THIRD AMENDMENT TO LEASE

This is the Third Amendment to that certain lease by and between the CITY OF SALEM, an Oregon municipal corporation ("Lessor") and SALEM-KEIZER SCHOOL DISTRICT 24J ("Lessee") dated June 12, 2013 ("Lease").

RECITALS:

Whereas, pursuant to the Lease, Lessor leased to Lessee, certain real property located at 360 Commercial Street NE, Salem, Marion County, Oregon, as described in the Lease; and

Whereas, Lessor and Lessee are desirous of amending the Lease to provide a longer lease term and extension options.

Now therefore, the Parties agree as follows:

A. Article 2 of the Lease is hereby modified as follows:

2.   TERM: The term of this Lease shall be one (1) year commencing on July 1, ~~2018~~ 2024 and continuing through June 30, ~~2019~~ 2025. Lessee shall be entitled to possession immediately upon the commencement of Term.

A.   Renewal Option

If Lessee has fully and faithfully complied with all the terms of this lease, Lessee shall have the right, at the option of Lessee, to renew this lease for ~~five (5)~~ four (4) one (1) year terms commencing on the date following the termination of the original term and each successive renewal term.

1. The option shall be exercised, if at all, by written notice from Lessee to Lessor given not less than ninety (90) days prior to the last day of the then-expiring term.

2. The terms and conditions of the Lease for the option term shall be identical with the terms and conditions of this Lease for the primary term, except for rent which shall be adjusted in accordance with Section 3 below.

3. In the event Lessee fails to exercise any option within the time and in the manner required herein, said option, and all subsequent options, shall be automatically null and void, unless otherwise agreed to in writing by Lessor.

B. Article 3 of the Lease is hereby removed and replaced in its entirety as follows:

3.   RENT:

Lessee shall pay a monthly rent to Lessor during the term of this Lease. Monthly rent is payable in advance on the first day of each month at Lessor's address stated in the Lease or such other places as Lessor may from time to time designate in writing.

Monthly rent not paid within seven (7) days of the due date shall be subject to a late charge of Thirty-five and no/100 Dollars ($35.00) per day, computed to include the first day due and continuing until both rent and late charges are fully paid. Any dishonored check shall be treated as unpaid rent and shall be subject to the same charges plus thirty-five and no/100 Dollars ($35.00) as special handling fee and must be made good by cash, money order, or certified check within twenty-four (24) hours of notification.

The monthly rent at the start of this Lease shall be the sum of ~~$5,384.93~~ $5,889.50 which includes base rent of ~~$4,498.00~~ $4,822.00 (3,975 SF x ~~$1.0223~~ $1.21 per SF) plus all common area, utility, insurance, currently at ~~$0.223~~ $0.269 per square foot or ~~$886.93~~ $1,067.50 monthly. In accordance with Lessee's tax exempt status, Lessee's share of real property taxes has been excluded from this amount. Should Lessee fail to obtain a property tax exemption for its occupancy under this Lease, Lessee shall be responsible for its share of real property taxes in accordance with the terms of this Lease.

The monthly rent for the base and option terms will be as follows:

July 1, 2024 – June 30, 2025	$4,822.00
July 1, 2025 – June 30, 2026	$4,918.44
July 1, 2026 – June 30, 2027	$5,016.81
July 1, 2027 – June 30, 2028	$5,117.14
July 1, 2028 – June 30, 2029	$5,219.49

Rent for a partial month upon the commencement or expiration of the term of this Lease shall be prorated on a per diem basis.

IN WITNESS WHEREOF the Parties have executed this instrument in their respective names by their duly authorized representatives as of the date above written.

LESSEE: **LESSOR:**

SALEM-KEIZER SCHOOL DISTRICT 24J   CITY OF SALEM
a political subdivision of the state of Oregon   an Oregon municipal corporation

By:_____   By:_____
    Robert Silva, Chief Operations Officer   Keith Stahley, ICMA-CM; City Manager

Date:_____   Date:_____