


**JEFFERSON COUNTY
BOARD OF COUNTY COMMISSIONERS**

AGENDA REQUEST

TO: Board of County Commissioners

FROM: Philip Morley, County Administrator 

DATE: December 24, 2012

SUBJECT: License Agreement for Animal Shelter and Related Services; Humane Society of Jefferson County

STATEMENT OF ISSUE:

The County Commissioners are requested to approve a license agreement for animal shelter and related services with the Humane Society of Jefferson County.

ANALYSIS:

The County owns the Animal Shelter at 112 Critter Lane, near the County transfer station. The proposed agreement with the Humane Society of Jefferson County would have this non-profit organization assume operation of the shelter, and is in line with the County's adopted Strategic Plan as well as its adopted 2013 Budget Objectives and Procedures resolution, which says the County should "privatize and/or outsource services, programs, and functions where appropriate."

Under the proposed License Agreement, the Humane Society would license the Animal Shelter to furnish sheltering, handling and/or adoption of stray, impounded and unwanted companion animals from unincorporated Jefferson County, dispose of deceased animals, and act as a licensing agent for the County for dogs and cats. The Humane Society is authorized to provide similar services to the City of Port Townsend for companion animals from within the City, should the City and the Humane Society so agree.

In 2013, the Humane Society will assume and be financially responsible for all utilities to operate the shelter. The License Agreement also allows for extensions for additional years, and lays out a proposed structure for doing so by which the Humane Society would become financially responsible for annual facility maintenance and depreciation costs, subject to further negotiation and execution of an amendment to the License Agreement.

FINANCIAL ANALYSIS:

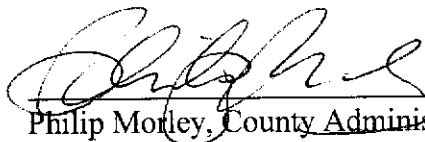
In 2013, the Humane Society will assume responsibility for all utilities, pay a \$10 annual License Fee, and pay a Leasehold Excise Tax of \$4,131.01. If the License Agreement is extended into future years, it is envisioned that the Humane Society would also pay for the County's Annual Maintenance Cost and

depreciation of the Facility to pay for its capital maintenance.

RECOMMENDATION:

It is recommended that the Board of County Commissioners pass a motion authorizing execution of the proposed License Agreement.

REVIEWED BY:


Philip Morley, County Administrator

12/19/12
Date

**LICENSE AGREEMENT for THE HUMANE SOCIETY OF JEFFERSON COUNTY WA
for ANIMAL SHELTER OPERATIONS AND RELATED SERVICES**

WHEREAS, Jefferson County owns and maintains an Animal Shelter facility at 112 Critter Lane, Port Townsend, Washington; and

WHEREAS, Jefferson County Code provides for companion animal licensing and animal control services in Jefferson County; and

WHEREAS, the Humane Society of Jefferson County is incorporated as a 501(c)(3) non-profit organization; and

WHEREAS, the Humane Society wishes to license the Animal Shelter facility and assume from Jefferson County the daily operations within the facility in 2013 and potentially in additional years to continue to temporarily shelter, care for, and find suitable homes for companion animals, and provide for the disposal of deceased animals at the shelter, and will assume the cost of doing so; and

WHEREAS, the Humane Society agrees to assume the cost of all utilities for the facility in 2013; and if it continues to license the facility in 2014 and beyond, would assume the cost of both regular and capital maintenance of the facility, unless otherwise agreed; and

WHEREAS, Jefferson County desires to support the transition of the operation and cost of maintenance of the shelter to assure continued quality shelter services for the community, while reducing its burden on County finances for other essential public services; and

WHEREAS, the Humane Society and the County also wish to allow for Humane Society operations of shelter and related services for companion animals from within the boundaries of the City of Port Townsend, consistent with an Agreement for Animal Services executed between the Humane Society and the City of Port Townsend, hereinafter "Humane Society-City of Port Townsend Animal Services Agreement;" and

WHEREAS, the Humane Society and the County first entered into an Agreement for Shelter and Related Services on November 14, 2011, and subsequently replaced that Agreement in its entirety with a new Agreement on April 16, 2012; and

WHEREAS, providing for continued Humane Society operations in the existing Animal Shelter facility ensures uninterrupted shelter operations, and promotes the efficiency of this public service; and

WHEREAS, the Humane Society and the County desire to provide for continued Humane Society operations at the County's Animal Shelter facility located at 112 Critter Lane;

NOW, THEREFORE, in consideration of the terms, conditions, covenants and performances contained herein and mutually bargained for and exchanged, IT IS MUTALLY AGREED AS FOLLOWS:

THIS LICENSE (or "Agreement") is made by and between Jefferson County, a political subdivision of the State of Washington and a municipal corporation ("County"), and the Humane Society of Jefferson County WA, a 501(c)(3) non-profit organization incorporated in the State of Washington ("Humane Society").

1. PREMISES: Jefferson County does hereby license to the Humane Society the Animal Shelter facility located at 112 Critter Lane, Port Townsend, Washington, commonly known as the Animal Shelter, as follows and as referenced in the facility diagrams attached hereto in EXHIBIT A:

- A. The building in its entirety that comprises the Animal Shelter; and
- B. The grounds and appurtenances of the Animal Shelter, including but not limited to the driveway south of entrance gate, parking area, septic system and all storage sheds, as shown in EXHIBIT A.

2. TERM: The term of this License shall be January 1, 2013 through December 31, 2013. This License may be extended upon mutual agreement by the parties regarding the terms and conditions, but only through mutual execution of a written agreement.

3. LICENSE FEE: The License Fee is ten dollars (\$10.00) for each year. The License Fee shall be paid on or before January 31 of each license year.

4. FACILITY MAINTENANCE FEE: The 2013 Facility Maintenance Fee paid by the Humane Society shall be \$0.

If this agreement is extended beyond 2013, for 2014 and thereafter, the Humane Society shall pay a Facility Maintenance Fee as mutually agreed, and may include all or some of the following:

A. The annual maintenance costs, excluding any utilities paid directly by the Humane Society, as published in the Jefferson County annual Facilities Cost Recovery calculation prepared in July of each year for the following year by the Central Services Department; and

B. The annual depreciation costs for the facility as calculated in the annual Jefferson County Cost Allocation prepared by the Auditor's office to cover the cost of major or non-routine repair and maintenance and/or improvements to the facility.

As an illustration, if a Facility Maintenance Fee existed and were calculated for 2013 per the method above, the total Facility Maintenance Fee would be calculated as follows:

ILLUSTRATION

Annual Maintenance Cost 2013:	\$ 25,138.00
<u>Depreciation 2013:</u>	<u>\$ 7,025.00</u>
Facility Maintenance Fee:	\$ 32,163.00

For purposes of any extension of this Agreement, the County will notify the Humane Society of the calculations of the annual Facility Maintenance Fee by October 31 of each year for the following year. The Facility Maintenance Fee for each year shall be paid in four equal quarterly installments on or before January 31, April 30, July 31, and October 31 of each year. Each installment shall be considered the Facility Maintenance Fee applicable to the quarter of the year in which it is due, i.e., the installment due on or before January 31, 2014 would be considered the Facility Maintenance Fee for the 1st quarter of 2014. In case of the Humane Society's holdover past the expiration date of the License or the date the License terminates, then the Facility Maintenance Fee, shall be 1/12th of the then-current annual Facility Maintenance Fee amount calculated pursuant to the methodology listed in Section 26 payable and due on or before the 10th of each month for that current month of the holdover.

5. LEASEHOLD EXCISE TAX: The Humane Society shall pay the County a Leasehold Excise Tax on the fair market value of the License and Facility Maintenance Fees, and shall be calculated at the rate set by the State - currently 12.84%. For 2013, the fair market value of the License Fee and Facility Maintenance Fee is \$10 + \$32,163 = \$32,173; and the 2013 Leasehold Excise Tax is \$4,131.01. The Leasehold Excise Tax shall be paid in four equal quarterly installments on or before January 31, April 30, July 31, and October 31 of each year.

6. UTILITIES: Beginning January 1, 2013, The Humane Society will assume and directly pay all utilities at the Animal Shelter for listed and any additional utilities, including those as follows:

- City Water (presently with City of Port Townsend)
- Electrical (presently with Puget Sound Energy)
- Propane (presently with Sunshine Propane)
- Telephone
- Internet

Jefferson County will continue to maintain the Septic System.

7. USE: The Humane Society shall use the premises solely for the purpose of operation of a shelter and related services for companion animals as described herein, and for no other purposes, without prior written consent of Jefferson County.

A. The Humane Society shall furnish and maintain sheltering, handling and/or adoption of stray, impounded, and unwanted companion animals turned over to the Humane Society by Jefferson County personnel or residents of unincorporated Jefferson County, and

provide adequate staff and volunteers for these purposes. As authorized by an Agreement for Animal Services executed between the Humane Society and the City of Port Townsend, the Humane Society may furnish and maintain sheltering, handling and/or adoption of stray, impounded, and unwanted companion animals turned over to the Humane Society by City personnel or residents of Port Townsend, and shall provide adequate staff and volunteers for these purposes; provided such services shall be consistent with the terms of this License Agreement, and if there is a conflict between the Humane Society-City Animal Services Agreement and this License Agreement, then the terms of this License Agreement shall prevail. Companion animals are specifically defined as dogs, cats, domestic birds, domestic rabbits and small domestic rodents. Companion animals specifically exclude livestock (horses, cows, pigs, sheep, goats, fowl, etc.) venomous or dangerous reptiles and wild or exotic animals. Such facility shall include cat kennels and dog kennels, as well as provide for the humane disposal of sick and injured companion animals.

The Humane Society will provide for disposal (rendering or cremation) services for animals turned over to the Humane Society by Jefferson County personnel or residents of unincorporated Jefferson County deceased upon arrival or during the time of sheltering. Animals impounded by the County and awaiting disposition by the courts will be held for up to 5 days without additional charge. For animals impounded by Jefferson County personnel, after 5 days, board will be charged to Jefferson County at the rate of \$10 per day for a dog and \$5 per day for a cat.

Pursuant to a Humane Society-City of Port Townsend Animal Services Agreement, the Humane Society may also provide for disposal (rendering or cremation) services for animals turned over to the Humane Society by City personnel or City residents deceased upon arrival or during the time of sheltering. Pursuant to a Humane Society-City of Port Townsend Animal Services Agreement, animals impounded by the City and awaiting disposition by the courts may be held for up to 5 days without additional charge to the City. For animals impounded by City personnel, after 5 days, board may be charged by the Humane Society to the City at the rate(s) established in the Humane Society-City Animal Services Agreement.

B. The Humane Society shall operate the shelter and keep it staffed and open for the purposes of receiving companion animals and allowing such animals to be redeemed during regular business hours Tuesday through Saturday, or such other schedule that the Humane Society and the County Administrator may agree to in writing; PROVIDED THAT the Humane Society shall establish and maintain 7-day per week, 24-hour per day access for Jefferson County animal control officers to drop off companion animals or carcasses outside of normal shelter hours. Pursuant to a Humane Society-City of Port Townsend Animal Services Agreement, the Humane Society may also establish and maintain 7-day per week, 24-hour per day access for City officers to drop off companion animals or carcasses outside of normal shelter hours. It is understood that this does not include Humane Society responsibility for care of sick or injured companion animals prior to admission to the shelter.

C. The Humane Society shall act as an agent in the sale of animal licenses for Jefferson County and shall collect fees as established by Jefferson County. Licenses must be purchased for all dogs and, if requested, for cats. The Humane Society shall keep all fees

collected from County licenses and shall maintain an accurate license database and provide the County a monthly report of County licenses sold and fees collected. The County license fee receipts shall be used exclusively for the cost of operation and services provided to the County under this agreement. As allowed by the City of Port Townsend, and pursuant to a Humane Society-City of Port Townsend Animal Services Agreement, the Humane Society may act as an agent in the sale of animal licenses for the City of Port Townsend and collect fees as established by the City, and shall maintain an accurate City license database and provide to both the City and the County a monthly report of City licenses sold and fees collected.

D. The Humane Society shall provide orientation and training to Jefferson County regarding the Humane Society's shelter and its admissions policies, practices and other Humane Society operations as appropriate.

E. The Humane Society shall maintain complete records of all animals received and their disposition (i.e., returned to owner, adopted, transferred to another shelter, deceased, euthanized, etc., including an accounting of animals disposed of on behalf of Jefferson County). The Humane Society shall report the foregoing to the County at least quarterly. If there is a Humane Society-City of Port Townsend Animal Services Agreement, the Humane Society agrees to maintain complete records of all City animals received and their disposition (i.e., returned to owner, adopted, transferred to another shelter, deceased, euthanized, etc., and including an accounting of animals disposed of on behalf of the City); and the Humane Society shall report the foregoing on City animals to both the City and the County at least quarterly.

F. The Humane Society further agrees to make available at reasonable times during normal business hours all work-related records and documents for inspection by Jefferson County.

G. The Humane Society shall provide access to computers for the Jefferson County Animal Control Officers to enter data relating to animals picked up by those Animal Control Officers into the database software.

H. The Humane Society shall provide weight measurements at time of admission for animals involved in cruelty investigation, per request of the County. This service will be offered for cases of 1 to 2 animals and may be repeated weekly as deemed necessary by the Veterinarian. Cruelty cases involving 3 to 6 animals seized by Jefferson County personnel would require advance notification in order to perform this service. Cases involving either 6 or more animals or animals needing detailed history and/or physical exams will require the involvement of a licensed veterinarian of Jefferson County's choice at County expense if initiated by Jefferson County personnel.

I. The Humane Society shall furnish expendable equipment and supplies used in the performance of the Humane Society's obligations arising from its day to day operation of the animal shelter, except any equipment and supplies which Jefferson County expressly promises (elsewhere in this Agreement for Services) to furnish.

J. The County shall have no financial responsibility for costs associated with services related to companion animals from within the boundaries of the City of Port Townsend, including but not limited to medical costs, and increased facility or utility costs.

8. REPAIRS AND MAINTENANCE: Premises have been inspected and are accepted by the Humane Society in their present condition. The use of the Premises by the Humane Society shall be conclusive evidence that the Humane Society has inspected and knows the condition of the Premises and accepts the Premises "AS IS," "IN ITS PRESENT CONDITION," and "WITHOUT ANY WARRANTIES WHATSOEVER." The Humane Society shall keep and use the premises in accordance with applicable laws, ordinances, rules, regulations and requirements of governmental authorities. The Humane Society shall permit no waste, damage or injury to the premises other than ordinary wear and tear. The Humane Society shall be solely responsible for daily and regular custodial functions for all areas of the premises, such as cleaning offices, receiving areas, kennels and outdoor runs; removing animal wastes; disinfecting contamination; and maintaining landscaping and grounds.

Jefferson County shall maintain the premises in good repair and tenantable condition during the continuance of this License. Jefferson County's maintenance obligations shall include, but are not limited to the mechanical, electrical, plumbing, heating, ventilating and air-conditioning systems (including replacement of filters as recommended in equipment service manual); exterior walls; all structural portions of the building (including the roof and the watertight integrity of same); porches, exterior lighting; and continuous satisfaction of all governmental requirements generally applicable to similar office buildings. For the purposes of so maintaining the premises, Jefferson County reserves the right to enter and inspect the premises and to make any necessary repairs to the building. Jefferson County reserves the right to close, or restrict access to any portion of the facility in an emergency or in the event that unsafe conditions arise.

The Humane Society shall be solely responsible for security of and the safekeeping of any personal property belonging to the Humane Society (or any employee, representative or agent of the Humane Society) at or within the Premises as listed in Section 1 above. The parties further specify that the terms and conditions of the Section of this Agreement entitled "Hold Harmless and Indemnification" apply to the Humane Society's responsibility for security and safekeeping of any personal property there located at or upon the rooms listed here.

If this agreement is extended beyond 2013, and unless otherwise agreed to by amendment to this Agreement, starting on January 1, 2014 the Humane Society shall be responsible for the costs of any major or non-routine repair and maintenance and/or improvements to the facility. There shall be a rebuttable presumption that any improvement, alteration, repair, renovation or rehabilitation project, proposal, plan or contract with an estimated or intended cost of greater than \$2,500 constitutes a major or non-routine repair and/or maintenance and shall be the sole financial responsibility of the Humane Society. The Humane Society may contact the County Administrator to inform the Administrator that the Humane Society wishes to rebut this presumption with respect to a particular project, proposal, plan or contract. The County Administrator will discuss the disputed project, proposal, plan or contract with County staff and

within ten business days make a decision. His or her decision with respect to who shall bear financial responsibility for the particular project, proposal, plan or contract shall be final.

9. IMPROVEMENTS, ALTERATIONS, FIXTURES AND SIGNS: During the existence of this License the Humane Society, upon the prior written authorization of Jefferson County, may make improvements and alterations, attach fixtures, and erect signs, in or upon the Premises hereby licensed in accordance with such standards or conditions the County may require. Such improvements, alterations, attachments of fixtures and erections of signs not included in the County's scheduled maintenance shall be at the Humane Society's sole cost and expense. Such authorization, standards or conditions shall be at the sole discretion of the County and shall not unreasonably be withheld. If the Humane Society desires to make improvements or perform maintenance by their own staff, this may only be done by prior written approval of the County Administrator for minor improvements, or as may be directed by the County, through a separate written agreement executed by both parties. Performance of any of the rights authorized above shall be conducted in compliance with all applicable governmental regulations, building codes, including obtaining any necessary permits. Any fixtures or signs so placed in or upon or attached to the premises shall be and remain the property of the Humane Society and shall be removed by the Humane Society upon the termination of this License, unless otherwise agreed by the County. Any damage caused by the removal of any of the above items shall be repaired at the Humane Society's sole cost and expense. Authorized improvements and alterations to the Premises shall become the property of Jefferson County. Any alterations, fixtures or signs not authorized by the County shall be removed and the Premises returned to original condition at the sole expense of the Humane Society, unless otherwise agreed to by the County. Improvements to the Premises made at the request of the Humane Society that are beyond necessary repairs and maintenance of the Premises shall be paid for by the Humane Society.

10. JEFFERSON COUNTY: In addition to other provisions of this Agreement, Jefferson County agrees as follows:

A. The Humane Society is hereby authorized to be licensing agent in the sale of animal licenses for the County and to collect fees as established by Jefferson County. The County hereby authorizes the Humane Society to retain all licensing fees and adoption, impound, board, fines and other fees collected from the public for animals accepted into the shelter to apply exclusively toward the cost of operation and services provided under this agreement.

B. Until the Humane Society takes custody of the animal, Jefferson County is responsible for all emergency care of any animal that the County impounds. Jefferson County will be responsible for payment of care for impounded animals taken by Jefferson County to veterinary clinics prior to admittance to the Shelter.

C. For animals brought to the Shelter by County officers, County officers will completely and accurately perform the data input required for shelter admission as well as scan

each animal for microchips. The Society will create a shelter admissions policy and provide it to Jefferson County.

11. LIENS: The Humane Society shall keep the premises free from any liens arising out of any work performed for, materials furnished to, or obligations incurred by the Humane Society, and shall indemnify and hold Jefferson County harmless against the same. The License granted to the Humane Society pursuant to this Agreement may not be used by the Humane Society as security or collateral for any borrowing or purchase or lease of personal property.

12. SUBLETTING OR ASSIGNMENT: The Humane Society shall not sublet the whole or any part of the premises, nor assign this License, without the prior written consent of Jefferson County. This License shall not be assignable by operation of law. Any assignment shall not release the Humane Society from liability under this License unless the assignment states such.

13. DISASTER: In the event the licensed premises are destroyed or injured by fire, earthquake or other casualty so as to render the premises unfit for occupancy, and Jefferson County neglects and/or refuses to restore said premises to their former condition, then the Humane Society may terminate this License. In the event said premises are partially destroyed by any of the aforesaid means, the License Fee herein agreed to be paid shall be abated from the time of occurrence of such destruction or injury until the premises are again restored to their former condition, and any License Fee paid by the Humane Society during the period of abatement shall be credited upon the next installment(s) of License Fee to be paid. It is understood that the terms "abated" and "abatement" mean a pro rata reduction in the License Fee equal to the ratio of area unsuitable for occupancy due to casualty loss to the total area of the Premises, as described in Section 1, above.

14. REIMBURSEMENT FOR DAMAGE TO PREMISES: The Humane Society agrees to reimburse Jefferson County for damages caused by the negligence of its employees, clients and agents, but in no event shall this paragraph be construed as diminishing Jefferson County's duty to make repairs as set forth in preceding paragraphs of this License, nor shall it be construed as making the Humane Society responsible for the repair of normal wear and tear. On demand, the Humane Society shall immediately pay to County the sum necessary to repair said damage.

15. HOLD HARMLESS AND INDEMNIFICATION: The Humane Society agrees to hold harmless, indemnify and defend (including all legal defense costs) Jefferson County and its officers, officials and employees from any claim, liability, lawsuit or legal judgment arising from or out of the negligent or tortious actions or inactions of the Humane Society or its agents in its performance of the activities and services set forth herein in this agreement to be performed by the Humane Society. The Agreement to indemnify, defend and hold harmless Jefferson County by the Humane Society shall not apply to any loss, claim, liability, lawsuit or legal judgment arising from the sole negligence of Jefferson County officers, officials, or employees, or arising from their actions with respect to the handling or treatment of companion animals referred to in this agreement *prior to* the admission of such animals to the shelter and the assumption by the shelter and the Humane Society of the care and custody of such animals. Because the insurance to be obtained pursuant to this Agreement shall be "occurrence" based

the obligation of the Humane Society under this Section shall survive the termination of this Agreement if the claim, liability, lawsuit or legal judgment necessitating the indemnification and hold harmless of the County arises out of an occurrence that occurred during the term of this Agreement.

Jefferson County will hold the Humane Society harmless from any damages or attorneys' fees or costs incurred by the Humane Society, as a result of litigation which (a) names the Humane Society and (b) involves a Jefferson County ordinance that is declared illegal or unenforceable and upon which the Humane Society relied in the performance of its obligations under this agreement.

16. COSTS AND ATTORNEYS FEES: If, by reason of any default or breach on the part of either party in the performance of any of the provisions of this License, a legal action is instituted, each party will be responsible for their own costs and attorney fees in connection therewith, unless otherwise agreed by the Humane Society and Jefferson County. It is agreed that the venue of any legal action brought under the terms of this License shall be Jefferson County Superior Court.

17. INSURANCE: The Humane Society shall maintain with respect to the Premises commercial general liability insurance in the minimum limit of \$1,000,000 single occurrence, \$2,000,000 aggregate for property damage (for damage or injury to the personal property and improvements owned by the Humane Society and located at the Premises) and/or bodily injuries and death, and shall name Jefferson County as an additional insured. The Humane Society shall furnish Jefferson County a certificate indicating that A) the insurance policy is in full force and effect, B) Jefferson County has been named as an additional insured, and C) the policy may not be canceled unless thirty (30) days prior written notice of the proposed cancellation has been given to Jefferson County. Such insurance shall be considered primary and non-contributory by all parties. Jefferson County shall maintain on the building in which the premises are located a policy of standard fire insurance with extended coverage in the amount of its replacement value. Proceeds of any such insurance shall be applied to the restoration of the building and the premises if the building and/or premises are to be restored pursuant to the provisions hereof. Any proceeds remaining after such restoration shall belong to Jefferson County.

If the Humane Society fails to obtain or maintain any policy of insurance required under this License, or if any such policy is canceled or modified during the term of this License without Jefferson County's consent, Jefferson County may obtain such insurance, in which case the Humane Society shall reimburse Jefferson County for the cost of such insurance within fifteen (15) days after receipt of a statement that indicates the cost of such insurance.

The Humane Society's failure to provide and keep in force the aforementioned insurance will be regarded as a default hereunder, entitling County to exercise any or all of the remedies provided in this License for default.

In the event of a nonrenewal, cancellation, or material change in the coverage provided, 30 days' written notice will be furnished to Jefferson County prior to the date of nonrenewal, cancellation, or change. Such notice shall be sent to the Clerk of the Jefferson County Commissioners, P.O. Box 1220, Port Townsend WA 98368. Jefferson County has no obligation to report occurrences unless a claim is filed with Jefferson County, and Jefferson County has no obligations to pay premiums on such insurance. Said insurance shall be "occurrence" based rather than "claim" based.

18. NO WAIVER OF COVENANTS: No conduct of a party shall constitute accord and satisfaction, unless contained in writing to such effect and signed by the parties. Any waiver by either party of any breach thereof by the other shall not be considered a waiver of any future similar breach. This License contains all the agreements between the parties; and there shall be no modification of the agreements contained herein except by written instrument.

19. SURRENDER OF PREMISES: The Humane Society agrees, upon termination of this License, to peacefully quit and surrender the premises, leave the premises neat and clean and to deliver all keys to the premises to Jefferson County. If Jefferson County elects to require the Humane Society to remove alterations, additions or improvements made by the Humane Society, then the Humane Society shall at its sole cost restore the premises to their previous condition, less reasonable wear and tear.

20. PERSONAL PROPERTY AND FIXTURES: All of the Humane Society's personal property and trade fixtures, if any, located in, on or about the Premises shall remain the Humane Society's property and the Humane Society may remove such personal property at any time during the Term provided the Humane Society is not in default under the terms of this License. Upon the expiration or sooner termination of this License, the Humane Society shall remove from the Premises its personal property and the personal property of any party other than the County. If the Humane Society shall fail to remove its personal property as provided in this Agreement, the Humane Society shall, upon demand, reimburse County for the documented cost of any such removal. Any personal property left on the Premises after the expiration or sooner termination of the Term, or after the Humane Society's vacation or abandonment of the Premises (hereinafter "Abandoned Property"), shall be deemed to have been abandoned and to have become the property of County to dispose of in County's sole and absolute judgment and discretion. The Humane Society shall reimburse County for any of County's documented court costs, attorney fees, and storage charges related to Abandoned Property. County may, at its option, sell Abandoned Property at private sale without notice or legal process, for such price as County may obtain, and apply the proceeds of such sale to any amounts due under this License from the Humane Society to County, including expenses incident to the removal and sale of Abandoned Property, or County may otherwise dispose of Abandoned Property.

The Humane Society may continue to use County personal property at the County's sole discretion, but shall immediately return said personal property upon the County's request. In addition, the Humane Society shall promptly return any County personal property no longer in use, and shall return all County personal property on or before the last day of this License.

21. BINDING ON HEIRS, SUCCESSORS AND ASSIGNS: The covenants and agreements of this License shall be binding upon the heirs, executors, administrators, and successors and assigns of both parties hereto, except as herein above provided.

22. COMPLIANCE WITH LAW & RESTRICTIONS ON USE: The Humane Society shall comply with all applicable laws, regulations, policies or orders of any lawful governmental authority. The Humane Society agrees to take all steps necessary to comply with all federal, state and County laws and policies regarding nondiscrimination and equal employment opportunities. The Humane Society shall not discriminate in any employment action, use of volunteers or in providing public access to services subject to this agreement because of race, creed color, national origin or ancestry, religion, sex, gender identity, sexual orientation, age marital status, status as honorably discharged veteran or military status, or the presence of any sensory, mental or physical handicap. The Humane Society (and its invitees, licensees, contractors, agents, employees, or representatives) shall not use or occupy the Premises in violation of any statute, rule, ordinance, order, regulation or certificate of occupancy in effect and applicable to any part of thereof (hereinafter "Applicable Laws"). Nor shall the Humane Society do or permit to be done in or about the Premises, or any part thereof, or bring into, keep, or permit to be brought into or kept in or about the Premises, or any part thereof, anything that may constitute a waste, nuisance or unreasonable annoyance to County, other tenants of the Premises and/or members of the general public. The Humane Society shall not cause or permit any unusual or objectionable odors to be produced upon or permeated in or about the Premises. Neither the Humane Society, nor any of the Humane Society's employees, servants, agents, contractors, licensees or invitees shall at any time bring or keep in or about the Premises any toxic, hazardous, flammable, combustible or explosive fluid, chemical or substance other than as reasonably necessary for the Humane Society's permitted uses of the Premises in accordance with this Section. The Premises is smoke free, and is drug and alcohol-free except for the medical treatment of animals at the shelter.

23. DEFAULT AND REMEDIES: The Humane Society shall be in default of this License on the occurrence of any of the following:

- A. Failure to pay the License Fee scheduled payment or other expenses when due;
- B. Failure to comply with any law, regulation, policy, or order of any lawful governmental authority;
- C. Failure to comply with any other provision of this License;
- D. Its vacation or surrender of the Premises prematurely, i.e., before the License expires or in any manner not consistent with this License

A default shall become an event of default ("Event of Default") if the Humane Society fails to cure the default within the applicable cure period after Jefferson County provides the Humane Society with written notice of default, which specifies the nature of the default. For failure to pay the License Fee or other monetary defaults, the cure period shall be ten (10) working days.

For other defaults, the cure period shall be fifteen (15) days.

Upon an Event of Default, Jefferson County may terminate this License and remove the Humane Society by summary proceedings or otherwise. Upon an Event of Default, Jefferson County may also, without terminating this License, reassign the Premises to a County department or license it to a different entity, firm or person on any terms and conditions as Jefferson County in its sole discretion may decide are appropriate and obtain from the Humane Society any difference between the compensation obtained from that other entity, firm or person and the applicable License Fee that the Humane Society would otherwise owe. Jefferson County may at any time after reassigning elect to terminate this License for the previous Event of Default.

24. NOTICE: Wherever in this License written notices are to be given or made, they will be sent by United States mail to the address listed below unless a different address shall be designated in writing and delivered to the other party.

All notices, requests, demands and other communications required by this Agreement shall be in writing and, except as expressly provided elsewhere in this Agreement, shall be deemed to have been given at the time of delivery if personally delivered or at the time of mailing if mailed by first class, postage pre-paid and addressed to the party at its address as stated in this Agreement or at such address as any party may designate at any time in writing.

Notice to JEFFERSON COUNTY shall be sent to:

For County facility, licensing or payment issues:
Jefferson County Administrator's Office
Attn: Philip Morley, County Administrator
P.O. Box 1220
Port Townsend, WA 98368

For animal control issues:
Jefferson County Sheriff's Office
Attn: Sheriff Tony Hernandez
79 Elkins Road
Port Hadlock, WA 98339

Notice to the HUMANE SOCIETY shall be sent to:

Humane Society of Jefferson County WA
Attn: Paul Becker, President
P O Box 845
Port Hadlock, WA 98339

25. ACCESS AND COUNTY'S RIGHT OF ENTRY: County reserves and shall at any and all reasonable times have the right to enter the Premises, inspect the same, show the Premises to prospective purchasers or assignees, inventory County personal property, or effect any maintenance or repair of the Premises required; provided, however, that the business of the Humane Society shall not be unreasonably interfered with. For each of the aforesaid purposes, County shall at all times have and retain access (physical and/or electronic) with which to unlock all the doors, in, upon and about the Premises, excluding the Humane Society's safes, drug storage cabinet, and files. The County shall also have the right to use any and all means which County may deem proper to open said doors in an emergency, in order to obtain entry to the Premises, without liability to the Humane Society except for any failure to exercise due care for the Humane Society's property. In addition, County shall have the right at any and all reasonable times to enter the Premises to perform any act with regard thereto that County, in its sole and absolute judgment and discretion, deems necessary to assure compliance with applicable laws. Any entry of the Premises by County by any of said means or otherwise shall not, under any circumstances, be construed or deemed to be forcible or unlawful entry into, or a detainer of, the Premises, or an eviction of the Humane Society from the Premises or any portion thereof provided said entry relates to emergency purposes as aforesaid.

County shall be responsible for issuing keys (physical or electronic) to the Humane Society Director, and said keys or all copies thereof shall remain the property of Jefferson County. Upon the expiration of this License or the Humane Society's vacation of Premises, the Humane Society shall turn in to the County all such copies or keys to the Premises. When a the Humane Society employee or officer leaves the Humane Society, the Humane Society shall first collect all keys to the Premises in said employee's or officer's possession. The Humane Society shall promptly report to the County any lost or stolen keys.

26. VACATION OF PREMISES; HOLDING OVER: Upon expiration of the License, the Humane Society shall promptly vacate the Premises on or before the day the License expires. If the Humane Society holds over (continues to occupy the Premises) past the expiration or earlier termination of the License without the express written consent of County, which consent may be granted or withheld by County in its sole and absolute judgment and discretion, then the Humane Society shall be a Licensee at sufferance only and otherwise subject to the terms, covenants and conditions herein specified insofar as applicable, except that the License Fee and Facility Maintenance Fee shall be ONE HUNDRED TWENTY-FIVE PERCENT (125%) of the License Fee and Facility Maintenance Fee in effect on the date of such expiration or termination. Said increased License Fee shall be payable on or before the 10th of the first month of the year for which payment is being made and the increased Maintenance Fee shall be payable once a month on or before the 10th of the month for which payment is being made. Acceptance by County of a License Fee and/or the Maintenance Fee after the expiration of the License or earlier termination thereof shall not result in a renewal of this License. The foregoing provisions of this Section are in addition to and do not affect County's right of re-entry or any other rights of County hereunder or as otherwise provided by law. The Humane Society hereby indemnifies and agrees to hold harmless County from all loss, injury or liability arising from the Humane Society's failure to surrender the Premises upon the expiration or termination of this License.

27. GOVERNING LAW; VENUE: This License shall be governed by and construed in accordance with the laws of the state of Washington. County and the Humane Society agree that venue of any action between the parties relating to the License shall be in Jefferson County, Washington.

28. RECORDING: Except as may be otherwise required by law, neither Party may record this License, nor any memorandum hereof, without the prior written consent of the other party.

29. AUTHORIZED SIGNATURES: This License requires the signature of all parties and shall become effective as of the date of the last signature below.

The person or persons who execute this License on behalf of their respective party warrant that they have the authority to bind their respective party to the terms and obligations of this License.

30. SEVERABILITY: Any provision of this License 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.

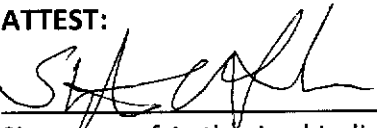
IN WITNESS WHEREOF Jefferson County and the Humane Society have signed this License Agreement this ___ day of _____, 2012.

HUMANE SOCIETY OF JEFFERSON COUNTY WA

JEFFERSON COUNTY BOARD OF COMMISSIONERS

 12-19-12
Paul Becker, President Date

John Austin, Chair

ATTEST:
 12-19-2012
Signature of Authorized Individual Date

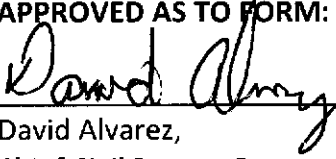
Phil Johnson, Member

David W. Sullivan, Member

NAME, TITLE

ATTEST:

Raina Randall
Deputy Clerk of the Board

APPROVED AS TO FORM:
 12/20/12
David Alvarez,
Chief Civil Deputy Prosecutor

PREMISES

That portion of Jefferson County Parcel Number 001083012 in Section 8, Quarter Section SW1/4, Township 30N, Range 1W; in Jefferson County Fire Protection Short Plat Lot 1; located at 112 Critter Lane, Port Townsend, Washington, and as shown in Figures 1-4 below, including the building in its entirety that comprises the Animal Shelter; and the grounds and appurtenances of the Animal Shelter, including but not limited to the driveway south of the entrance gate, parking area, septic system and all storage sheds.

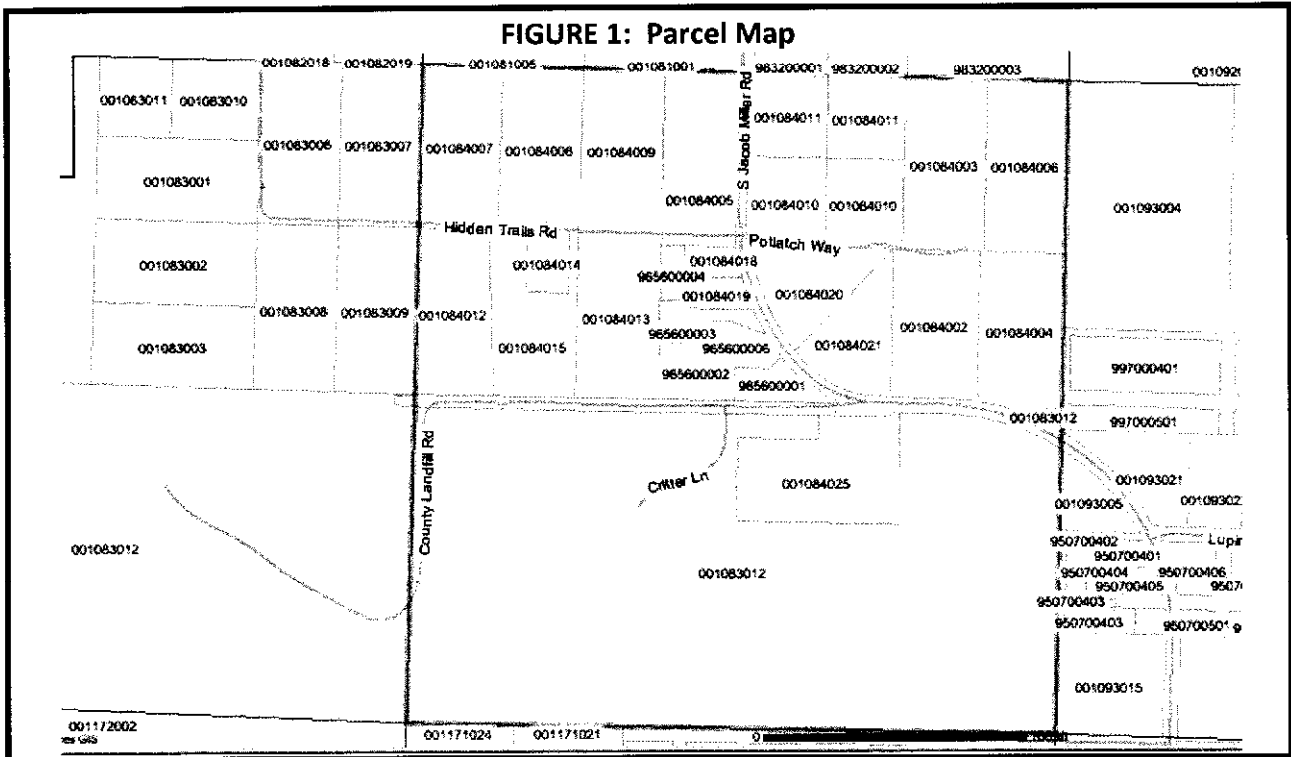


FIGURE 2: Premises Diagram

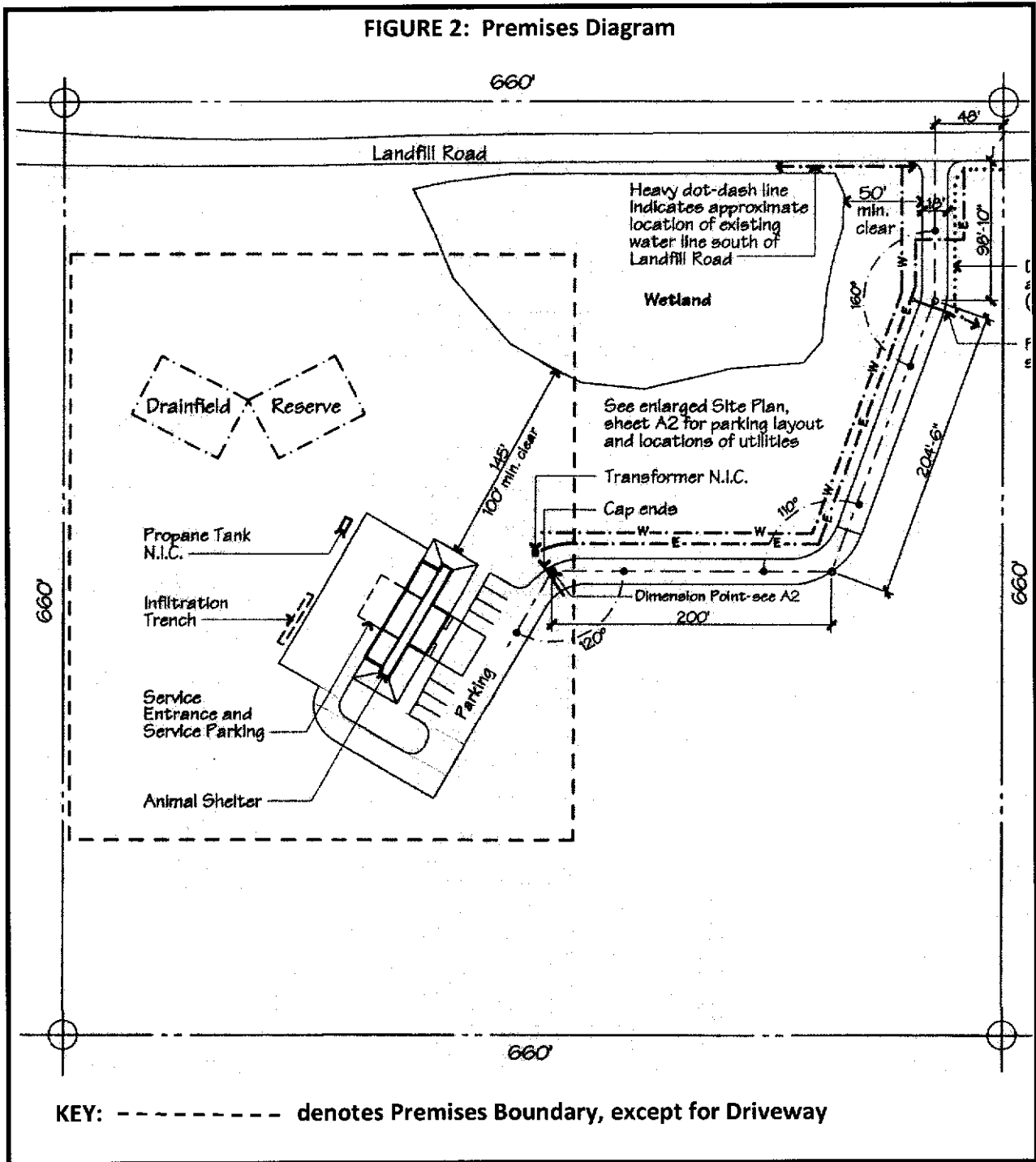


FIGURE 3
Approximate Location of Animal Shelter Driveway

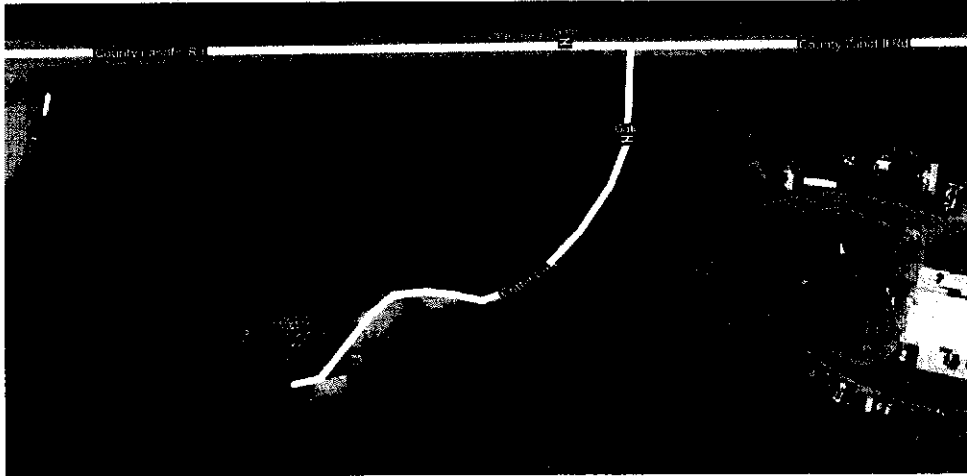


FIGURE 4
ANIMAL SHELTER BUILDING AERIAL PHOTO
112 CRITTER LANE, PORT TOWNSEND, WA

