

BEDROOM LEASE AGREEMENT
(Jeff & Leona Reed / Yamhill County)

THIS BEDROOM LEASE AGREEMENT ("Lease") is made this 1st day of May, 2017 between Jeff and Leona Reed, as individuals, ("Lessor" in this Lease) and Yamhill County, a political subdivision of the State of Oregon ("Lessee" in this Lease). Based on the mutual covenants set forth below, Lessor and Lessee agree as follows:

Section 1 Premises.

Lessor hereby agrees to lease to Lessee (for use by Lessee's assigned tenants) up to three (3) bedrooms (the "Bedroom" or "Bedrooms") located at the following described property which is owned by Lessor and is located in the City of Newberg, State of Oregon:

1001Crestview
Newberg, OR 97132

referred to herein as the "Premises".

Section 2 Term.

The term of this Lease is month-to-month, terminable on not less than thirty (30) days notice.

Section 3 Bedroom Rent.

Lessee, or (pursuant to a separate lease agreement with Lessor) Lessee's assigned tenants, shall pay Lessor as rent the total not-to-exceed amount of \$417 per month, per Bedroom ("Rent") within two (2) weeks of receipt of monthly invoice submitted by Lessor. Except in the event of a disputed invoice, if Rent is not paid within two (2) weeks of receipt of monthly invoice, Lessor may declare Lessee in default under this Lease Agreement; in the event of a disputed invoice Lessee and Lessor agree to use reasonable best efforts to resolve the dispute so that full payment of Rent can be made within 30 days of receipt of invoice. Lessor retains the right to annually review Rent on the anniversary date of the Lease term for reasonable adjustments. Lessee may request written justification, i.e. utility bills, tax increases as validation for any proposed Rent increase.

Section 4 Use of Bedrooms and Premises.

The Bedrooms shall be used and occupied by Lessee's assigned tenants, for residential housing purposes only, except as may be otherwise allowed by Lessor in writing or elsewhere under this Lease. Upon payment of Rent and performing the covenants contained in this Lease, Lessee, including its assigned tenants, shall have the right to peacefully and quietly enjoy the entire Premises, including the Bedrooms, for the agreed term of the Lease.

Section 5 Number of Occupants.

Lessee agrees that each Bedroom shall be occupied by no more than allowed by the fire marshal.

Section 6 Condition of Premises.

Lessee stipulates that Lessee has examined the Premises and the Bedrooms and they are, at the time of this Lease, in good order and tenable condition for the purpose for which Lessee and Lessee's assigned tenants intend to use the Premises and the Bedrooms.

Section 7 Assignment and Subletting.

A. Without the prior, express, and written consent of Lessor, which shall not unreasonably be withheld, conditioned or delayed Lessee shall not assign this Lease or the Bedrooms, or sublet or grant any concession or license to use the Premises or any part of the Premises, including the Bedrooms, without written advance approval by Lessor.

B. A consent by Lessor to one assignment, subletting, concession, or license shall not be deemed to be a consent to any subsequent assignment, subletting, concession, or license.

Section 8 Alterations and Improvements.

A. Lessee shall make no alterations to the Premises or the Bedrooms without the prior, express, and written consent of Lessor, which consent shall not unreasonably be withheld.

B. All alterations, change, and improvements built, constructed, or placed on the Premises or made to the Bedrooms by Lessee or its assigned tenants, with the exception of fixtures removable without damage to the Bedrooms or the Premises and movable personal property, shall, unless otherwise provided by written agreement between Lessor and Lessee, be the property of Lessor and remain on the Premises at the expiration or earlier termination of this Lease.

Section 9 Damage to Premises.

Lessee shall repair damage to the Premises and the Bedrooms caused by Lessee's assigned tenants up to the lesser of (1) Lessor's applicable property insurance deductible for the Premises or (2) \$3,000.00. Except as provided herein, Lessor shall be responsible for all other repairs and damage to the Premises.

Section 10 Dangerous Materials.

Lessee shall not keep or have on the Premises or in the Bedrooms any article or thing of an unreasonably dangerous, inflammable, environmentally hazardous or explosive character that might unreasonably increase the danger of fire on the Premises in the Bedrooms or that might be considered hazardous or extra hazardous by any responsible insurance company or create potential environmental cleanup liability for Lessor.

Section 11 Utilities.

Lessor shall be responsible for arranging and paying for all utility services required on the Premises, including, but not limited to, electrical, gas, water, and garbage.

Section 12 Maintenance and Repair.

A. Except as provided in Section 9, routine maintenance and repair of the entire Premises and Bedrooms shall be the responsibility of the Lessor, including but not limited to routine maintenance and repair of floors, ceilings, roof, sheetrock, trim, fixtures, windows, appliances, interior walls and interior electrical, plumbing, water heater or HVAC systems. Lessee shall notify Lessor of the need for any routine or major maintenance or repair. Major maintenance and repair shall also be the responsibility of Lessor and shall include but not be limited to repair or replacement of the roof and exterior and interior structural portions of the Premises; exterior siding; windows; flooring; plumbing, electrical, heating, and air conditioning equipment (see below); major kitchen appliances; water heater; and washer/dryer. Lessor shall also provide routine yard maintenance. Currently no air conditioning equipment is installed; if air conditioning equipment is installed it will be maintained in proper operating condition and in compliance with this Lease agreement.

B. Lessee agrees that no signs shall be placed or painting done on or about the Premises by Lessee or Lessee's assigned tenants or at Lessee's direction without the prior, express and written consent of Lessor.

Section 13 Animals.

Lessee shall ensure that Lessee's assigned tenants keep no domestic or other animals on or about the Premises or in the Bedrooms without the prior, express, and written consent of Lessor.

Section 14 Right of Inspection.

Lessor and Lessor's agents shall have the right at all reasonable times during the term of this Lease and any renewal of this Lease to enter the Premises for the purpose of inspecting the Premises.

Section 15 Holdover by Lessee.

Should Lessee's assigned tenants remain in possession of the leased Bedrooms with the consent of Lessor after the natural expiration of this Lease, a new tenancy from month to month shall be created between Lessor and Lessee which shall be subject to all the terms and conditions of this Lease, but shall be terminable on 30 days written notice served by either Lessor or Lessee on the other party.

Section 16 Default.

If any default is made in the payment of Rent, or any part of the Rent, at the times specified in this Lease, or if any other material default is made in the performance of or compliance with any other term or condition of this Lease, subject to the timelines below, the Lessor may declare a default and Lessor may re-enter the Premises, including the leased Bedrooms, and remove all persons from the Premises. Provided however, prior to such re-entrance, Lessee shall be given written notice of any default or breach. Termination and forfeiture of the Lease shall not result if, within 30 days from receipt of such notice, Lessee has corrected the default or breach or has taken action reasonably likely to effect such correction within a reasonable time.

Section 17 Property Tax Exemption.

The parties recognize that the rent paid under this Lease may be reduced if Lessor obtains a property exemption for the Premises based on Lessee's status as a governmental entity. To the extent Lessor's property

taxes are reduced as a result of such exemption, Lessor and Lessee agree to amend this Lease to reflect the appropriate below market Rent otherwise payable under this Lease after taking into account the amount of the tax reduction. Provided, however, Lessor shall not be required to reduce the Rent payable under this Lease if the Premises remain subject to property taxation. Lessee makes no representation or warranty to Lessor that Lessor will qualify for a property tax exemption. Application for property tax exemption shall be the sole responsibility of Lessor.

Section 18 Insurance.

Lessor and Lessee shall each be responsible to maintain appropriate insurance for their respective interest in and uses of the Premises and property located on the Premises. Further, Lessee shall provide workers compensation insurance coverage for all its subject workers within the Premises during the term of this Lease agreement.

Section 19 Indemnification of Lessor.

Subject to the limitations and conditions of the Oregon Tort Claims Act, ORS 30.260-30.300, and the Oregon Constitution, Article XI, Section 10, Lessee shall defend and indemnify Lessor and save it harmless from and against any and all liability, damages, costs or expenses, including Attorney's fees, arising from any act, omission, or negligence of Lessee or its officers, contractors, licensees, agents, servants, employees, guests, invitees, or visitors of Lessee in or about the leased Premises; provided that the foregoing provision shall not be construed to make Lessee responsible for any loss, damage, liability, cost or expense (except as provided elsewhere herein) resulting from injuries to third parties caused by Lessee's assigned tenants or caused by the sole negligence of Lessor, or of any officer, contractor, licensee, agent, servant, employee, guest, invitee or visitor of Lessor.

Section 20 Binding Effect.

The covenants and conditions contained in this Lease shall apply to and bind the heirs, legal representatives, and assigns of the parties, and all covenants are to be construed as conditions of this Lease.

Section 21 Governing Law.

It is agreed that this Lease shall be governed by, construed, and enforced in accordance with the laws of the State of Oregon.

Section 22 Time of the Essence.

It is specifically declared and agreed that time is of the essence of this Lease.

Section 23 Attorney Fees and Costs.

In the event that either party to this Lease shall take any action, judicial or otherwise, to enforce or interpret any of the terms of this Lease, each party shall be wholly responsible for its own expenses which it may reasonably incur in taking such action, including costs and attorney fees, whether incurred in a suit or action or appeal from a judgment or decree therein or in connection with any nonjudicial action.

Section 24 Hazardous Materials.

A. Lessor shall indemnify, defend, and hold Lessee and Lessee's assigned tenants harmless from and against any and all liabilities, penalties, fines, forfeitures, demands, claims, and costs which Lessee may be responsible for as a result of bodily injuries, property damage, contamination or other adverse effects on the environment, or any violation or alleged violation of any statute, ordinance, order, rule or regulation of a governmental entity or agency to the extent caused by, arising out of, or connected with the presence of any Hazardous Material on the Premises, which Hazardous Material is on the Premises as a result of the act or omission of someone other than Lessee, Lessee's assigns, Lessee's agents, Lessee's contractors or Lessee's invitees.

B. As used in subsection (A), above, "Hazardous Material" means any material or substance which may pose a present or future threat to human health or the environment, including Hazardous Waste as that term is used in the Resources Conservation and Recovery Act (42 USC 6901 et seq.).

Section 25 Entire Agreement.

This Lease shall constitute the entire agreement between the parties. Any prior understanding or representation of any kind preceding the date of this Lease shall not be binding upon either party except to the extent incorporated in this Lease.

Section 26 Modification of Lease.

Any modification of this Lease or additional obligation assumed by either party in connection with this Lease shall be binding only if evidenced in a writing signed by each party or an authorized representative of each party.

Section 27 Non-appropriation.

Both parties recognize Lessee is subject to certain constitutional provisions and laws restricting its authority to obligate county funds in future fiscal years. Therefore, in the event no funds or insufficient funds are appropriated or budgeted or are otherwise not available in any fiscal year for payments due under this Lease, Lessee will immediately notify Lessor of such occurrence and the Lease shall terminate on the last day of the fiscal year for which appropriations were received without penalty or expense to Lessee, except as to the portions of payments herein agreed upon for which funds shall have been appropriated and budgeted or are otherwise available. Lessee shall use reasonable best efforts to provide Lessor with not less than thirty (30) days notice.

Section 28 Smoke Alarm Disclosure.

A Smoke Alarm Disclosure has been provided to Lessee and hereby becomes a part of this Lease agreement.

Section 29 Notice

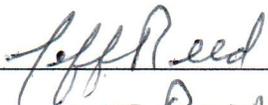
Any notice required or permitted under this Lease shall be given when actually delivered or forty-eight hours after deposited in the United States mail as certified mail addressed to the address set forth below or to such other address as may be specified from time to time by either of the parties in writing.

Lessor: Jeff & Leona Reed
1304 Newall Road
Newberg, Oregon 97132

Lessee: Yamhill County
Attn: HHS Director or Designee
627 NE Evans
McMinnville, OR 97128

In witness whereof, this Lease was approved by Lessor and Lessee on the date set forth adjacent to their signature below.

JEFF REED



JEFF REED

(print name)
Date: 4/25/17

LEONA REED



Leona A. Reed

(print name)
Date: 4/25/17

YAMHILL COUNTY



STAN PRIMOZICH, Chair
Board of Commissioners
Date: 5-4-17



SILAS HALLORAN-STEINER, Director
Health and Human Services Department

FORM APPROVED BY:



CHRISTIAN BOENISCH
County Legal Counsel

Accepted by Yamhill County
Board of Commissioners on
5-4-17 by Board Order
17-145