

LEASE

This lease ("**Lease**") is between *The Urban Renewal Agency of the City of Salem*, an Oregon quasi-municipal corporation ("**Landlord**") and *Mid-Willamette Valley Community Action Agency, Inc.*, an Oregon corporation, and or assigns ("**Tenant**").

RECITALS

- A. Landlord owns the real estate commonly known as 615 Commercial Street NE (Marion County Tax Lot #073W22DB04200) ("**Property**").
- B. Tenant owns existing improvements on the Property consisting of an approximately 15,939 square foot commercial building ("**Commercial Building**").
- C.. Tenant is desirous of entering into a lease with Landlord for the Property, as more particularly described in this Lease.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties to this Lease agree as follows:

ARTICLE 1. DESCRIPTION AND USE OF PROPERTY

- 1.1 **Property Description.** Landlord leases to Tenant, subject to the terms and conditions of this Lease, the Property depicted in "**Exhibit A**" and described in "**Exhibit B**", which is attached hereto and incorporated herein by reference. The Property consists of approximately 32,670 square feet with the Commercial Building located thereon. The address of the Property is 615 Commercial Street NE, Salem, OR 97301.
- 1.2 **Use of Property.** Tenant's primary use of the Property shall be for operation of its ARCHES Project and other community-related services in Commercial Building and other uses incidental thereto, and for any other lawful activities allowed by the Salem Unified Development Code associated with community-related services. Tenant's use of the Property shall be conducted in compliance with federal, state, and local laws and regulations, as they may be amended from time to time.
- 1.3 **Access to Property.** Landlord shall have the right to enter upon the Property, Commercial Building, and any improvements thereon during regular business hours for the purposes of: (i) inspecting the same; (ii) confirming the performance by Tenant of its obligations under this Lease; (iii) doing any other act which Landlord may be obligated or have the right to perform under this Lease, or that is reasonably related thereto; and (iv) for any other lawful purpose. Such entry shall be made only on forty-eight (48) hour advance notice except in cases of emergency, when only such notice is required as is practicable under the circumstances. Notwithstanding **Section 9.9** of this Lease, notice under this Section shall be sufficient if provided forty-eight (48) hours prior to the inspection by; (i) personal delivery; (ii) prominently posted on the primary building on the Property, or; (iii) by certified first class mail with proof of receipt at least forty-eight (48) hours in advance of the inspection.

ARTICLE 2. TERM

- 2.1 Term.** The term of this Lease is for a period of thirty (30) years, commencing _____, or the date the Lease is signed by Landlord, whichever shall later occur (the "**Commencement Date**") and ending _____ ("**Expiration Date**"). The date used as the anniversary date for payment of Rent and for adjustments to the Rent shall be the Commencement Date.
- 2.2 Option to Renew.** As long as Tenant is not in default under this Lease beyond the applicable cure period, if any, at the time of exercise, Landlord hereby grants Tenant two option(s) to extend the initial term of this Lease for an additional period of ten years (the "Option(s)") on the same terms, covenants, and conditions of this Lease, including Rent.
- 2.3 Funding Contingency.** Landlord acknowledges that Tenant's funding for the ARCHES project is financed entirely by grant funds. Should Tenant not be able to secure grant funds to successfully fund the ARCHES project, Tenant may terminate this Lease with 90-day written notice to Landlord.

ARTICLE 3. RENT

- 3.1 Rent.** Tenant shall pay to Landlord ("**Base Rent**") in the amount of \$100.00 annually. Tenant shall also be responsible for any taxes or other fees assessed ("**Additional Rent**") on the Property due to Tenant's operation or improvements thereon. This is intended to be a net lease, meaning that Tenant shall pay all expenses of every type relating to the Property after commencement of the lease term, and Landlord shall have no obligation to pay any expense relating to the Property.
- 3.1.1 Acknowledgement of Below Market Rent.** Tenant acknowledges that Base Rent is below market rate. In exchange for below market Base Rent, Tenant agrees to maintain expanded services hours ("**Expanded Service Hours**") at its ARCHES project at the Property. Expanded Service Hours shall be set as needed by addendum to the Lease. Initially, Expanded Hours shall include the following: Monday, Tuesday, Wednesday, and Friday 9:00 a.m. – 4:00 p.m., Thursday 9:00 a.m. – 3:00 p.m., and Saturday 9:00 a.m. – 4:00 p.m. Should the Expanded Service Hours fall below 41 hours per week during two consecutive years, Landlord may increase the Base Rent to a market rate as shown in Section 3.1.2.
- 3.1.2 Base Rent Adjustment.** If Tenant fails to maintain Expanded Service Hours for two consecutive years, Landlord may increase Base Rent to \$11,000 annually. If Expanded Service Hours are restored and maintained, Landlord shall reduce Base Rent to original Base Rent rate. If Expanded Service Hours are not restored for five consecutive years, the Base Rent shall be increased to \$22,000 annually.
- 3.2 Time and Place of Payment of Rent and Demonstration of Compliance with Other Obligations.**
- 3.2.1 Initial Year.** At the time this Lease is executed by Tenant, Tenant shall (i) pay the Base Rent for the first year of the term; and (ii) provide a certificate of insurance demonstrating compliance with **Article 6** of this Lease.

- 3.2.2 Subsequent Years.** Tenant shall pay Base Rent on or before the anniversary of the Commencement Date (“***Due Date***”), plus any Additional Rent. Landlord is not required to invoice Tenant, or to provide any notice to Tenant that Rent is due and payable. Rent shall be delinquent if not paid on the Due Date. Payment of Rent shall be made without offset, abatement or deduction to Landlord, at the following address or such other place as Landlord may designate, in writing:

City of Salem, Finance Department
555 Liberty St SE, Room 230
Salem, OR 97301

Rent that is not paid by Tenant within ten days of the Due Date shall be subject to a delinquency of one hundred dollars (\$100.00). The delinquency charge is subject to periodic change by Landlord. In addition to the payment of Rent, Tenant shall annually provide proof that property taxes have been paid or proof of an exemption from such taxes, a certificate of insurance demonstrating compliance with **Article 6** of the Lease, and a list of sublessees together with their addresses and contact information, at the following address or such other place as Landlord may designate, in writing:

City of Salem
Urban Development Department
350 Commercial Street NE
Salem, OR 97301

- 3.4 Acceptance of Late Rent.** Landlord shall be entitled, in Landlord's sole and complete discretion, to either accept or reject a tender of payment of Rent which is not paid when due. If Landlord accepts tender of late payment of Rent, such waiver shall be effective for that payment only, shall not otherwise affect Tenant's continuing obligation to pay Rent when due, and shall not result in the waiver of any other right or remedy afforded Landlord under this Lease.

ARTICLE 4. TENANT’S OBLIGATIONS

- 4.1 Repairs and Maintenance.** Tenant shall maintain the Property, Commercial Building and improvements thereon, in good condition, including, but not limited to, maintaining the exteriors thereof and making all necessary repairs and alterations thereto. Tenant shall maintain landscaped areas on the Property in good condition, shall keep the Property free and clear of rubbish, debris, and litter at all times, and shall provide proper containers for trash and garbage. Tenant shall be responsible for the cost of all repairs, maintenance and replacements with respect to the Property including, without limitation, the following:

4.1.1 All appurtenances, roadways, gates and fences and all improvements to utilities and infrastructure to serve the existing improvements or future development.

4.1.2 Fire hydrants required to maintain adequate fire protection for Tenant’s development.

4.1.3 A storm drainage system for the Property.

4.1.4 Landscaping, irrigation, and exterior lighting for the Property.

4.1.2 All improvements shall be built in compliance with all applicable federal, state and local laws, rules and regulations.

4.2 Section Intentionally Deleted.

4.3 Compliance with Laws. Tenant shall use the Property in compliance with all federal, state, and local laws, rules and regulations.

4.4 Section Intentionally Deleted.

4.5 Utilities. Tenant may contract for and make reasonable connections to public utility services as are available. Landlord, when necessary, will grant licenses or easements in reasonable locations, as determined by the Landlord, for such connections. Tenant shall be solely responsible for costs and charges incurred to make any such connections.

4.6 Liens. Tenant shall pay, when due, all costs for any labor, services, materials, supplies, utilities, furnishings, machinery, or equipment which have been furnished to or for Tenant in, upon, or about the Property, and shall cause any materialman's or other lien to be fully discharged before the time the performance of any obligation secured by such lien becomes delinquent. Landlord may require Tenant to procure a bond in the amount of any lien that the tenant contests, which bond shall be in place until the dispute has been finally resolved.

4.7 Taxes and Assessments. Rent was established at the commencement of the Lease to reflect the savings anticipated from Tenant's exemption from property taxation. Tenant agrees that it will make reasonable efforts to secure and maintain an exemption from property taxation for the duration of this Lease as permitted by ORS 307.112, will re-apply for property tax exemption as necessary pursuant to ORS 307.162(2), and will pay all filing fees in connection therewith. Landlord will reasonably cooperate with Tenant's efforts to obtain such exemption, at no cost to Landlord. If Tenant loses the exemption from property taxation, then Tenant shall pay, when due, all taxes and assessments on the Property and any improvements thereon resulting from, or arising out of, or in any way connected to, this Lease, whether levied by the state, county, city or any other taxing body. If the term of this Lease or any extension thereof, ends after June 30 of any year, Tenant shall be responsible for payment of any taxes and assessments for the entire tax year without proration.

4.8 Safety.

4.8.1 Tenant shall conduct all activities on the Property in a safe manner and shall comply with all safety standards imposed by applicable federal, state and local laws, rules and regulations. Tenant shall require compliance with all applicable federal, state and local laws, rules, and regulations by Tenant's employees, agents, invitees, contractors, subcontractors and all other persons transacting business by or for Tenant on or about the Property.

4.8.2 Tenant shall exercise reasonable care to prevent fire on the Property and to prevent the spread of fire on the Property and from the Property onto other property and shall

provide and maintain such fire suppression and protection equipment on the Property as may be required by applicable federal, state and local laws, rules, and regulations.

4.9 Hazardous Substances, Spills and Releases.

4.9.1 As used in this Lease, (“**Hazardous Substances**”) means any substances, materials, wastes, pollutants, or contaminants that, because of their quantity, concentration, or physical, chemical, or infectious characteristics, may cause or threaten cause hazard to human health or the environment when improperly generated, used, stored, handled, treated, discharged, disposed of, or leased. Hazardous Substances includes, but is not limited to, any and all substances, materials, wastes, pollutants, or contaminants, defined or designed as hazardous, toxic, radioactive, dangerous, or any other similar term in or under any Environmental Laws, and shall specifically include, but not be limited to, asbestos and asbestos-containing materials, petroleum or petroleum products, including crude oil or any fraction thereof, and urea formaldehyde. As used in this Lease, (“**Environmental Laws**”) means all federal, state, and local laws and regulations in effect upon the commencement date or hereafter adopted, and all amendments thereto, governing Hazardous Substances or relating to the protection of human health or the environment, including, but not limited to, the Resource Conservation and Recovery Act (RCRA) (42 U.S.C. §6901, *et seq.*); the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA) (42 U.S.C. §9601, *et seq.*); the Federal Water Pollution Control Act/Clean Water Act (33 U.S.C. §1257, *et seq.*); the Toxic Substances Control Act (15 U.S.C. §2601, *et seq.*); Superfund Amendment and Reauthorization Act of 1986 (SAREA) (P.L. 99-499, October 17, 1986); the Safe Drinking Water Act (42 U.S.C. §300, *et seq.*); the Solid Waste Disposal Act (42 U.S.C. §3251, *et seq.*); the Clean Water Act (33 U.S.C. §1251, *et seq.*); The Clean Air Act (42 U.S.C. §7401, *et seq.*); the Formal Fungicide and Rodenticide Act/Pesticide Act (7 U.S.C. §12, *et seq.*); the Oregon Revised Statutes Relating to community information on hazardous waste reduction (ORS 465.003, *et seq.*); toxic use reduction and hazardous waste reduction (ORS 465.003, *et seq.*); treatment, storage and disposal of hazardous waste and PCBs (ORS 466.005, *et seq.*); underground storage tanks (ORS 466.706, *et seq.*); penalties for noncompliance (ORS 468B.300, *et seq.*) Ground water (ORS 466.706, *et seq.*); oil or hazardous material spillage (ORS 468.875, *et seq.*); asbestos abatement projects (ORS 468A.700, *et seq.*); water pollution control (ORS 468.691, *et seq.*); oil spills (ORS 468.780, *et seq.*); asbestos abatement (ORS 468.875, *et seq.*); any similar or equivalent laws; and any implementing rules and regulations

4.9.2 Use on the Property. Tenant will not cause or permit any Hazardous Substance to be brought on, kept, or used in or about the Property, except reasonable quantities of cleaning supplies and office supplies necessary to or required as part of Tenant’s business that are generated, used, kept, stored, or disposed of in a manner that complies with all laws regulating any such Hazardous Materials and with good business practices.

4.9.3 Tenant Liability. If Tenant breaches the obligations stated above, or if the presence of any Hazardous Substance on the Property caused or permitted by Tenant results in any illegal contamination of the Property, or any other private or public property, including without limitation sewers or streets, or contamination of the Property by a Hazardous Substance otherwise occurs for which Tenant is legally liable to Landlord or to any third

party for damages resulting therefrom; then Tenant will indemnify, defend, and hold Landlord harmless from and against any and all claims, judgments, damages, penalties, fines, costs, expenses, liabilities, or losses (including without limitation diminution in value of the Property, damages for the loss or restriction on use of the Property, and sum paid in settlement of claims, attorney fees, consulting fees, and expert fees) that arise during or after the term of this Lease as a result of or in connection with such contamination.

4.9.4 Release of Hazardous Substance. Tenant shall immediately notify Landlord upon becoming aware of: (i) any leak, spill, release or disposal of a Hazardous Substance, on, under, or adjacent to the Property or the threat of or reasonable suspicion of any of the same; and/or (ii) any notice or communication from a governmental agency or any other person directed to Tenant or any other person relating to such Hazardous Substances on, under, or adjacent to the Property or any violation of any federal, state or local laws, regulations or ordinances with respect to the Property or activities on the Property.

4.9.5 Remediation of Spill. If a leak, spill, or release of a Hazardous Substance occurs on the Property or if there is the threat of or reasonable suspicion of a leak, spill, or release, Tenant shall immediately undertake all emergency response necessary to contain, clean-up, and remove the Hazardous Substance, and shall undertake, within a reasonable time, all investigatory, remedial and/or removal action necessary or appropriate to ensure that any contamination by the Hazardous Substance is eliminated. Except in the case of an emergency, Landlord shall have the right to approve all investigatory, remedial, and removal procedures and the company or individual conducting such action. Landlord's approval shall not be unreasonably withheld, conditioned or delayed. Within 30 days following completion of such investigatory, remedial and/or removal action, Tenant shall provide Landlord with a certificate acceptable to Landlord that all such contamination has been eliminated as required by federal, state, or local law or regulations.

4.9.6 Inspections. By the execution of this Lease, Tenant hereby grants to Landlord the right to inspect the Property to ensure Tenant's proper management and disposal of Hazardous Substances on the Property upon providing forty-eight (48) hours' notice, as set forth in *Section 1.5*. If Landlord has reason to believe that Tenant is managing or disposing of Hazardous Substances in a manner that could result in contamination of the Property or any other property, Landlord may inspect the Property at any time with or without notice to Tenant, and may require Tenant to furnish to Landlord, at Tenant's sole expense, an environmental audit or an environmental assessment with respect to the matters identified by Landlord. Landlord shall have the right to approve the company or individual conducting any such environmental audit or assessment and the procedures to be used, and shall be given a certified true copy of the results of any such audit or assessment. Landlord may request and receive information with respect to use of the Hazardous Substances on the Property from any sublessees or persons having access to the Property. Tenant shall cooperate with all such requests.

4.9.7 Remedial Action. The foregoing indemnification of Landlord by Tenant includes without limitation costs incurred in connection with any investigation of site conditions or any cleanup, remedial, removal, or restoration work required or recommended by any federal, state, or local governmental agency or political subdivision because of Hazardous

Substances present in the soil or groundwater or on or under the Property. Tenant will promptly take any and all actions, at Tenant's sole cost and expense, as are necessary or appropriate to return the Property and any other private or public property or facilities to the condition existing before the introduction of any Hazardous Substance to the Property; as long as the Landlord's approval of such actions will first be obtained, which approval will not be unreasonably withheld, conditioned, or delayed if the actions would not potentially have any material adverse long-term or short-term effect on the Property or any other private or public property or facilities. All contractors, laboratories, and engineering firms (collectively, the "**Consultants**") that Tenant chooses to undertake any remedial action that may be necessary or appropriate on or about the Property or any other private or public property or facilities must be approved by Landlord before their employment by Tenant, which approval will not be unreasonably withheld, conditioned, or delayed. If Landlord disapproves of Tenant's choice of Consultants, Landlord may select its own Consultants and employ them at Tenant's expense. Duplicate copies of all reports and findings made by Consultants with regard to the condition of the Property or any other private or public property or facilities will be delivered to Landlord simultaneously with delivery to Tenant. Tenant will have the work done by the Consultants at Tenant's sole risk and will indemnify and hold Landlord harmless from and against any and all loss, cost, liability, damage, and expense relating to or arising from any damage or injury to Landlord, the Consultants, or the agents of either of them, or any liability incurred by any of them or any claim by Landlord or any Landlord Party by reason of the work conducted by the Consultants. Tenant will not be responsible for and will have no obligations under this Section for any Hazardous Substance located on or under the Property at the time of this Lease or existing on or under the Property as of the Commencement Date. Landlord represents and warrants that to the best of its knowledge, the Property and the Commercial Building is not currently contaminated with any Hazardous Substance in any actionable quantity other than asbestos-containing materials in the existing structures on the Property at the time of this Lease, which Landlord covenants and warrants will be removed and disposed of in conformance with Legal Requirements before demolition of the existing structures in preparation of the Property for the Work.

- 4.10 Signage.** Tenant may install signs on the Property that comply with the federal, state and local laws, rules, and regulations, including, but not limited to, the City of Salem sign code.
- 4.11 Environmental Inspection.** Tenant, at Tenant's option and sole expense, may conduct an Environmental Assessment of the Property prior to executing this Lease. Landlord shall have no duty to ascertain, or any liability for, any environmental condition of the Property.

ARTICLE 5. LANDLORD OBLIGATIONS AND WARRANTIES

- 5.1 Landlord's Warranties.** Landlord warrants that Landlord is the owner of the Property, and has the right to lease the Property, subject to any encumbrances of record, any federal, state, or local laws, rules, and regulations, and to Tenant's compliance with the terms and conditions of this Lease, Landlord will defend Tenant's right to quiet enjoyment of the Property from the lawful claims of all persons during the Lease Term.
- 5.2 Landlord's Maintenance Responsibility.** Landlord shall have no responsibility for any repair or maintenance of the Property.

ARTICLE 6. LIABILITY, INDEMNITY, INSURANCE, DAMAGE AND DESTRUCTION

- 6.1 Indemnification.** Tenant shall indemnify, hold harmless and defend Landlord from any claim, loss or liability and against all Costs which, in whole or in part, arise out of or are related to any activity on the Property caused or contributed to in whole or in part by the negligent, or intentional acts or omissions of Tenant, Tenant's officers, employees, agents (both actual and apparent), sublessees and invitees. As used in this section, "Costs" include, but are not limited to: (i) all judgments awarded to, or orders or decrees to pay, third parties, including governmental agencies, for damages, response costs, or other relief; (ii) the cost, expense or loss to Landlord of any injunctive relief, including preliminary or temporary injunctive relief, applicable to Landlord or the Property; (iii) all expenses of evaluation, testing, analysis relating to Hazardous Substances, including fees of attorneys, engineers, consultants, paralegals and experts; (iv) all expenses of reporting the existence of Hazardous Substances to any agency of the State of Oregon or the United States as required by applicable Environmental Laws; (v) and any and all expenses or obligations incurred at, before, at trial and on appeal or in any administrative proceeding or appeal, whether or not taxable as costs, and including, without limitation, attorneys' and paralegal fees, witness fees (expert and otherwise), deposition costs, copying and telephone charges and other expenses; and (vi) any damages, costs, liabilities and expenses which are claimed to be owed by any federal or state agency.
- 6.2 Tenant to Defend Landlord.** Tenant shall, at its sole expense, defend any and all actions, suits, and proceedings relating to matters covered by the indemnity set forth in **Section 6.1** of this Lease, to which Landlord is or is made a party, and shall satisfy, pay, and discharge any and all judgments, orders, and decrees that may be entered against Landlord in any such action or proceeding, to the extent Tenant is found or determined to be liable under the terms of this Lease.
- 6.3 Nonliability of Landlord.** Landlord shall not be liable for any injury or damage to any person or property happening on, in, or about the Property, Commercial Building or any improvements thereon caused by Tenant, or Tenant's officers, employees, agents and invitees, or members of the public who are using the Property.
- 6.4 Insurance.**
- 6.4.1** Tenant shall keep all improvements and betterments on the Property continuously insured with an insurance underwriter or underwriters authorized to business in the State of Oregon, with a Best's rating of "A" or better, and satisfactory to Landlord. The policy or policies shall be written on an "all-risk" special form and shall be on a replacement cost basis, to the full insurable value of the Tenant's property on the Property.
- 6.4.2** Tenant shall obtain, and continue to maintain in good standing during the Lease term, an occurrence form liability insurance policy or policies, including, but not limited to, the Property, commercial general for the protection of Tenant and Landlord, and their respective officers, employees, and agents, insuring Tenant and Landlord, against liability for personal injury, bodily injury, death, or damage to property, including loss of use, and all risks arising directly or indirectly out of Tenant's activities on, or any condition occurring on, or in any way related to, the Property. The insurance shall name Landlord, officers, employees and agents as additional insureds, and shall include the stipulation that

this insurance, as to the interest of Landlord, shall not be invalidated by any act or neglect or breach of contract by Tenant. The insurance provided by Tenant shall be primary and shall not require any contribution from any insurance or self-insurance carried by Landlord.

6.4.3 If Tenant has one or more employees, Tenant shall maintain in force Workers Compensation insurance, including coverage for Employer's Liability.

6.4.4 For each policy of insurance, Tenant shall furnish to Landlord an acceptable certificate evidencing the date, amount, and type of insurance that has been procured. All policies shall provide for not less than thirty days written notice to the Landlord before such policies are revised, not renewed, or canceled. Upon request, Tenant shall provide Landlord with a copy or copies of any policy required by this Lease.

6.4.5 Landlord shall have the right to review the types and limits of required insurance. In the event Landlord determines that types or limits should be added, modified, increased or lowered, Landlord will provide notice to Tenant of its determination and Tenant shall modify its coverage to comply with the new requirements and provide Landlord with an updated certificate. Additions, modifications or increases shall be limited to those that are typical and standard within the commercial office building industry or those that are required by applicable federal, state, or local government laws, rules, or regulations.

6.5 Damage and Destruction.

6.5.1 Notwithstanding *Section 4.4* of this Lease, if improvements on the Property are substantially damaged or destroyed by any cause to the extent that the cost of repair or restoration of the building or structure would exceed sixty (60) percent of its replacement cost using new materials and conforming to current building codes, Tenant may terminate this Lease upon giving Landlord sixty (60) days written notice. If Tenant elects not to terminate the Lease as provided in this subsection, Tenant shall repair, rebuild or restore the improvements to substantially the same condition existing prior to the damage or destruction within one hundred and eighty (180) days of the damage or destruction.

6.5.2 If improvements on the Property are substantially damaged or destroyed by any cause to the extent that the cost of repair or restoration of the building or structure would not exceed sixty (60) percent of its replacement cost using new materials and conforming to current building codes, Tenant shall repair, rebuild or restore the improvements to substantially the same condition existing prior to the damage or destruction within one hundred and eighty (180) days of the damage or destruction.

6.6 No Duty by Landlord for Fire and Other Casualty Protection. Protection against loss by fire or other casualty to the Property or the contents thereof shall not be, nor considered to be, an obligation of Landlord.

6.7 Waiver of Subrogation. Neither Landlord nor Tenant shall be liable to the other, or their successors or assigns, for any loss or damage caused by fire or any of the risks enumerated in a standard fire insurance policy with an extended coverage endorsement, and in the event of insured loss, neither party's insurance company shall have a subrogated claim against the other.

This waiver shall be valid only if the insurance policy in question expressly permits waiver of subrogation or if the insurance company agrees in writing that such a waiver will not affect coverage under the policies. Each party agrees to use best efforts to obtain such an agreement from its insurer if the policy does not expressly permit a waiver of subrogation.

ARTICLE 7. DEFAULT

7.1 Events of Default. The following shall be events of default:

7.1.1 Default in Rent and Other Charges. Failure by Tenant to pay any Rent or other amount required to be paid by Tenant to Landlord under this Lease within 10 days after the giving of written notice of such nonpayment by Landlord to Tenant.

7.1.2 Default in Other Covenants.

7.1.2.1 Failure by Tenant to secure or maintain any insurance or provide evidence of insurance as required by this Lease and the continuation of such failure for more than ten (10) days after notice by Landlord.

7.1.2.2 Failure of Tenant to comply with any term or condition or fulfill any obligation of this Lease, other than for the payment of Rent or other charges covered by the preceding paragraph, within thirty (30) days after written notice by Landlord specifying the nature of the default with reasonable particularity.

7.1.2.3 If the default is of such a nature that it cannot be completely remedied within the 30-day period, this provision will be complied with if Tenant begins correction of the default within the 30-day period and thereafter proceeds with reasonable diligence and in good faith to effect the remedy and effects the remedy within one hundred and eighty (180) days after Landlord's notice, inclusive of the period for delay allowed in the force majeure provisions of this Lease.

7.1.3 Insolvency. Insolvency of Tenant; an assignment by Tenant for the benefit of creditors; the filing by Tenant of a voluntary petition in bankruptcy; an adjudication that Tenant is bankrupt or the appointment of a receiver of the properties of Tenant and the receiver is not discharged within thirty days; the filing of an involuntary petition of bankruptcy and failure of Tenant to secure a dismissal of the petition within thirty days after filing; the attachment of or the levying of execution on the leasehold interest and failure of Tenant to secure discharge of the attachment or release of the levy of execution within ten (10) days.

7.1.4 Abandonment. Failure of Tenant to occupy the Property for thirty (30) days or more, unless Landlord has received prior notification and approved Tenant's absence.

7.1.5 Assignment, Sublease or Encumbrance Without Landlord's Permission. The assignment, sublease, or encumbrance of the Property without the prior written consent of Landlord.

7.1.6 Change of Use. Failure of Tenant to comply with the Declaration of Restrictive Covenants dated January 26, 2018.

7.2 Remedies on Default.

- 7.2.1** Tenant shall have ten (10) days to cure a default in the payment of rent, and shall have thirty (30) days from the date of written notice from Landlord to cure any other default. No notice of default is required to terminate this Lease if the event of default is the non-payment of rent; in all other cases, thirty days written notice is required for termination of this Lease. If the event of default is not cured within the time period set forth in this section, Landlord may terminate the Lease by providing notice to Tenant. The notice of termination shall be affixed to the Property and mailed to the address contained in this Lease, or to such other address provided by Tenant in writing to the Landlord.
- 7.2.2** In addition to termination of this Lease, Landlord may exercise any other remedies available to Landlord in law or equity, including, but not limited to an action for action for the recovery of Rent, for the recovery of possession of the Property, or for specific performance to compel compliance with any term or condition of this Lease. Nothing in this Lease shall be deemed to require Landlord to wait until the date on which this Lease expires to bring such action. Landlord's remedies are cumulative and the exercise of any one remedy shall not preclude the simultaneous or later exercise by Landlord of any other remedies.

ARTICLE 8. TERMINATION

- 8.1** Existing improvements constructed or installed on the leased Property by the Tenant shall remain the property of the Tenant until the expiration of the Lease and any renewals thereof, or termination, whichever is earlier. Upon expiration or termination, structures or improvements shall become the property of the City without compensation to the Tenant.
- 8.2** If Landlord allows Tenant to hold over after the termination of this Lease or any extension hereof, and Landlord and Tenant have not agreed, in writing, to a new lease, Tenant may be deemed by Landlord in Landlord's sole discretion, either a "month-to-month holdover tenant" or a "tenant at sufferance." If Landlord deems Tenant a month-to-month holdover tenant, Tenant shall remain bound by all terms, covenants, and conditions of this Lease, except that: (i) the tenancy shall be one from month-to-month, with all payment of rent due on or before the first day of each month such month-to-month tenancy exists, the monthly rent being one-twelfth (1/12th) of one hundred fifty percent (150%) of the annual rent payable by Tenant at the time of termination, (ii) title to improvements shall be deemed to have vested in Landlord; and (iii) the month-to-month tenancy may be terminated at any time by thirty-days written notice from Landlord to Tenant. If Landlord deems Tenant a tenant at sufferance, Landlord shall have all rights of a landlord regarding such tenancy, and may set such rent as Landlord, in Landlord's sole discretion, determines is appropriate. In the event of holdover beyond June 30 of any year, Tenant shall pay, when due and for the entire tax year and without proration, all taxes and assessments on the Property and any improvements thereon resulting from, or arising out of, or in any way connected to, Tenant's tenancy under this Lease, whether levied by the state, county, city or any other taxing body.

ARTICLE 9. GENERAL PROVISIONS

- 9.1 Assignment, Subleases, Encumbrances of Tenant's Interest.** Tenant shall not assign, sublet, transfer, pledge, surrender, or encumber, convey or dispose (collectively “*Assignment*”) of Tenant's interest in the Property under this Lease, including transfers by operation of law, without the prior written consent of the Landlord, which may be withheld at Landlord's sole discretion. Tenant shall not permit any other person or persons, entity, company or corporation to occupy all or any portion of the Property, without the prior written consent of the Landlord, which may be withheld at Landlord's sole discretion. Any such attempt at Assignment or permission without the prior written consent of Landlord shall be void. A single or cumulative transfer during the term of this Lease of majority of the voting stock of Tenant, if any, including any change in the shares of voting stock outstanding and issued, except in changes which maintain the proportion of ownership percentages existing upon the Commencement Date, shall be deemed an Assignment requiring the Landlord's prior written consent.
- 9.1.1** Consent to an Assignment in one instance shall not, and shall not be deemed to, be consent in any subsequent instance.
- 9.1.2** Termination of the Lease shall result in the simultaneous termination of all subleases on the Property, if any exist.
- 9.2 Eminent Domain.** If either party receives notice of an intended exercise of eminent domain that affects the Property, any service of process relating to institution of eminent domain proceedings that include the Property, or any other notification relating to the exercise of eminent domain that would affect the Property, that party shall promptly give the other party notice of such receipt. Landlord, Tenant and any leasehold mortgagee shall have the right to represent their respective interests such proceeding and in negotiations to make full proof of its claims. No sale, transfer, agreement or settlement with the authority exercising eminent domain shall be made without the consent of Landlord and Tenant. For purposes of this Lease, sale to a purchaser with the power of eminent domain in the face of a threat or the probability of the exercise of the power shall be deemed the exercise or institution of eminent domain proceedings. If authority exercising eminent domain takes all of the Property, or a portion sufficient to render the remaining Property reasonably unsuitable for the use that Tenant was then making of the Property, this Lease shall terminate as of the date that title vests in the authority exercising eminent domain authority.
- 9.3 Nonwaiver.** No waiver of any default or breach of any term or condition of this Lease by either party hereunder shall be implied from the failure by the other party to take action on account of such default or breach. If such default or breach persists or is repeated, and no express waiver shall affect any default or breach other than the default or breach specified in the waiver and the waiver shall be operative only for the time and to the extent therein stated. Waivers of any covenant, term or condition contained herein by either party shall not be construed as a waiver of any subsequent breach of the same covenant, term or condition. The consent or approval by either party to or of any act by either party requiring further consent or approval shall not be deemed to waive or render unnecessary their consent or approval to or of any subsequent similar acts.
- 9.4 Governing Law.** This Lease shall be governed by the law of the State of Oregon.

- 9.5 Compliance with Laws.** Tenant shall comply with all applicable federal, state, and local laws, rules, and regulations relating to this Lease.
- 9.6 Time of Essence.** It is mutually agreed that time is of the essence in the performance of all covenants and conditions of this Lease.
- 9.7 Headings.** The headings in this Lease are for convenience in reference only and shall be no be construed to define or limit the scope of any provision of this Lease.
- 9.8 Consent of Landlord.** Whenever consent, approval or direction by Landlord is required under this Lease, the consent, approval or direction from Landlord shall be in writing to be binding on Landlord.
- 9.9 Notices.** All notices required to be given under this Lease shall be deemed to be properly given if delivered personally, or mailed to the address set forth in this section, or to such other address is furnished, in writing, to the other party. Until changed, all notices shall be sent to:

Tenant:

Mid-Willamette Valley Community Action Agency, Inc.
2475 Center Street NE
Salem, OR 97301
Jimmy.Jones@mwvcaa.org

Landlord:

City of Salem
Urban Development Department
Attn: Real Property Services Division
350 Commercial Street NE
Salem, OR 97301

With a copy to:

City of Salem
City Attorney's Office
555 Liberty Street NE, Room 205
Salem, OR 97301

Notice shall be deemed effective on the date of personal delivery or, if mailed, the date the notice is deposited in the U.S. mail. Where, in this Lease, posted notice is required or permitted, such notice shall be deemed given on the date of posting on the Property, provided Landlord has mailed a copy of the notice to the address provided in this section, no later than the date of posting.

- 9.10 Modification.** No modification of this Lease shall be effective unless made in writing and signed by both parties.
- 9.11 Nondiscrimination.** Tenant agrees that Tenant will undertake an affirmative action program, as required by 14 CFR Part 152, Subpart E and 49 CFR Part 21, to ensure that no person

shall, on the grounds of race, creed, color, national origin, or sex be excluded from: (i) participating in any employment activities covered in 14 CFR Part 152, Subpart E; or (ii) the use of the Property or delivery of services. Tenant agrees that no person will be excluded on these grounds from activity covered by this 14 CFR Part 152, Subpart E and 49 CFR Part 21. Tenant's duties under this Section 9.16 include, but are not limited to, observation of, and compliance with, Title VI of the Civil Rights Act of 1964.

9.12 Section Intentionally Deleted.

9.13 No Benefit to Third Parties. Landlord and Tenant are the only parties to this Lease and are the only parties entitled to enforce its terms. Nothing in this Lease gives, or shall be construed to give, any benefit, direct, indirect or otherwise to third parties, unless such third persons are expressly and specifically identified in this Lease as third-party beneficiaries.

9.14 Entire Agreement. This Lease is the entire agreement between Landlord and Tenant with respect to the Lease of the Property. Tenant acknowledges that Landlord has made no representations or promises with respect to this Lease except as expressly set forth in this Lease, and that no claim or liability or cause for termination shall be asserted by Tenant against Landlord for, and Landlord shall not be liable to Tenant or any other person or entity, by reason of, for any representations or promises not expressly stated in this Lease, any other written or oral agreement with Landlord being expressly waived by Tenant. It is further agreed that this Lease replaces any previous leases for the Property agreed to by the parties whether partially or fully executed.

9.15 Authority.

9.15.1 The person executing this Lease as, or on behalf of, Tenant warrants that he or she has full authority to execute this Lease.

9.15.2 This Lease may require prior approval by the Urban Renewal Agency of the City of Salem. This Lease shall not be effective until signed by the Executive Director. Any work performed by the Tenant on the Property before this Lease has been signed by the Executive Director is performed at the sole risk of the Tenant and is not authorized by the Urban Renewal Agency of the City of Salem.

9.16 No Construction Against Drafter. Both parties acknowledge and affirm they are each represented by or have sought the advice of legal counsel in connection with this Lease, have read this Lease, and have a full and complete understanding of the contents of this Lease, the legal consequences thereof, and that by the Parties' signatures hereon, acknowledge and affirm that the terms of this Lease shall not be construed against either party as a drafter hereof.

<signature page to follow>

LANDLORD:

THE URBAN RENEWAL AGENCY OF THE CITY OF SALEM,
an Oregon quasi-municipal corporation

By: _____

Title: _____

Date: _____

TENANT:

MID-WILLAMETTE VALLEY COMMUNITY ACTION AGENCY, INC.

By: _____

Title: _____

Date: _____

LIST OF EXHIBITS

Exhibit A – Map

Exhibit B – Legal Description

EXHIBIT A
Site Map



EXHIBIT B
Legal Description

TBD