

COMMERCIAL PROPERTY LEASE AGREEMENT

This Commercial Property Lease Agreement ("Lease") is made and entered into by and between **Ronald, Ryan, and Linda Hixson**, 6583 SW Joshua Ct, Powell Butte, OR 97753-1664, hereinafter termed "Landlord", and **Yamhill County**, a political subdivision of the State of Oregon, acting by and through the Yamhill County Sheriff's Office, hereinafter termed "Tenant". Collectively, the Landlord and Tenant shall be referred to herein as the "Parties".

TERMS

I. PROPERTY LEASE

The Landlord agrees to lease to the Tenant the following described real property and improvements located thereon, hereinafter referred to as the "Premises".

11,500 square feet (SF) of commercial property located at 1185 NE Alpine Ave,
McMinnville, Oregon.

II. TERM/RENEWAL/NOTICE

- A. **TERM.** The initial term of this Lease shall be for a period of sixty months commencing on the 1st day of May 2023 and expiring at Midnight on the 30th day of April 2028. ("Initial Term").
- B. **RENEWAL.** Unless Tenant provides at least thirty (30) days' advance written notice to Landlord prior to the expiration of the Initial Term of their intention to terminate this Lease, this Lease shall automatically renew for up to two renewal periods with each term being one year (May 1 – April 30). Unless amended, this Lease shall conclude no later than April 30, 2030. "Renewal Term")

III. RENT

- A. **SECURITY DEPOSIT.** A deposit in the amount of two-thousand dollars (\$2,000.00), shall be due and payable in advance or at the signing of this Lease, hereinafter referred to as the "Security Deposit", and shall be held in escrow by the Landlord. The Security Deposit may not be used to pay the last month's rent unless written permission is granted by the Landlord.

- B. **RENTAL RATE.** The rental monthly rate for the Initial Term shall be \$2,000 ("Base Monthly Rent"). Tenant shall pay the Base Monthly Rent for the annual term in one annual installment on or before the first day of each 12-month period during the Initial Term, beginning May 1, 2023.

Rent which is in default for more than ten (10) days after due date shall accrue a payment penalty late fee of twenty-five dollars (\$25.00) per day until the amount is paid in full.

In this regard, all delinquent rental payments made shall be applied first toward interest due and the remaining toward delinquent rental payments.

- C. **RENEWAL RENTAL RATE.** The rental rate for the Renewal Term will be increased as calculated by multiplying the Base Monthly Rent by the annual change in the Consumer Price Index (CPI) published by the Bureau of Labor Statistics by the most recent publication to the option period start date ("Renewal Rental Rate"). Tenant shall pay the Renewal Rental Rate in one annual installment on or before the first day of the 12-month period of the Renewal Term.

- D. **EXPENSES** - It is the intention of the Parties that this Lease be considered a "Gross Lease" and as such, the Base Monthly Rate is the entirety of the monthly rent. Therefore, the Tenant is not

obligated to pay any additional expenses which includes utilities, real estate taxes, insurance (other than on the Tenant's personal property), charges, or expenses of any nature whatsoever in connection with the ownership and operation of the Premises.

IV. NOTICES

Payments and notices shall be addressed to the following:

(1) If to the Landlord, to:
Ronald and Linda Hixson
6583 SW Joshua Ct
Powell Butte, OR 97753-1664

(2) If to the Tenant, to:
Tim Svenson, Sheriff
Yamhill County Sheriff's Office
535 NE 5th Street, Room 143
McMinnville, OR 97128

V. USE

The Landlord is leasing the Premises to the Tenant and the Tenant is hereby agreeing to lease the Premises for the following use and purpose: Vehicle and Equipment Storage.

Any change in use or purpose the Premises other than as described above shall be upon prior written consent of Landlord only.

VI. LICENSES AND PERMITS

A copy of any and all local, state or federal permits acquired by the Tenant which are required for the use of the Premises shall be readily accessible and produced to the Landlord and/or their agents or any local, state, or federal officials upon demand.

VII. MAINTENANCE

The Landlord shall be obligated to maintain the general exterior structure and fencing of the Premises.

The Tenant shall be obligated to maintain the parking area, including the removal of any snow or environmental hazards as well as the grounds and lands surrounding the Premises.

VIII. CONDITION OF PREMISES

The Tenant agrees that no leasehold improvements, alterations, or changes of any nature shall be made to the leasehold premises without first obtaining the consent of the Landlord in writing, whose consent shall not be unreasonably withheld, and thereafter, any and all leasehold improvements made to the Premises which become affixed or attached to the leasehold Premises shall remain the property of the Landlord at the expiration or termination of this Lease Agreement. The sole exception is that Tenant may install non-permanent improvements for security purposes, such as security cameras, to monitor the site; such improvements will remain the property of Tenant upon the expiration or termination of the lease. In all cases, any leasehold improvements shall be made only in accordance with applicable federal, state, or local codes, ordinances, or regulations, having due regard for the type of construction of the subject leasehold Premises.

Nothing in the Lease shall be construed to authorize the Tenant or any other person acting for the Tenant to encumber the rents of the Premises or the interest of the Tenant in the Premises or any person under and through whom the Tenant has acquired its interest in the Premises with a mechanic's lien or any other type of encumbrance. Under no circumstance shall the Tenant be construed to be the

agent, employee, or representative of Landlord. In the event a lien is placed against the Premises, through actions of the Tenant, Tenant will promptly pay the same or bond against the same and take steps immediately to have such lien removed. If the Tenant fails to have the Lien removed, the Landlord shall take steps to remove the lien and the Tenant shall pay Landlord for all expenses related to the Lien and removal thereof and shall be in default of this Lease.

IX. OBLIGATIONS OF TENANT

The Tenant shall be primarily responsible whenever needed for the maintenance and general pickup of the entranceway leading into the Premises, so that this is kept in a neat, safe, and presentable condition. The Tenant shall also be responsible for all maintenance of the leasehold parking area and the grounds and lands surrounding the Premises, particularly those items which need immediate attention and which the Tenants, or their employees, can do and perform on their own. The Tenant shall properly maintain the Premises in a good, safe, and clean condition. The Tenant shall properly and promptly remove all rubbish and hazardous wastes and see that the same are properly disposed of according to all local, state, or federal laws, rules regulations or ordinances.

In the event the structure of the Premises is damaged as a result of any neglect or negligence of Tenant, their employees, agents, business invitees, or any independent contractors serving the Tenant or in any way as a result of Tenant's use and occupancy of the Premises, then the Tenant shall be primarily responsible for seeing that the proper claims are placed with the Tenant's insurance company, or the damaging party's insurance company, and shall furthermore be responsible for seeing that the property is safeguarded with respect to said damage and that all proper notices with respect to said damage, are made in a timely fashion, including notice to the Landlord, and the party or parties causing said damage. Any damage that is not covered by an insurance company will be the liability of the Tenant.

The Tenant shall, during the term of this Lease, and in the renewal thereof, at its sole expense, keep the interior of the Premises in as good a condition and repair as it is at the date of this Lease, reasonable wear and use excepted. Furthermore, the Tenant shall not knowingly commit nor permit to be committed any act or thing contrary to the rules and regulations prescribed from time to time by any federal, state, or local authorities and shall expressly not be allowed to keep or maintain any hazardous waste materials on the Premises. Tenant shall also be responsible for the cost, if any, which would be incurred to bring its contemplated operation and business activity into compliance with any law or regulation of a federal, state, or local authority

X. DAMAGE TO LEASED PREMISES

In the event the Premises shall be destroyed or damaged as a result of any fire or other casualty which is not the result of the intentional acts or neglect of Tenant and which precludes or adversely affects the Tenant's occupancy of the Premises, then in every such cause, the rent herein set forth shall be abated or adjusted according to the extent to which the leased Premises have been rendered unfit for use and occupation by the Tenant and until the demised Premises have been restored, at the expense of the landlord, to the condition of the Premises existing immediately prior to such damage. It is understood, however, in the event of total or substantial destruction to the Premises that in no event shall the Landlord's obligation to restore, replace or rebuild exceed an amount equal to the sum of the insurance proceeds available for reconstruction with respect to said damage.

XI. MISCELLANEOUS TERMS

- A. **USAGE BY TENANT:** Tenant shall comply with all rules, regulations, and laws of any governmental authority with respect to use and occupancy. Tenant shall not conduct or permit to be conducted upon the Premises any business or permit any act which is contrary to or in violation of any law, rules or regulations and requirements that may be imposed by any authority or any insurance company with which the Premises is insured, nor will the Tenant allow the Premises to be used in any way which will invalidate or be in conflict with any insurance policies applicable to the property. In no event shall explosives or extra hazardous materials be taken onto or retained on the Premises.
- B. **SIGNS:** Tenant shall not place on any exterior gate or fencing of the Premises any sign or advertising matter without Landlord's prior written consent and the approval of the landlord. Thereafter, Tenant agrees to maintain such sign or advertising matter as first approved by Landlord in good condition and repair. Furthermore, Tenant shall conform to any uniform reasonable sign plan or policy that the Landlord may introduce with respect to the property. Upon vacating the Premises, Tenant agrees to remove all signs and to repair all damages caused or resulting from such removal.
- C. **PETS:** Unless otherwise stated in this Lease Agreement, the only pets that shall be allowed on the Premises are those needed legally due to a disability or handicap.
- D. **CONDITION OF PREMISES/INSPECTION BY TENANT:** The Tenant has had the opportunity to inspect the Premises and acknowledges with its signature on this lease that the Premises are in good condition and comply in all respects with the requirements of this Lease. The Landlord shall not be liable for any patent defect therein. Furthermore, the Tenant represents that Tenant has inspected the Premises and is leasing and will take possession of the Premises with all current fixtures present in their "as is" condition as of the date hereof.
- E. **RIGHT OF ENTRY:** It is agreed and understood that the Landlord and its agents shall have the right from time to time to be escorted on the Premises, provided that Tenant receives notice at least 48 hours in advance, for the purposes of inspecting or showing the Premises and for the purpose of making any necessary repairs to the property or equipment as may be required of the Landlord under the terms of this Lease or as may be deemed necessary with respect to the inspection, maintenance, or repair of the property.

XII. INSURANCE AND INDEMNITY

- A. **INSURANCE REQUIREMENT.** The Landlord shall maintain at their expense casualty insurance for the Premises at least to the limits of \$1,000,000.00 and shall provide the Tenant with a copy of such insurance certification or policy prior to the effective date of this Lease. The Tenant will provide and maintain personal liability and property damage insurance as a tenant, at least to the limits of \$1,000,000.00, that will designate the Landlord as an "also named insured" and shall provide the Landlord with a copy of such insurance certification or policy prior to the effective date of this Lease.

In the event the Tenant shall fail to obtain insurance required hereunder and fails to maintain the same in force continuously during the term, Landlord may, but shall not be required to, obtain the same and charge the Tenant for same as additional rent. Furthermore, Tenant agrees not to keep

upon the Premises any articles or goods which may be prohibited by the standard form of fire insurance policy, and in the event the insurance rates applicable to fire and extended coverage covering the Premises shall be increased by reason of any use of the Premises made by Tenant, then Tenant shall pay to Landlord, upon demand, such increase in insurance premium as shall be caused by said use or Tenant's proportionate share of any such increase.

- B. INDEMNITY. Subject to Article XI, Section 10 of the Oregon Constitution and the Oregon Tort Claims Act, the Tenant hereby covenants and agrees to indemnify, defend, and hold the Landlord harmless from any and all claims or liabilities which may arise from any cause whatsoever as a result of Tenant's use and occupancy of the Premises, and further shall indemnify the Landlord for any losses which the Landlord may suffer in connection with the Tenant's use and occupancy or care, custody and control of the Premises.

XIII. 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 Landlord when due, or if the Tenant shall fail to comply with all the covenants and agreements contained in this Lease, then the Landlord, or its successors or assigns, at its election and upon thirty (30) days' advance written notice, shall declare said term ended, and, with or without process of law, to re-enter and to expel, remove and dispossess the said Tenant, 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 Tenant, or to anyone else, and without waiver or any other rights of the said Landlord under this lease. The said Landlord, 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 Tenant fails to comply with this section or with any covenants or agreements provided under this Lease, the Tenant shall be given thirty (30) days' advance 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 Landlord.

- B. CONDEMNATION. In the event a legitimate governmental authority condemns the Property or some portion thereof and the Tenant is required to vacate the Property prior to the expiration of the Lease, the Tenant shall not be eligible for additional compensation unless the condemning authority provides additional compensation for the Tenant's displacement during the condemnation valuation process.
- C. CONVENIENCE. The Landlord and Tenant 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 Lease, 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 to terminate for convenience. If this lease is terminated for convenience, the Tenant shall remove all of their personal and business property by the last day of the Lease term. Furthermore, the Landlord will have no further obligations to the Tenant.
- D. BANKRUPTCY / INSOLVENCY. The Tenant agrees that in the event all or a substantial portion of the Tenant's assets are placed in the hands of a receiver or a Trustee, and such status continues

for a period of 30 days, or should the Tenant make an assignment for the benefit of creditors or be adjudicated bankrupt; or should the Tenant institute any proceedings under the bankruptcy act or any amendment thereto, then such Lease or interest in and to the leased Premises shall not become an asset in any such proceedings and, in such event, and in addition to any and all other remedies of the Landlord hereunder or by law provided, it shall be lawful for the Landlord to declare the term hereof ended and to re-enter the leased land and take possession thereof and all improvements thereon and to remove all persons therefrom and the Tenant shall have no further claim thereon.

- E. **HOLDOVER.** Should Tenant remain in possession of the Premises after the cancellation, expiration or sooner termination of the Lease, or any renewal thereof, without the execution of a new Lease or addendum, such holding over in the absence of a written agreement to the contrary shall be deemed, if Landlord so elects, to have created and be construed to be a tenancy from month to month, terminable upon thirty (30) days' notice by either party

XIV. ATTORNEY FEES/VENUE

- A. **ATTORNEY FEES.** In the event litigation is necessary to interpret or enforce any provision of this Lease, and for any and all litigation and/or claims arising under this Lease, 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 Lease shall be venued in Yamhill County, Oregon. This Lease shall be governed by and construed in accordance with the laws of the State of Oregon.

XV. SUBORDINATION AND ATTORNMENT

Upon request of the Landlord, Tenant will subordinate its rights hereunder to the lien of any mortgage now or hereafter in force against the property or any portion thereof, and to all advances made or hereafter to be made upon the security thereof, and to any ground or underlying lease of the property provided, however, that in such case the holder of such mortgage, or the Landlord under such Lease shall agree that this Lease shall not be divested or in any way affected by foreclosure, or other default proceedings under said mortgage, obligation secured thereby, or Lease, so long as the Tenant shall not be in default under the terms of this Lease. Tenant agrees that this Lease shall remain in full force and effect notwithstanding any such default proceedings under said mortgage or obligation secured thereby.

Tenant shall, in the event of the sale or assignment of Landlord's interest in the property of which the Premises form a part, or in the event of any proceedings brought for the foreclosure of, or in the event of exercise of the power of sale under any mortgage made by Landlord covering the Premises, attorn to the purchaser and recognize such purchaser as Landlord under this Lease.

XVI. NON-WAIVER

Any waiver of any breach of covenants herein contained to be kept and performed by the Tenant shall not be deemed or considered as a continuing waiver and shall not operate to bar or prevent the Landlord from declaring a forfeiture of any succeeding breach, either of the same condition or covenant or otherwise.

XVII. SUBLET / ASSIGNMENT

The Tenant may not transfer or assign this Lease, or any right or interest hereunder or sublet said leased Premises or any part thereof without first obtaining the prior written consent and approval of the Landlord.

XVIII. SUCCESSORS AND ASSIGNS

This Lease and any amendments thereto shall be binding upon the Landlord and the Tenants and/or their respective successors, heirs, assigns, executors, and administrators.

XIX. AGREEMENT

This Lease 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 Lease shall be binding or of any force and effect, unless in writing and signed by Landlord and Tenant.

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

LANDLORD
Ronald, Ryan, and Linda Hixson

TENANT
Yamhill County

BY: Ryan Hixson Digitally signed by Ryan Hixson
Date: 2023.04.24
11:56:42 -07'00'
Ronald, Ryan, and Linda Hixson

BY: *Lindsay Berschauer*
*Lindsay Berschauer, Chair
Yamhill County Board of Commissioners*

DATE: 4/24/23

DATE: 5.4.23

BY: Tim Svenson Digitally signed by Tim Svenson
Date: 2023.04.26
11:03:56 -07'00'
Tim Svenson, Sheriff

DATE: 4/26/23

APPROVED AS TO FORM:

BY: *Colton Totland*
Colton Totland, County Counsel

Accepted by Yamhill County
Board of Commissioners on
5.4.23 by Board Order
BO 23-171