

14 SEP 22 P4 24



RETAIL LEASE

Between:

Sima Enterprises, LLC
("Landlord")

And

Yamhill County, a political subdivision of the State of Oregon
("Tenant")

Dated 7/2/2014

Accepted by Yamhill County
Board of Commissioners on

9-18-14 by Board Order

14-567

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SUMMARY OF FUNDAMENTAL PROVISIONS

Following is summary of the basic provisions contained in the Lease. In the event of any conflict between any provision contained in this Summary and a provision contained in the balance of the Lease, the latter shall control.

Name of Landlord: Sima Enterprises, LLC

Address for Notices to Landlord: 534 SW 3rd Ave
Portland, OR 97204

Name of Tenant and Address of Premises: Yamhill County, a political subdivision of State of Oregon
2251 E. Hancock Street Suite 105
Newberg, OR 97132

Trade Name Under Which Tenant Will Operate at Premises: Yamhill County

Business To Be Conducted By Tenant at Premises: Social services

Approximate Floor Area of Premises: Approximately 2800 square feet

Lease Term: 36 months

Rent: \$ 3257.00

Tenant's Share of Additional Rent: _____ % of Retail Areas
_____ % of Building

Landlord's Broker: N/A

Tenant's Broker: _____

Security Deposit: \$

Guarantor's name and address: _____



Standard Form of RETAIL LEASE Adapted from PORTLAND METROPOLITAN ASSOCIATION OF BUILDING OWNERS AND MANAGERS

RETAIL LEASE

THIS LEASE is entered into this 1st day of October 2014, between Sima Enterprises, LLC ("Landlord"), and Yamhill County, apolitical subdivision of the State of Oregon ("Tenant"). Landlord hereby leases to Tenant and Tenant hereby leases from landlord certain space on the Property consisting of approximately 2800 square feet, as outlined on the attached Exhibit A (the "Premises") on the terms and conditions set forth in this Lease.

1. **TERM.** The term of this Lease (the "Term") shall be for a period of thirty six (36) months, commencing upon October 1st 2014 (the "Scheduled Commencement Date") and ending on September 30th 2017. Tenant may terminate this lease upon thirty (30) days prior written notice by Tenant to Landlord in the event that Tenant's state or federal funding should become unavailable for whatever reason. In addition, either Tenant or Landlord may terminate this Lease without cause upon a ninety (90) days prior written notice to the non-terminating party.

2. **RENT.** Beginning on the Commencement Date and continuing during the entire Term, Tenant shall pay Landlord as rent for each "Lease year" the greater of "Rent" as defined in this Section and "Percentage Rent" as defined in this Section. All Rent shall be paid when due without notice, offset, or deduction or for any reason.

(a) **Rent.** The minimum monthly rent during the Term ("Rent") shall be

Months 1-12	\$3257.00 per month
Months 13-24	\$3338.00 per month
Months 25-36	\$3422.00 per month

Rent shall be paid in advance on or before the first day of each calendar month during the Term.

(b) **No Partnership Created.** Landlord is not by virtue of this Section 2 a partner or joint venturer with Tenant in connection with the business carried on under this Lease, and shall have no obligation with respect to Tenant's debts or other liabilities.

(c) **General.** All references to "Rent" or "Rental" in this Lease shall mean Rent, Percentage Rent, Additional Rent, and all other payments required of Tenant under this Lease unless otherwise expressly specified and all payments required by Tenant under this Lease shall be deemed "Rent."

(d) **Place of Payment.** Tenant shall pay Rent and other amounts required to be paid by Tenant hereunder to Landlord at the address for Landlord set forth on the last page of this Lease, or at such other place as Landlord may from time to time designate in writing.

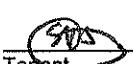
3. **SECURITY DEPOSIT Reserved**

4. **USE OF PREMISES.** The premises shall be used for general commercial office use, including but not limited to public needs support, and for no other purpose without Landlord's written consent. In connection with the use of Premises, Tenant shall:

(a) Conform to all applicable laws, statutes, rules, ordinances, orders, regulations and requirements of any public authority ("Laws") affecting the Premises and the use of the Premises and correct, at Tenant's own expense, any failure of compliance created through Tenant's fault or by reason of Tenant's use, unless such failure is due to Landlord's default in the performance of the agreements set forth in this Lease to be kept and performed by Landlord. Without limiting the generality of the foregoing, Tenant shall comply with the Americans with Disabilities Act as it applies to the Premises and all obligations pertaining to asbestos as required by the Occupational Safety and Health Administration (OSHA) applicable to the Premises and to Tenant's employees;

Please Initial


Landlord


Tenant

(b) Refrain from any activity which would be reasonably offensive to Landlord, to other tenants in any buildings situated on the property, or to owners or users of the adjoining premises, or which would tend to create a nuisance or damage the reputation of the Premises or of any such buildings. Without limiting the generality of the foregoing, Tenant shall not permit any noise or odor to escape or be emitted from the Premises nor permit the use of flashing (strobe) lights nor shall Tenant permit the sale or display of offensive materials as reasonably determined by Landlord;

(c) Refrain from loading the floors, electrical systems, plumbing systems, or heating, ventilating and air conditioning systems ("HVAC"), beyond the point considered safe by a competent engineer or architect selected by Landlord and refrain from using electrical, water, sewer, HVAC, and plumbing systems in any harmful way. If Landlord employs an engineer, architect, electrical, or other consultant to determine whether Tenant's use of the Premises is in violation of this Section 4(c), Tenant shall pay the reasonable costs incurred in connection with that employment only if it is determined that Tenant's use of the Premises was in violation of this Section 4 (c), otherwise, all such engineer, architect, electrical or other consultant costs under this Section shall be paid by landlord. Tenant shall use hair interceptors, grease traps or other drain protection devices as needed to avoid such harmful use;

(d) Not permit any pets or other animals in the Premises except for service animals;

(e) Refrain from making any marks on or attaching any sign, insignia, antenna, window covering, aerial or other device to the exterior or interior walls, windows or roof of the Premises without the written consent of the Landlord, which consent shall not be unreasonably withheld. Landlord need not consent to any sign which fails to conform to the general design concept of the buildings situated on the Property, as established by Landlord. Notwithstanding Landlord's consent to any signs, Tenant shall (i) comply with all Laws related to such signs at its own cost and expense, and (ii) remove all such signs upon termination of the Lease and repair any damage to the Premises caused thereby, at Tenant's own cost and expense;

(f) Comply with any reasonable rules respecting the use of the Premises promulgated by Landlord from time to time and communicated to Tenant in writing. Without limiting the generality of the foregoing, such rules may establish hours during which the common area shall be open for use may regulate deliveries to the Premises and may regulate parking by employees. Recognizing that it is in the best interests of all tenants to accommodate the parking needs of customers, Landlord reserves the right to require employees of Tenant to park in designated areas of the common area or to park outside of the common area if Landlord determines that the extent of employee parking is detrimental to the business of the tenant or any of them. Tenant shall use its best efforts to complete, or cause to be completed, all deliveries, loading and unloading to the Premises by 8:00 a.m. each day, and to prevent delivery trucks or other vehicles serving the Premises to park or stand in from on the locations of other tenants;

(g) Comply with any no smoking (and other health related) policies and procedures established by Landlord from time to time;

(h) Recognizing that it is in the interest of both Tenant and Landlord to have regulated hours of business, Tenant shall keep the Premises open for business and cause Tenant's business to be conducted therein during those days and hours as is customary for businesses of like character in the city or county in which the Premises are situated, but in any event during those days and hours reasonably established by Landlord, except to the extent that the use of the Premises is interrupted or prevented by causes beyond Tenant's reasonable control;

(i) Maintain on the Premises an adequate stock of merchandise and trade fixtures to service and supply the usual and ordinary requirements of its customers. If Tenant has a food or beverage related use, Tenant shall not use a new or modified menu without Landlord's prior review and written approval of the menu, which shall not be unreasonably withheld;

(j) Not permit any cash, credit card, or coin-operated vending, novelty or gaming machines or equipment on the Premises without the prior written consent of Landlord; and not permit the use of any part of the Premises for a second-hand store, nor for an auction, distress or fire sale, or bankruptcy or going-out-of-business sale or the like;

(k) Refrain from violating or causing the violation of any exclusive use provision granted to any tenant or other occupant of the Property as to which Tenant has been given written notice;

(l) Not commit or suffer any harm to the Premises including without limitation the improvements thereon or any part thereof; and Tenant shall keep the Premises in a neat, clean, sanitary, and orderly condition, reasonable wear and tear expected;

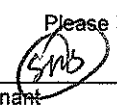
(m) Refrain from any use of any area on the Property which is outside of the Premises unless such use is specifically permitted in writing by Landlord in advance; and

(n) Not generate, release, store, or deposit on the Premises any environmentally hazardous or toxic substances, materials, wastes, pollutants, oils, or contaminants, as defined by any federal, state, or local law or regulation (collectively, "Hazardous Substance"). Tenant shall indemnify, defend, and hold harmless Landlord from and against any and all

Please Initial



Landlord



Tenant

claims, losses, damages, response costs and expenses of any nature whatsoever (including without limitation attorneys', experts', and paralegals' fees) arising out of or in any way related to the generation, release, storage, or deposit of Hazardous Substances on the Premises by Tenant or any other person or entity other than Landlord on and/or after the date of this Lease.

(o) Promptly pay when due all charges for gas, electric, data and telecommunication utility services and in the Premises which are the only utilities separately metered to the Premises. All charges from water and sewer service to the Premises shall be the responsibility of the Landlord.

5. **TENANT IMPROVEMENTS AND ALTERATIONS.** Unless otherwise specified in any Rider or Exhibit to this Lease, Tenant accepts the Premises in their condition as of the Commencement Date and Tenant shall pay for all tenant improvements, whether the work is performed by Landlord or by Tenant. If any improvements to the Premises or other work on the Premises by Tenant causes the need to comply with any Laws in areas outside of the Premises including without limitation the Americans with Disabilities Act or regulations pertaining to earthquake codes. Tenant shall pay the cost thereof as well. Tenant shall make no improvements or alterations on the Premises of any kind, including the initial work to be performed by Tenant in the Premises, without the prior written consent of Landlord, which consent shall not be unreasonably withheld. Prior to the commencement of any work by Tenant, Tenant shall first submit the following to Landlord and obtain Landlord's written consent to all of the following which consent shall not be unreasonably withheld: Tenant's plans and specifications; Tenant's estimated costs; and the names of all of Tenant's contractors and subcontractors. If Landlord is to perform the work for some or all of such work, Landlord shall have the right to require Tenant to pay for the cost of the work in advance or in periodic installments. If the work is to be performed by Tenant, Landlord shall have the right to require Tenant to furnish adequate security to assure timely payment to the contractors and subcontractors for such work. All work performed by Tenant shall be done in strict compliance with all applicable building, fire, sanitary, and safety codes, and other applicable laws, statutes, regulations, and ordinances, and Tenant shall secure all necessary permits for the same. Tenant shall keep the Premises free from all liens in connection with any such work. All work performed by the Tenant shall be carried forward expeditiously, shall not interfere with Landlord's work or the work to be performed by or for other tenants, and shall be completed within a reasonable time. Landlord or Landlord's agents shall have the right at all reasonable times to inspect the quality and progress of such work. All improvements, alterations and other work performed on the Premises by either Landlord or Tenant shall be the property of Landlord when installed, except for Tenant's trade fixtures, and may not be removed at the expiration of this Lease unless the applicable Landlord's consent specifically provides otherwise. Notwithstanding Landlord's consent to improvements or alterations by Tenant, all such improvement, alteration or other work to be performed by Tenant shall be at the sole cost and expense of Tenant.

6. **REPAIRS AND MAINTENANCE.**

(a) **Landlord's Responsibilities.** The following shall be the responsibility of Landlord:

- i. Structural repairs and maintenance and repairs necessitated by structural disrepair or defects.
- ii. Maintenance and repair of exterior walls, heating and air conditioning systems, plumbing, wiring, drainpipes, sewers and septic tanks, sprinkler systems, exterior doors and windows, replacement of glass (unless damage to glass was the fault of the tenant) roof, gutters, downspouts snow and ice removal and the foundation of the Building and;
- iii. Repair of interior walls, ceilings, doors, windows, floors and floor coverings when such repairs are made necessary because of failure of Landlord to keep the structure in repair as above provided in this Section 8(a).
- iv. Common Area Maintenance (CAM) costs

(b) **Tenant's Responsibilities.** The following shall be the responsibility of Tenant:

- i. The interior of the Premises (except as provided above) including any interior decorating;
- ii. Any repairs necessitated by the negligence of or use of the Premises by Tenant, its agents, employees and invitees and their use of the Premises;
- iii. Maintenance and repair of the interior walls and floor coverings (both hard surfaces and carpeting), but only when caused by fault of Tenant;
- iv. Any repairs or alterations required under Tenant's obligation to comply with the laws and regulations as set forth in this Lease; and



Landlord

Please Initial


Tenant

c) **Inspections.** Except in the event of an emergency (when no such notice shall be required), Landlord shall provide Tenant with at least twenty-four (24) hours prior notice of Landlord's intent to inspect premises. Landlord shall have the right to inspect the Premises at any reasonable time or times to determine the necessity of repair. Whether or not such inspection is made, the duty of Landlord to make repairs as outlined above in any area in Tenant's possession and control shall not mature until a reasonable time after Landlord has received from Tenant written notice of the necessity of repairs, except in the event emergency repairs may be required and in such event Tenant shall attempt to give Landlord appropriate notice considering the damages.

(d) **Landlord's Work.** All repairs, replacements, alterations or other work performed on or around the Premises by Landlord shall be done in such way as to interfere as little as reasonably possible with the use of the Premises by Tenant. Tenant shall have no right to an abatement of Rent nor any claim against Landlord for any inconvenience or disturbance resulting from Landlord's performance of repairs and maintenance pursuant to this section 6.

7. **LIENS; TENANT'S TAXES.** Tenant shall keep the Premises free from all liens, arising from any act or omission of Tenant or those claiming under Tenant. Landlord shall have the right to post and maintain on the Premises or the Building such notices of non-responsibility as are provided for under the lien laws of the state in which the Premises are located. Tenant shall be responsible for and shall pay when due all taxes assessed during the Term against any leasehold or personal property of any kind owned by or placed upon or about the Premises by Tenant.

8. **WAIVER OF SUBROGATION.** Neither party shall be liable to the other for any loss or damage caused by fire or any of the risks enumerated in a standard multi-peril insurance policy, including sprinkler leakage insurance, if the Premises have sprinklers. All claims or rights of recovery for any and all such loss or damage, however caused, are hereby waived. Without limiting the generality of the foregoing, said absence of liability shall exist whether or not such loss or damage is caused by the negligence of either Landlord or by any of their respective agents, servants or employees.

9. **INJURY TO TENANT'S PROPERTY.** Unless caused by the neglect or willful misconduct of Landlord, Landlord shall not be liable for any injury to the goods, stock, merchandise or any other property of Tenant or to any person in or upon the Premises or the leasehold improvements in the Premises resulting from fire or collapse of the Building or any portion thereof or any other cause, including but not limited to damage by water or gas, or by reason of any electrical apparatus in or about the Premises. Tenant is responsible for carrying insurance to cover the risks described in this Section.

10. **DAMAGE OR DESTRUCTION.**

(a) **Partial Destruction.** If the Premises shall be partially damaged by fire or other cause, and Section 10(b) below does not apply, the damages to the Property shall be repaired by Landlord within 90 days, and all Rent until such repair shall be apportioned according to the part of the Premises which is useable by Tenant, except when such damage occurs because of the fault of Tenant. The repairs shall be accomplished with all reasonable dispatch. Landlord shall bear the cost of such repairs unless the damage occurred from a risk which would not be covered by a standard fire insurance policy with an endorsement for extended coverage, including sprinkler leakage, and the damage was the result of the fault of Tenant, in which event Tenant shall bear the expense of the repairs. In the event Landlord does not complete repairs under this section within 90 days, Tenant shall have the right to terminate this lease by providing the Landlord 30 days advance written notice.

(b) **Substantial Damage.** If the buildings situated on the Property or the Building or the Premises, or any of them, are 50% or more destroyed during the Term by any cause, Landlord may elect to terminate the Lease as of the date of damage or destruction by notice given to Tenant in writing no more than 45 days following the date of damage. In such event all rights and obligations of the parties shall cease as of the date of termination. In the absence of an election to terminate, Landlord shall proceed to restore the Premises, if damaged, to substantially the same form as prior to the damage or destruction, so as to provide Tenant useable space equivalent in the quantity and character to that before the damage or destruction. Work shall be commenced as soon as reasonably possible, and thereafter proceed without interruption, except for work stoppages on account of matters beyond the reasonable control of Landlord. From the date of damage until the Premises are restored or repaired, Rent shall be abated or apportioned according to the part of the Premises useable by Tenant, unless the damage occurred because of the fault of the Tenant. Landlord shall bear the cost of such repairs unless the damage occurred from a risk which would not be covered by a standard fire insurance policy with an endorsement for extended coverage, including sprinkler leakage, and the damage was the result of the fault of Tenant, in which event Tenant shall bear the expense of the repairs.

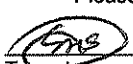
(c) **Restoration.** If the Premises are to be restored by Landlord as above provided in this Section Tenant, at its expense, shall be responsible for the repair and restoration of all items which were initially installed at the expense of Tenant (whether the work was done by Landlord or Tenant) or for which an allowance was given by Landlord to Tenant, together with Tenant's stock in trade, trade fixtures, furnishings, and equipment; and Tenant shall commence the installation of the same promptly upon delivery to it of possession of the Premises and Tenant shall diligently prosecute such installation to completion.

11. **EMINENT DOMAIN.**

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Landlord



Tenant

(a) **Partial Taking.** If a portion of the Premises is condemned and neither Section 11(b) nor Section 11(c) apply, the Lease shall continue in effect. Landlord shall be entitled to all the proceeds of condemnation, and Tenant shall have no claim against Landlord as a result of condemnation. Landlord shall proceed as soon as reasonably possible to make such repairs and alterations to the Premises as are necessary to restore the remaining Premises to the condition as comparative as reasonably practicable to that existing at the time of condemnation. Rent shall be abated to the extent that the Premises are untenantable during the period of alteration and repair. After the date on which title vests in the condemning authority, Rent shall be reduced commensurately with the reduction in value of the Premises as an economic unit on account of the partial taking.

(b) **Substantial Taking of the Property.** If a condemning authority takes any substantial part of the Property or any substantial part of the Building, the Lease shall, at the option of Landlord, terminate as of the date title vests in the condemning authority. In such event all rights and obligations of the parties shall cease as the date of termination. Landlord shall be entitled to all of the proceeds of condemnation, and Tenant shall have no claim against Landlord as a result of the condemnation. Tenant shall be free to make a separate claim for its moving expenses and lost trade fixtures so long as such claim does not interfere with or reduce Landlord's claim or award.

(c) **Substantial Taking of Premises.** If a condemning authority takes all of the Premises or a portion sufficient to render the remaining Premises reasonably unsuitable for Tenant's use, the Lease shall terminate as of the date title vest in the condemning authority. In such event all rights and obligations of the parties shall cease as of the date of termination. Landlord shall be entitled to all of the proceeds of condemnation, and Tenant shall have no claim against Landlord as a result of the condemnation.

(d) **Definition.** Sale of all or any part of the Premises to a purchaser with the power of eminent domain in the face of a threat or probability of the exercise of the power shall be treated for the purpose of this Lease as taking by condemnation.

12. **BANKRUPTCY.** Subject to Section 13, this Lease shall not be assigned or transferred voluntarily or involuntarily by operation of law. It may, at the option of Landlord, be terminated, if Tenant be adjudged bankrupt or insolvent, or makes an assignment for the benefit of creditors, or files or is a party to the filing of a petition in bankruptcy, or in case a receiver or trustee is appointed to take charge of any of the assets of Tenant or sublessees or assignees in or on the Premises, and such receiver or trustee is not removed within 30 days after the date of his appointment, or in the event of judicial sale of the personal property in or on the Premises upon judgement against Tenant or any sublessees or assignee hereunder, unless such property or reasonable replacement therefor be installed on the Premises. To the extent permitted by law, this Lease or any sublease hereunder shall not be considered as an asset of a debtor-in-possession, or an asset in bankruptcy, insolvency, receivership, or other judicial proceedings. This Lease shall be considered a lease of real property in a shopping center within the meaning of Section 365(b)(3) of the US Bankruptcy Code.

13. **DEFAULT.** The following shall be events of default:

(a) Failure of Tenant to pay any Rent when due or failure of Tenant to pay any other charge required under this Lease within five (5) days after it is due.

(b) Failure of Tenant to execute the documents described in Section 17 or 18 within the time required under such Sections; failure of Tenant to provide or maintain the insurance required of Tenant pursuant to Section 9; or failure of Tenant to comply with any Laws as required pursuant to Section 4 within 24 hours after written demand by Landlord.

(c) Failure of Tenant to comply with any term or condition or fulfill any obligation of this Lease (other than the failures described in Sections 13(a) or 13(b) above) within thirty (30) days after written notice by Landlord specifying the nature of the default with reasonable particularity. If the default is of such nature that it cannot be completely remedied within the thirty (30) day period, this provision shall be complied with if Tenant begins correction of the default within the thirty (30) day period and thereafter proceeds with reasonable diligence and in good faith to effect the remedy as soon as practicable. Landlord shall not be obligated to give written notice for the same type of default more than twice; at Landlord's option, a failure to perform an obligation after the second notice shall be an automatic event of default, without notice or any opportunity to cure.

(d) The abandonment of the Premises by Tenant or the failure of Tenant for fifteen (15) days or more to occupy the Premises for one or more of the designated purposes of this Lease unless such failures is excused under other provisions of this Lease.

(e) The bankruptcy or insolvency of Tenant or the occurrence of other acts specified in Section 12 of this Lease which give Landlord the option to terminate.

14. **REMEDIES ON DEFAULT.** In the event of a default, Landlord may, at Landlord's option, exercise any one or more of the rights and remedies available to a landlord in the state in which the Premises are located to redress such default, consecutively or concurrently, including the following:

Please Initial



Landlord



Tenant

(a) Landlord may elect to terminate Tenant's right to possession of the Premises or any portion thereof by written notice to Tenant. Following such notice, Landlord may re-enter, take possession of the Premises and remove any persons or property by legal action or by self-help with the use of reasonable force and without liability for damages. To the extent permitted by law, Landlord shall have the right to retain the personal property belonging to Tenant which is on the Premises at the time of re-entry, or the right to such other security interest therein as the law may permit, to secure all sums due or which become due to Landlord under this Lease. Perfection of such security interest shall occur by taking possession of such personal property or otherwise as provided by law.

(b) Following re-entry by Landlord, Landlord may relet the Premises for a term longer or shorter than the Term and upon any reasonable terms, including the granting of rent concessions to the new tenant. Landlord may alter, refurbish or otherwise change the character or use of the Premises in connection with such reletting. Landlord shall not be required to relet for any use or purpose which Landlord may reasonably consider injurious to its property or to any tenant which Landlord may reasonably consider objectionable. No such reletting by Landlord following a default by Tenant shall be construed as an acceptance of the surrender of the Premises. If rent received upon such reletting exceeds the Rent received under this Lease, Tenant shall have no claim to the excess.

(c) Following re-entry Landlord shall have the right to recover from Tenant the following damages;

(i) All unpaid or other charges for the period prior to re-entry, plus interest at a rate equal to five percentage points in excess of the discount rate, including any surcharge on the discount rate, on 90-day commercial paper declared by the Federal Reserve Bank in the Federal Reserve district in which Portland, Oregon is located on the date the charge was due (the "Interest Rate").

(ii) An amount equal to the Rent lost during any period during which the Premises are not relet, if Landlord uses reasonable efforts to relet the Premises at the same or substantially similar rates. If Landlord lists the Premises with a real estate broker experienced in leasing commercial property in the metropolitan area in which the Premises are located, such listing shall constitute the taking of reasonable efforts to relet the Premises provided such Broker attempts to relet the Premises at a fair rental value.

(iii) All reasonable costs incurred in reletting or attempting to relet the Premises, including but without limitation, the cost of cleanup and repair in preparation for a new tenant, the cost of correcting any defaults or restoring any unauthorized alterations and the amount of any real estate commissions or advertising expenses.

(iv) The difference between the Rent reserved under this Lease and the amount actually received by Landlord after reletting, as such amounts accrue.

(v) Reasonable attorney's fees incurred in connection with the default, whether or not any litigation is commenced.

(d) Landlord may sue periodically to recover damages as they accrue throughout the Term and no action for accrued damages shall be a bar to a later action for damages subsequently accruing. To avoid a multiplicity of actions, Landlord may obtain a decree of specific performance requiring Tenant to pay the damages stated in Section 14 (c) above as they accrue. Alternatively, Landlord may elect in any one action to recover accrued damages plus damages attributable to the remaining Term equal to the difference between the Rent under this Lease and the reasonable rental value of the Premises for the remainder of the Term.

(e) In the event that Tenant remains in possession following default and Landlord does not elect to re-enter, Landlord may recover all back Rent and other charges, and shall have the right to cure any nonmonetary default and recover the cost of such cure from Tenant, plus interest from the date of expenditure at the Interest Rate. In addition, Landlord shall be entitled to recover attorney's fees reasonably incurred in connection with the default, whether or not litigation is commenced. Landlord may sue to recover such amounts as they accrue, and no one action for accrued damages shall bar a later action for damages subsequently accruing.

(f) The foregoing remedies shall not be exclusive but shall be in addition to other remedies and rights provided under applicable law, and no election to pursue one remedy shall preclude resort to another remedy.

15. SURRENDER AT EXPIRATION.

(a) **Condition of Premises.** Upon expiration of the Term or earlier termination Tenant shall deliver all keys to Landlord and surrender the Premises in first-class condition and broom clean, reasonable wear and tear expected. Improvements and alterations constructed by Tenant shall not be removed or restored to the original condition unless the terms of Landlord's consent provides otherwise or unless Landlord requests Tenant to remove all or any of such improvements or alterations, in which event Tenant shall remove the same and restore the Premises. Depreciation and wear from ordinary use for the purpose for which the Premises were let need not be restored, but all repair for which Tenant is responsible shall be completed

Landlord

Please Initial


Tenant

to the latest practical date prior to such surrender. Tenant's obligations under this Section 15 shall be subject to the provisions of Section 10 relating to damages or destruction.

(b) **Fixtures.**

(i) All fixtures placed upon the Premises during the Term, other than Tenant's trade fixtures, shall, at Landlord option, become the property of the Landlord. Movable furniture, decorations, floor covering other than hard surface bonded or adhesively fixed flooring, curtains, drapes, blinds, furnishing and trade fixtures shall remain the property of Tenant if placed on the Premises by Tenant; provided, however, if Landlord granted Tenant an allowance for improvements, installation, floor coverings, curtains, drapes, blinds or other items, such items shall at Landlord's option become the property of Landlord notwithstanding the installation thereof by Tenant.

(ii) If Landlord so elects, Tenant shall remove any or all fixtures which would otherwise remain the property of Landlord, and shall repair any physical damage resulting from the removal. If Tenant fails to remove such fixtures, Landlord may do so and charge the cost to Tenant with interest at the Interest Rate. Tenant shall remove all furnishings, furniture, furniture and trade fixtures which remain the property of Tenant. If Tenant fails to do so, this shall be an abandonment of the property, and Landlord may retain the property and all rights of Tenant with respect to is shall cease. Landlord may effect a removal and place the property in public or private storage for Tenant's account. Tenant shall be liable to Landlord for the cost of removal, transportation to storage, with interest on all such expenses from the date of expenditure at the Interest Rate.

(iii) The time for removal of any property or fixtures which Tenant is required to remove from the Premises upon termination shall be as follows:

(1) On or before the date the Lease terminates because of expiration of the Term or because of a default under Section 13.

(2) Within 30 days after notice from Landlord requiring such removal where the property to be removed is a fixture which Tenant is not required to remove except after such notice by Landlord, and such date would fall after the date on which Tenant would be required to remove other property.

(c) **Holdover.**

If Tenant does not vacate the Premises at the time required, Landlord shall have the option to treat Tenant as a tenant from month-to-month, subject to all of the provisions of this Lease except the provision for the Term, and except the Rent provided herein shall double during the period of the month-to-month tenancy. Failure of Tenant to remove fixtures, furniture, furnishings or trade fixtures which Tenant is required to remove under this Lease shall constitute a failure to vacate to which this Section 15(c) shall apply if the property not removed will interfere with occupancy of the Premises by another tenant or with occupancy by Landlord for any purpose including preparation for a new tenant.

16. ASSIGNMENT AND SUBLETTING.

(a) **Landlord's Consent.** Except for subletting to public or non-profit entities that provide substantially similar services or services to carry out Tenant's mission, Tenant shall not, either voluntarily or by operation of law, sell, assign or transfer this Lease or sublet the Premises or any part thereof, or assign any right to use the Premises or any part thereof (each a "Transfer") without the prior written consent of Landlord, which consent shall not be unreasonably withheld, and any attempt to do so without such prior written consent shall be void and at Landlord's option, shall terminate this Lease. If tenant requests Landlord's consent to any Transfer, Tenant shall promptly provide Landlord with a copy of the proposed agreement between Tenant and its proposed transferee and with all such other information concerning the business and financial affairs of such proposed transferee as Landlord may request. Landlord may withhold such consent unless the proposed transferee (i) is satisfactory to Landlord as to credit, managerial experience, net worth, character and business or professional standing. (ii) is a person or entity whose possession of the Premises would not be inconsistent with Landlord's commitments with other tenants or with the mix of uses Landlord desires at the Property, (iii) will occupy the Premises solely for the use authorized under this Lease, (iv) expressly assumes and agrees in writing to be bound by and directly responsible for all of Tenant's obligations hereunder, (v) will conduct a business which does not adversely impact the use of the Property's common areas and (vi) will conduct its business in the Premises in such a manner so that the Percentage Rent payable to Landlord under this Lease will not likely be less than the Percentage Rent which would have been payable to Landlord had there been no Transfer. Landlord's consent to any such Transfer shall in no event release Tenant from its liabilities hereunder nor relieve Tenant from the requirement of obtaining Landlord's prior written consent to any further Transfer. Landlord's acceptance of rent from any other person shall not be deemed to be a waiver by Landlord of any provision of this Lease or a consent to any Transfer.

(b) **Payment to Landlord and Termination of Lease**

(i) Landlord may, as a condition to its consideration of any request for consent to a proposed Transfer, impose a fee to cover Landlord's reasonable administrative and legal expenses in connection therewith. Such fee shall (i) be payable by Tenant upon demand, (ii) include all reasonable legal fees incurred by Landlord,

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(ii) If any such proposed Transfer provides for the payment of, or if Tenant otherwise receives, rent additional or other consideration for such Transfer which is in excess of the Rent and all other amounts which Tenant is required to pay under this lease (regardless of whether such excess is payable on a lump sum basis or over a term), then in the event Landlord grants its consent to such Proposed Transfer, Tenant shall pay Landlord the amount of such excess as it is received by Tenant. Any violations of this paragraph shall be deemed a material and noncurable breach of this Lease.

(iii) If Tenant is a corporation, an unincorporated association, a partnership, a limited partnership, or a limited liability company, the transfer, assignment or hypothecation of any stock or interest in such entity in the aggregate in excess of twenty-five percents shall be deemed a Transfer of this Lease within the meaning and provision of this Section 17.

17. **SUBORDINATION.** Tenant's interest hereunder shall be subject and subordinate to all mortgages, trust deeds, and other financing and security instruments placed on the Premises by Landlord from time to time ("Mortgages") except that no assignment or transfer of Landlord's rights hereunder to a lending institution as collateral security in connection with a mortgage shall affect Tenant's right to possession, use and occupancy of the Premises so long as Tenant shall not be in default under any of the terms and conditions of this Lease. The provisions of this Section 17 shall be self-operating. Nevertheless, Tenant agrees to execute acknowledge and deliver to Landlord within ten days after Landlord's written request, an instrument in recordable form which expressly subordinates Tenant's interest hereunder to the interests of the holder of any Mortgage, and which includes any other reasonable provisions requested by the holder or prospective holder of any Mortgage. At Landlord's request, Tenant shall furnish Landlord current balance sheets, operating statements, and other financial statements, in the form as reasonably requested by Landlord or by the holder or prospective holder of any Mortgage, certified by Tenant as accurate and current. Tenant agrees to sign an authorization for Landlord to conduct a check of Tenant's credit as requested by Landlord from time to time.

18. **ESTOPPEL CERTIFICATE.** Tenant shall from time to time, upon not less than ten days prior notice, submit to Landlord, or to any person designated by Landlord, a statement in writing, in the form submitted to Tenant by Landlord, certifying that this Lease is unmodified and in full force and effect (or if there have been modifications, identifying the same by the date thereof and specifying the nature thereof) that to the knowledge of Tenant no uncured default exists hereunder (or if such uncured default does exist, specifying the same), the dates to which the Rent and other sums and charges payable hereunder have been paid, that Tenant has no claims against Landlord and no defenses or offsets to rental except for the continuing obligations under this Lease (or if Tenant has any such claims, defenses or offsets, specifying the same), and any other information concerning this Lease as Landlord reasonably requests.

19. **PERFORMANCE BY LANDLORD.** Landlord shall not be deemed in default for the nonperformance for any interruption or delay in performance of any of the terms, covenants and conditions of this Lease if the same shall be due to any labor dispute, strike, lockout, civil commotion or like operation, invasion, rebellion, hostilities, military or usurped power, sabotage, governmental regulations or controls, inability to obtain labor, services or materials, through acts of God, or other cause beyond the reasonable control of Landlord, providing such cause is not due to the willful act or neglect of Landlord.

20. **LANDLORD'S RIGHT TO CURE DEFAULT.** If Tenant shall fail to perform any of the covenants or obligations to be performed by Tenant, Landlord, in addition to all other remedies provided herein, shall have the option (but not the obligation) to cure such failure to perform after thirty days' written notice to Tenant. All of Landlord's expenditures incurred to correct the failure to perform shall be reimbursed by Tenant upon demand with interest from the date of expenditure at the Interest Rate. Landlord's right to Tenant's failure to perform is for the sole protection of Landlord and the existence of this right shall not release Tenant from the obligation to perform all of the covenants herein provided to be performed by Tenant, or deprive Landlord of any other right which Landlord may have by reason of default of this Lease by Tenant.

21. **INSPECTION.** Landlord, Landlord's agents and representatives, shall have the right to enter upon the Premises at any time in the event of emergency and, in other events, at reasonable times after prior verbal notice for the purpose of inspecting the same, for the purpose of making repairs or improvements to the Premises or the Building, for showing the Premises during the final ninety days of the Term, or for any other lawful purpose; provided however, except in the event of an emergency, Landlord agrees to use reasonable best efforts to schedule or conduct inspections so as to minimize disruption of Tenant's business operation and use of the Premises.

22. **FOR SALE AND RENT SIGNS.** During the period of ninety days prior to the date for the termination of this Lease, Landlord may post on the Premises or in the Windows thereof signs of moderate size notifying the public that the Premises are "for sale" or "for rent" or "for lease".

23. **ATTORNEY'S FEES.** In the event a suit, action, arbitration, or other proceeding of any nature whatsoever, including without limitation any proceeding under the U.S. Bankruptcy Code, is instituted, or the services of an attorney are retained, to interpret or enforce any provision of this Lease or with respect to any dispute relating to this Lease, the prevailing or non-defaulting party shall be entitled to recover from the losing or defaulting party is attorneys', paralegals', accountants', and other experts' fees and all other fees, costs, and expenses actually incurred and reasonably necessary in connection therewith. In the

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event of suit, action, arbitration, or other proceeding, the amount thereof shall be determined by the judge or arbitrator, shall include fees and expenses incurred on any appeal or review, and shall be in addition to all other amounts provided by law.

24. **NOTICES.** Any notice required or permitted under this Lease shall be in writing and shall be deemed given when actually delivered or when deposited in the United States mail as certified or registered mail, addressed to the addresses set forth on the last page of this Lease or to such other addresses as may be specified from time to time by either of the parties in the manner above provided for the giving of notice.

25. **BROKERS.** Tenant covenants, warrants and represents that it has not engaged any broker, agent or finder who would be entitled to any commission or fee in connection with the negotiation and execution of this Lease except as set forth in the Summary of Fundamental Lease Provisions attached hereto. Tenant agrees to indemnify and hold harmless Landlord against and from any claims for any brokerage commissions and all costs, expenses and liabilities in connection therewith, including attorney's fees and expenses, arising out of any charge or claim for a commission or fee by any broker, agent or finder on the basis of any agreements made or alleged to have been made by or on behalf of Tenant except for brokers listed on the Summary of Fundamental Lease Provisions. The provisions of this Section 29 shall not apply to any brokers with whom Landlord has an express written brokerage agreement. Landlord shall be responsible for payment of any such brokers.

26. **LATE CHARGES.** Tenant acknowledges that late payment by Tenant to Landlord of any Rent or other charge due hereunder will cause Landlord to incur costs not contemplated by this Lease, the exact amount of which will be extremely difficult to ascertain. Such costs may include, without limitation, processing and accounting charges and late charges which may be imposed on Landlord under the terms of any Mortgage. Accordingly, if any Rent or other charge is not received by Landlord within 5 days after it is due, Tenant shall pay to Landlord a late charge equal to ten percent (10 %) of the overdue amount. The parties hereby agree that such late charge represents a fair and reasonable estimate of the costs incurred by Landlord by reason of the late payment by Tenant. Acceptance of any late charge by Landlord shall in no event constitute a waiver of Tenant's default with respect to the overdue amount in question, nor prevent Landlord from exercising any of the other rights and remedies granted hereunder.

27. **NO PERSONAL LIABILITY.** The liability of Landlord to Tenant for any default by Landlord under the terms of this Lease shall be limited to the interest of Landlord in the Building and the Property, and Landlord shall not be personally liable for deficiency. This clause shall not be deemed to limit or deny any remedies which Tenant may have in the event of default by Landlord under this Lease which do not involve the personal liability of Landlord.

28. **QUIET ENJOYMENT.** Landlord covenants and agrees that Tenant, upon paying the Rent and performing the terms of this Lease, shall quietly have, hold and enjoy the Premises during the term of the Lease.

29. **PROPERTY TAX EXEMPTION.** The Rent payable by Tenant under this Lease has been established to reflect the savings of the below market rent resulting from the exemption from taxation applicable to the Premises. Tenant shall be responsible for filing with the Yamhill County Tax Assessor (the "Assessor") the documentation required under ORS 307.122(2) and (3). In the event Yamhill County assessor requires additional documentary proof that the Rent has been established to reflect the savings of below market rent resulting from the tax exemption. Landlord shall be responsible for providing the required documentation. The loss of property tax exemption shall not be deemed an event of default by Tenant, provided that if the loss of such exemption occurs, Tenant shall be responsible for paying the resulting increase in the property taxes and assessments for the Property, as set forth below, except that to the extent that the Assessor determines that the fair rental value of the Premises does not fully provide the Tenant the benefit of the tax exemption (the "Above Market Amount"), Tenant's obligation to pay such increases shall be reduced.

29.1. Upon the loss of the property tax exemption for the Premises, as contemplated above, in addition to Rent, Tenant shall Tenant's Proportionate Share (defined below) of real property taxes and assessments levied, assessed or imposed during the Term upon the Property ("Taxes") in accordance with Section 29.2 below. If during the Term, the voters of the state in which the Premises are located or the state legislature enacts a real property tax limitation, then any substitute taxes, in any name or form, which may be adopted to replace or supplement real property taxes, shall be added to Taxes for purposes of this Section 29.1. Should there be in effect during the Term any law, statute, or ordinance which levies, assesses, or imposes any tax (other than federal or state income tax) upon rents, Tenant shall pay such taxes as may be attributable to the Rents under this Lease or shall reimburse Landlord for any such taxes paid by Landlord within ten days after Landlord bills Tenant for the same. Tenant's obligation to make payments under this Section 29.1 shall be reduced by any Above Market Amount. "Tenant's Proportionate Share" shall be the percentage which reflects the ratio of the rentable area of the Premises relative to all rentable space within the Building, as reasonably determined by Landlord. Tenant's obligations under this Section 29.1 shall be subject to Section 29.3 below.

29.2. Following the loss of the property tax exemption for the Property, Landlord shall notify Tenant of Tenant's required estimated monthly payments of Taxes. Beginning on date the loss of the exemption becomes effective and continuing throughout the remainder of the Term, Tenant shall make such monthly payments on or before the first day of each calendar month. Landlord may, from time to time, by written notice to Tenant, change the estimated monthly amount to be paid. No interest or earnings shall be payable by Landlord to Tenant on any amount paid under this Section 29.2, and Landlord may commingle such payments with other funds of Landlord. Landlord shall, within 90 days after the close of each calendar year or as soon thereafter as

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is practicable, deliver to Tenant a written statement setting forth the actual Taxes for the prior year together with a computation of the charge or credit to Tenant of any difference between the actual cost and the estimated cost paid by Tenant for such period; and any such difference shall be applied to amounts subsequently due from Tenant to Landlord, or if no such sums are or will be owed, then such sums shall be paid or reimbursed, as applicable, within ten days after Landlord gives Tenant notice thereof. If Tenant has any objections to the annual statement made by Landlord, such objections shall be made in writing given to Landlord within 180 days after the statement is submitted to Tenant. If no objection is made within such time period, the annual statement shall be conclusive and binding on Tenant. If Tenant desires to review any of Landlord's records pertaining to Taxes, Tenant may do so after reasonable prior notice given to Landlord. Such review shall take place where such records are kept, and shall be conducted by a certified public accountant chosen by Tenant subject to Landlord's prior written approval, which shall not be unreasonably withheld. Tenant shall pay all costs of such review including without limitation reimbursement for time incurred by Landlord's representatives and photocopy charges. Tenant's obligations under this Section 29.2 shall be subject to Section 29.3 below.

29.3. Amounts payable by Tenant under Section 29.1 and 29.2 above shall be reduced by any Above Market Amount.

30. **MISCELLANEOUS PROVISIONS.** This Lease does not grant any rights of access to light or air over any part of the Property. Time is of the essence of this Lease. The acceptance by Landlord of any Rent or other benefits under this Lease shall not constitute a waiver of any default. Any waiver by Landlord of the strict performance of any of the provisions of this Lease shall not be deemed to be a waiver of subsequent breaches of the same character or of a different character, occurring either before or subsequent to such waiver, and shall not prejudice Landlord's right to require strict performance of the same provision in the future or of any other provision of this Lease. This Lease contains the entire agreement of the parties. The parties acknowledge and agree that any calculations of square footage in the Premises and on the Property are approximations. No recalculation of square footage shall affect the obligations of Tenant under this Lease including without limitation the amount of rent or other Rent payable by Tenant under this Lease. This Lease shall not be amended or modified except by agreement in writing, signed by the parties hereto. Subject to the limitations on the assignment or transfer of Tenant's interest in this Lease, this Lease shall be binding upon and inure to the benefit of the parties, their respective heirs, personal representatives, successors, and assigns. No remedy herein conferred upon or reserved to Landlord or Tenant shall by exclusive of any other remedy herein provided or provided by law, but each remedy shall be cumulative. In interpreting or construing this Lease, it is understood that Tenant may be more than one person, that if the context so requires, the singular pronoun shall be taken to mean and include the plural, and that generally all grammatical changes shall be made, assumed, and implied to make the provisions hereof apply equally to corporations, partnerships, and individuals. Section headings are for convenience and shall not affect any of the provisions of this Lease. If any provision of this Lease or the applications thereof to any person or circumstance is, at any time or to any extent, held to be invalid or unenforceable, the remainder of this Lease, or the applications of such provision to persons or circumstances other than those to which it is held invalid or unenforceable, shall not be affected thereby, and each provision of this Lease shall be valid and enforceable to the fullest extent permitted by law. All agreements (including, but not limited to, indemnification agreements) set forth in this Lease, the full performance of which are not required prior to the expiration or earlier termination of this Lease, shall survive the expiration or earlier termination of this Lease, shall survive the expiration or earlier termination of this Lease and be fully enforceable thereafter.

IN WITNESS WHEREOF, Landlord and Tenant have executed this Lease in duplicate as of the day and year first above written, any corporate signature being by authority of the Board of Directors of the corporation.

Landlord

Hassant Sima

534 SW 3rd Ave Suite

Portland, OR 97204
Address

Tenant

[Signature]

2251 E. Hancock Street Suite 101

Newberg, OR 97132
Address

Approved As To Form
by [Signature]

Christian Boenisch
County Counsel Please Initial
Yamhill County

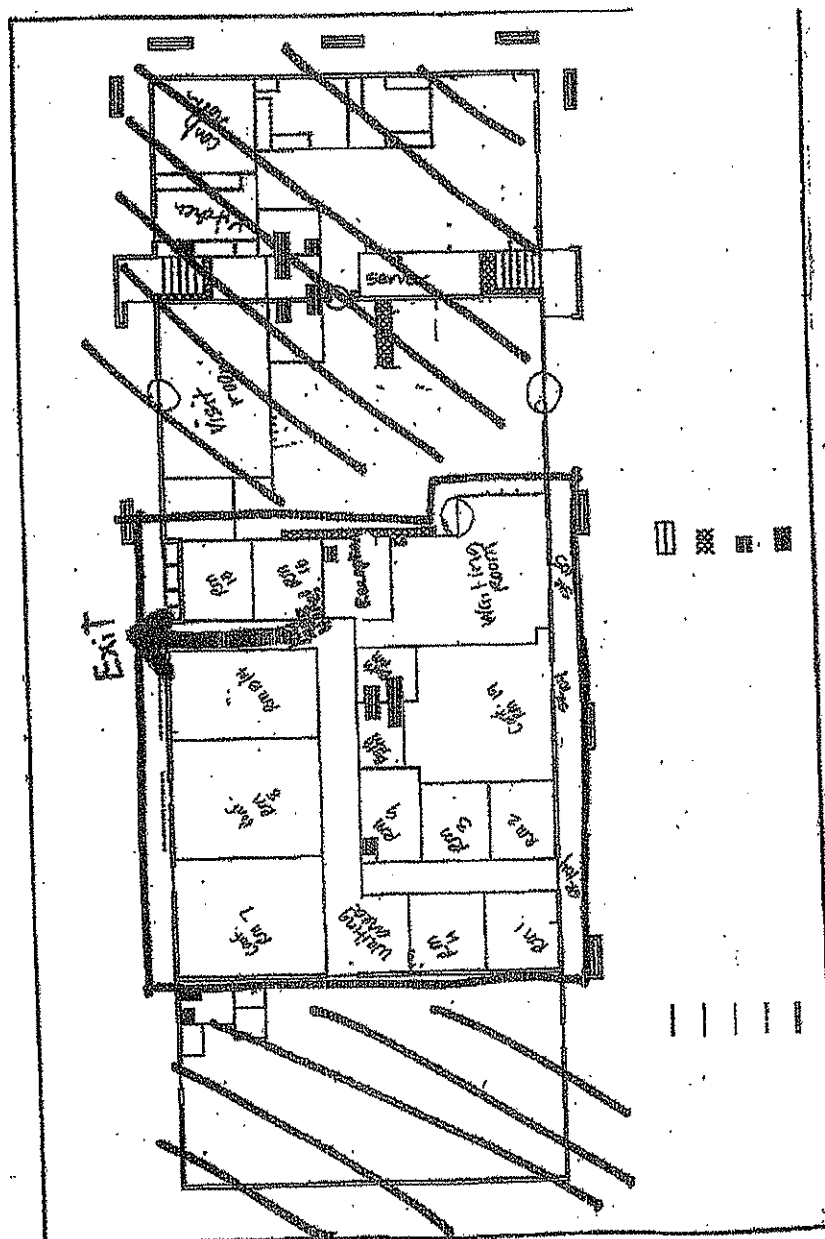
Accepted by Yamhill County
Board of Commissioners on

9.18.14 by Board Order

14-562

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Landlord

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Tenant



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