

## **LEASE**

THIS LEASE, is made by and between the SNOHOMISH HEALTH DISTRICT, a municipal corporation of the State of Washington, hereinafter "Landlord," and COMMUNITY HEALTH CENTER OF SNOHOMISH COUNTY, a Washington non-profit corporation hereinafter "Tenant."

1. **DESCRIPTION OF PREMISES.** Landlord hereby offers clinic space to Tenant and Tenant agrees on the terms, covenants and conditions set forth herein, the following-described premises:

Suite 100, 3020 Rucker, Everett, WA 98201, a space to serve Landlord's clients, hereinafter the "Premises," which premises are located upon the following-described real property:

Lots 22, 23, 24, 25, 26 and 27, Block 720, Plat of Everett, Division "H", as per plat recorded in Volume 4 of Plats, page 50, records of Snohomish County, Washington.

hereinafter the "Property"; TOGETHER WITH joint use with Landlord and other parties approved by Landlord of restrooms and other applicable common areas with approval as necessary located in the building and the Property. Tenant's employees, guests and invitees may use the paved parking area located to the rear of the Lease Property for periods under three (3) hours, which parking area is legally described as follows:

Lots 8, 9 and 10, Block 720, Plat of Everett, Division "H", as per plat recorded in Volume 4 of Plats, page 50, records of Snohomish County, Washington.

2. **TERM.**

- (a) Initial Term: The initial term of this Lease shall commence on November 6, 2018, and end on December 31, 2019.
- (b) Renewal: Tenant shall have the option of extending the lease on a month-to-month basis for a period not to exceed six (6) months on the same terms and conditions as stated herein. Tenant shall give written notice of its desire to continue the lease on a month-to-month basis, which notice shall be received by Landlord not later than December 14, 2019. If so extended, Tenant shall give Landlord advance written notice of termination of the month-to-month tenancy, which notice shall be received by Landlord not less than thirty (30) days prior to the termination date of the monthly tenancy.

3. **RENT.**

- (a) Rental Amount. For and in consideration of the services to be provided to Landlord's clients and other valuable consideration, throughout the entire term of this Lease and any extension or holdover thereof, Landlord agrees to provide clinic space free of charge.

4. **USE OF PREMISES.**

- (a) The Premises may be used and occupied only for community resources outreach to Landlord's clients and all uses incidental thereto which are consistent with the permitted uses in the Everett Zoning Code, and for no other purpose or purposes, without Landlord's prior written consent. No alcoholic beverages or illegal drugs shall be served or used at the Leased Premises.
- (b) Tenant shall promptly comply with all laws, ordinances, orders, and regulations now in effect, or as hereafter amended, affecting the Premises and their cleanliness, safety, occupation and use. Tenant will not use or permit the use of the premises in any such manner as will tend to create a nuisance, or unnecessarily or unreasonably disturb other lessees or occupants of the Premises.
- (c) Tenant shall not use any machinery or equipment in the Premises that causes damage to the building. Tenant will not perform any act or carry on any practices that damages the Premises or is a nuisance to other tenants. Tenant shall not commit or suffer any waste upon the Premises.
- (d) Upon termination of the Lease, Tenant shall quit and surrender the Premises in as good a state and condition as they were at the commencement of the Lease, reasonable wear and tear or other actions not caused by Tenant, its employees, agents, customers or invitees, excepted.

5. **UTILITIES.** Landlord shall pay the expense of water, sewer, electrical and garbage service to the Leased Premises.

Landlord shall not be liable for any loss, injury, or damaged property caused by or resulting from any variation, interruption, or failure of any utility service beyond Landlord's reasonable control, unless caused by Landlord's or its employee's or agent's negligence or willful misconduct. No temporary interruption or failure of such services incident to the making of repairs, alterations, or improvements, or due to accident or strike, or conditions or events beyond Landlord's reasonable control shall be deemed an eviction of Tenant or shall release Tenant from any of Tenant's obligations under this Lease, unless caused by Landlord's or its employee's or agent's negligence or willful misconduct.

6. **ACCEPTANCE OF PREMISES/INITIAL IMPROVEMENTS.** Tenant acknowledges that Tenant has examined the Premises and accepts the same in their condition on the date of Tenant's execution of this Lease

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- (a) No alterations shall be made to the Premises without prior written consent of Landlord. Any alterations to the Premises excepting movable furniture and trade fixtures shall, at Landlord's option with notice to Tenant prior to approval for such alterations, become part of the realty and belong to Landlord.

7. **INSURANCE/CASUALTY.** All of Tenant's personal property on the Premises shall be at the risk of Tenant. Tenant acknowledges that Landlord's casualty insurance upon the premises is for the benefit of Landlord, and will not benefit Tenant or provide any coverage for Tenant's contents or possessions.

8. **INSURANCE/LIABILITY.** Tenant shall procure and maintain for the duration of the rental period insurance against claims for injuries to persons or damages to property which may arise from or in connection with the rental of the Premises and the activities of the Tenant, its guests, invitees, students, agents, representatives, employees, or subcontractors. Coverage shall be at least as broad as Insurance Services Form CG 00 01 covering CGL on an "occurrence" basis, including property damage, bodily injury and personal & advertising injury with limits no less than \$1,000,000 per occurrence. If a general aggregate limit applies, either the general aggregate limit shall apply separately to this location (ISO CG 25 03 or 25 04) or the general aggregate limit shall be twice the required occurrence limit.

The insurance policies are to contain, or be endorsed to contain, the following provisions:

- (a) Additional Insured Status: The Landlord, its officers, officials, employees, and volunteers are to be covered as additional insureds on the CGL policy with respect to liability arising out of the Premises work or operations performed by or on behalf of the Tenant including materials, parts, or equipment furnished in connection with such work or operations. General liability coverage can be provided in the form of an endorsement to the Tenant's insurance (at least as broad as ISO Form CG 20 10 11 85 or if not available, through the addition of both CG 20 10, CG 20 26, CG 20 33, or CG 20 38; and CG 20 37 if a later edition is used).
- (b) Primary Coverage: For any claims related to this lease, the Tenant's insurance coverage shall be primary insurance coverage at least as broad as ISO CG 20 01 04 13 as respects the Landlord, its officers, officials, employees, and volunteers. Any insurance or self-insurance maintained by the Landlord, its officers, officials, employees, or volunteers shall be excess of the Tenant's insurance and shall not contribute with it.
- (c) Notice of Cancellation: Each insurance policy required above shall provide that coverage shall not be canceled, except with notice to the Landlord. Tenant shall give written notice to Landlord within three (3) business days of receipt of any notice of cancellation or modification from insurer and shall not request any modification to insurance which reduces any coverage without advance written approval of Landlord.
- (d) Mutual Waiver of Subrogation: Notwithstanding anything in this Lease to the contrary, Landlord and Tenant hereby mutually release each other from liability, and waive all

right of recovery against each other, for any injury, loss or damage to any building, structure, inventory or other tangible property and any revenues, profit and rents to be generated therefrom, whether due to negligence or any other insured cause, if such injury, loss or damage is caused by any of the perils which are covered by a first-party insurance policy benefitting the party suffering such injury, loss or damage, or if such injury, loss or damage was required to be covered by insurance pursuant to this Lease; provided that this Section shall be inapplicable if it would have the effect, but only to the extent it would have the effect, of invalidating any insurance coverage of Landlord or Tenant. Landlord and Tenant agree to obtain any endorsement that may be necessary to affect this waiver of subrogation, but this provision applies regardless of whether or not the Landlord or Tenant has received a waiver of subrogation endorsement from the insurer. This waiver only applies to insured property losses and does not limit the ability to recover for deductibles or other uninsured losses.

- (e) Acceptability of Insurers: Insurance is to be placed with insurers authorized to conduct business in the state with a current A.M. Best's rating of no less than A:VII, unless otherwise acceptable to the Landlord. Alternatively, Tenant may provide coverages and limits as provided above through membership in a certified public-entity risk pool established under authority of State law.
- (f) Verification of Coverage: Tenant shall furnish the Landlord with original Certificates of Insurance including all required amendatory endorsements (or copies of the applicable policy language effecting coverage required by this clause) and a CODV of the Declarations and Endorsement Page of the CGL policy listing all policy endorsements to Landlord. All certificates and endorsements are to be received and approved by the Landlord at least five days before Tenant commencement of the lease term. Alternatively, if Tenant's insurance is provided through membership in a certified public-entity risk pool established under authority of State law, Tenant shall provide Landlord with a letter or other evidence of such insurance from such risk pool meeting the above requirements.
- (g) Special Risks or Circumstances: Landlord reserves the right to reasonably modify these requirements based on the nature of the risk, prior events, insurance coverage, or other special circumstances.

8. **RISK OF LOSS**: All personal property of Tenant kept or maintained at the Premises shall be at the risk of Tenant. Landlord's insurance is for the benefit of Landlord and provides no coverage for Tenant or Tenant's property.

#### 9. **INDEMNIFICATION**:

- (a) Landlord shall protect, hold harmless, indemnify, and defend, at its own expense, the Tenant, its elected or appointed officials, officers, employees, and agents from any loss or claim for damages of any nature whatsoever, including claims by third parties or by Landlord's employees from which it would otherwise be immune under Title 51 RCW or

other law, arising out of any act or omission on or about the Premises or relating to this Lease by Landlord, its appointed officials, officers, assignees, agents, employees, invitees, contractors or subcontractors. If a loss or claim is caused by or results from the concurrent negligence of Landlord, its appointed officials, officers, employees, or agents and the Tenant, its elected or appointed officials, officers, employees, or agents, this clause shall be valid and enforceable only to the extent of the negligence of the Landlord, its appointed or elected officials, officers, employees, or agents.

- (b) Tenant shall protect, hold harmless, indemnify, and defend, at its own expense, the Landlord, its appointed officials, officers, employees, and agents from any loss or claim for damages of any nature whatsoever, including claims by third parties or by the Tenant's employees from which it would otherwise be immune under Title 51 RCW or other law, arising out of any act or omission on or about the Leased Premises or relating to this Lease by the Tenant, its elected or appointed officials, officers, employees, or agents. If a loss or claim is caused by or results from the concurrent negligence of the Tenant, its elected or appointed officials, officers, employees, or agents and the Landlord, its appointed officials, officers, employees, or agents, this clause shall be valid and enforceable only to the extent of the negligence of the Tenant, its elected or appointed officials, officers, employees, or agents.

The parties acknowledge that the foregoing indemnity provisions were mutually negotiated and survive the termination of this Lease.

**10. HAZARDOUS SUBSTANCES.** As used in this Lease, the term "Hazardous Substance" means any substance or material, the storage, use or disposal of which is or becomes regulated under any law now or hereafter in effect, including, but not limited to any flammable explosives, radioactive materials, asbestos, petroleum and related byproducts and hydrocarbons, organic compounds known as polychlorinated biphenyls, chemicals known to cause cancer or reproductive toxins, pollutants, contaminants, hazardous wastes, toxic substances or related materials.

Without Landlord's prior written consent, Tenant shall not receive, store or otherwise allow any Hazardous Substance on the Leased Premises. In the event of any release or presence of any Hazardous Substance on or about the Leased Premises occurring on or after the commencement date of this Lease, Tenant agrees to immediately, fully and completely remove all of such Hazardous Substance from the Leased Premises and to dispose of such in accordance with applicable law, even if the quantity or concentration of such Hazardous Substance would not require remediation under the provision of law. Tenant further agrees to defend, indemnify, and hold harmless Landlord, its elected officials, officers, employees, agents and contractors from and against any and all losses, claims, liabilities, damages, demands, fines, costs and expenses, including reasonable attorneys' fees, arising out of or resulting from any release or presence of any Hazardous Substance on or about the Leased Premises; the provisions of this sentence shall survive and be enforceable after the termination or expiration of the Lease and the surrender of the Leased Premises by Tenant. If Tenant becomes aware of the release or presence on the Leased Premises of any Hazardous Substance, Tenant shall immediately notify Landlord in writing of such release or presence, and Tenant shall promptly provide Landlord with copies

of any reports, studies, recommendations or requirements received by Tenant from any third person, including a governmental agency

**11. MAINTENANCE AND REPAIRS.** Exterior Walls and Roof. Landlord, at Landlord's expense, shall maintain the Premises, including the common restrooms, the exterior walls, roof, heating, air-conditioning and ventilation system, windows, doors, utilities, plumbing, fixtures, and mechanical equipment in good order, condition, and repair and furnish all expendables (light bulbs, paper goods, soaps, etc.) used in the Premises during the term or any extended term of the Lease; provided, Tenant shall repair any damage to the Premises occasioned by Tenant's use of the Premises or caused by Tenant's guests and/or invitees, excluding normal wear and tear.

If Tenant refuses or neglects to repair and maintain the Premises as required herein to the reasonable satisfaction of Landlord as soon as reasonably possible after written demand, Landlord may make such repairs and do required maintenance without liability to Tenant for any loss or damage that may accrue to Tenant's fixtures or other property, or to Tenant's business by reason thereof, and upon completion thereof, Tenant shall pay Landlord's costs for such work, plus 15% for overhead, together with 12% per annum interest from the date Landlord tenders Tenant an invoice for such work to the date of payment.

Landlord reserves the right to make repairs, alterations, connections or extensions when and where the same may be deemed by Landlord to be reasonably necessary. However, any reasonable repairs, maintenance or alteration of the building or appurtenances shall not render the building unusable for the purposes of this Lease because of any action arising from the making of the repairs, maintenance or alteration to the building or appurtenances. Nothing herein contained shall be construed as an agreement on the part of the Landlord to make any repairs, alterations, connections or extensions becoming necessary, in the reasonable opinion of Landlord, due to negligence of Tenant, its officers, employees, or agents.

**12. SIGNS.** Tenant shall not post any signs on the Premises or the building on the Leased Property without Landlord's prior written consent. Any signs permitted by Landlord shall fully conform with all requirements of Landlord. If permitted, Tenant shall be required to maintain Tenant's signs in good, safe, attractive condition. Any signs not in conformity with this Lease may be removed and destroyed by Landlord.

**13. ENTRY BY LANDLORD.** Tenant shall permit Landlord and Landlord's agents to enter the Leased Premises with at least 24 hours' notice for the purpose of inspecting the same and maintaining the Leased Premises, or for the purpose of making repairs, alternations, or additions to any portion of the Leased Premises, .

**14. CASUALTY; REBUILDING; CONDEMNATION.** In the event the building at the d Premises shall be destroyed or damaged by fire or other causes (and regardless of the extent of the damage to the Premises) to such an extent that the Landlord shall decide to discontinue the operation of the building, which decision shall be communicated to the Tenant within sixty (60) days after such damage or destruction, then this Lease shall be terminated as of the date of such damage or destruction. In the event of damage to the Premises by fire or

other causes, other than under the circumstances described in the preceding sentence, Landlord shall repair the Premises within a reasonable time and as quickly as circumstances will permit upon the same plan as immediately before the damage or destruction. Until the Premises are repaired and put in a good and tenantable order, the rents herein provided for, or a fair and just proportion thereof according to the nature and extent of the damage sustained, shall be abated until the Premises shall have been restored to the same condition as they were before such damage or destruction.

In the event that the Premises are not usable or deemed to be usable as contemplated in this agreement for over ninety (90) days due to the damage, Tenant shall have the right to terminate this Lease.

If any part of the Premises shall be taken by public or quasi-public authority under any power of eminent domain or condemnation, Tenant shall have no claim or interest in or to any award of damages for such taking. If such taking materially reduces usefulness of the Premises for the purposes for which it is leased, then Tenant shall have the option of terminating this Lease.

**15. ASSIGNMENT AND SUBLETTING:** Tenant shall not sublease, sublet or assign the Premises, or any portion thereof, except by the written permission and consent of Landlord, in Landlord's sole discretion. This Lease shall not be assignable by operation of law.

**16. TENANT DEFAULT.** If Tenant shall fail to perform any of the covenants and agreements herein contained after the applicable notice and cure periods (and regardless of the pendency of any bankruptcy, reorganization, receivership, insolvency, or other legal or equitable proceedings that have or might have the effect of preventing the Tenant from complying with the terms of this Lease), then Landlord may cancel this Lease upon giving the notice required by law, and re-enter said premises.

- (a) If at any time Landlord waives any breach or default, or any right or option, such waiver shall not be construed to be a waiver of any other right or option, or any other past, existing or future breach or default.
- (b) In the event Tenant is in default on any provision of this Lease and Landlord seeks the services of an attorney to enforce such provision in default, Landlord shall be entitled to recover all attorney's fees and costs expended in such enforcement, including the cost of preparation and service of all notices, and such fees, costs and expenses shall constitute additional rent due hereunder.

**16. LANDLORD DEFAULT:** In the event Landlord shall neglect or fail to perform or observe any of the covenants, provisions or conditions contained in this Lease on its part to be performed or observed within 30 days after Tenant's written notice to Landlord (or if more than 30 days shall be required because of the nature of the breach, if Landlord shall fail to proceed diligently to cure such breach after notice), then, in that event, Landlord shall be in

default under the provisions of this Lease and shall be responsible to Tenant for any and all damages sustained by Tenant as a result of Landlord's default. Further, after such default and upon giving Landlord ten (10) days advance written notice of intent to do so, Tenant shall have the right to cure any such default at Landlord's expense, including in such expenditure all costs and attorney's fees incurred to cure such default, and may offset the costs of curing such default against rents next due. In the event Landlord fails and refuses to cure its default and Tenant is unable to remedy Landlord's default, Tenant shall have the option of terminating this lease upon 30 days written notice to Landlord.

**17. ATTORNEY FEES.** In the event of any legal action or proceeding between the parties hereto, the substantially prevailing party shall be entitled to collect, in addition to any judgment awarded by a court, a reasonable sum as attorneys' fees, and all costs and expenses incurred in connection with such a lawsuit, including attorneys' fees, costs, and expenses of any appeal of a judgment, and if the substantially prevailing party shall recover judgment in any such action or proceeding, such costs, expenses and attorney's fees shall be included in and as a part of such judgment. This Lease shall be governed by the laws of the State of Washington. The venue for any dispute related to this Lease shall be Snohomish County, Washington. Should Landlord be named as a defendant in any suit brought against Tenant in connection with or arising out of Tenant's occupancy hereunder, Tenant shall pay to Landlord its cost and expenses incurred in such suit, including a reasonable attorney fee.

**18. NOTICES.** All notices, statements, demands, requests, consents, approvals, authorizations, offers, agreements, appointments, or designations under this Lease by either party to the other shall be in writing and shall be sufficiently given and served upon the other party, if sent by certified mail, return receipt requested, postage prepaid, and addressed as follows:

TENANT:  
COMMUNITY HEALTH CENTER OF SNOHOMISH COUNTY  
ATTN: Bob Farrell, Chief Executive Officer  
8609 Evergreen Way  
Everett, WA 98209

LANDLORD:  
SNOHOMISH HEALTH DISTRICT  
ATTN: Shawn Frederick, Director of Administrative Services  
3020 Rucker, Ste 306  
Everett, WA 98201

or at such other address as either party designates by written notice to the other party. All notices shall be effective upon the earlier of personal delivery or three (3) days after being mailed.

**19. NO WAIVER OF COVENANTS.** No waiver shall be implied from an omission by either party to take any action related to breach of any covenant, term, or condition of this Lease. The acceptance by Landlord of rent with knowledge of the breach of any of the terms,



conditions, or covenants of this Lease by Tenant shall not be deemed a waiver of any such breach. One or more waivers of any breach of any covenant, term, or condition of this Lease shall not be construed as a waiver of any subsequent breach of the same covenant, term, or condition.

20. **EFFECT OF HOLDING OVER.** If Tenant should remain in possession of the Leased Premises after the expiration of the Lease term, or the renewal thereof, without executing a new lease, then such holding over shall be construed as a tenancy from month to month, subject to all the conditions, provisions, and obligations of this Lease insofar as the same are applicable to a month-to-month tenancy.

21. **SUCCESSORS AND ASSIGNS.** The rights, liabilities, and remedies provided for herein shall extend to the heirs, legal representatives, successors and, so far as the terms of this Lease permit, assigns of the parties hereto. The words "Landlord" and "Tenant" and their accompanying verbs or pronouns, wherever used in this Lease, shall apply equally to all persons, firms or corporations which may be or become parties to this Lease.

22. **RULES.** Tenant agrees to abide by the reasonable and non-discriminatory rules and regulations governing the operation of the Premises and the Property which may be made by Landlord from time to time, and will use reasonable methods to induce its employees and all persons invited or permitted by Tenant onto the Premises to observe the same.

23. **ENTIRE AGREEMENT AND AMENDMENTS.** This Lease contains all of the agreements between the parties with respect to any matter covered or mentioned in the Lease, and no prior agreement, letter of intent, or understanding relating to any such matter will be effective for any purpose. No provision in this Lease may be amended or added to except by an agreement in writing signed by the parties or their respective successors in interest and using the same formalities as are required by the execution of this Lease.

IN WITNESS WHEREOF Landlord and Tenant have executed this Lease. The undersigned individuals signing on behalf of a principal warrant that they have the authority to bind their principals.

DATED \_\_\_\_\_, 2018

DATED \_\_\_\_\_, 2018

THE SNOHOMISH HEALTH DISTRICT  
Landlord

COMMUNITY HEALTH CENTER OF  
SNOHOMISH COUNTY, Tenant

By \_\_\_\_\_  
Jefferson Ketchel  
Its: Administrator

By \_\_\_\_\_  
Robert Farrell  
Its: Chief Executive Officer