

## COMMERCIAL BUILDING LEASE

THIS LEASE (“Lease”) is entered into this 4th day of May, 2022, by and between the following parties:

**LANDLORD:**                 **Port of Arlington**   **(“Landlord”)**  
   100 Arlington Port Rd.  
   Arlington, Oregon 97812

**and**

**TENANT:**                   **Gilliam County Court**                 **(“Tenant”)**  
   **PO Box 427**  
   **Condon OR 97823**

### RECITALS

- A. Landlord owns the fee title to the real property commonly known as the *Gronquist Building*, located at 1150 Railroad Avenue, Arlington, Oregon, Parcel ID: 03N21E28-00-00207, along with improvements on the property consisting of a commercial building.
- B. Tenant desires to lease a portion of the property on the lower level in the front northeast room, to be known as Room 1 or the “          Room          ” and common areas to be used with other tenants (“the Property”) and intends to use the Property in accordance with this Agreement.
- C. Landlord desires to allow Tenant to lease the property for use as Office Space for Gilliam County.

NOW, THEREFORE, Landlord hereby leases the Property to Tenant, and Tenant leases the Property from Landlord, on the terms and conditions set forth in this Lease:

#### **1. Lease of Property to Tenant; Lease Term; Possession**

**1.1 Lease of Property to Tenant.** Landlord hereby leases the Property to Tenant, and Tenant leases the Property from Landlord, for the term, at the rental, and upon all of the conditions set forth in this Lease.

**1.2 Term of Lease.** This Lease shall commence on the 1st day of May, 2022, (the “**Commencement Date**”) and end on the 1st day of May, 2023, unless sooner terminated or extended as provided in this Lease.

**1.3 Extension Term.** If Tenant is not in default of this Lease, Tenant and Landlord may renew this Lease for additional terms (“**Extension Term**”) on such terms and conditions as agreed to by the Parties. Such terms shall be in writing and signed by both Parties.

**1.4 Possession.** Tenant will be entitled to possession of the Property for purposes of this Lease upon the Commencement Date.

**1.5 Property Leased "As Is".** Except as otherwise expressly set forth in this Lease, the Property is leased to Tenant in its "AS IS" condition, subject to any and all patent and latent defects and faults, without reliance upon any representation by Landlord as to the condition or suitability of Property for any intended use or purpose by Tenant and without any representation or warranty by Landlord as to its compliance with applicable Legal Requirements (as defined below) or other matters, and Tenant further acknowledges that Tenant will be relying solely on its own skill, judgment and discretion in deciding whether to lease the property.

## **2. Rental**

**2.1 Annual Base Rent (Initial Term).** Tenant shall pay to Landlord as rent for the Property the sum of **Nine Hundred Dollars (\$900.00)** per month, in advance (the "rent" or sometimes referred to as the "base rent"). Rent for the first month shall be paid on or prior to the Commencement Date. Rent for any partial month or partial year during the Term shall be a pro rata portion of the monthly or annual installment. Rent shall be payable in lawful money of the United States to Landlord at the address stated herein or to such other persons or at such other place as Landlord may designate in writing.

**2.2 Additional Rent, No Offsets.** All payments required to be paid by Tenant under this Lease, other than base rent, will constitute additional rent. All rent (including base and additional rent) shall be received by Landlord without set-off, offset, abatement, or deduction of any kind.

**2.3 Net Lease.** The rental paid by Tenant shall be a fully net (sometimes referred to as "triple net" or "absolute net") return to Landlord, so that from and after the Commencement Date, this Lease shall yield the base rent to Landlord net of all operating costs, maintenance and repair costs, taxes, insurance charges, assessments, governmental charges, utility costs and fees, and all other expenses of whatever kind or nature pertaining to the operation of the Property. All such costs and expenses accruing after the Commencement Date shall be paid by Tenant as to the Property. This provision includes, but is not limited to Tenant's duty to pay costs associated with Landlord's existing property insurance policy in the amount attributable to the Property. Notwithstanding the foregoing, the parties realize that some of the cost of operating the Property is in conjunction with other tenants of the *Gronquist Building*. As such, this section shall not apply to billing for utilities as set forth as a stated amount in Section 4.4 of this Lease. For any other amounts that apply to the entire *Gronquist Building* property or common areas, are not separately billed or metered, and therefore must be divided among the tenants, Landlord will provide a detailed ledger of such amounts and the methodology of division among the tenants. If Tenant disagrees with the amount or methodology so provided, the parties shall meet and discuss the matter. If the parties cannot come to an agreement following discussion, Tenant may terminate the Lease upon 30 days' notice.

## **3. Use of Property**

**3.1 Permitted Use.** Tenant will use the Property only for the following purpose(s): Office Space for Gilliam County (“Permitted Use”). No other use may be made of the Property without the prior written approval of Landlord, which may be granted or denied in the sole discretion of Landlord.

**3.2 Compliance with Legal Requirements.** In connection with its use, Tenant shall keep and maintain the Property in compliance with all applicable laws, rules, regulations and ordinances of all federal, state, county, municipal and other public authorities having or claiming jurisdiction, and other recorded covenants, conditions and restrictions affecting the Property (collectively, the “**Legal Requirements**”).

**3.3 Nondisturbance.** The rights of Tenant to the Property shall not be disturbed, cancelled, terminated or otherwise interfered with by Landlord during the Term of this Lease.

**3.4 Hazardous Substances.** Landlord has no knowledge as to whether hazardous substances have been generated, released, stored or deposited over, beneath, or on the Property.

Tenant (as to the Property, during the Term) and Landlord (as to any adjoining property owned or operated by it), if any, shall not allow or permit any Hazardous Substances to be generated, released, used, stored or deposited on or in the Property or adjoining property, except to the extent that any Hazardous Substances exist on the Property or adjacent property, or in the ordinary course of maintaining and operating such property and in strict compliance with applicable Environmental Laws (as defined below).

The term “**hazardous substances**” is used in its very broadest sense, and refers to materials which because of their quantity, concentration, or physical, chemical, or infectious characteristics may cause or pose a present or potential hazard to human health or the environment when improperly handled, treated, stored, transported, disposed of, or otherwise managed. The term shall include, but is not limited to, all hazardous substances, hazardous materials and hazardous wastes listed by the U.S. Environmental Protection Agency and the state in which the Property is located under the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA), the Resource Conservation and Recovery Act (RCRA), the Toxic Substances Control Act (TSCA), and the Federal Water Pollution Control Act (FWPCA), the Emergency Planning and Community Right-to-Know Act (EPCRA), the Clean Air Act (CAA) and any and all other federal, state and local statutes or ordinances applicable to the protection of human health or the environment (the “**Environmental Laws**”).

**3.5 Limits on Use.** Tenant will not use, nor permit anyone else to use, the Property in a manner, nor permit anything to be done on the Property, that (a) adversely impacts, or is likely to adversely impact the Property, or any element or part of the Property, or the operations of the Property; (b) creates any condition that is a safety hazard; (c) creates a condition that may increase the rate of fire insurance for the Property or would prevent Landlord from taking advantage of any ruling of an insurance rating bureau that would allow Landlord to obtain reduced rates for its insurance policies, or violates any requirements of Tenant’s insurance carrier; or (d) creates a hazard or a nuisance to other tenants or occupants of the Property.

#### **4. Improvements; Maintenance; Taxes; Utilities**

**4.1 Improvements.** Tenant will not make any alterations, additions, or improvements to the Property, modify the color of the interior of the Property, or install any wall or floor covering therein without obtaining Landlord's prior written consent, which consent Landlord may withhold in Landlord's sole discretion. If Landlord consents in writing to any proposed alteration of the Property, Tenant will (i) contract only with a Landlord-approved contractor for the performance of the alterations, (ii) obtain all necessary governmental permits and approvals and deliver copies thereof to Landlord, and (iii) cause all alterations to be completed in compliance with Landlord-approved plans and specifications with all due diligence. Except for removable machinery and unattached movable trade fixtures, all improvements, alterations, wiring, cables, or conduit installed by Tenant will immediately become part of the Property, with title vested in Landlord. Landlord may require that Tenant remove any such improvements, alterations, wiring, cables, or conduit installed by or for Tenant and restore the Property to good condition and repair upon expiration or earlier termination of this Lease. Any contractor used by Tenant for any work on the Property will be subject to review and approval by Landlord, and Landlord may post notices of non responsibility in connection with any work being performed in the Property by or at the request of Tenant. All work on the Property by or at Tenant's request must comply with all applicable Laws. Tenant will not permit any liens to attach to the Property as a result of any work performed by or at Tenant's request.

**4.2 Tenant Maintenance and Repairs.** Tenant, or its sublessors, as determined by Tenant, will be responsible for maintaining the Property in good order, condition, repair, operating condition, working order and appearance, and in accordance with all applicable Legal Requirements and Environmental Laws. Tenant shall obtain a yearly maintenance inspection identifying maintenance and repair needs for the Property, a copy of which shall be provided to Landlord.

**4.3 Landlord Maintenance.** Landlord will repair, maintain, and/or replace, if necessary, the roof, foundation, exterior walls, electrical systems and plumbing systems. Landlord shall also repair, maintain, and/or replace, if necessary, the HVAC system on the Property to the extent it is covered by a service contract. Tenant expressly waives the benefits of any statute now or later in effect that would otherwise give Tenant the right to make repairs at Landlord's expense and deduct that cost from Rent owing to Landlord.

**4.4 Utilities and Services.** Tenant shall pay to Landlord \$125.00 per month for utilities in addition to the base rent. Utilities provided by Landlord to Tenant are electricity, water, and sewer. Payment for utilities shall be due and payable to Landlord at the time base rent is due for each month. Tenant will be given the password to Wifi that is supplied by the Landlord; provided, Landlord makes no guarantee as to the reliability or speed of service. Tenant is responsible for all other utilities, including telephone.

#### **5. Insurance; Restoration of Damage**

**5.1 Liability Insurance.** At all times during the Term of this Lease, Tenant, at its expense, will maintain commercial general liability insurance in respect to the Premises and the conduct or operation of business in it, naming Landlord and its managing agent, if any, as

additional insureds, with a limit of not less than one million dollars (\$1,000,000) per each occurrence. All such insurance will insure the Tenant's performance of the indemnity agreement as to liability for bodily injury to, illness of, or death of persons and damage to property set forth in this Lease. If applicable, Tenant will carry liquor-liability insurance in an amount and in form acceptable to Landlord. Tenant will pay for and deliver to Landlord and any additional insured such policies or certificates of insurance, in a form reasonably satisfactory to Landlord, issued by the insurance company or its authorized agent, at least ten (10) days before the Lease Commencement Date. Tenant will procure and pay for renewals of such insurance from time to time before the expiration thereof, and Tenant will deliver to Landlord and any additional insured the renewal policy at least thirty (30) days before the expiration of any existing policy. All such policies must contain a provision whereby the same cannot be canceled or modified unless Landlord and any additional insured are given at least thirty (30) days' prior written notice of the cancellation or modification. All policies may be part of blanket coverage relating to properties owned or leased by the Tenant.

**5.2 Indemnification.** Subject to the limitations of the Oregon Tort Claims Act and the Oregon Constitution, tenant will indemnify, defend, and hold harmless Landlord and Landlord's officers, directors, partners, employees, agents, and independent contractors from any and all claims or liability for any uninsured damage to any property and for any injury, illness, or death of any person occurring in or on the Premises when the damage, injury, illness, or death is caused by the act or failure to act of Tenant, its agents, servants, employees, invitees, or licensees, by any breach of this Lease by Tenant, or by any use of the Premises during the Term. This indemnity will apply even if a third-party claim arises from Landlord's negligence to the extent that the claim is covered by Tenant's liability insurance, it being the intent of the parties that Tenant's contractual liability insurance coverage will be the primary source of coverage for any third-party claims for accidents occurring in or on the Premises regardless of whether Tenant or Landlord is at fault. The Tenant's duty of indemnification shall survive the termination of this lease.

Subject to the limitations of the Oregon Tort Claims Act and the Oregon Constitution, landlord will indemnify, defend, and hold harmless Tenant and Tenant's officers, directors, partners, employees, agents, and independent contractors from any and all claims or liability for any uninsured damage to any property and for any injury, illness, or death of any person occurring in or on the Premises when the damage, injury, illness, or death is caused by the act or failure to act of Landlord, its agents, servants, employees, invitees, or licensees, by any breach of this Lease by Landlord, or by any use of the Premises during the Term. The Landlord's duty of indemnification shall survive the termination of this lease.

**6. Condemnation**

If the entire Property is condemned, or if a portion is taken which causes the remainder to be reasonably unusable for the use permitted hereunder, then this Lease shall terminate as of the date upon which possession of the Property is taken by the condemning authority.

**7. Transfers by Tenant Prohibited Without Consent.**

Except as expressly provided herein, Tenant shall not assign, pledge, hypothecate, encumber or otherwise transfer its leasehold interest and interest in the improvements on the

Property without the written consent of Landlord, which consent may be withheld in Landlord's sole discretion. An unauthorized transfer under this section shall be deemed a default of this Lease and entitle Landlord to terminate this Lease.

## **8. Events of Default**

The following shall be "Events of Default":

**8.1 Unauthorized Transfer.** Tenant's assignment, pledge, sublease, encumbrance or other transfer of Tenant's leasehold interest without the prior written consent of Landlord.

**8.2 Payment Default.** Failure of Tenant to make any rent or other payment to be made to Landlord under this Lease within 20 days after receipt of written notice of nonpayment.

**8.3 Default in Other Covenants.** Failure of Tenant to comply with any other term or condition or fulfill any other obligation of this Lease within 30 days after written notice by Landlord specifying the nature of the default with reasonable particularity. If the default is of such a nature that it cannot be remedied fully within the 30-day period, this requirement shall be satisfied if Tenant begins correction of the default within the 30-day period and thereafter proceeds with reasonable diligence and in good faith to effect the remedy as soon as practicable.

**8.4 Notice of Action to Retake or File Suit.** Prior to taking any action to re-enter or retake possession of the Property, or to sue Tenant for damages for default, Landlord will provide Tenant with at least ten days' notice of Landlord's intent to pursue the particular remedy or remedies if the default is not cured within such time period. Such notice may be given concurrently with or separately from the notices specified above.

## **9. Remedies on Default**

Upon default, after expiration of notice and cure periods provided in Section 8, Landlord may exercise any one or more of the following remedies:

**9.1 Termination.** In the event of a default the Lease may be terminated at the option of Landlord by written notice to Tenant. Whether or not the Lease is terminated by election of Landlord or otherwise, Landlord shall be entitled to recover damages from Tenant for the default, and Landlord may reenter, take possession of the Property and remove any persons or personal property by legal action or by self-help with the use of reasonable force and without liability for damages and without having accepted a surrender.

**9.2 Re-letting.** Following reentry or abandonment, Landlord may re-let the property and in that connection may make any suitable alterations or refurbish the Property, or both, or change the character or use of the Property, but Landlord shall not be required to re-let for any use or purpose other than that specified in the lease or which Landlord may reasonably consider injurious to the Property or to any tenant that Landlord may reasonably consider objectionable. Landlord may re-let all or part of the Property, alone or in conjunction with other properties for a term longer or shorter than the term of this lease, on any reasonable terms and conditions, including the granting of some rent-free occupancy or other rent concession.

**9.3 Damages for Default.** Landlord may recover all damages caused by the default. Landlord may sue periodically to recover damages as they accrue during the remainder of the lease term without barring a later action for further damages. Landlord may at any time bring an action for accrued damages plus damages for the remaining lease term equal to the difference between the rent specified in this Lease and the reasonable rental value of the Property for the remainder of the term, discounted to the time of judgment at the rate of 9 percent per annum.

**9.4 Cure of Tenant's Default.** Without prejudice to any other remedy for default, Landlord may perform any obligation or make any payment required to cure a default by Tenant. The reasonable cost of performance, including reasonable attorneys' fees and all disbursements, shall immediately be repaid by Tenant upon demand, together with interest from the date of expenditure until fully paid at the rate of 12 percent per annum, but not in any event at a rate greater than the maximum rate of interest permitted by law.

**9.5 Other Remedies.** Landlord may exercise any other remedy available under applicable law. Landlord may terminate this Lease and take possession of the Property, and Landlord may pursue any other legal remedy for breach of contract, including (without limitation) specific performance, collection of damages, and collection of attorneys' fees and other costs and expenses.

///

## **10. General Provisions**

**10.1 Modifications.** This Lease may not be modified except by endorsement in writing attached to this Lease, dated and signed by the parties. Neither party shall be bound by any statement of any agent or employee modifying this Lease, except for any person which the party has specifically designated in writing as its representative.

**10.2 Nonwaiver.** Waiver of performance of any provision shall not be a waiver of nor prejudice the party's right otherwise to require performance of the same provision or any other provision.

**10.3 Succession.** Subject to the limitations on transfer of Tenant's interest, this Lease shall bind and inure to the benefit of the parties, their respective heirs, successors, and assigns.

**10.4 Entry by Landlord.** Landlord or its authorized representatives will provide courtesy pre-notification of at least 24 hours to the Tenant to enter the Property, except notification is not required in cases of emergency – eg. a burst pipe.

**10.5 Estoppel Certificates.** Within 10 days after receipt of written request, each party shall deliver a written statement to the requesting party stating the date to which the rent and other charges have been paid, whether the Lease is unmodified and in full force and effect, and any other matters that may reasonably be requested.

**10.6 Notices.** Unless otherwise specifically provided herein, all notices, consents, directions, approvals, instructions, requests and other communications required or permitted by the terms hereof to be given (collectively "Notices") shall be given in writing and effective upon

receipt. Notices may be served: by certified or registered mail, postage paid with return receipt requested; by private courier, prepaid; by telex, facsimile, or other telecommunication device capable of transmitting or creating a written record; or personally. Mailed Notices shall be deemed received three business days after mailing, properly addressed. Couriers Notices shall be deemed received when delivered as addressed, or if the addressee refuses delivery, when presented for delivery notwithstanding such refusal. With respect to any notice sent by telex, facsimile, email, or other telecommunication device, the term "receipt" will mean electronic verification that transmission to the recipient was completed, if such transmission occurs during the normal business hours, or otherwise on the next business day after the date of transmission. Personal delivery of Notices shall be effective when accomplished. Unless a party changes its address by giving notice to the other party as provided herein, Notices shall be delivered to the parties at the addresses first set forth above.

**10.7 Attorneys' Fees.** In the event suit or action is instituted to interpret or enforce the terms of this Lease, the prevailing party shall be entitled to recover from the other party such sum as the court may adjudge reasonable as attorneys' fees at trial, upon appeal and on any petition for review, in addition to all other sums provided by law.

**10.8 Relationship of Parties.** The relationship of the parties to this Lease is that of landlord and tenant. Landlord is not a partner or joint venturer with Tenant in any respect or for any purpose in the conduct of Tenant's business or otherwise.

**10.9 Applicable Law.** The Property is located in the State of Oregon. The parties agree that the law of such State shall be applicable for purposes of construing and determining the validity of this Lease. Any claim, action, suit or proceeding (collectively, "Claim") between Landlord and Tenant that arises from or relates to this Agreement shall be brought and conducted solely and exclusively within the Circuit Court of Gilliam County for the State of Oregon; provided, however, if a Claim must be brought in a federal forum, then it shall be brought and conducted solely and exclusively within the United States District Court for the District of Oregon.

**10.10 Prior Agreements.** This Lease (including all exhibits, incorporated herein) is the entire, final, and complete agreement of the parties with respect to the matters set forth in this Lease, and supersedes and replaces all written and oral agreements previously made or existing by and between the parties or their representatives with respect to such matters.

**10.11 Validity of Provisions.** If any of the provisions contained in this Lease shall be invalid, illegal, or unenforceable in any respect, the validity of the remaining provisions contained in this Lease shall not be affected.

**10.12 Recording; Quitclaim.** Tenant shall not file or record this Lease without the specific prior written consent of Landlord. Upon expiration or earlier termination of this Lease, Tenant shall promptly execute, acknowledge and deliver to Landlord any quitclaim deed or other document required by Landlord or a title company to remove the cloud of this Lease from the Property and to evidence the termination of Tenant's interests in the Property and improvements that will remain on the Property.



**10.13 Merger of Estates.** In the event and at such time as Landlord may own and hold both the landlord's and tenant's interest under this Lease, this Lease will terminate automatically by merger of estates.

**10.14 Authorization of Lease; Facsimile, or Email Signatures.** Each party covenants and warrants to the other that the person(s) executing this Lease on behalf of the party is duly authorized to execute and bind the party under this Lease. Facsimile or email transmission of any signed original document, and retransmission of any signed facsimile or email transmission, shall be the same as delivery of an original. At the request of either party, the parties shall confirm facsimile or email-transmitted signatures by signing an original document.

**10.15 Brokers.** Neither party has used a real estate broker in connection with this transaction. Each party will defend, indemnify, and hold harmless from any claim, loss, or liability made or imposed by any other party claiming a commission or fee in connection with this transaction and arising out of its own conduct.

**10.16 Section Headings.** The headings to the sections and paragraphs of this Lease are included only for the convenience of the parties and shall not have the effect of enlarging, diminishing, or affecting the interpretation of its terms.

**10.17 Joinder in Instruments.** Upon reasonable request from time to time, Landlord shall join with Tenant in any conveyance, dedication, grant of easement or license or other instrument as shall be reasonably necessary or convenient to provide public utility service to the Property or in order to allow development or use of the Property by Tenant. Landlord shall not be required to incur any cost or expense by virtue of the provision of this paragraph.

**10.18 Exhibits.** All exhibits and attachments to the Lease are hereby incorporated as part of the body of this instrument.

**IN WITNESS WHEREOF,** the undersigned has caused this Lease to be duly executed by a person or officer thereunto duly authorized as of the date and year first above written.

**LANDLORD:**

**PORT OF ARLINGTON:**

By: \_\_\_\_\_  
Leah Shannon (Date)  
Board Chair

**TENANT:**

**GILLIAM COUNTY:**

By: Elizabeth Farrar Campbell 5/4/2022  
Name: Elizabeth Farrar Campbell (Date)  
Title: County Judge

**COMMERCIAL BUILDING LEASE  
AMENDMENT NO. 1**

**Whereas**, the Port of Arlington ("Landlord") and Gilliam County Court ("Tenant") entered into a lease of Room 1 in the Gronquist Building ("Building") located at 1150 Railroad Avenue, in the City of Arlington, Oregon, effective May 4, 2022 ("Lease") for an initial term expiring effective May 1, 2023; and,

**Whereas**, pursuant to section 1.3 of the Lease, Landlord and Tenant agreed to extend the Lease term for an additional one (1) year term as documented by email from then presiding County Judge Elizabeth Farrar, sent to Port Executive Director Jed Crowther on March 27, 2023, extending the expiration of the Lease for one (1) year to May 1, 2024; and

**Whereas**, pursuant to section 1.3 of the Lease, Landlord and Tenant desire to extend the Lease term for an additional one (1) year term, extending the expiration of the Lease to May 1, 2025.

**Now therefore**, Landlord and Tenant agree as follows:

1. Pursuant to section 1.3 of the Lease, the Lease term was extended for an additional one (1) year term to May 1, 2024, by mutual agreement of the parties as documented by email from then presiding County Judge Elizabeth Farrar, sent to Port Executive Director Jed Crowther on March 27, 2023; and

2. Pursuant to section 1.3 of the Lease, the Lease term shall be extended for an additional one (1) year term and the Lease shall remain in effect through May 1, 2025.

Except as modified by this Amendment No.1, to Lease, all terms and conditions of the Lease shall remain in full force and effect.

DATED THIS \_\_\_\_\_ DAY OF \_\_\_\_\_ 2024.

By: LANDLORD  
PORT OF ARLINGTON

\_\_\_\_\_  
Leah Shannon, Port Commission Board President

By: TENANT  
GILLIAM COUNTY

\_\_\_\_\_  
Cris Patnode, County Judge

## COMMERCIAL BUILDING LEASE

THIS LEASE (“Lease”) is entered into this 4th day of May, 2022, by and between the following parties:

**LANDLORD:** **Port of Arlington** (“Landlord”)  
100 Arlington Port Rd.  
Arlington, Oregon 97812

**and**

**TENANT:** **Gilliam County Victim’s Assistance Department** (“Tenant”)  
PO Box 636  
Condon OR 97823

### RECITALS

- A. Landlord owns the fee title to the real property commonly known as the *Gronquist Building*, located at 1150 Railroad Avenue, Arlington, Oregon, Parcel ID: 03N21E28-00-00207, along with improvements on the property consisting of a commercial building.
- B. Tenant desires to lease a portion of the property on the lower level in the back rear northwest room, to be known as Room 3 or the “            Room” and common areas to be used with other tenants (“the Property”) and intends to use the Property in accordance with this Agreement.
- C. Landlord desires to allow Tenant to lease the property for use as Office Space for the Gilliam County Victim’s Assistance Program.

NOW, THEREFORE, Landlord hereby leases the Property to Tenant, and Tenant leases the Property from Landlord, on the terms and conditions set forth in this Lease:

#### **1. Lease of Property to Tenant; Lease Term; Possession**

**1.1 Lease of Property to Tenant.** Landlord hereby leases the Property to Tenant, and Tenant leases the Property from Landlord, for the term, at the rental, and upon all of the conditions set forth in this Lease.

**1.2 Term of Lease.** This Lease shall commence on the 1st day of April, 2022, (the “**Commencement Date**”) and end on the 1st day of April, 2024, unless sooner terminated or extended as provided in this Lease.

**1.3 Extension Term.** If Tenant is not in default of this Lease, Tenant and Landlord may renew this Lease for additional terms (“**Extension Term**”) on such terms and conditions as agreed to by the Parties. Such terms shall be in writing and signed by both Parties.

**1.4 Possession.** Tenant will be entitled to possession of the Property for purposes of this Lease upon the Commencement Date.

**1.5 Property Leased "As Is".** Except as otherwise expressly set forth in this Lease, the Property is leased to Tenant in its "AS IS" condition, subject to any and all patent and latent defects and faults, without reliance upon any representation by Landlord as to the condition or suitability of Property for any intended use or purpose by Tenant and without any representation or warranty by Landlord as to its compliance with applicable Legal Requirements (as defined below) or other matters, and Tenant further acknowledges that Tenant will be relying solely on its own skill, judgment and discretion in deciding whether to lease the property.

## **2. Rental**

**2.1 Annual Base Rent (Initial Term).** Tenant shall pay to Landlord as rent for the Property the sum of **Six Hundred Fifty Dollars (\$650.00)** per month, in advance (the "rent" or sometimes referred to as the "base rent"). Rent for the first month shall be paid on or prior to the Commencement Date. Rent for any partial month or partial year during the Term shall be a pro rata portion of the monthly or annual installment. Rent shall be payable in lawful money of the United States to Landlord at the address stated herein or to such other persons or at such other place as Landlord may designate in writing.

**2.2 Additional Rent, No Offsets.** All payments required to be paid by Tenant under this Lease, other than base rent, will constitute additional rent. All rent (including base and additional rent) shall be received by Landlord without set-off, offset, abatement, or deduction of any kind.

**2.3 Net Lease.** The rental paid by Tenant shall be a fully net (sometimes referred to as "triple net" or "absolute net") return to Landlord, so that from and after the Commencement Date, this Lease shall yield the base rent to Landlord net of all operating costs, maintenance and repair costs, taxes, insurance charges, assessments, governmental charges, utility costs and fees, and all other expenses of whatever kind or nature pertaining to the operation of the Property. All such costs and expenses accruing after the Commencement Date shall be paid by Tenant as to the Property. This provision includes, but is not limited to Tenant's duty to pay costs associated with Landlord's existing property insurance policy in the amount attributable to the Property. Notwithstanding the foregoing, the parties realize that some of the cost of operating the Property is in conjunction with other tenants of the *Gronquist Building*. As such, this section shall not apply to billing for utilities as set forth as a stated amount in Section 4.4 of this Lease. For any other amounts that apply to the entire *Gronquist Building* property or common areas, are not separately billed or metered, and therefore must be divided among the tenants, Landlord will provide a detailed ledger of such amounts and the methodology of division among the tenants. If Tenant disagrees with the amount or methodology so provided, the parties shall meet and discuss the matter. If the parties cannot come to an agreement following discussion, Tenant may terminate the Lease upon 30 days' notice.

### 3. Use of Property

**3.1 Permitted Use.** Tenant will use the Property only for the following purpose(s): Office Space for the Gilliam County Victim's Assistance Program ("Permitted Use"). No other use may be made of the Property without the prior written approval of Landlord, which may be granted or denied in the sole discretion of Landlord.

**3.2 Compliance with Legal Requirements.** In connection with its use, Tenant shall keep and maintain the Property in compliance with all applicable laws, rules, regulations and ordinances of all federal, state, county, municipal and other public authorities having or claiming jurisdiction, and other recorded covenants, conditions and restrictions affecting the Property (collectively, the "**Legal Requirements**").

**3.3 Nondisturbance.** The rights of Tenant to the Property shall not be disturbed, cancelled, terminated or otherwise interfered with by Landlord during the Term of this Lease.

**3.4 Hazardous Substances.** Landlord has no knowledge as to whether hazardous substances have been generated, released, stored or deposited over, beneath, or on the Property.

Tenant (as to the Property, during the Term) and Landlord (as to any adjoining property owned or operated by it), if any, shall not allow or permit any Hazardous Substances to be generated, released, used, stored or deposited on or in the Property or adjoining property, except to the extent that any Hazardous Substances exist on the Property or adjacent property, or in the ordinary course of maintaining and operating such property and in strict compliance with applicable Environmental Laws (as defined below).

The term "**hazardous substances**" is used in its very broadest sense, and refers to materials which because of their quantity, concentration, or physical, chemical, or infectious characteristics may cause or pose a present or potential hazard to human health or the environment when improperly handled, treated, stored, transported, disposed of, or otherwise managed. The term shall include, but is not limited to, all hazardous substances, hazardous materials and hazardous wastes listed by the U.S. Environmental Protection Agency and the state in which the Property is located under the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA), the Resource Conservation and Recovery Act (RCRA), the Toxic Substances Control Act (TSCA), and the Federal Water Pollution Control Act (FWPCA), the Emergency Planning and Community Right-to-Know Act (EPCRA), the Clean Air Act (CAA) and any and all other federal, state and local statutes or ordinances applicable to the protection of human health or the environment (the "**Environmental Laws**").

**3.5 Limits on Use.** Tenant will not use, nor permit anyone else to use, the Property in a manner, nor permit anything to be done on the Property, that (a) adversely impacts, or is likely to adversely impact the Property, or any element or part of the Property, or the operations of the Property; (b) creates any condition that is a safety hazard; (c) creates a condition that may increase the rate of fire insurance for the Property or would prevent Landlord from taking advantage of any ruling of an insurance rating bureau that would allow Landlord to obtain reduced rates for its insurance policies, or violates any requirements of Tenant's insurance carrier; or (d) creates a hazard or a nuisance to other tenants or occupants of the Property.

#### **4. Improvements; Maintenance; Taxes; Utilities**

**4.1 Improvements.** Tenant will not make any alterations, additions, or improvements to the Property, modify the color of the interior of the Property, or install any wall or floor covering therein without obtaining Landlord's prior written consent, which consent Landlord may withhold in Landlord's sole discretion. If Landlord consents in writing to any proposed alteration of the Property, Tenant will (i) contract only with a Landlord-approved contractor for the performance of the alterations, (ii) obtain all necessary governmental permits and approvals and deliver copies thereof to Landlord, and (iii) cause all alterations to be completed in compliance with Landlord-approved plans and specifications with all due diligence. Except for removable machinery and unattached movable trade fixtures, all improvements, alterations, wiring, cables, or conduit installed by Tenant will immediately become part of the Property, with title vested in Landlord. Landlord may require that Tenant remove any such improvements, alterations, wiring, cables, or conduit installed by or for Tenant and restore the Property to good condition and repair upon expiration or earlier termination of this Lease. Any contractor used by Tenant for any work on the Property will be subject to review and approval by Landlord, and Landlord may post notices of nonresponsibility in connection with any work being performed in the Property by or at the request of Tenant. All work on the Property by or at Tenant's request must comply with all applicable Laws. Tenant will not permit any liens to attach to the Property as a result of any work performed by or at Tenant's request.

**4.2 Tenant Maintenance and Repairs.** Tenant, or its sublessors, as determined by Tenant, will be responsible for maintaining the Property in good order, condition, repair, operating condition, working order and appearance, and in accordance with all applicable Legal Requirements and Environmental Laws. Tenant shall obtain a yearly maintenance inspection identifying maintenance and repair needs for the Property, a copy of which shall be provided to Landlord.

**4.3 Landlord Maintenance.** Landlord will repair, maintain, and/or replace, if necessary, the roof, foundation, exterior walls, electrical systems and plumbing systems. Landlord shall also repair, maintain, and/or replace, if necessary, the HVAC system on the Property to the extent it is covered by a service contract. Tenant expressly waives the benefits of any statute now or later in effect that would otherwise give Tenant the right to make repairs at Landlord's expense and deduct that cost from Rent owing to Landlord.

**4.4 Utilities and Services.** Tenant shall pay to Landlord \$100.00 per month for utilities in addition to the base rent. Utilities provided by Landlord to Tenant are electricity, water, and sewer. Payment for utilities shall be due and payable to Landlord at the time base rent is due for each month. Tenant will be given the password to Wifi that is supplied by the Landlord; provided, Landlord makes no guarantee as to the reliability or speed of service. Tenant is responsible for all other utilities, including telephone.

#### **5. Insurance; Restoration of Damage**

**5.1 Liability Insurance.** At all times during the Term of this Lease, Tenant, at its expense, will maintain commercial general liability insurance in respect to the Premises and the conduct or operation of business in it, naming Landlord and its managing agent, if any, as

additional insureds, with a limit of not less than one million dollars (\$1,000,000) per each occurrence. All such insurance will insure the Tenant's performance of the indemnity agreement as to liability for bodily injury to, illness of, or death of persons and damage to property set forth in this Lease. If applicable, Tenant will carry liquor-liability insurance in an amount and in form acceptable to Landlord. Tenant will pay for and deliver to Landlord and any additional insured such policies or certificates of insurance, in a form reasonably satisfactory to Landlord, issued by the insurance company or its authorized agent, at least ten (10) days before the Lease Commencement Date. Tenant will procure and pay for renewals of such insurance from time to time before the expiration thereof, and Tenant will deliver to Landlord and any additional insured the renewal policy at least thirty (30) days before the expiration of any existing policy. All such policies must contain a provision whereby the same cannot be canceled or modified unless Landlord and any additional insured are given at least thirty (30) days' prior written notice of the cancellation or modification. All policies may be part of blanket coverage relating to properties owned or leased by the Tenant.

**5.2 Indemnification.** Subject to the limitations of the Oregon Tort Claims Act and the Oregon Constitution, tenant will indemnify, defend, and hold harmless Landlord and Landlord's officers, directors, partners, employees, agents, and independent contractors from any and all claims or liability for any uninsured damage to any property and for any injury, illness, or death of any person occurring in or on the Premises when the damage, injury, illness, or death is caused by the act or failure to act of Tenant, its agents, servants, employees, invitees, or licensees, by any breach of this Lease by Tenant, or by any use of the Premises during the Term. This indemnity will apply even if a third-party claim arises from Landlord's negligence to the extent that the claim is covered by Tenant's liability insurance, it being the intent of the parties that Tenant's contractual liability insurance coverage will be the primary source of coverage for any third-party claims for accidents occurring in or on the Premises regardless of whether Tenant or Landlord is at fault. The Tenant's duty of indemnification shall survive the termination of this lease.

Subject to the limitations of the Oregon Tort Claims Act and the Oregon Constitution, landlord will indemnify, defend, and hold harmless Tenant and Tenant's officers, directors, partners, employees, agents, and independent contractors from any and all claims or liability for any uninsured damage to any property and for any injury, illness, or death of any person occurring in or on the Premises when the damage, injury, illness, or death is caused by the act or failure to act of Landlord, its agents, servants, employees, invitees, or licensees, by any breach of this Lease by Landlord, or by any use of the Premises during the Term. The Landlord's duty of indemnification shall survive the termination of this lease.

## **6. Condemnation**

If the entire Property is condemned, or if a portion is taken which causes the remainder to be reasonably unusable for the use permitted hereunder, then this Lease shall terminate as of the date upon which possession of the Property is taken by the condemning authority.

## **7. Transfers by Tenant Prohibited Without Consent.**

Except as expressly provided herein, Tenant shall not assign, pledge, hypothecate, encumber or otherwise transfer its leasehold interest and interest in the improvements on the

Property without the written consent of Landlord, which consent may be withheld in Landlord's sole discretion. An unauthorized transfer under this section shall be deemed a default of this Lease and entitle Landlord to terminate this Lease.

## **8. Events of Default**

The following shall be "Events of Default":

**8.1 Unauthorized Transfer.** Tenant's assignment, pledge, sublease, encumbrance or other transfer of Tenant's leasehold interest without the prior written consent of Landlord.

**8.2 Payment Default.** Failure of Tenant to make any rent or other payment to be made to Landlord under this Lease within 20 days after receipt of written notice of nonpayment.

**8.3 Default in Other Covenants.** Failure of Tenant to comply with any other term or condition or fulfill any other obligation of this Lease within 30 days after written notice by Landlord specifying the nature of the default with reasonable particularity. If the default is of such a nature that it cannot be remedied fully within the 30-day period, this requirement shall be satisfied if Tenant begins correction of the default within the 30-day period and thereafter proceeds with reasonable diligence and in good faith to effect the remedy as soon as practicable.

**8.4 Notice of Action to Retake or File Suit.** Prior to taking any action to re-enter or retake possession of the Property, or to sue Tenant for damages for default, Landlord will provide Tenant with at least ten days' notice of Landlord's intent to pursue the particular remedy or remedies if the default is not cured within such time period. Such notice may be given concurrently with or separately from the notices specified above.

## **9. Remedies on Default**

Upon default, after expiration of notice and cure periods provided in Section 8, Landlord may exercise any one or more of the following remedies:

**9.1 Termination.** In the event of a default the Lease may be terminated at the option of Landlord by written notice to Tenant. Whether or not the Lease is terminated by election of Landlord or otherwise, Landlord shall be entitled to recover damages from Tenant for the default, and Landlord may reenter, take possession of the Property and remove any persons or personal property by legal action or by self-help with the use of reasonable force and without liability for damages and without having accepted a surrender.

**9.2 Re-letting.** Following reentry or abandonment, Landlord may re-let the property and in that connection may make any suitable alterations or refurbish the Property, or both, or change the character or use of the Property, but Landlord shall not be required to re-let for any use or purpose other than that specified in the lease or which Landlord may reasonably consider injurious to the Property or to any tenant that Landlord may reasonably consider objectionable. Landlord may re-let all or part of the Property, alone or in conjunction with other properties for a term longer or shorter than the term of this lease, on any reasonable terms and conditions, including the granting of some rent-free occupancy or other rent concession.



**9.3 Damages for Default.** Landlord may recover all damages caused by the default. Landlord may sue periodically to recover damages as they accrue during the remainder of the lease term without barring a later action for further damages. Landlord may at any time bring an action for accrued damages plus damages for the remaining lease term equal to the difference between the rent specified in this Lease and the reasonable rental value of the Property for the remainder of the term, discounted to the time of judgment at the rate of 9 percent per annum.

**9.4 Cure of Tenant's Default.** Without prejudice to any other remedy for default, Landlord may perform any obligation or make any payment required to cure a default by Tenant. The reasonable cost of performance, including reasonable attorneys' fees and all disbursements, shall immediately be repaid by Tenant upon demand, together with interest from the date of expenditure until fully paid at the rate of 12 percent per annum, but not in any event at a rate greater than the maximum rate of interest permitted by law.

**9.5 Other Remedies.** Landlord may exercise any other remedy available under applicable law. Landlord may terminate this Lease and take possession of the Property, and Landlord may pursue any other legal remedy for breach of contract, including (without limitation) specific performance, collection of damages, and collection of attorneys' fees and other costs and expenses.

///

## **10. General Provisions**

**10.1 Modifications.** This Lease may not be modified except by endorsement in writing attached to this Lease, dated and signed by the parties. Neither party shall be bound by any statement of any agent or employee modifying this Lease, except for any person which the party has specifically designated in writing as its representative.

**10.2 Nonwaiver.** Waiver of performance of any provision shall not be a waiver of nor prejudice the party's right otherwise to require performance of the same provision or any other provision.

**10.3 Succession.** Subject to the limitations on transfer of Tenant's interest, this Lease shall bind and inure to the benefit of the parties, their respective heirs, successors, and assigns.

**10.4 Entry by Landlord.** Landlord or its authorized representatives will provide courtesy pre-notification of at least 24 hours to the Tenant to enter the Property, except notification is not required in cases of emergency – eg. a burst pipe.

**10.5 Estoppel Certificates.** Within 10 days after receipt of written request, each party shall deliver a written statement to the requesting party stating the date to which the rent and other charges have been paid, whether the Lease is unmodified and in full force and effect, and any other matters that may reasonably be requested.

**10.6 Notices.** Unless otherwise specifically provided herein, all notices, consents, directions, approvals, instructions, requests and other communications required or permitted by the terms hereof to be given (collectively "Notices") shall be given in writing and effective upon

receipt. Notices may be served: by certified or registered mail, postage paid with return receipt requested; by private courier, prepaid; by telex, facsimile, or other telecommunication device capable of transmitting or creating a written record; or personally. Mailed Notices shall be deemed received three business days after mailing, properly addressed. Couriers Notices shall be deemed received when delivered as addressed, or if the addressee refuses delivery, when presented for delivery notwithstanding such refusal. With respect to any notice sent by telex, facsimile, email, or other telecommunication device, the term "receipt" will mean electronic verification that transmission to the recipient was completed, if such transmission occurs during the normal business hours, or otherwise on the next business day after the date of transmission. Personal delivery of Notices shall be effective when accomplished. Unless a party changes its address by giving notice to the other party as provided herein, Notices shall be delivered to the parties at the addresses first set forth above.

**10.7 Attorneys' Fees.** In the event suit or action is instituted to interpret or enforce the terms of this Lease, the prevailing party shall be entitled to recover from the other party such sum as the court may adjudge reasonable as attorneys' fees at trial, upon appeal and on any petition for review, in addition to all other sums provided by law.

**10.8 Relationship of Parties.** The relationship of the parties to this Lease is that of landlord and tenant. Landlord is not a partner or joint venturer with Tenant in any respect or for any purpose in the conduct of Tenant's business or otherwise.

**10.9 Applicable Law.** The Property is located in the State of Oregon. The parties agree that the law of such State shall be applicable for purposes of construing and determining the validity of this Lease. Any claim, action, suit or proceeding (collectively, "Claim") between Landlord and Tenant that arises from or relates to this Agreement shall be brought and conducted solely and exclusively within the Circuit Court of Gilliam County for the State of Oregon; provided, however, if a Claim must be brought in a federal forum, then it shall be brought and conducted solely and exclusively within the United States District Court for the District of Oregon.

**10.10 Prior Agreements.** This Lease (including all exhibits, incorporated herein) is the entire, final, and complete agreement of the parties with respect to the matters set forth in this Lease, and supersedes and replaces all written and oral agreements previously made or existing by and between the parties or their representatives with respect to such matters.

**10.11 Validity of Provisions.** If any of the provisions contained in this Lease shall be invalid, illegal, or unenforceable in any respect, the validity of the remaining provisions contained in this Lease shall not be affected.

**10.12 Recording; Quitclaim.** Tenant shall not file or record this Lease without the specific prior written consent of Landlord. Upon expiration or earlier termination of this Lease, Tenant shall promptly execute, acknowledge and deliver to Landlord any quitclaim deed or other document required by Landlord or a title company to remove the cloud of this Lease from the Property and to evidence the termination of Tenant's interests in the Property and improvements that will remain on the Property.

**10.13 Merger of Estates.** In the event and at such time as Landlord may own and hold both the landlord's and tenant's interest under this Lease, this Lease will terminate automatically by merger of estates.

**10.14 Authorization of Lease; Facsimile, or Email Signatures.** Each party covenants and warrants to the other that the person(s) executing this Lease on behalf of the party is duly authorized to execute and bind the party under this Lease. Facsimile or email transmission of any signed original document, and retransmission of any signed facsimile or email transmission, shall be the same as delivery of an original. At the request of either party, the parties shall confirm facsimile or email-transmitted signatures by signing an original document.

**10.15 Brokers.** Neither party has used a real estate broker in connection with this transaction. Each party will defend, indemnify, and hold harmless from any claim, loss, or liability made or imposed by any other party claiming a commission or fee in connection with this transaction and arising out of its own conduct.

**10.16 Section Headings.** The headings to the sections and paragraphs of this Lease are included only for the convenience of the parties and shall not have the effect of enlarging, diminishing, or affecting the interpretation of its terms.

**10.17 Joinder in Instruments.** Upon reasonable request from time to time, Landlord shall join with Tenant in any conveyance, dedication, grant of easement or license or other instrument as shall be reasonably necessary or convenient to provide public utility service to the Property or in order to allow development or use of the Property by Tenant. Landlord shall not be required to incur any cost or expense by virtue of the provision of this paragraph.

**10.18 Exhibits.** All exhibits and attachments to the Lease are hereby incorporated as part of the body of this instrument.

**IN WITNESS WHEREOF,** the undersigned has caused this Lease to be duly executed by a person or officer thereunto duly authorized as of the date and year first above written.

**LANDLORD:**

**PORT OF ARLINGTON:**

By: \_\_\_\_\_  
Leah Shannon (Date)  
Board Chair

**TENANT:**

**GILLIAM COUNTY:**

By: Elizabeth Farrar Campbell 5/4/2022  
Name: Elizabeth Farrar Campbell (Date)  
Title: County Judge

**COMMERCIAL BUILDING LEASE  
AMENDMENT NO. 1**

**Whereas**, the Port of Arlington ("Landlord") and Gilliam County Victim's Assistance Department ("Tenant") entered into a lease of Room 3 in the Gronquist Building ("Building") located at 1150 Railroad Avenue, in the City of Arlington, Oregon, effective May 4, 2022 ("Lease") for an initial term expiring effective April 1, 2024; and,

**Whereas**, pursuant to section 1.3 of the Lease, Landlord and Tenant desire to extend the Lease term for an additional one and one-half (1 ½) year term, extending the expiration of the Lease to September 30, 2025.

**Now therefore**, Landlord and Tenant agree as follows:

1. Pursuant to section 1.3 of the Lease, the Lease term shall be extended for an additional one and one-half (1 ½) year term and the Lease shall remain in effect through September 30, 2025.

Except as modified by this Amendment No.1, to Lease, all terms and conditions of the Lease shall remain in full force and effect.

DATED THIS \_\_\_\_\_ DAY OF \_\_\_\_\_ 2024.

By: LANDLORD  
PORT OF ARLINGTON

\_\_\_\_\_  
Leah Shannon, Port Commission Board President

By: TENANT  
GILLIAM COUNTY

\_\_\_\_\_  
Cris Patnode, County Judge