

Return Address
Walla Walla County Commissioners
P.O. Box 1506
Walla Walla, WA 99362

Document Titles (i.e.: type of document)

Office space lease for 1520 Kelly Place, Walla Walla, Washington between Walla Walla County and Blue Mountain Action Council, a Washington non-profit corporation.

Auditor File Number(s) of document being assigned or released:

Grantor

1. Blue Mountain Action Council

2.

3.

Additional names on page ____ of document.

Grantee

1. Walla Walla County

2.

3.

Additional names on page ____ of document.

Legal description (i.e.: lot and block or section township and range)

Additional legal is on page 21 of document.

Assessor's Parcel Numbers

360731210002

Additional parcel number is on pages ____ of document.

The Auditor/Recorder will rely on the information provided on this form. The staff will not read the document to verify the accuracy or completeness of the indexing information provided herein. Please type or print the information. This page becomes part of document.

I am requesting an emergency nonstandard recording for an additional fee as provided in RCW 36.18.010. I understand that the recording process may cover up or otherwise obscure some part of the text of the original document.

Signature of Requesting Party

2012-07184 LES
08/21/2012 01:17:56 PM Page 1 of 21 Fees: 82.00
Karen Martin County Auditor, Walla Walla County WA



OFFICE SPACE LEASE

This Office Space Lease (hereinafter "Lease") is made and entered into as of the Effective Date (defined in Section 43 below) by and between Walla Walla County, a municipal corporation and political subdivision of the state of Washington (hereinafter "Landlord") and the Blue Mountain Action Council, a Washington non-profit corporation (hereinafter "Tenant"). Landlord and Tenant may hereinafter be referred to collectively as "Parties" or individually as a "Party."

RECITALS

WHEREAS Landlord is sole owner in fee simple of that certain parcel of real property consisting of land, an office building and other improvements and amenities collectively and commonly known as the Community Service Center, 1520 Kelly Place, Walla Walla, Walla Walla County, Washington, 99362, and legally described in attached **Exhibit A** (hereinafter "the Property"); and

WHEREAS Landlord desires to lease to Tenant and Tenant desires to lease from Landlord certain portions of the Property upon the terms, covenants and conditions set forth in this Lease; and

NOW THEREFORE, for and in consideration of the terms, covenants and conditions set forth below, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Landlord and Tenant hereby agree as follows:

AGREEMENT

1. Incorporation of Recitals. The above recitals are true and correct and are incorporated herein by this reference as if fully set forth.

2. Authority to Lease; Applicable Laws.

2.1 Authority to Lease. This Lease is made and entered into by the Parties under authority of RCW 36.34.180.

2.2 Applicable Laws. This Lease and Tenant's rights hereunder are and shall at all times be subject and subordinate to all federal, state, county and municipal statutes, laws, codes, rules, regulations, ordinances, resolutions, permits and/or other requirements of any kind, type or nature whatsoever applicable thereto (hereinafter collectively "Applicable Laws") including, without limitation: (a) federal, state and local laws against discrimination on the ground of race, color, religion, age, sex, gender identity, sexual orientation, marital status, familial status, handicap or national origin or ancestry; (b) federal, state and local laws relating to persons with disabilities; and (c) federal, state and local laws relating to Hazardous Substances (defined in Section 8.2



below). Tenant shall be bound by and strictly comply with all Applicable Laws, all future Applicable Laws, and all future amendments to either.

3. Grant of Lease; Collective Reference; No Additional Rights.

3.1 Grant of Lease. Landlord hereby leases to Tenant and Tenant hereby leases from Landlord, the following:

3.1.1 First Floor Office Space. That certain portion of the first floor of the office building being approximately Four Thousand Five Hundred and One (4,501) square feet of rentable office space hereinafter referred to as "Suite 140" (consisting of Space 140 through Space 169);

3.1.2 Second Floor Office Space. That certain portion of the second floor of the office building depicted being approximately Two Thousand One Hundred Seventy Two (2,172) square feet of rentable office space hereinafter referred to as "Suite 250" (consisting of Space 250 through Space 259).

3.2 Collective Reference. Suite 140 and Suite 250 are referred to hereinafter collectively as "the Premises."

3.3 No Additional Rights. Other than as expressly set forth in this Lease, Tenant shall have no right, title or interest in or to the Property, the Premises, the Common Areas (defined in Section 10 below), or the Limited Common Areas (defined in Section 11 below), or any part thereof.

4. Lease Term. The term of this Lease (hereinafter "Term") shall be 10 years, commencing 12:01 a.m., August 1, 2012 (hereinafter "Commencement Date") and ending midnight, July 31, 2022 (hereinafter "Expiration Date"), unless earlier terminated pursuant to the terms of this Lease.

5. Monthly Rent; Late Charge; Remittance.

5.1 Monthly Rent. Beginning on the Commencement Date and continuing on the first day of each and every month of the Term, Tenant shall pay to Landlord, at Landlord's address set forth in Section 5.4 below, or at such other place as Landlord may from time to time designate in writing, rent in the amounts set forth below (hereinafter "Monthly Rent"), payable in advance, without deduction, offset, prior notice or demand:

<u>Period</u>	<u>Monthly Rent</u>
Months 1 - 60	\$1 per square foot (\$6,365)
Months 61-120	\$Rent shall be adjusted as set forth in clause 5.15



Monthly Rent for any partial month shall be prorated on the basis of a THIRTY (30) day month.

5.15 Rental Adjustment. The fixed rent may be increased once after the first five years, in an amount up to a consumer price index adjustment. The amount of the increase shall be determined by the Board of County Commissioners, but shall not exceed the following calculation. The adjustment shall be calculated upon the basis of the United States Department of Labor, Bureau of Labor Statistics Consumer Price Index – All Urban Consumer U.S City Average for all items. CPI-U U.S. City Average – All Items computation of percentage change shall be calculated using the standard method of identified below:

CPI for January 2017.

Less CPI for previous period: 226.665 (January 2012)

Equals Index point change

Divided by January 2012 CPI

Equals

Result multiplied by 100

Equals percent change

Tenant shall be notified in writing by Landlord of the adjustment to the rent. The index utilized in the calculation shall be the last published by the United States Department of Labor, Bureau of Labor Statistics and a copy of the document shall be attached to the notification letter. The monthly rent will be adjusted in addition to any back adjustment rent due.

5.2 Leasehold Excise Tax. Unless tenant has applied for and been granted an exemption by the State Department of Revenue, tenant shall pay the Leasehold Excise Tax as follows: Beginning on the Commencement Date and continuing on the first day of each and every month of the Term, Tenant shall pay to Landlord, at Landlord's address set forth in Section 5.4 below, or at such other place as Landlord may from time to time designate in writing, the Washington Leasehold Excise Tax (hereinafter "LET"), payable in advance, without deduction, offset, prior notice or demand. Tenant acknowledges LET is currently TWELVE AND 84/100 PERCENT (12.84%) of Monthly Rent.

5.2.1. Tenant shall apply for and take all reasonable steps to obtain an exemption from the LET by the State Department of Revenue. If the exemption is not granted, or denied in the future, or the law changes such that the Tenant is otherwise subject to the LET, the rental rate in Section 5.1 and 5.5 shall be reduced by the amount of the excise tax.

5.3 Late Charge. Tenant acknowledges late payment of Monthly Rent or any other sums due hereunder will cause Landlord to incur costs and hardships not contemplated by this Lease, the exact amount or nature of which would be extremely difficult and impractical to ascertain. Therefore, if Tenant fails to pay any installment of Monthly Rent, or any other sum due hereunder, within TEN (10) calendar days after that



amount is due, Tenant shall pay to Landlord, as liquidated damages and Additional Rent, a late charge in a sum equal to FIVE PERCENT (5%) of the delinquent amount, together with interest on the delinquent amount at the rate of TWELVE PERCENT (12%) per annum from the date the delinquent amount originally became due.

5.4 Remittances. Prior to the first of each month of the Term, Tenant shall receive from Landlord a billing invoice for Monthly Rent and LET, together with a return envelope. Checks for Monthly Rent and LET, together with any other applicable taxes, charges or other governmental impositions described in Section 15 below and collected by Landlord, shall be made payable to "Walla Walla County," shall be mailed to Landlord at 314 West Main Street, 2nd floor - Room 203, Walla Walla, WA, 99362 or such other place as Landlord may from time to time designate in writing, and shall be accompanied by the account remittance slip attached to the top of the billing invoice.

6. Improvements and Alterations.

6.1 By Tenant. Tenant shall not make or permit to be made any improvements or alterations to or of the Premises (hereinafter "Tenant Improvements"), or any part thereof, without the prior written consent of Landlord, which consent may be granted, withheld, conditioned or delayed by Landlord in its sole and absolute judgment and discretion. Tenant shall reimburse Landlord for all documented costs and expenses (including, without limitation, architect's and/or engineer's fees) incurred by Landlord in approving or disapproving Tenant Improvements. The term "Tenant Improvements" shall not include the installation of computer and telecommunications network infrastructure required for Tenant's operations, security systems, card readers, movable partitions, Tenant's equipment and trade fixtures which may be performed without damaging existing improvements or the structural integrity of the Premises and Landlord's consent shall not be required for Tenant's installation of those items.

6.2 Ownership of Improvements. All Landlord Improvements and any Tenant Improvements constructed upon the Premises shall be the sole and exclusive property of Landlord.

6.3 Signs. Tenant shall not place any signs upon the exterior of the Premises other than those currently in place without the prior written consent of Landlord, which consent may be granted, withheld, conditioned or delayed by Landlord in its sole and absolute judgment and discretion.

7. Due Diligence Inspection; Acceptance; Possession. Tenant represents and warrants to Landlord that prior to the Effective Date Tenant conducted a complete and thorough due diligence inspection of the Premises and determined: (a) it is satisfied with all aspects of the Property and the Premises including, without limitation, the environmental, geotechnical, and physical condition thereof, the suitability thereof for Tenant's permitted uses under Section 8 below, and any zoning and/or other land use issues that may affect Tenant's possession, use or occupancy of the Premises; (b) the Premises are in good, safe and tenantable condition and can be used for Tenant's



permitted uses as described in Section 8 below; and (c) except as may be otherwise expressly provided to the contrary elsewhere in this Lease, neither Landlord, nor any individual or entity on Landlord's behalf, has made any statement, representation, warranty or agreement, express or implied, as to any matter concerning the Premises, or the suitability thereof for Tenant's permitted uses under Section 8 below and that Tenant accepts the Premises in "AS IS" condition, with all faults and defects, if any. Tenant's acceptance of Premises and Tenant's leasing of the Premises "AS IS" does not alter or diminish Landlord's maintenance, repair, and replacement obligations contained elsewhere in this Lease, nor does Tenant's acceptance of Premises apply to unknown or latent defects.

8. Use of Premises.

8.1 Permitted Uses.

8.1.1 Office Space. Tenant shall use the Office Space for general office and related purposes only in strict accordance with the terms, covenants and conditions set forth in this Lease and for no other purposes whatsoever without the prior written consent of Landlord, which consent may be granted, withheld, conditioned or delayed by Landlord in its sole and absolute judgment and discretion.

8.1.2 Parking Space. Tenant shall use the Parking Space Area for general office related vehicle parking and related purposes only in strict accordance with the terms, covenants and conditions set forth in this Lease and for no other purposes whatsoever without the prior written consent of Landlord, which consent may be granted, withheld, conditioned or delayed by Landlord in its sole and absolute judgment and discretion.

8.2 Prohibited Uses. Tenant shall not do or permit to be done in, on, under or about the Property or Premises, nor bring into, keep, or permit anything to be brought into or kept therein other than Tenant's use or storage of Permitted Materials (defined hereinbelow), which will in any way, directly or indirectly, result in a violation of this Lease or any Applicable Laws. Nor shall Tenant conduct or permit any activity in, on, under or about the Property or Premises which, directly or indirectly, could result in the violation of any Environmental Law (defined hereinbelow) or the contamination of the Property or Premises, or any part of either, or any other real or personal property, with any Hazardous Substance (defined hereinbelow). For purposes of this Lease, the term "Hazardous Substance" shall mean any substance, waste or material defined or designated as dangerous, hazardous, toxic or radioactive, or other similar term, by any applicable federal, state or local statute, regulation or ordinance now or hereafter in effect, including, without limitation, the Federal Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. Section 9601 et seq.; Superfund Amendments and Reauthorization Act, 42 U.S.C. Section 9601 et seq.; Hazardous Materials Transportation Act, 49 U.S.C. Section 1802; and Resource



Conservation and Recovery Act, 42 U.S.C. Section 9601 et seq.; and the regulations promulgated thereunder (hereinafter collectively "Environmental Laws"). Tenant shall indemnify, defend and hold Landlord harmless from all claims, damages, costs and expenses (including attorney fees and court costs) of any kind, type or nature whatsoever arising directly or indirectly out of or relating in any way to any conduct or activity by Tenant or its officers, directors, shareholders, members, employees, customers, agents, servants, contractors, licensees and/or invitees during Tenant's occupancy, use, possession or control of the Premises that may result directly or indirectly in the Property or Premises, any part of either, or any other real or personal property, becoming contaminated with a Hazardous Substance, including, without limitation, the cleanup of Hazardous Substances from the Property or Premises, or any part of either, or any other real or personal property. Tenant's agreement to indemnify Landlord as set forth in this Section 8.2 shall survive the termination of this Lease for any reason, whether by expiration of the Term or otherwise, or any full or partial assignment hereof. Tenant shall at all times possess, use, occupy and maintain the Premises in a careful, safe and proper manner. Tenant and its officers, directors, shareholders, members, employees, customers, agents, servants, contractors, licensees and/or invitees shall not cause, use, maintain or permit any nuisance in, on or about the Property or Premises and shall not commit or suffer to be committed any waste in or thereupon. For purposes of this Lease, "Permitted Materials" shall mean the following items kept and used on the Property or Premises to the extent the same are used as an incidental part of the primary business of Tenant conducted on the Premises and to the extent the same are used, handled and stored on the Premises, and removed from the Premises, in compliance with this Lease and all Applicable Laws: (a) cleaners and cleaning supplies of a commercial and/or household nature; and (b) office supplies (such as, but not limited to, toner cartridges, white-out and similar items).

9. Common Areas. "Common Areas" shall mean all areas and facilities located within the boundaries of the Premises that are provided and designated from time to time by Landlord for use by the general public including, without limitation, all roadways, driveways, walkways, parking areas, restrooms, pedestrian sidewalks and landscaped areas, together with such facilities and improvements of a public nature. Tenant and its officers, directors, shareholders, members, employees, customers, agents, servants, contractors, licensees and/or invitees shall have the non-exclusive right to use the Common Areas in common with Landlord and with members of the general public. Tenant shall comply with all reasonable rules and regulations concerning use of the Common Areas adopted by Landlord from time to time and shall use its best efforts to cause its officers, directors, shareholders, members, employees, customers, agents, servants, contractors, licensees and/or invitees to comply with those rules and regulations and to not interfere with the use of the Common Areas by others. Upon reasonable advance written notice to Tenant and without any cost or liability to Tenant, Landlord may change the size, use or nature of any common areas, erect improvements in the Common Areas or convert any portion of the Common Areas existing as of the Effective Date to the exclusive use of Tenant or selected other tenants, so long as Tenant is not thereby deprived of the existing use or benefit of the Premises as presently configured. Landlord shall maintain the Common Areas in a safe, good, clean and sanitary order,

condition and repair except such damage as may be caused by the sole conduct of Tenant or its officers, directors, shareholders, members, employees, customers, agents, servants, contractors, licensees and/or invitees.

10. Utilities, Maintenance and Security.

10.1 Utilities.

10.1.1 Utility Accounts & Payment. Landlord shall, at its sole cost and expense, cause and provide electricity, water, sanitary sewer, water and internet services to be available for Tenant's use in and about the Premises (hereinafter collectively "Utilities"). Telephone service shall be the responsibility of the tenant.

10.1.2 Electrical Loads. Tenant shall not use any equipment or devices in or about the Premises that utilize excessive electrical energy or that may, in Landlord's reasonable opinion, overload the wiring or interfere with the proper functioning of the existing electrical system.

10.1.3 Interruption. Landlord shall not be liable for any loss, injury or damage to persons or property resulting from any variation, interruption, or failure of the Utilities due to any cause whatsoever absent Landlord's negligence or willful misconduct, and then only to the extent of Landlord's proportionate share of liability. Variation, interruption or failure of Utilities shall not be construed as an eviction of Tenant, nor give rise to an abatement of Monthly Rent, or relieve Tenant from fulfillment of any covenant or agreement contained in this Agreement.

10.2 Maintenance.

10.2.1 By Landlord. Landlord shall, at its sole cost and expense, maintain in good working order, condition and repair: (a) all interior and exterior structural components of the office building situated upon the Property including, without limitation, foundations, walls, roofs, windows, doors and skylights; (b) all plumbing, electrical, heating, cooling and other systems and components installed in the Premises; (c) all paved areas in and about the Property; and (d) all Common Areas. Landlord shall not be obligated to repair or replace any fixtures or equipment installed by or owned by Tenant and Landlord shall not be obligated to make any repair or replacement of any kind, type or nature whatsoever occasioned by any act or omission of Tenant or of its employees, agents, customers, invitees or licensees.

10.2.2 By Tenant. Tenant shall, at its sole cost and expense, provide janitorial services sufficient to keep the Premises and all appurtenances thereto, including, without limitation, carpets, wall coverings, signs, windows, doors, skylights, plumbing and other fixtures, equipment and improvements situated in or about the Premises in a good, neat, clean and sanitary condition. Tenant shall be responsible for bringing trash and/or recycling to centrally located bins. Landlord reserves the right to



limit the amount of trash disposed of by Tenant in the bins should the Tenant's use become excessive.

10.4 Security. Tenant shall be solely responsible for the security of the Premises and Landlord shall not be liable to Tenant for loss, damage, or injury due to theft, burglary or other criminal act, or for damage or injury caused by any person.

11. Liens. Tenant shall keep the Premises and Landlord's Personal Property free from all liens arising out of any work performed, materials, services or any other obligations incurred by Tenant. If any such liens are filed, Landlord may, without waiving its rights and remedies for breach, and without releasing Tenant from any of its obligations hereunder, require Tenant to post security in form and amount reasonably satisfactory to Landlord or cause such liens to be released by any means Landlord deems proper, including payment in satisfaction of the claim giving rise to the lien. Tenant shall pay to Landlord upon demand any sum paid by Landlord to remove the liens, together with interest from the date of payment by Landlord, at the lesser of ONE AND ONE-HALF PERCENT (1-1/2%) per month or the maximum rate permissible by law.

12. Representations and Warranties.

12.1 By Landlord. In addition to any other representations and/or warranties made by Landlord elsewhere in this Lease, Landlord represents and warrants to Tenant that, as of the Effective Date, the following statements are true and correct:

12.1.1 Authority. Landlord has full power and authority to execute and deliver this Lease and the individuals who on Landlord's behalf execute and deliver this Lease are duly authorized to do so;

12.1.2 Litigation. There are no actions, suits or proceedings pending or threatened against Landlord before any court or administrative agency which might result in Landlord being unable to consummate the transaction contemplated by this Lease;

12.1.3 No Other Representations or Warranties. Other than as expressly set forth in this Section 12.1, Landlord makes no representations or warranties of any kind, type or nature whatsoever with respect to the subject matter of this Lease.

12.2 By Tenant. In addition to any other representations and/or warranties made by Tenant elsewhere in this Lease, Tenant represents and warrants to Landlord that, as of the Effective Date, the following statements are true and correct:

12.2.1 Authority. Tenant has full power and authority to execute and perform this Lease, and the individuals who on Tenant's behalf execute and deliver this Lease to Landlord are duly authorized to do so;

12.2.2 Litigation. There are no actions, suits or proceedings pending or threatened against Tenant before any court or administrative agency which might result in Tenant being unable to consummate the transaction contemplated by this Lease;

12.2.3 No Other Representations or Warranties. Other than as expressly set forth in this Section 12.2, Tenant makes no representations or warranties of any kind, type or nature whatsoever with respect to the subject matter of this Lease.

13. Removal of Personal Property; Abandoned Property. All of Tenant's personal property, if any, placed upon the Premises shall remain Tenant's personal property. Upon the expiration or earlier termination of this Lease, Tenant shall: (a) remove from the Premises all of Tenant's personal property (other than the Tenant Improvements); and (b) remove from the Premises any personal property belonging to any third party other than Landlord or Tenant's subtenants. If Tenant fails to remove any personal property from the Premises as provided in this Section 13, Tenant shall, upon written demand, reimburse Landlord for the documented cost of any such removal and the disposal thereof. Any personal property left on the Premises after the expiration or sooner termination of this Lease, or after Tenant's vacation or abandonment of the Premises (hereinafter "Abandoned Property"), shall be deemed to have been abandoned and to have become the property of Landlord to dispose of in Landlord's sole and absolute judgment and discretion. Tenant shall reimburse Landlord for any of Landlord's documented court costs, attorney fees, storage and disposal charges related to Abandoned Property. Landlord may, at its option, sell Abandoned Property at private sale without notice or legal process, for such price as Landlord may obtain, and apply the proceeds of such sale to any amounts due under this Lease from Tenant, including expenses incident to the removal, disposal and/or sale of Abandoned Property, or Landlord may otherwise dispose of Abandoned Property.

14. Personal Property Taxes, Rent Taxes and Other Taxes. Tenant shall promptly pay all taxes, charges and other governmental impositions, if any, assessed against or levied upon the Tenant Improvements or upon any of Tenant's personal property located in, on, under or about the Premises prior to delinquency. In addition, Tenant shall promptly pay any and all taxes currently applicable or that become applicable in the future to Tenant's possession, use or occupancy of the Premises or to any activity carried on therein including, but not limited to, the LET.

15. Pledge as Security. Tenant shall not pledge this Lease, or the Premises, or any part of either, as security for any loan or for any other reason whatsoever without the prior written consent of Landlord, which consent may be granted, withheld, conditioned or delayed by Landlord in its sole and absolute judgment and discretion.

16. Tenant's Insurance Obligations.

16.1 Insurance Coverage. Tenant agrees to provide the County with evidence of insurance or security sufficient, to insure its operations with a broad-form liability policy in the amount of \$1,000,000 per occurrence and aggregate purchased from

an insurance company or insurance pool duly licensed to transact business in the State of Washington. The policy shall name Walla Walla County as Additional Insured with respect to this agreement. Lessee shall provide County evidence of current insurance coverage annually in January. Should insurance lapse, this agreement shall be considered as breached.

16.2 Waiver of Subrogation. Tenant shall, at its sole cost and expense, include in its insurance policies appropriate clauses pursuant to which the insurance companies waive all right of subrogation against Landlord with respect to losses payable under such policies and agree that such policies shall not be invalidated if, prior to a loss, the insured waives, in writing, any or all right of recovery against any party for losses covered by such policies. Tenant shall furnish to Landlord, upon written demand, evidence satisfactorily establishing the inclusion of the above clause in its insurance policies.

16.3 Waiver of Claims. Provided that Tenant's right of full recovery under its fire insurance policy is not adversely affected or prejudiced thereby, Tenant hereby waives any and all right of recovery which it might otherwise have against Landlord or its elected or appointed officials, servants, agents or employees for loss or damage to the Tenant Improvements or any fixtures, furnishings, machinery, equipment and/or other personal property of Tenant located in, on, under or about the Premises to the extent the same is covered by Tenant's insurance, notwithstanding that such loss or damage may result from the negligence or fault of Landlord, its elected or appointed officials, servants, agents or employees.

17. Indemnification. Tenant shall indemnify, defend, and hold Landlord harmless from all claims, liabilities, costs, attorney fees and expenses of any kind, type or nature whatsoever arising out of or relating in any way to: (a) Tenant's use or occupancy of the Premises or the Property; (b) any activity, work or thing done, permitted or suffered by Tenant in, on, under or about the Premises or the Property; (c) any breach or default in the performance of any obligation to be performed by Tenant under the terms of this Lease; or (d) any act or omission of Tenant or of its officers, directors, shareholders, members, employees, customers, agents, servants, contractors, licensees and/or invitees caused by negligence or willful misconduct and then only to the extent of its or their proportionate share of liability. Tenant's obligation to indemnify Landlord under this Section 17 includes an obligation to indemnify for losses resulting from death or injury to Tenant's officers, directors, shareholders, members, employees, customers, agents, servants, contractors, licensees and/or invitees, and Tenant accordingly hereby waives any and all immunities it now has or hereafter may have under Title 51 RCW (Industrial Insurance), or other worker's compensation, disability benefit or other similar act that would otherwise be applicable in the case of such a claim and further acknowledges that such waiver was mutually negotiated by the parties as required by RCW 4.24.115. Tenant, as a material part of the consideration to Landlord, hereby assumes all risk of and waives any claims Tenant might have against Landlord in respect to damage to property or injury to persons in, upon or about the Premises or the Property from any cause whatsoever, unless caused by or resulting from the negligence or willful



misconduct of Landlord or of its elected or appointed officials, servants, agents or employees and then only to the extent of its or their proportionate share of liability. Tenant's indemnification and release of Landlord specifically excludes negligent or intentional torts of Landlord or its agents or employees and matters arising from Landlord's failure to perform this Lease.

18. Damage to Premises. If the Premises, or any part thereof, are destroyed or injured by fire or earthquake or other casualty, to the extent that they are untenable in whole or in part, then Landlord may, in its sole and absolute judgment and discretion, proceed with reasonable diligence to rebuild and restore the same or such part thereof, provided that as soon as practicable but not later than SIXTY (60) calendar days after such destruction or injury, Landlord shall notify Tenant in writing of Landlord's intention to do so. During the period from destruction or damage to restoration, Monthly Rent shall be abated in the same ratio as that portion of the Premises which Landlord determines is unfit for occupancy bears to the whole Premises. In the event that a substantial portion of the premises is damaged to an extent that the premises are unusable by the Tenant, the Tenant may terminate the lease.

19. Condemnation. If all or any part of the Premises are taken under the power of eminent domain, or is sold to a condemning authority in lieu thereof, this Lease shall terminate as to the part so taken as of the date the condemning authority takes possession. In the event that a substantial portion of the premises is condemned to an extent that the premises are unusable by the Tenant, the Tenant may terminate the lease. In the case of a taking of a part of the Premises that is not required for Tenant's reasonable use thereof, this Lease shall continue in full force and effect and Monthly Rent shall be reduced based on the proportion by which the rentable square feet of the Premises is reduced. Any reduction in Monthly Rent shall be effective as of the date possession of the portion of the Premises is delivered to the condemning authority. Any award for the taking of all or part of the Premises under the power of eminent domain, including payments received for a sale to the condemning authority in lieu thereof, shall be the sole property of Landlord, whether made as compensation for diminution in value of the leasehold, for the taking of the fee, or for severance damages. Tenant may make a separate claim for loss of or damage to the Tenant Improvements or to Tenant's business so long as Tenant's claim does not result in any reduction to the amount of the award otherwise payable to Landlord.

20. Assignment and Subletting. Tenant shall not assign this Lease, or any part hereof, nor sublet all or any portion of the Premises, nor mortgage, transfer or encumber any interest herein (hereinafter collectively "Transfer") without the prior written consent of Landlord.

20.1 Tenant may allow other entities to use Premises on a temporary, uncompensated basis. Landlord reserves the right to restrict or deny such use if the usage is disruptive or incompatible with the purposes of the Property.



21. Termination for Default; Remedies. The occurrence of any one or more of the following events shall constitute a default under this Lease by Tenant: (a) vacation or abandonment of the Premises prior to the Expiration Date of the Term or any earlier termination of this Lease; (b) failure by Tenant to make any payment of Monthly Rent when due, or failure to make any other payment required hereunder when due when that failure continues for a period of TEN (10) business days after written notice from Landlord; (c) failure by Tenant 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 FIFTEEN (15) business days after written notice from Landlord to Tenant; provided, however, that if the nature of Tenant's obligation is such that more than FIFTEEN (15) business days are reasonably required for cure, Tenant shall not be in default if Tenant commences to cure within FIFTEEN (15) business days of Landlord's written notice and thereafter diligently pursues completion and completes performance within a reasonable time; or (d) Tenant's failure to comply with the same Lease term or covenant on three separate occasions during the Term, even if such breach is cured within the applicable cure period. In the event of any default by Tenant, Landlord may at any time following written notice thereof to Tenant, and without waiving or limiting any other right or remedy, terminate this Lease, re-enter and take possession of the Premises, or pursue any other remedy allowed by law. Tenant shall pay Landlord the documented costs of recovering possession of the Premises including, without limitation, court costs and reasonable attorney fees, the expenses of reletting and any other costs or damages arising out of or relating in any way to Tenant's default.

22. Waiver. Under no circumstances shall any failure by Landlord to promptly enforce any of its rights under this Lease, whether resulting from a default by Tenant or otherwise, operate or be construed as a waiver of such rights unless Landlord gives Tenant express written notice that a waiver has occurred.

23. Landlord's Right of Entry. Landlord reserves and shall at any and all reasonable times have the right to enter the Premises and/or the Tenant Improvements with, except in cases of emergency, not less than TWENTY-FOUR (24) hours advance notice to Tenant, for the purpose of inspecting the same to determine full compliance with this Lease; provided, however, that the quiet use and enjoyment of the Premises by Tenant shall not be unreasonably disturbed. The foregoing notwithstanding, Landlord shall have the right to use any and all means Landlord may deem necessary or appropriate to gain access to the Premises and/or the Tenant Improvements without liability to Tenant, except for any failure to exercise due care for Tenant's property, for the purpose of responding to a bona fide emergency thereupon. Any such entry by Landlord by any of said means or otherwise shall not, under any circumstances, be construed or deemed to be forceable or unlawful entry into, or a detainer of, the Premises, or an eviction of Tenant from the Premises, or any portion thereof, provided said entry relates to emergency purposes as aforesaid.

24. Landlord Mortgages and Deeds of Trust; Priority and Attornment. Landlord may mortgage the Premises or grant deeds of trust or other encumbrances with respect thereto; provided that in the event of any foreclosure of any such mortgage, deed



of trust or other encumbrance, the mortgagee named in the mortgage, the beneficiary named in the deed of trust, or the grantee of such other encumbrance (hereinafter collectively "Leasehold Mortgagee") agrees to recognize this Lease, to assume Landlord's obligations under this Lease and to not disturb Tenant if Tenant is not in default hereunder. Prior to the execution of any such mortgage, deed of trust, or other encumbrance, Landlord shall submit the same to Tenant and any Leasehold Mortgagee for approval by Tenant's and the Leasehold Mortgagee's legal counsel to confirm that the mortgage, deed of trust, or other encumbrance complies with the provisions of this section, which approval shall not be unreasonably withheld. Tenant agrees to execute such reasonable estoppel certificates as may be required by any mortgagee or deed of trust beneficiary stating that the Lease is in full force and effect and certifying the dates to which Monthly Rent and other charges have been paid. This Lease shall be subject and subordinate to any mortgage or deed of trust which is now a lien upon the Premises and to any or all amount owing or advances to be made thereunder, and all renewals, replacements or consolidations and extensions thereof. This Lease is also subject and subordinate to any mortgages or deeds of trust that may hereafter be placed upon the Premises by Landlord and to any or all advances to be made or amounts owing thereunder and all renewals, replacements, consolidations and extensions thereof, provided that the mortgagee named in the mortgage or the beneficiary named in the deed of trust agrees to recognize this Lease, to assume Landlord's obligations hereunder and to not disturb Tenant if Tenant is not in default hereunder. Tenant shall execute and deliver, within TEN (10) business days after demand therefore, whatever instruments may be required from time to time by any mortgagee or deed of trust beneficiary for any of the foregoing purposes.

25. Notices. Wherever in this Lease notices are desired or required to be given, such notice shall be in writing, addressed to the person entitled thereto, and shall be sent by either: (a) United States certified mail, return receipt requested; or (b) recognized overnight express or legal messenger service which customarily maintains a contemporaneous permanent delivery record. Notices shall be deemed delivered on the earlier of: (a) the date of receipt as shown by the return receipt; or (b) the delivery date as shown in the regular business records of the overnight courier or legal messenger service; as the case may be. Notices shall be sent to Landlord and/or Tenant at the address for that Party as designated below:

Landlord: Walla Walla County
Clerk of the Board
314 W. Main St.
2nd floor - Room 203
Walla Walla, WA 99362

Copy to: Walla Walla County Prosecuting Attorney
Attn: Jesse Nolte, Deputy Prosecuting Attorney
240 West Alder
Suite 201
Walla Walla, WA 99362

Tenant: Blue Mountain Action Council
Attn: Steven Moss, Chief Executive Officer
1520 Kelly Place Suite 140
Walla Walla, WA 99362

Copy to: Minnick Hayner
Attn: Jim Hayner
249 W. Alder
Walla Walla, WA 99362

Any Party, by written notice to the other in the manner herein provided, may designate an address different from that set forth above. Any notices sent by a Party's attorney on behalf of such Party shall be deemed delivered by such Party.

26. Negotiation and Construction. This Lease was negotiated by the Parties with the assistance of their own legal counsel and shall be construed according to its fair meaning and not strictly for or against either Party.

27. Time. Time is of the essence of this Lease and of every term and provision hereof. If the date for any performance under this Lease falls on a weekend or holiday, the time shall be extended to the next business day.

28. Prior Agreements. This Lease contains all of the agreements of the Parties with respect to any matter covered or mentioned herein and no prior agreement, letter of intent, negotiation or understanding pertaining to any such matter shall be effective for any purpose. No provision 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.

29. Attorney Fees and Costs. In the event either Party requires the services of an attorney in connection with enforcing the terms of this Lease and in the event suit is filed 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 Landlord or eviction of Tenant during the Term or after the expiration thereof, the substantially prevailing party shall be 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, or on appeal.

30. Vacation of Premises; Holding Over. Upon expiration of the Term, or early termination, Tenant shall promptly vacate and peaceably surrender the Premises to Landlord on or before the last day thereof, leaving the Premises in the condition as described in Section 31 below. If Tenant holds over the expiration or earlier termination



of the Term without the prior written consent of Landlord, which consent may be granted, withheld, conditioned or delayed by Landlord in its sole and absolute judgment and discretion, Tenant shall become a tenant-at-sufferance only and otherwise subject to the all of the terms, covenants and conditions of this Lease. Acceptance by Landlord of Monthly Rent or any other benefit accruing to Landlord under this Lease after the expiration of the Term, or earlier termination thereof, shall not result in a renewal of this Lease. The foregoing provisions of this Section 30 are in addition to and do not affect Landlord's right of re-entry or any other rights of Landlord hereunder or as otherwise provided by law. Tenant hereby indemnifies and agrees to hold Landlord harmless from all losses, injuries or liabilities of any kind, type or nature whatsoever arising out of or in any way relating to Tenant's failure to surrender the Premises upon the expiration or earlier termination of this Lease.

31. Surrender of Premises. The voluntary or other surrender of this Lease by Tenant, or a mutual cancellation hereof, shall not work as a merger, and shall, at the option of Landlord, operate as an assignment to it of any or all subleases or subtenancies. Upon the expiration or earlier termination of this Lease, Lessee shall leave the Premises and the Tenant Improvements in a good, neat, clean and sanitary order, repair and condition, reasonable wear and tear excepted. The delivery of keys to any employee of Landlord or to Landlord's agent or any employee thereof shall not be sufficient to constitute a termination of this Lease or a surrender of the Premises.

32. Successors and Assigns. Except as otherwise provided in this Lease, all of the covenants, conditions and provisions of this Lease are binding upon and shall inure to the benefit of the Parties and their respective heirs, personal representatives, successors and assigns. If Landlord sells or otherwise conveys its title to the Premises, then after the effective date of such sale or conveyance Landlord shall have absolutely no further liability to Tenant under this Lease except as to matters of liability that have accrued and remain unsatisfied as of the date of sale or conveyance, and Tenant must seek performance solely from Landlord's purchaser or successor-in-interest. Landlord's purchaser or successor-in-interest shall have all rights and obligations of Landlord hereunder.

33. Cost of Performance by Tenant. Except as otherwise expressly provided to the contrary elsewhere in this Lease, all covenants and agreements to be performed by Tenant under this Lease shall be performed by Tenant at its sole cost and expense and without any abatement of Monthly Rent or any other amount due from Tenant under this Lease. If Tenant fails to pay any sum of money owed to any party other than Landlord for which Tenant is liable hereunder, or if Tenant fails to perform any other act on its part to be performed hereunder, and such failure continues for TEN (10) business days after written notice thereof by Landlord, Landlord may, without waiving or releasing Tenant from its obligations, make any such payment or perform any such other act to be made or performed by Tenant. Tenant shall pay to Landlord, on demand, all sums so paid by Landlord and all necessary incidental costs, together with interest thereon at the lesser of ONE AND ONE-HALF PERCENT (1-1/2%) per month or the maximum rate permissible by law, from the date of such payment by Landlord.



34. Americans with Disabilities Act. Within TEN (10) business days after receipt thereof, Tenant shall advise Landlord in writing, and provide Landlord with copies of (as applicable): (a) any notices alleging violation of the Americans with Disabilities Act of 1990, as amended (hereinafter "ADA") relating to any portion of the Premises or the Tenant Improvements; (b) any claims made or threatened in writing regarding noncompliance with the ADA and relating to any portion of the Premises or the Tenant Improvements; or (c) any governmental or regulatory actions or investigations instituted or threatened regarding noncompliance with the ADA and relating to any portion of the Premises or the Tenant Improvements. Any cost or expense associated with bringing the Premises and/or the Tenant Improvements into compliance with the ADA shall be the sole responsibility of Tenant.

35. Execution Required. Submission of this Lease for examination or signature by Tenant 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 Landlord and Tenant.

36. Severability. Any provision of this Lease which proves to be invalid, void or illegal shall in no way affect, impair or invalidate any other provision hereof, and such other provisions shall remain in full force and effect.

37. Governing Law. This Lease shall be governed by and construed and interpreted in accordance with the laws of the state of Washington.

38. Venue. The venue of any action between the Parties arising out of or relating in any way to this Lease shall be in the superior court of Walla Walla County, Washington.

39. Rules and Regulations. Tenant shall at all times use the Property, the Premises and the Common Areas in accordance with such reasonable rules and regulations as may be adopted by Landlord from time to time for the general safety, care, and cleanliness thereof.

40. Exhibit. The following exhibit is attached to and by this reference incorporated herein as if fully set forth:

Exhibit A - Legal Description of Property

41. Community Social Service Center Committee. Tenant shall appoint one representative to serve on the Property's Community Social Service Center Committee. The Committee shall consist of a representative of each entity, including the County Department of Human Services, that occupies the Property. The Committee shall serve to

advise and plan regarding the shared use of the Property. However, nothing in this section shall abrogate or diminish any of the rights and duties of the Landlord and Tenant described in this Lease.

42. Recording. This lease shall be recorded by the Landlord. Costs of the recording shall be divided equally between the Tenant and the Landlord.

43. Effective Date of Lease. The Effective Date of this Lease shall be the date upon which the Chair of the Board of Walla Walla County Commissioners (who shall be the last person to sign this Lease) shall have signed this Lease as indicated opposite his name below.

44. Termination. Either party may terminate this lease without cause by providing the other party written notice six (6) months in advance.

45. Renewal: This lease may be renewed only by re-leasing and re-letting of the property according to the terms and conditions of RCW 36.34. Tenant shall file a application to lease, pursuant to RCW 36.34.150, at least 120 days before the Expiration Date of this lease.

46. Security Deposit. Upon execution of this Lease, Tenant shall deliver to Landlord a security deposit in the amount of \$6,365 (one month's rent). Landlord may commingle the security deposit with its other funds. If Tenant breaches any covenant or condition of this Lease, including, but not limited to the payment of rent, Landlord may apply all or any part of the security deposit to the payment of any sum in default and any damage suffered by Landlord as a result of Tenant's breach. In such event, Tenant shall, within five (5) days after written demand by Landlord, deposit with Landlord the amount so applied. If Tenant complies with all of the covenants and conditions of this Lease throughout the lease Term, and returns the premises to the Landlord in accordance with the terms of this Lease, the Security Deposit shall be repaid to Tenant without interest within 30 days after the vacation of the Premises by the Tenant.

[SIGNATURES & ACKNOWLEDGEMENTS APPEAR ON FOLLOWING PAGES]

LANDLORD'S SIGNATURE PAGE

Approved as to Legal Form Only:

Jesse Miller 8-17-12
Deputy Prosecuting Attorney Date

Recommended:

[Signature] 8/17/12
Director, Human Services Date

Final Action:

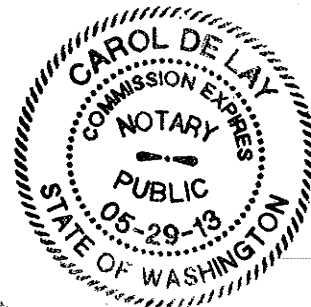
Bregory A. Tompkins
Chairman, Board of County Commissioners Date

STATE OF WASHINGTON)
) ss.
COUNTY OF WALLA WALLA)

On this 13 day of August, 2012, before me, the undersigned, a notary public in and for the state of Washington, duly commissioned and sworn, personally appeared Greg Tompkins, known to me to be the Chairman of the Board of the County Commissioners, Walla Walla County, Washington, a municipal corporation and political subdivision of the state of Washington, who executed the within and foregoing instrument and acknowledged the said instrument to be the free and voluntary act of said municipal corporation for the uses and purposes therein mentioned, and on oath stated that he is authorized to execute the said instrument.

In witness whereof, I have hereunto set my hand and affixed my official seal the day and year first above written.

Carol De Lay
NOTARY SIGNATURE
PRINTED NAME Carol De Lay
NOTARY PUBLIC IN AND FOR THE STATE OF WASHINGTON,
RESIDING AT Walla Walla
MY COMMISSION EXPIRES 5-29-13



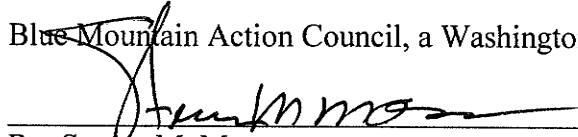
Attest:

Connie R Vint
Clerk of the Board



TENANT'S SIGNATURE PAGE

Blue Mountain Action Council, a Washington State Non-Profit Corporation


By: Steven M. Moss

Its: Chief Executive Officer

Date: 8.7.12

STATE OF WASHINGTON)

) ss.

COUNTY OF WALLA WALLA)

On this 7 day of August, 2012, before me, the undersigned, a notary public in and for the state of Washington, duly commissioned and sworn, personally appeared Steven M. Moss, known to me to be the Chief Executive Officer of the BLUE MOUNTAIN ACTION COUNCIL, a Washington State Non-Profit Corporation, who executed the within and foregoing instrument and acknowledged the said instrument to be the free and voluntary act of said agency for the uses and purposes therein mentioned, and on oath stated that he is authorized to execute the said instrument.

In witness whereof, I have hereunto set my hand and affixed my official seal the day and year first above written.


NOTARY SIGNATURE

PRINTED NAME G. "TED" KOEHLER
NOTARY PUBLIC IN AND FOR THE STATE OF WASHINGTON,
RESIDING AT Walla Walla County
MY COMMISSION EXPIRES JAN 17, 2016

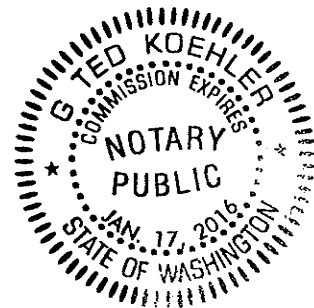


EXHIBIT A
Legal Description of Property

Lot 4 of Highland Commerce Center Short Plat filed under Auditor's File Number 9203682 in Volume 2 of Short Plats at Page 171, records of Walla Walla County, State of Washington.

OFFICE SPACE LEASE 7/31/2012

2012-07184 LES
08/21/2012 01:17:56 PM Page 21 of 21 Fees: 82.00
Karen Martin County Auditor, Walla Walla County WA

