Premises. The County delegates to Lessee the responsibility to maintain the premises in safe condition and to notify entrants of potential hazards as required by premises liability law. Lessee agrees that it is a professional organization experienced in providing

night-by-night shelter services and assumes this delegation and responsibility.

10.3 Return of Premises in Good Condition. At the end of the Term, Lessee shall turn the Premises back to the County in as good a condition as they were at the beginning of the Lease Term, reasonable wear and tear excepted.

11. NO LIENS. Lessee shall have no authority, express or implied, to create or place any lien or encumbrance of any kind or nature whatsoever upon, or in any manner to bind, the interest of the County in the Premises or to charge the rentals payable hereunder for any claim in favor of any person dealing with Lessee, including those who may furnish materials or perform labor for any construction or repairs, and each such claim shall affect and each such lien shall attach to, if at all, only the leasehold interest granted to Lessee by this Lease. Lessee covenants and agrees that it will pay, cause to be paid, or provide a bond which meets the requirements of RCW 60.04.161 and/or Chapter 39.08 RCW for all sums legally due and payable by it on account of any labor performed or materials furnished in connection with any work performed on the Premises on which any lien is or can be validly and legally asserted against its leasehold interest in the Premises or the improvements thereon and that it will save and hold the County harmless from any and all loss, cost or expense based on or arising out of asserted claims or liens against the leasehold estate or against the right, title and interest of the County in the Premises or under the terms of this Lease.

12. INSURANCE.

12.1 Casualty Insurance. Lessee shall, at its sole expense except as reimbursed under CHG guidelines, obtain and keep in force, throughout the Term of this Lease, a property insurance policy or policies covering all real property, including, without limitation, fixtures, improvements and betterments. Such insurance shall be written on an "all risk" basis (though earthquake and flood may be excluded) and cover full replacement costs (i.e., 100% of replacement cost) of the property insured, with a deductible of not more than \$10,000.00. Such insurance shall also provide coverage for loss of rents (for one year) as a result of damage from an insured peril. The insurance policy shall name the County as loss payee and list "Lewis County, its Board, officers, agents and employees" as an additional insured, and the loss proceeds, if any, under such policy shall be paid to the County (except to the extent that such proceeds represent the value of any fixtures, alterations and improvements made by Lessee at Lessee's expense, which shall be payable to Lessee in the event the Lease is terminated).

12.2 General Liability and other Operating Insurance. Lessee shall obtain general liability insurance, professional liability insurance, and business auto coverage as required by its agreement with the County to operate the shelter, except that the liability limit for general liability insurance shall be \$2,000,000 per occurrence for all covered losses and no less than \$6,000,000 general aggregate. For avoidance of doubt, this is greater than the requirement listed in the agreement to operate the shelter but matches Lessee's current coverage amount, and

Lessee is agreeing to maintain that level of general liability coverage. The insurance policy shall name Lessee and the County as a loss payees and list "Lewis County, its Board, officers, agents and employees" as an additional insured. The loss proceeds, if any, under such policy shall be paid to the County and Lessee in proportion to their covered losses, subject to the indemnification provisions in this Lease.

12.3 Personal Property. Lessee shall, at its sole expense except as reimbursed under CHG guidelines, maintain throughout the Term of this Lease replacement cost insurance on all of business and trade fixtures, equipment, movable partitions, furniture, merchandise and other personal property within the Premises. The insurance policy shall name Lessee and Lewis County as loss payees and name "Lewis County, its Board, officers, agents and employees" as an additional insured. In the event of a casualty loss, the proceeds of such insurance shall be payable to and retained by the County or Lessee, respectively, in proportion to the value of lost property attributable to each party. Property is attributable to the County, for purposes of this paragraph, if the County reimbursed the purchase of, or otherwise paid for or provided, the property.

12.4 Worker's Compensation. Lessee shall obtain worker's compensation insurance as required by its agreement with the County to operate the shelter.

12.5 Contractor's Insurance. For any independent contractor performing work on the Premises for Lessee (see Section 7 for the work Lessee is authorized to do regarding the Premises), Lessee shall require the contractor to carry and maintain (i) comprehensive general liability insurance, including contractor's liability coverage, contractual liability coverage, completed operations coverage, broad form property damage endorsement and contractor's protective liability coverage, to afford protection, with respect to personal injury, death or property damage of not less than \$1,000,000 per occurrence, combined single limit/\$2,000,000 aggregate; (i) comprehensive automobile liability insurance with limits for each occurrence of not less than \$1,000,000 with respect to personal injury or death and \$500,000 with respect to property damage; and (iii) Worker's Compensation or similar insurance in form and amounts required by law.

12.6 Other Matters. All the insurance required of Lessee under this Lease shall: (i) be issued by insurance companies authorized to do business in the State of Washington, holding a general policy holder's rating ("Best Rating") of at least "A" or better; (ii) contain an endorsement requiring 30 days written notice from the insurance company to both parties before cancellation, non-renewal or change in coverage, scope or amount of any policy; and (iii) shall be written as primary policies, not contributing with and not supplemental to any coverage that the County may carry.

12.7 Proof of Coverage. Lessee shall furnish its insurance carriers with a copy of this Lease to ensure proper coverage. As evidence of the insurance coverages required by this Lease, Lessee shall furnish acceptable insurance certificates to

the County prior to the Commencement Date and annually thereafter during the Lease Term. The certificates shall specify all additional insureds, include applicable policy endorsements, and include the 30-day cancellation clause. If Lessee fails to perform any of its obligations under this Section 12, the County may perform the same and the cost thereof shall be payable upon the County's demand.

12.8 Lessee to Independently Determine Insurance Needs. The County makes no representations that the types or amounts of coverage required to be carried by Lessee pursuant to this section are adequate to protect Lessee. If Lessee believes that any of such insurance coverage is inadequate, Lessee will obtain, at Lessee's/Sublessee's sole cost and expense except as reimbursed under CHG guidelines, such additional insurance coverage as Lessee deems appropriate.

12.9 Waiver of Subrogation. All insurance coverage maintained or procured pursuant to this section shall be endorsed to waive subrogation against County, its elected or appointed officers, agents, officials, employees and volunteers or shall specifically allow Lessee to waive its right of recovery prior to a loss. For this purpose, Lessee hereby waives its own right of recovery against the County.

13. INDEMNIFICATION.

13.1 Indemnification by Lessee. 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 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) are directly or indirectly arising out of, resulting from, or in connection with performance of this Lease; 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 negligence of the County. 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. The foregoing indemnification obligations of the Lessee are a material inducement to County to enter into this Lease, are reflected in the Lessee's rent, and have been mutually negotiated by the parties.

13.2 Participation by County – No Waiver. 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 Lease. The County also reserves the right to reasonably approve legal counsel selected by Lessee to represent County.

13.3 Survival of Lessee's Indemnity Obligations. The Lessee agrees all Lessee's indemnity obligations shall survive the completion, expiration or termination of this Lease.

13.4 Indemnity by Subcontractors. In the event the Lessee enters into subcontracts to the extent allowed under this Lease, the Lessee's subcontractors shall indemnify the County on a basis equal to or exceeding Lessee's indemnity obligations to the County.

14. DESTRUCTION. If the whole or substantially the whole of the Premises are destroyed by fire or other casualty, so as to render them unfit for occupancy, the County may elect not to restore the building or Premises to their former condition, in which event this Lease shall be terminated as of the date of the casualty. If adequate insurance proceeds are made available to the County for repair or restoration of the Premises, the County may elect to restore the Premises, and upon such election shall proceed forthwith to repair or restore such damage. Rent for the Premises during the time of repair and restoration shall continue unabated for a maximum period of one year from the date of the casualty. If repair and restoration takes longer than one year, rent shall abate from the first anniversary of the casualty until repair and restoration is complete. In the event of partial damage by reason of casualty loss (such that the Premises are not unfit for occupancy), the County shall repair the damage forthwith if adequate insurance proceeds are made available to the County for such repair.

15. ASSIGNMENT.

15.1 Prior County Consent Required. Lessee may not sublet this Lease or the Premises, or any part of either, without first obtaining the County's written consent. Lessee may not assign this Lease or the Premises, or any part of either, without first obtaining the County's written consent.

15.2 County Assignment. In contrast, the Lease shall be assignable by the County without the consent of Lessee. In the event of any transfer of the County's interest in the Premises, upon the assumption of this Lease by the transferee, the County shall be automatically relieved of obligations and liabilities accruing from and after the date of such transfer, and Lessee shall attorn to the transferee. In making such an assignment, the County shall make due provision for the restrictions upon the property concerning its long-term use as a night-by-night shelter.

16. DEFAULTS AND REMEDIES.

15.1 Default by Lessee. The occurrence of any one or more of the following events constitutes a default under this Lease by Lessee:

- 15.1.1 Vacation of the Premises, defined as an absence for at least 15 consecutive days without prior notice to the County. Vacation of the Premises shall not be subject to any notice or right to cure.
- 15.1.2 Abandonment of the Premises, defined as an absence of five (5) days or more, without prior notice to the County, after Lessee has received notice from the County that Lessee is in breach of some other material term of this Lease. Abandonment of the Premises shall not be subject to any notice or right to cure.
- 15.1.3 Failure by Lessee to make any payment of Rent when due, or failure to make any other payment required hereunder when due when the failure continues for a period of 5 days after written notice from the County.
- 15.1.4 Failure by Lessee to observe or perform any of the covenants, conditions or provisions of this Lease, other than the making of any payment, where that failure continues for a period of 30 days after written notice from the County; provided, that if the nature of the Lessee's obligation is such that more than 30 days are reasonably required for cure, Lessee will not be in default if Lessee commences to cure within 30 days of the County's notice and thereafter diligently pursues completion and completes performance within a reasonable time.
- 15.1.5 Either (i) the making by Lessee of any general assignment or general arrangement for the benefit of creditors; (ii) the filing by or against Lessee of a petition in bankruptcy, including reorganization or arrangement, except in the case of a petition filed against Lessee when the same is dismissed within 60 days after filing; or (iii) the appointment of a trustee or receiver to take possession of substantially all of Lessee's assets located at the Premises or of Lessee's interest in this Lease.
- 15.1.6 Lessee's interest in this Lease or the Premises, or any part thereof, is taken by execution or other process of law directed against Lessee, or is taken upon or subjected to any attachment by any creditor of Lessee, if such attachment is not discharged within 15 days after being levied.
- 15.1.7 Lessee's failure to comply with the same Lease term or covenant on three occasions during a twelve (12) month period (but only if the term or covenant is material; Lessee's breach is material; and the County gave the Lessee written notice characterizing the breach as a material breach with respect to each such breach), even if such breach is cured within the applicable cure period.

- 16.2 Remedies. In the event of any default, the County may at any time, without waiving or limiting any other right or remedy, re-enter and take possession of the Premises, terminate this Lease (provided, no act by the County other than written notice of termination from the County shall terminate his Lease), or pursue any other remedy allowed by law. Lessee shall pay the County the costs of recovering possession of the Premises, the expenses of reletting, and any other costs or damages arising out of Lessee's default, including reasonable attorney's fees. Notwithstanding any re-entry or termination, Lessee will remain liable for all sums Lessee is obligated to pay hereunder for the balance of the Term, and Lessee shall compensate the County for any deficiency arising from reletting the Premises, provided, however, that the County shall use reasonable efforts to mitigate its damages. Unless the County seeks to recover damages on a lump sum basis (e.g., based upon the present value of future rent less the fair rental value of the Premises for the remainder of the term), Lessee shall pay such deficiency each month as the amount thereof is ascertained by the County.
- 16.3 No right of redemption. Lessee, for itself, and on behalf of any and all persons claiming through or under Lessee, including creditors of all kinds, hereby waives and surrenders all rights and privileges which they may have under any present or future law, to redeem the Premises or to have a continuance of this Lease for the Lease Term, as it may have been extended.
- 16.4 Unpaid Costs are Rent. All costs which Lessee agrees to pay to the County pursuant to this Lease shall, in the event of nonpayment, be treated as a failure to pay rent, and the County shall have all the rights herein provided for in case of nonpayment of rent.
- 16.5 Default by the County. The County will not be in default unless the County fails to perform an obligation within 30 days after written notice by Lessee, which notice must specify the alleged breach; provided, that if the nature of the County's obligation is such that more than 30 days are reasonably required for cure, the County will not be in default if the County commences to cure within 30 days of Lessee's notice and thereafter diligently pursues completion and completes performance within a reasonable time.
17. **NON-WAIVER.** Failure of either party to promptly enforce its rights hereunder will not waive such rights. The County's acceptance of rent subsequent to a Lessee breach or the Lessee's payment of rent subsequent to a County breach will not waive such breach.
18. **ACCESS AND INSPECTION.** Except as otherwise provided by separate contract, provided the County gives Lessee twenty-four (24) hours' notice, the County and the County's agents and representatives shall have the right to enter and inspect the Premises at any reasonable time to make repairs or inspections and to post notices of nonresponsibility, all without being deemed a constructive eviction. In the event of an emergency, the County shall have the right to enter the Premises upon such notice, if any, as may be reasonable under the circumstances. This

section shall not impose any repair or other obligation upon the County not expressly stated elsewhere in this Lease. Lessee shall ensure that the County at all times has the key with which to unlock all doors and gates at the Premises, excluding Lessee's vaults and safes and secure property storage receptacles. No re-keying of doors or gates may be done without the County's prior written approval unless Lessee promptly provides the County with new keys. The County has the right to use any and all means that the County deems proper to open doors and gates in an emergency in order to obtain entry to the Premises. After reasonable notice to Lessee, the County shall have the right to enter the Premises for the purpose of showing the Premises to prospective purchasers at any time, and to prospective lessees within 180 days prior to the expiration or sooner termination of the Lease Term, and for posting "for lease" signs within 60 days prior to the expiration or sooner termination of the Lease Term.

19. **NOTICES.** All notices made pursuant to the Term of this Lease shall be in writing and will be effective upon the earlier of personal delivery, or 5 days after being mailed (excluding weekends and holidays), addressed to Lessee or to the County at the addresses set forth in Section 1.6 of this Lease. Either party may specify a different address for notice purposes by written notice to the other, except that the County may in any event use the Premises as Lessee's address for notice purposes.
20. **INTEGRATED AGREEMENT.** This Lease contains all of the agreements of the parties with respect to any matter covered or mentioned in this Lease, and no prior agreement, letter of intent, request for proposal, or proposal pertaining to any such matter will be effective for any purpose. No provisions of this Lease may be amended or added to, except by an agreement in writing signed by the parties or their respective successors in interest.
21. **ATTORNEY FEES, COSTS.** In the event either party requires the services of an attorney in connection with enforcing the terms of this Lease, or in the event suit is brought for the recovery of any sums due under this Lease or for the breach of any covenant or condition of this Lease, or for the restitution of the Premises to the County or eviction of Lessee during the Term or after the expiration thereof, the substantially prevailing party is entitled to reasonable attorney fees and all costs incurred in connection therewith, including, without limitation, the fees of accountants, appraisers and other professionals, whether at trial, on appeal or without resort to suit.
22. **SUCCESSORS AND ASSIGNS.** Except as otherwise provided in this Lease, all of the covenants, conditions and provisions of this Lease are binding upon and inure to the benefit of the parties and their respective heirs, personal representatives, successors and assigns. If the County sells or otherwise conveys its title to the Premises, and if the transferee assumes this Lease, then after the effective date of such sale or conveyance the County will have no further liability under this Lease to Lessee except as to matters of liability which have accrued and are unsatisfied as of the date of sale or conveyance, and Lessee must seek

performance solely from the County's purchaser or successor in title. The County's successor will have all rights of the County hereunder.

23. SURRENDER OF PREMISES. The voluntary or other surrender of this Lease by Lessee, or a mutual cancellation thereof, will not work a merger, and will, at the option of the County, operate as an assignment to it of any or all subleases or subtenancies. Upon the expiration or earlier termination of this Lease, Lessee shall peaceably surrender the Premises and all of the alterations and additions thereto, leave the Premises broom clean, in as good order, repair and condition as was provided to Lessee on the Commencement Date, reasonable wear and tear excepted. The delivery of keys to any employee of the County or to the County's agent or any employee thereof shall not be sufficient to constitute termination of this Lease or a surrender of the Premises; Lessee must also communicate such surrender in a written notice to County delivered to the address in section 1.6.

24. PERFORMANCE BY LESSEE. Except as otherwise expressly provided hereunder, all covenants and agreements to be performed by Lessee under this Lease will be performed by Lessee at Lessee's sole cost and expense and without any abatement of rent. If Lessee fails to pay any sum of money owed to any party other than the County for which Lessee is liable hereunder, or if Lessee fails to perform any other act on its part to be performed hereunder, and such failure continues for 10 days after notice thereof by the County, the County may, without waiving or releasing Lessee from its obligations, make any such payment or perform any such other act to be made or performed by Lessee. Lessee shall pay the County, on demand, all sums so paid by the County and all necessary incidental costs, together with interest thereon at the lesser of one percent (1 %) per month or the maximum rate permissible by law, from the date of such payment by the County.

25. AMERICANS WITH DISABILITIES ACT.

25.1 ADA Notices, Claims, or Actions. Within ten days after receipt, Lessee shall advise the County in writing, and provide the County with copies of (as applicable) (i) any notices alleging violation of the Americans with Disabilities Act of 1990 ("ADA") relating to any portion of the Premises; (ii) any claims made or threatened in writing regarding noncompliance with the ADA and relating to any portion of the Premises; or (iii) any governmental or regulatory actions or investigations instituted or threatened regarding noncompliance with the ADA and relating to any portion of the Premises.

25.2 Without limiting any other provision of this Lease, in making any changes, alterations, or improvements to the Premises permitted by the terms of this Lease, Lessee shall be obligated at its sole cost and expense to do so in accordance with the Americans with Disabilities Act (42 U.S.C. Section 12101 *et seq.*) and any regulations promulgated pursuant thereto effective from time to time during the Term of this Lease, and any period of holding over by Lessee ("ADA Requirements"). Any alterations or improvements made to effect

compliance with ADA Requirements shall be made pursuant to Section 7 above.

26. **AUTHORITY TO APPROVE LEASE.** Submission of this instrument for examination or signature by Lessee does not constitute a reservation of or option for Lease, and is not effective as a Lease or otherwise, until execution by and delivery to both the County and Lessee. Lessee acknowledges that this Lease does not bind the County until an authorized County representative has executed it. Each party represent and warrant to the other that it has full right, power and authority to enter into this Lease and to perform in accordance with its terms and provisions. Each party further represents that the person signing this Lease has the authority to bind that party to enter into this Lease, including having taken all requisite action and steps to authorize the execution, delivery, and performance of this Lease.
27. **TIME.** Time is of the essence with respect to the performance of this Lease.
28. **SEVERABILITY.** Any provision of this Lease which proves to be invalid, void or illegal will in no way affect, impair, or invalidate any other provision hereof, and such other provisions will remain in full force and effect.
29. **RECORDING.** The parties agree that neither this Lease nor any Memorandum of this Lease shall be recorded.
30. **GOVERNING LAW; VENUE.** This Lease is to be governed by and construed in accordance with the laws of the State of Washington, excluding any choice-of-law rules. The County and Lessee hereby agree that venue of any action between the parties relating to this Lease will be in Lewis County, Washington.
31. **ACCEPTANCE OF PREMISES.** Lessee has inspected the Premises, accepts their condition "as is," agrees that there are no repairs, changes or modifications to be made to the Premises by the County and agrees to comply with all applicable zoning and building regulations which affect the Premises. Lessee acknowledges that the County, its agents, officers or employees have not made any representations or warranty with respect to the Premises or the suitability for Lessee's intended use and that no representations or warranty have been made as to the state of construction or repair of the Premises.
32. **RIGHT TO PERFORM.** If Lessee fails to timely pay any sum or perform any other act on its part to be performed hereunder, the County may, following reasonable notice to Lessee, make any such payment or perform any such other act on Lessee's part to be made or performed as provided in this Lease; provided, this Section shall not be construed as obligating the County to make any such payment or perform any such acts. Lessee shall, on demand, reimburse the County for its expenses incurred in making such payment or performance, or County may deduct such expenses from any other payment due to Lessee. The County shall (in addition to any other right or remedy of the County provided by law) have the same rights and remedies in the event of the nonpayment of sums due under this Section

as in the case of default by Lessee in the payment of rent.

33. ENVIRONMENTAL AND HAZARDOUS MATERIALS.

33.1 Lessee shall not generate, handle, store, or dispose of any Hazardous Materials on, under, or in the Premises except in accordance with any law, ordinance, rule or regulation of any governmental authority having jurisdiction of the Premises. Lessee shall comply with all environmental laws during the Term of the Lease. All Hazardous Materials used, kept and stored on or about the Premises shall be used, kept and stored in compliance with all environmental laws and in a manner that minimizes the likelihood of any release on, above, under or from the Premises. Lessee agrees to indemnify, defend (with counsel approved in writing by the County) and hold the County harmless from and against any and all loss, damage, liability and expense related to environmental conditions, Hazardous Materials or any other environmental laws and regulations resulting directly or indirectly from Lessee's activities on the Premises.

33.2 The term "Hazardous Materials" as used herein shall include but not be limited to asbestos, flammable explosives, dangerous substances, pollutants, contaminants, hazardous wastes, toxic substances, and any other chemical, material or related substance, exposure to which is prohibited to regulated by any governmental authority having jurisdiction over the Facility, any substances defined as "hazardous substances," "hazardous materials" or "toxic substances" in the Comprehensive Environmental Response Compensation and Liability Act of 1980, as amended, by Superfund Amendments and Reauthorization Act 42 U.S.C. §6901, et seq.; the Hazardous Materials Transportation Act, 42 U.S.C. §6901, et seq.; Clean Air Act, 42 U.S.C. §7901, et seq.; Toxic Substances Control Act, 15 U.S.C. §2601, et seq.; Clean Water Act, 33 U.S.C. §1251, et seq.; the laws, regulations or rulings of the state in which the Facility is located or any local ordinance affecting the Facility; or the regulations adopted in publication promulgated pursuant to any of such laws and ordinances.

34. BUSINESS LICENSE REQUIREMENT. Lessee shall comply with any applicable business license requirement and shall be responsible, at its sole expense, to obtain any such license.

35. NONDISCRIMINATION. No individual shall be excluded from participation in, denied the benefit of, subject to discrimination under, or denied employment in the administration of or in connection with this Lease because of race, color, creed, marital status, familial status, religion, sex, sexual orientation, national origin, Vietnam era or disabled veteran' status, age, or disability, unless based upon a bona fide occupational qualification. Lessee shall comply with all applicable federal, state and local nondiscrimination laws, regulations and policies.

36. PUBLIC RECORDS COOPERATION AND INDEMNITY. The Lessee shall assist the County in timely and fully fulfilling all of County's obligations under the Washington Public Records Act and/or any other similar authority, as they pertain

to this Lease, by timely and fully responding and providing documents and records in response to County's request for the same. In the event that Lessee fails to fully fulfill its obligations pursuant to this section and should a court impose a fine, penalty, sanction, and/or judgment against County for violation of said law, Lessee shall indemnify the County for the same, immediately pay County to satisfy the same together with all costs and attorney's fees incurred by County. The obligations created by this section shall survive the termination of this agreement.

- 37. ANTI-KICKBACK.** No officer or employee of the County, having the power or duty to perform an official act or action related to this agreement shall have or acquire any interest in this Lease, or have solicited, accepted or granted a present or future gift, favor, service or other thing of value from or to any person involved in the Lease.
- 38. INTERPRETATION.** Each party agrees that any rule of contract interpretation or construction to the effect that ambiguities or uncertainties are to be resolved against the drafting party or the party who caused it to exist will not be applied in the construction or interpretation of this Lease.
- 39. SIGNATURES.** Signed by the authorized representatives of each party:

LEWIS COUNTY, Lessor

THE SALVATION ARMY, Lessee

Signature Date

Signature Date

Scott Brummer
Printed Name

Stefan Wennstig
Printed Name

Chair of Board of County Commissioners
Title

Divisional Business Director
Title

Exhibit A

Legal Description of Premises

THAT PORTION OF THE NORTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 20, TOWNSHIP 14 NORTH, RANGE 2 WEST, W.M., DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHEAST CORNER OF SAID SUBDIVISION; THENCE NORTH 87°21'20" WEST 388.7 FEET TO THE EASTERLY BOUNDARY OF KRESKY ROAD AND THE TRUE POINT OF BEGINNING; THENCE SOUTH 87°21'20" EAST 232.1 FEET; THENCE NORTH 2°03'40" EAST 180.0 FEET; THENCE NORTH 87°21'20" WEST 91.85 FEET TO THE EASTERLY LINE OF KRESKY ROAD; THENCE SOUTHWESTERLY ALONG SAID EASTERLY LINE 277.0 FEET, MORE OR LESS, TO THE POINT OF BEGINNING.

EXCEPTING ANY PORTION LYING WITHIN NE KRESKY AVENUE OR NE GROVE STREET.

LEWIS COUNTY, WASHINGTON

The County intends to apply for a boundary line adjustment (BLA) to add land to the above-described lot so that the lot includes the entirety of the shelter and its fence. Following recording of such BLA, this Lease will be deemed to apply to the enlarged parcel 021650-002-001 and the applicable legal description will be the one reflected in the BLA.

Exhibit B

Permissible Maintenance under CHG Guidelines (for Reference)

10.6 Appendix F: Examples of Maintenance Activities

ALLOWABLE EXPENSES		
Cleaning Activities	Protective or Preventative Measures to Keep a Building, its Systems, and its Grounds in Working Order	Replacing Existing Appliances or Objects That Have Broken or are Clearly Past Their Useful Life, are not Fixtures or Part of the Building (See above for definition of “fixtures.”)
• Cleaning gutters and downspouts • Lawn and yard care (mowing, raking, weeding, trimming/pruning trees and shrubs) • Cleaning a portion of interior or exterior of building, including graffiti removal • Washing windows • Litter pick up and trash collection • Removing snow/ice • Unclogging sinks and toilets	• Fixing gutters • Mending cracked plaster • Patching roof • Caulking, weather stripping, re-glazing. • Replacing a broken window or screen • Reapplication of protective coatings • Fixing plumbing leaks • Repainting previously painted surface (including limited scraping)* • Waterproofing (sealant) • Servicing and maintenance of mechanical systems • Replacing a carpet square or patching carpet • Fixing alarm systems • Installing temporary fencing	Replacing: • Kitchen appliances where removal would not cause any damage (for example dishwashers, stoves, refrigerators) • Light bulbs • Washing and drying machines • Air filters • Furniture
* Non-destructive methods only (e.g., no sandblasting or high pressure spraying).		