

PROPERTY LEASE AGREEMENT

Dated: November 1, 2017

This lease is made and entered into by and between Hardrock Enterprises, LLC, an Oregon limited liability company, hereinafter termed "Lessor", and Yamhill County, a political subdivision of the State of Oregon, acting by and through the Yamhill County Sheriff's Office, hereinafter termed "Lessee".

TERMS

- I. **PROPERTY LEASE** – Lessor leases to Lessee and Lessee leases from Lessor the following described real property and improvements located thereon, hereinafter referred to as "Property":

Storage/Garage units #1, #2 and #3 located at 712 E. 14th Street Newberg Oregon. Storage facility not to be used for storing any hazardous material or property.

II. **TERM/RENEWAL/NOTICE**

- A. **TERM** – The initial term of this lease shall be retroactive to November 1, 2017 to October 31, 2018. The first renewal term of this lease shall be retroactive to November 1, 2018 through October 31, 2019.
- B. **RENEWAL** – Upon expiration of the first renewal term, the term of this lease shall be reviewed by both parties for term and rental rate renewal. Unless otherwise amended in writing, the renewal will automatically extend year to year for three years at the same rental rate.

III. **RENT**

- A. **RENTAL RATE** – Rental rate for the initial term and the first renewal period will be \$8,465.00 which equals 35 cents per square foot monthly rental rate, bringing the rate equal to market at the time of the previous lease agreement
- B. **RENEWAL RENTAL RATE** The Renewal Rental Rate for any additional renewal periods during the term of this lease will be \$9,070.00, which equals 37.5 cents per square foot monthly rental rate, bringing the rate closer to current market of 37.5 cents per square foot.
- C. **UTILITIES** – Lessee shall be responsible for payment of the monthly electric bill applicable to the storage units.

IV. INSURANCE AND INDEMNITY

- A. **INDEMNITY** – Subject to Article XI, Section 10 of the Oregon Constitution and the Oregon Tort Claims Act, Lessee shall, and does hereby by his own assets and insurance, indemnify and hold Lessor harmless from any and all claims for personal injury, death and property damage, and any injury suits, actions or claims which may accrue to any person, firm or corporation by reason of any injury or damage suffered by reason of any act or omission to act, of Lessee occurring upon the Property or as the result of Lessee's occupation and/or use of the Property or any business conducted thereon, except to the extent caused, in whole or in part, by the acts or omissions of Lessor or Lessor's agent.

Lessor shall, and does hereby by his own assets and insurance, indemnify and hold Lessee harmless from any and all claims for personal injury, death and property damage, and any injury suits, actions or claims which may accrue to any person, firm or corporation by reason of any injury or damage suffered by reason of any act or omission to act of Lessor occurring upon the Property or as the result of Lessor's occupation and/or use of the Property or any business conducted thereon, except to the extent caused, in whole or in part, by the acts or omissions of Lessee or Lessee's agent.

- B. **INSURANCE REQUIREMENT** – Lessee shall obtain and at all times keep in effect, bodily injury and property damage liability insurance coverage covering activities and operations of Lessee, naming Lessor as co-insured. Such insurance coverage, in any form allowed by ORS 30.282, shall not be less than the limits of public body tort liability specified in ORS 30.270, 2005 replacement part. All premiums for this insurance shall be at Lessee's sole cost and expense. Lessee agrees to maintain said insurance with a company or companies satisfactory to Lessor, which insurance shall not be cancelable without fourteen (14) days prior written notice to Lessor. All insurance required to be maintained hereunder shall name the Lessor or his assigns, heirs or successors, as additional insured, and a copy of said policy provided to Lessor. Subject to Article XI, Section 10 of the Oregon Constitution and the Oregon Tort Claims Act, Lessee does hereby indemnify and save Lessor harmless from all judgments, liabilities, expenses, costs, losses and attorney's fees arising out of any of the foregoing matters set forth in this paragraph, as well as any judgments, liabilities, expenses, costs, losses and attorney's fees incurred or paid by Lessor in defending against any suit or action or by reason of any claim arising out of any of the foregoing matters contained in this paragraph

V. TERMINATION

- A. **DEFAULT** – It is expressly understood and agreed by and between the parties hereto that if the Rental Rate or Renewal Rental Rate provided herein shall not be paid and rendered to Lessor when due, or if the Lessee shall fail to comply with all the covenants and agreements contained in this Lease, then the Lessor, or his successors or assigns, at his election, shall declare said term ended, and, with or without process of law, to re-enter and to expel, remove and dispossess the said Lessee, or any other person or persons occupying in or upon the same, using such

force as may be necessary in so doing, and to repossess and enjoy all his first and former estate therein, without being taken to be guilty of trespass or liable by way of damages or otherwise to the said Lessee, or to any one else, and without waiver or any other rights of the said Lessor under this lease. The said Lessor, in case of default or breach of any of the terms hereof, may elect to use the remedy herein provided for repossession and, in addition thereto, may use such other remedy in law or in equity as he may desire. In the event that the Lessee fails to comply with this section or with any covenants or agreements provided under this agreement, the Lessee shall be given thirty (30) days written notice and the opportunity to cure and correct the noncompliance within such thirty (30) day period before declaration of default or repossession of the Property by Lessor. If, following the expiration of the thirty (30) day opportunity to cure, the Lessee is terminated for default, the Lessor is not obligated to compensate the Lessee as contemplated elsewhere in this agreement.

- B. **CONDEMNATION** – In the event a legitimate governmental authority condemns the Property or some portion thereof and the Lessee is required to vacate the Property prior to the ordinary one (1) year notice of termination, the Lessee shall not be eligible for additional compensation unless the condemning authority provides additional compensation for the Lessee's displacement during the condemnation valuation process. Furthermore, the Lessor shall not be liable to the Lessee for the inability to provide the indicated notice period to the Lessee.
- C. **RESERVED**
- D. **CONVENIENCE** – The Lessor and Lessee shall have the undisputed right to terminate this lease for convenience without justification. In all cases, except Default, Condemnation or other material breach of any of the terms of this Agreement, the terminating party shall provide the other party with at least sixty (60) days notice of the intent not to renew the terms of the lease or terminate for convenience. If this lease is terminated for convenience, the Lessee shall remove all of their personal and business property by the last day of the lease term. Furthermore, the Lessor will have no further obligations to the Lessee, except recapture.

VI. ATTORNEY FEES/VENUE

- A. **ATTORNEY FEES** – In the event litigation is necessary to interpret or enforce any provision of this agreement, and for any and all litigation and/or claims arising under this agreement, including claims related to a party's indemnity obligation, each party shall be wholly responsible for its own expenses which it may 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 non-judicial action.

- B. **CHOICE OF LAW AND VENUE** – Any suit or action brought in connection with any controversy arising out of this Agreement shall be venued in Yamhill County, Oregon. This Agreement shall be governed by and construed in accordance with the laws of the State of Oregon.
- VII. **NON-WAIVER** – Any waiver of any breach of covenants herein contained to be kept and performed by the Lessee shall not be deemed or considered as a continuing waiver and shall not operate to bar or prevent the Lessor from declaring a forfeiture of any succeeding breach, either of the same condition or covenant or otherwise.
- VIII. **SUCCESSORS AND ASSIGNS** – This lease shall be binding on the heirs, successors, personal representatives, future property owners and assigns of the parties hereto, subject to the restrictions on assignment or sale as set forth above.
- IX. **AGREEMENT** – This Agreement sets forth the entire agreement between the parties and supersedes any previous oral or written agreement on the subject matter herein. No alterations, amendments, qualifications or modifications of this agreement shall be binding or of any force and effect, unless in writing and signed by Lessor and Lessee.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement in duplicate originals the day and year first above written.

LESSOR
Hardrock Enterprises, LLC

By: T. J. A. Balen
Print Name; TODD A. BALEN
Its: MANAGER

APPROVED AS TO FORM:

Christian F. Boenisch
CHRISTIAN F. BOENISCH
County Counsel

LESSEE
Yamhill County

By: Rick Olson
RICK OLSON, Chair
Board of Commissioners

By: Tin Svenson
TIN SVENSON
Yamhill County Sheriff