



Marion County
OREGON
FINANCE DEPARTMENT

Contract Review Sheet

Contract #: _____

Person Sending: Gloria Roy Department: Legal Counsel

Contact Phone #: 503-588-5220 Date Sent: Wednesday, March 30, 2016

Contract Amendment# 4 Lease IGA MOU Grant (attach approved grant award transmittal form)

Title: Law Library Lease Amendment 4

Contractor's Name: Valley Office Buildings, LLC

Term - Date From: Sep 1, 2010 Expires: Jun 30, 2017

Contract Total: _____ Amendment Amount: \$43,557.96 New Contract Total: \$272,857.31

Source Selection Method: _____ # _____

Additional Considerations (check all that apply)

- | | |
|---|---|
| <input type="checkbox"/> Board Order # _____ | <input type="checkbox"/> Feasibility Determination (attach approved form) |
| <input type="checkbox"/> Incoming Funds | <input type="checkbox"/> Federal Funds (attach sub-recipient / contractor analysis) |
| <input type="checkbox"/> Independent Contractor (LECS) approval date: _____ | <input type="checkbox"/> Reinstatement (attach written justification) |
| <input type="checkbox"/> Insurance Waiver (attach) | <input type="checkbox"/> Retroactive (attach written justification) |

Description of Services or Grant Award:

Extends lease of office space at 234 High Street SE, Salem for the Law Library.

FOR FINANCE USE

Date Finance Received: 3/30/16 BOC Planning Date: 4-21-16 Date Legal Received: 4-19-16

Comments: check o/b of amendment

REQUIRED APPROVALS:

Cambay Sehlog April 18, 2016
Finance - Contracts Date

[Signature] 4/20/16
Legal Counsel Date

Risk Manager Date

Chief Administrative Officer Date

Date _____

To be filed

Added to master list

Returned to _____ Department for _____ signatures



MARION COUNTY BOARD OF COMMISSIONERS

Board Session Agenda Review Form

Meeting date: April 27, 2016

Department: Legal Counsel Agenda Planning Date: April 21, 2016 Time required: 5-10

Audio/Visual aids

Contact: Gloria Roy and Caron Galvin-Price Phone: 503-588-5220 503-373-4364

Department Head Signature: Gloria M. Roy

Table with 2 columns: Category (TITLE, Issue, Description & Background, Financial Impacts, Impacts to Department & External Agencies, Options for Consideration, Recommendation, List of attachments, Presenter) and Content.

Copies of completed paperwork sent to the following: (Include names and e-mail addresses.)

Copies to: Caron Galvin-Price, cgalvin-price@co.marion.or.us Gloria Roy, groy@co.marion.or.us (two copies)

LEASE AMENDMENT 4

THIS LEASE EXTENSION AGREEMENT (the "*Lease Extension*"), entered into on _____, 2016, is made by and between *Valley Office Buildings, LLC*, an Oregon limited liability company ("*Landlord*"), and *Marion County*, a political subdivision of the State of Oregon ("*Tenant*").

RECITALS

- A. Landlord and Tenant previously entered into a Lease Agreement dated September 1, 2010, as amended (the "*Lease*"), in which Landlord leases to Tenant space in the building located at 234 High Street, Salem, in the County of Marion, State of Oregon (the "*Premises*").
- B. Landlord and Tenant wish to extend the term of the Lease, a copy of which is attached hereto as *Exhibit A*, and by this reference made a part hereof.
- C. Landlord and Tenant have agreed upon the terms of the Lease during the extension period, as described below.

AGREEMENTS

Now therefore, in consideration of the mutual covenants contained herein, the parties have agreed as follows:

1. Extended Term

The term of the Lease shall be extended from July 1, 2016, through June 30, 2017 (the "*Extended Term*"). Tenant shall have two additional one year options to renew the Lease following the expiration of the Extended Term.

2. Rent

Tenant shall pay to Landlord rent in the amount of Three Thousand Six Hundred Twenty Nine and 83/100 Dollars (\$3,629.83) per month during the Extended Term.

3. Safety Inspections

Landlord agrees to test the smoke detectors within the Premises annually and make any needed repairs indicated by such tests.

Landlord agrees to service all fire extinguishers within the building at its own expense annually or as otherwise required by fire code in the City of Salem. Tenant shall remain responsible for the monthly inspecting of fire extinguishers within the Premises. And the Landlord shall be responsible for the monthly inspection of all fire extinguishers outside the Premises.

4. No Further Changes

Unless specifically modified by the terms of this Lease Extension, all the terms of the Lease shall remain in full force and effect.

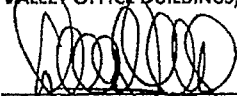
5. Time of Essences

Time is of the essence with respect to the performance of each of the obligations under this Lease Extension.

6. Rule of Construction

Any rule of construction interpreting this instrument against the drafter shall be inapplicable.

LANDLORD
VALLEY OFFICE BUILDINGS, LLC



David A. Holmes, Member

TENANT
MARION COUNTY

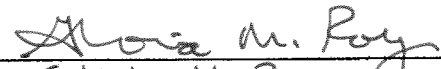
BOARD OF COMMISSIONERS:

By: _____, Chair

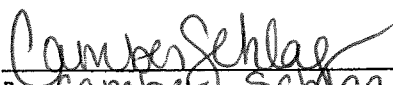
By: _____, Commissioner

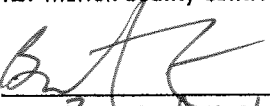
By: _____, Commissioner

RECOMMENDED BY:


By: Gloria M. Roy
Its: Department Head

APPROVED AS TO FROM:


By: Camber Schlag
Its: Marion County Contracts


By: Bruce Armstrong
Its: Marion County Legal counsel 4/22/16

LEASE AGREEMENT
The Kenneth A. Holmes Building
234 High St., SE Salem Oregon

THIS LEASE AGREEMENT is made and entered into this 1st day of September, 2010, between Valley Office Buildings LLC, an Oregon limited liability company, hereinafter referred to as "Landlord," and MARION COUNTY, a political subdivision of the State of Oregon, hereinafter referred to as "Tenant."

WITNESSETH:

The parties hereto, in consideration of the rents, covenants and agreements, hereinafter reserved and contained on the part of the Tenant to be observed and performed, Landlord demises and leases to Tenant and Tenant rents from Landlord those certain premises hereinafter described:

1. Basic Lease Terms and Exhibits.

- (a) Lease Premises: Office space of 2,404 square feet and 333 square feet of storage space (labeled "STORAGE" on Exhibit A) located at 234 High St., Salem Oregon, (the "Premises"). See space plan on attached Exhibit A and incorporated into this Lease.

Additionally, Tenant shall be afforded, at no additional rental charge, access to the large conference room labeled "CONFERENCE ROOM" on Exhibit A, for a maximum of 10 hours per week. Tenant will be responsible for cleaning of the conference space at the end of the week. Tenant's use of Conference Room as stated above currently includes a furnished Conference Room. In the event the existing Conference Room furniture is removed from the Premises, Tenant shall have the right to provide its own conference room furnishings. If the conference room is used more than 10 hours per week, Tenant and Landlord shall agree upon a reasonable rental rate for the space beyond the 10 hours of use. In addition, Landlord shall have the ability to lease the conference room to another Tenant on a full time basis, which would preclude Tenant from using the space, unless Tenant agrees to full time usage and commensurate rent. Tenant shall coordinate the schedule of use of the conference room with the other tenants in the building.

- (b) Lease Term: The Lease term shall commence on the date of this Lease and extend through September 30, 2013. Commencement shall be the date of this Lease. Tenant may enter the Premises, at no cost to the Tenant, any time after the execution date of the Lease, for the purposes of performing work related to the installation of tenant improvements (if needed), low voltage cabling, furniture, fixtures, and equipment, provided that Tenant gives Landlord prior notice and provided that Tenant coordinates and cooperates with Landlord's representative and scheduling.
- (c) Rent: Tenant shall pay to the Landlord the monthly Base Rent as set forth below, on or about the first day of each month; except that the first month's rent (October 2010) will be paid in advance at the time the Lease is executed. The rent payment shall be prorated for any partial month of actual occupancy, excluding the month of August 2010.

August 25- September 30, 2010: \$0

Year 1- October 1, 2010- September 30, 2011: \$ 3,130.00 /month

Year 2- October 1, 2011- September 30, 2012: \$ 3,208.25 /month

Year 3- October 1, 2012- September 30, 2013: \$ 3,288.45 /month

Renewal Periods:

Year 4- October 1, 2013- September 30, 2014: \$ 3,370.66 /month

Year 5- October 1, 2014- September 30, 2015: \$ 3,454.93 /month

Year 6- October 1, 2015- September 30, 2016: \$ 3,541.31 /month

Year 7- October 1, 2016- September 30, 2017: \$ 3,629.83 /month

- (d) Safety Inspection: A Safety Inspection is to be completed by Landlord, Tenant and Marion County Risk Management before Tenant takes possession of the Premises, and annually thereafter.
 - (e) Parking: Tenant shall be provided, at no cost, ten (10) on-site covered and gated parking stalls for the duration of the Lease term and any applicable option periods.
2. Option to Renew: Provided the Tenant is not then in default of the terms and conditions of the Lease, Tenant shall have four (4), one-year options to renew the Lease at the same terms and conditions except that the base rent shall be as delineated in 1. (c) above. Tenant shall advise the Landlord in writing of its intent to renew the Lease no later than 180 days prior to the expiration of the then current term of the Lease.
3. Use of Premises: The Premises shall be used for the Marion County Law Library. The Premises shall be available to the general public for services provided by this division of Marion County. In connection with the use of the Premises, Tenant shall:
- (a) Conduct such business in an orderly and decent manner.
 - (b) Refrain from violating any city, county, state or federal law, ordinance, regulation or order affecting the premises or Tenant's use thereof.
 - (c) Refrain from doing any activity which may make void or voidable any policy of fire insurance on the building on the Premises or which may cause any increase or additional premium to become payable for the said policy of fire insurance.
 - (d) Refrain from committing any waste upon the Premises, or any nuisance or other act or thing which may be reasonably offensive to other tenants or owners or users of neighboring premises or would create a nuisance or damage the reputation of the Premises.
 - (e) Refrain from storing on or discharging from or onto the Premises any Hazardous Materials (as hereinafter defined). As used herein, the term "**Hazardous Material**" means any hazardous or toxic substance, material or waste, including, but not limited to, those substances, materials, and wastes listed in the United States Department of Transportation Hazardous Materials Table (49 CFR 172.101) or by the United States Environmental Protection Agency as Hazardous Substances such substances, materials and wastes that are or become regulated under any applicable local, state or federal law.
 - (f) Comply with all reasonable rules and regulations as may be adopted and published by Landlord for the use, safety, care, and cleanliness of the Premises and the common areas.

- (g) Refrain from loading the electrical system or floors beyond the point considered safe by a competent engineer or architect selected by Landlord.

4. Utility Service/Janitorial:

- (a) Landlord shall pay for all utility costs including electrical, gas, city water/sewer, and trash removal.
- (b) Tenant shall pay for all of the cost of its janitorial services and phone/data services. Tenant shall have the option of utilizing the Landlord's janitorial service, if available, and paying for its portion of this service, utilizing the county's janitorial services, or entering in to a contract with an outside agency, as it deems best for the Tenant.
- (c) Per building standards, no after hour or extended hour utility assessments or other restrictions on after hour access shall apply, unless emergency situations occur.

5. Delivery of Premises: Landlord and Tenant agree that Premises shall be in "as is" condition except for the following:

- (a) Landlord shall have the interior of Premises professionally cleaned, including all carpets.
- (b) All the interior and exterior windows shall be professionally cleaned.
- (c) Landlord shall deliver the heating and cooling system in good operating condition and state of repair.

6. Maintenance and Repairs:

- (a) Except as provided in Section 6(b), below, Landlord, at its expense, shall be responsible for the following:
 - (i) All operating expenses, maintenance, capital and structural costs of the Premises.
 - (ii) Maintenance of the heating and cooling system on a regular schedule including maintenance of filters based on a recommendation by the heating ventilation and air conditioning (HVAC) manufacturer.
 - (iii) If applicable, maintenance and upgrade of the HVAC system to the standards specified by ASHRAE (American Society of Heating, Refrigerating and Air Conditioning Engineers) and Environmental Protection Agency guidelines.
 - (iv) Landlord will respond to repair emergencies within 24 hours of receiving notice from Tenant, and non-emergency repair issues within 72 hours of receiving notice from Tenant.
- (b) Tenant, at its expense, shall be responsible for replacing light bulbs and similar items, and for repairing any damage to the Premises caused by Tenant or Tenant's employees, agents, invitees or guests, including repair of interior walls, ceilings, doors and windows and related hardware, light fixtures, and switches from the point of entry of the Premises. Tenant will not be responsible for repairs to the property that are covered by the all risk fire policy provided by Landlord and the cost of which exceeds Landlord's insurance deductible. In the event a claim is made on Landlord's insurance

for damage to the Premises, Tenant shall pay the amount to repair such damage equal to Landlord's deductible.

7. Real Property Taxes: Tenant will apply for exemption from ad valorem property taxes for the leased premise under ORS 307.112. Tenant's payments under this Lease have been reduced to reflect the actual savings of the annual real property tax payment due to the tax exemption. If the Tenant does not receive the tax exemption, then Tenant shall pay its portion of the real property taxes. Tenant will file the application for such exemption in a timely manner, as prescribed by ORS 307.112.

Tenant shall be responsible for its own personal property taxes.

8. Tenant's Improvements/Work:

- (a) Tenant may repaint the interior walls of the Premises with a neutral color paint at its own expense and subject to Landlord approval, which shall not be unreasonably withheld.
- (b) Tenant shall be responsible to install and/or remove and finish any wall(s) and/or doors that may be required to secure the Premises for security and confidential purposes with Landlord's approval, which shall not be unreasonably withheld.
- (c) Tenant shall install, at its own expense, any required phone and data services, including all low voltage wiring and related IT equipment. Tenant shall have the right to install an airbridge on the roof of the Premises with Landlord's approval, which will not be unreasonably withheld.
- (d) Tenant shall be responsible to install, at its own expense, all furniture, fixtures and equipment specific to Tenant's operations.
- (e) Tenant shall not make any alterations, additions or improvements in or to the Premises, without first obtaining the written consent of Landlord, which shall not be unreasonably withheld. All alterations shall be made in a good and workmanlike manner, and in compliance with all applicable laws and building codes.

9. Signage: Tenant shall be allowed to utilize any exterior, interior, lobby, directional, or door/suite signage available to tenants in the building. Tenant shall be responsible for the cost of all work and lettering associated with placing its name on any available signage. All signs shall meet applicable municipal sign codes and shall be subject to approval in advance by Landlord, which shall not be unreasonably withheld.

10. Destruction of Premises: In the event Premises are more than 40% destroyed by fire or otherwise, then this Lease shall cease and terminate as of the date of the destruction of the Premises and the Landlord shall return and repay any unearned rental to the Tenant. In the event Premises are only partially destroyed by fire or otherwise and such destruction shall not exceed 40% of Premises, then Landlord shall repair and restore Premises to its former condition as soon as possible after partial destruction. In the event Premises are not tenantable, due to partial destruction thereof as in this paragraph provided, the Tenant shall not be required to pay the rental herein reserved during such time as Premises are not tenantable, nor shall the Tenant be required to pay rental if Premises are not tenantable during the time required by the Landlord to repair or restore Premises to its former condition. In the event the Tenant continues to occupy such portion of Premises as may be

tenantable, in the event of the partial destruction thereof as in this paragraph provided, it shall be allowed a proportionate and equitable abatement of rent by the Landlord during such time as the Premises as a whole are not tenantable. Any repairs, alterations, maintenance work and/or construction work which may be done or made in or about Premises by the Landlord shall be done or made with due diligence and in such manner as will not unreasonably interfere with the use of Premises by the Tenant.

11. Eminent Domain: If any part or all of the Premises is taken by a corporation or governmental authority having the right or by purchase under threat of eminent domain, the Landlord may terminate this Lease immediately, without paying any consideration to the Tenant, except that any unearned rental shall be refunded, and the Tenant shall not be entitled to any of the award or purchase price from such taking or purchase. The Tenant's right to receive compensation or damages for its fixtures and personal property and for moving or relocation expenses shall not be affected in any manner hereby.
12. Holding Over: If the Tenant holds over after the term of this Lease, or any renewal thereof, with the consent of the Landlord, express or implied, the Tenant shall remain bound by all the covenants of this Lease, except that unless otherwise agreed by Landlord and Tenant, rent shall increase to 115% of the rent most recently due, and the holding over shall be construed to create a tenancy from month-to-month.
13. Default: Time is of the essence and any of the following shall constitute a default:
 - (a) Default in Rent: Failure of Tenant to pay any rent within twenty (20) days after becoming due;
 - (b) Default in other Covenants: Failure of Tenant to comply with any term or condition or fulfill any obligation of the Lease (other than the payment of rent or other charges) within thirty (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 completely remedied within correction of the default within the thirty (30) day period and thereafter proceeds with reasonable diligence and in good faith to effect the remedy as soon as practicable. Landlord shall not be required to give more than one notice for a similar default in any 12 month period.
 - (c) Abandonment: Failure of the Tenant, for fifteen (15) days or more, to occupy the Premises for one or more of the purposes permitted under this Lease, unless such failure is excused under other provisions of this Lease.
14. Remedies on Default: Landlord's Remedies: If any rental or other sum payable by Tenant to Landlord shall be and remain unpaid for more than twenty (20) days after same is due and payable, or if Tenant shall violate or default in the performance of any of the other covenants, agreements, stipulations or conditions herein, and such violation or default is not cured within the time allowed under Section 13 above or if the Premises become vacant or are abandoned, the Landlord may resume possession of the Premises and dispossess all persons and the goods and chattels of any person, in accordance with applicable laws and regulations, and the Landlord may either terminate this Lease by giving notice of the termination to the Tenant and recover from the Tenant all damages and costs incurred by the Landlord, including the expense of recovering possession, or the Landlord may refuse to terminate this Lease, put the premises in good order and repair, make alterations and repairs and relet any part or all of the Premises for any part or all of the remainder of the term, or for a longer term, to a tenant or

tenants satisfactory to the Landlord and at commercially reasonable rental or rentals. Landlord may change the character or use of the Premises, but Landlord shall not be required to relet for any use or purpose (other than that specified in the Lease) which Landlord may reasonably consider injurious to the Premises. The Landlord shall receive the rentals from the Premises and apply them first to the payment of the expenses of recovering possession and the re-renting of the Premises; secondly, to the payment of the expenses incurred in putting the Premises in good order and condition and making alterations and repairs to the Premises; and thirdly, to the payment of the rent due under this Lease and to the cost of performing other covenants of this Lease. The Tenant shall remain liable for any deficiency in rent, whether or not the Lease is terminated, which the Tenant agrees to pay monthly as it accrues. The foregoing remedies shall be in addition to and shall not preclude any other remedy available to Landlord.

15. Termination: All or part of this Lease may be terminated by Tenant after the first two years of the original term and upon written notice to the Landlord given no less than 180 days prior to termination. The minimum term of the Lease would equal 2.5 years (30 months) if Tenant exercises the right to terminate after completion of the 2nd year of the Lease. Such termination shall be without prejudice to any obligations or liabilities of either party accrued prior to such termination.

Termination due to lack of funds: Notwithstanding any other provision of this Lease, in the event Marion County revenues are reduced, changed, modified or eliminated, thereby requiring Marion County to curtail business services, reduce staff and office space, the Tenant shall have the option to terminate this Lease agreement upon not less than sixty (60) days notice to Landlord in writing and delivered by certified mail.

16. Surrender at Expiration:

- (a) Condition of Premises: Upon the expiration or termination of this Lease for any reason whatsoever, Tenant shall promptly vacate the Premises and deliver them to Landlord in as good order and repair as they are now, ordinary wear and tear and loss or damage by fire or other casualty excepted. All built-in partitions, plumbing, electrical wiring and other additions to or improvements upon the Premises, whether installed by Landlord or by Tenant, shall be and remain the property of Landlord.
- (b) Fixtures: Tenant shall have the right to remove any furniture and movable personal property used by Tenant in the conduct of business on the Premises promptly prior to the expiration or termination of this Lease if Tenant is not then in default in respect to any of its obligations to Landlord, and, provided further, in the event of any such removal, Tenant shall restore or repair any damage resulting from such removal. The Tenant shall remove all furnishings and furniture that remain the property of the Tenant. If the Tenant fails to do so, this shall be an abandonment of the property and the Landlord may retain the property and all rights of the Tenant with respect to it shall cease, or, by notice in writing given to Tenant within twenty (20) days after removal was required, the Landlord may elect to hold the Tenant to Tenant's obligation of removal. If the Landlord elects to require the Tenant to remove, the Landlord may effect a removal and place property in public storage for the Tenant's account in accordance with applicable law. The Tenant shall be liable to the Landlord for the costs of removal, transportation to storage, and storage.

The time for removal of any property which the Tenant is required to remove from the premises upon the termination shall be on or before the date the Lease terminates because of expiration of the

original or extended term, because of default under Sections 13 and 14 herein or due to early termination under Section 15.

17. Succession and sublease: This Lease shall extend to and bind the successors in interest of the parties. Tenant shall have the right to sublease or assign all or a portion of the Premises with Landlord's written consent, not to be unreasonably withheld.
18. Civil Rights, Rehabilitation Act, and Americans with Disabilities Act: Landlord agrees to comply with all applicable provisions of the Americans with Disabilities Act of 1990 (ADA) and shall be responsible for implementing any necessary modifications to the facility. Landlord agrees to comply with the Civil Rights Act of 1964 and 1991, and Section 504 of the Rehabilitation Act of 1973 as implemented by 45 CFR 84.4 which states in part, "No qualified person shall on the basis of handicap be excluded from participation in, be denied the benefits of, or otherwise be subjected to discrimination under any program or activity which received or benefits from federal financial assistance."
19. Insurance and Indemnification:
 - (a) The Landlord shall carry all risk fire insurance on the Premises and comprehensive general liability insurance, with property damage and bodily injury coverage. Tenant shall be responsible for payment of its own contents and liability insurance.
 - (b) Tenant pursuant to applicable provisions of ORS 30.260 to 30.300, maintains a self insurance program. Tenant will meet the requirements for maintaining comprehensive general liability coverage during the term of the Lease and any renewals thereof through its self-insurance program and provide Landlord a self-insurance letter upon request.
 - (c) Subject to the limitations of the Oregon Tort Claims Act and the Oregon Constitution, Tenant agrees to indemnify, defend and hold harmless the Landlord, and its officers, agents and employees against any and all liability, loss and costs from actions, suits, claims or demands arising out of the use or misuse of the Premises by Tenant, its agents servants, employees, invitees or clients during the term of this Lease.

Tenant shall not indemnify or hold harmless Landlord from or against any claims, demands, or causes of action arising out of the recklessness, negligence or willful misconduct of the Landlord, its officers, agents or employees.

Landlord shall indemnify, defend and hold harmless, the Tenant from any claims, loss, liability cost or expense arising out of or related to any activity of employees, officers, or agents of the Landlord on the Premises, or condition of the Premises caused or contributed to by the employees, officers or agents of the Landlord.

20. Access/Security: Landlord or Landlord's employees, agents, and contractors shall have the right to enter the Premises with reasonable notice to examine the same or to make such repairs, alterations, improvements or additions as Landlord may deem necessary or desirable; provided, however, that Landlord and its agents shall be accompanied by Tenant's personnel, who will not interfere with Landlord's business, but will ensure that Landlord, its agents and guests do not interfere with Tenant's use of the Premises. Landlord shall provide the information on how the building security and access systems are controlled and monitored. Tenant shall be responsible for securing the Premises and shall

have the right to install additional security to the premises as it deems necessary and at Tenant's cost.

21. Notices: Any notice required in accordance with any of the provisions herein shall be delivered by electronic mail, or mailed by registered or certified mail, to:

David Holmes, Member
Valley Office Buildings, LLC
4437 Andrea Dr. NW
Salem OR 97304
Phone: 503-587-8982 or 503-510-4158
(cell)
E-Mail: dholmes@meritel.net

Dave Henderson, Director
Marion County Business services
PO Box 14500
Salem, OR 97309
Phone: 503-566-3295
E-Mail: dhenderson@co.marion.or.us

Notice delivered by electronic mail shall be deemed given on the date so delivered; notices mailed shall be deemed given on the second day following.

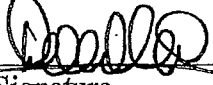
22. Subrogation: Waiver of Subrogation Rights: Neither Landlord nor Tenant shall be liable to the other for loss arising out of damage to or destruction of the Premises, or the contents thereof, when such loss is caused by any of the perils which are or could be covered within or insured against by a standard form of fire insurance with extended coverage, including sprinkler leakage insurance, if any. All such claims for any and all loss, however caused, hereby are waived. Such absence of liability shall exist whether or not the damage or destruction is caused by the negligence of either Landlord or Tenant or by any of their representative agents, servants, employees or clients. It is the intention and agreement of Landlord and Tenant that the rentals reserved by this Lease have been fixed in contemplation that each party shall fully provide each party's own insurance protection at such party's own expense, and that each party shall look to such party's respective insurance carriers for reimbursement of any such loss, and further, that the insurance carrier involved shall not be entitled to subrogation under any circumstances against any party to this Lease. Neither Landlord nor Tenant shall have any interest or claim in the other's insurance policy or policies, or the proceeds thereof, unless specifically covered therein as a joint assured.
23. Brokers: Landlord and Tenant each represent to the other that it has had no dealings with any real estate broker or agent in connection with the negotiation of this Lease, except for First Commercial Real Estate Services LLC. Landlord shall pay First Commercial Real Estate Services, LLC ("Broker") a brokerage commission pursuant to a separate agreement. In the event Landlord does not timely pay Broker such brokerage commission and Tenant makes such payment, Tenant may offset the amount of such brokerage commission against Rent due Landlord under the Lease.
24. Successors an Assigns: The covenants and conditions herein contained shall, subject to the provisions as to assignment, apply to and bind the successors and assigns of all the parties hereto.
25. Financing: It is acknowledged that Landlord may from time to time finance or refinance the purchase on construction of the building or buildings and other improvements on the real property, and that the lender must approve this Lease, and, in order to receive such approval, this Lease may have to be amended or modified. Provided that the term hereof shall not be changed, that the size or location of the Premises shall not be altered, and that Tenant's obligations to pay rent and other charges hereunder shall not be increased, Tenant agrees that it shall consent to execute any such amendment or modification of this Lease as may be reasonably requested by the lender or lenders.

26. Integration and Modification: This Lease contains the entire agreement between the parties and any executor agreement hereafter made shall be ineffective to change, modify or discharge it in whole or in part unless such executor agreement is in writing and signed by the party against whom enforcement of the change, modification or discharge is sought. This Lease cannot be changed orally or terminated orally.
27. Headings: The leading and titles in this lease are inserted only as a matter of convenience and for reference and in no way define, limit or describe the scope or intent of this Lease, nor in any way affect this lease.
28. Interpretation: All nouns and pronouns and any variations thereof shall be deemed to refer to the masculine, feminine neuter, singular or plural as the identity of the person or persons, firm or firms, corporation or corporations, entity or entities or any other thing or things may require. This Lease was negotiated between the parties and any rule of construction interpreting a document against its drafter shall be inapplicable.
29. Severability: If any term or provision of this Lease shall to any extent be held invalid or unenforceable, the remaining terms and provisions of this Lease shall not be affected thereby, but each term and provision shall be valid and be enforced to the fullest extent permitted by law.
30. Estoppel Letter: Each party agrees that any time, and from time to time, upon not less than ten (10) days prior written request from the other party, to execute, acknowledge and deliver to the other party a statement in writing, certifying that this Lease is unmodified and in full force and effect (or if there have been modifications, that the same is in full force and effect as modified, and stating the modifications), the dates to which the rent, taxes and assessments, if any, have been paid, the amount of any additional rent held by Landlord, and whether the Lease is then in default or whether any events have occurred which, with the giving of notice or the passage of time, or both, could constitute a default hereunder, it being intended that any such statement delivered pursuant to this section may be relied upon by any prospective assignee, mortgagee or purchaser of the fee interest in the Leased Premises or of this Lease. Failure to deliver the certificate within the specified time shall be conclusive upon the party of whom the certificate was requested that the Lease is in full force and effect and has not been modified except as may be represented by the party requesting the certificate.
31. Time of Essence: Time is of the essence of the performance of each parties' obligations under this Lease.

In Witness Whereof, the parties hereto have executed this instrument the day and year first set forth above.

LANDLORD

VALLEY OFFICE BLDGS., LLC



Signature

8/31/10

Date

Print Name: DAVID A. HOLMES

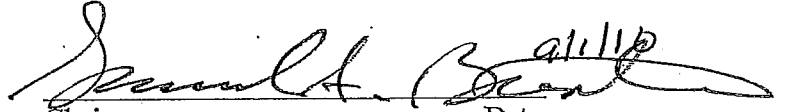
MEMBER

Title

Attach W-9

MARION COUNTY

BOARD OF COMMISSIONERS:



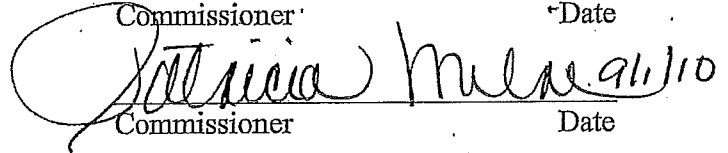
Chair

9/1/10
Date

Absent at Signing

Commissioner

Date



Commissioner

9/1/10
Date

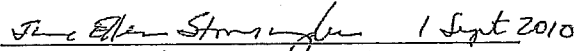
Recommended by:



Department Head

9-1-10
Date

APPROVED AS TO FORM:



Marion County Legal Counsel

1 Sept 2010
Date

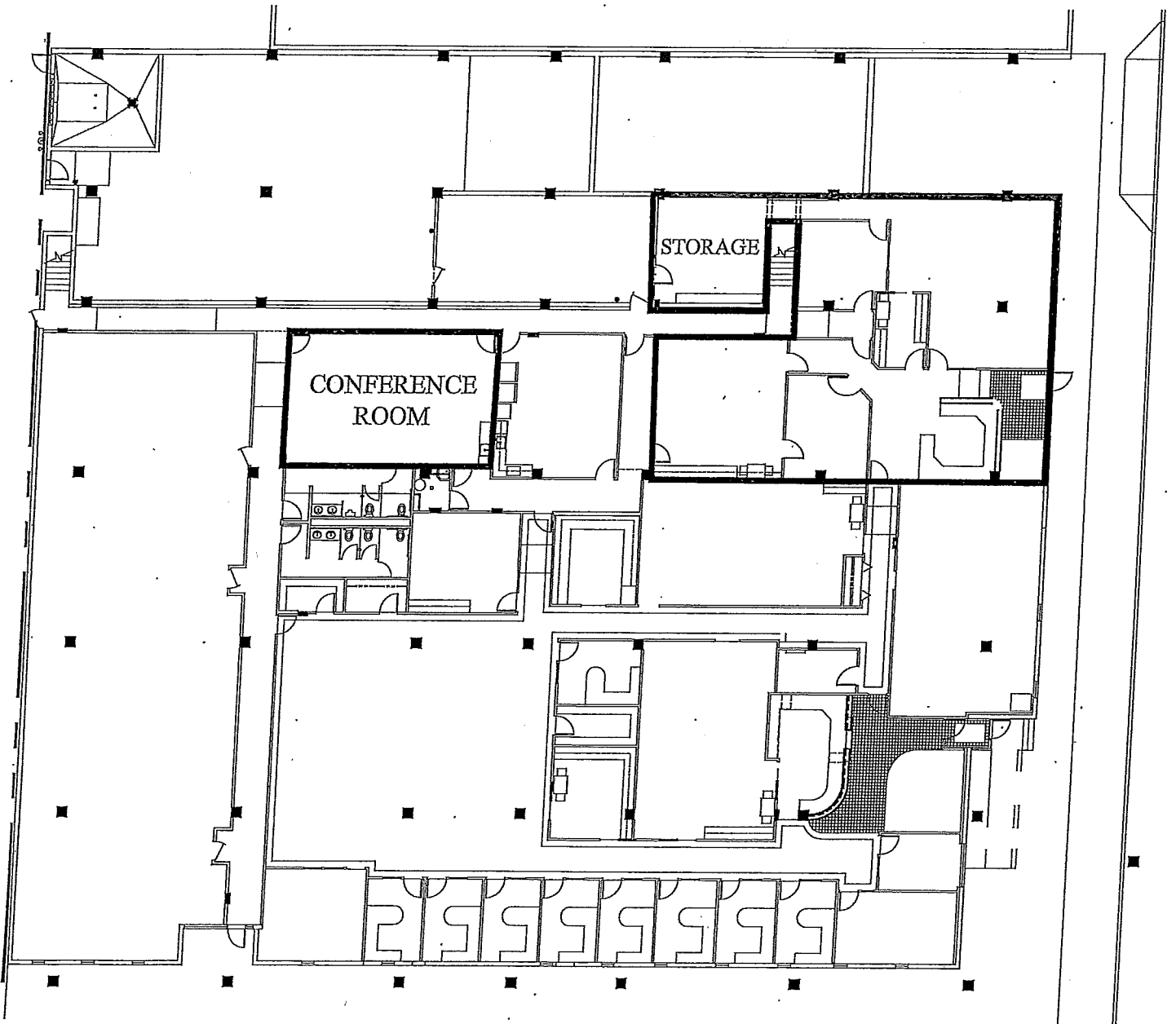


Marion County Contracts

9/1/10
Date

EXHIBIT A

TICOR BUILDING
234 HIGH STREET SE | SALEM, OR 97301
APPROX. 2,404 SF
CONFERENCE ROOM: 719 SF (10 HOURS/WEEK)
STORAGE: 333 SF



**Amendment # 1
Lease Extension Agreement
The Kenneth A. Holmes Building
234 High Street SE, Salem Oregon**

Marion County (Tenant) entered into a Lease Agreement with Valley Office Buildings, LLC (Landlord) dated September 1, 2010. The initial term of the lease agreement expires on September 30, 2013. The parties agree to a lease extension as set forth below:

Section 1 (b) Lease Term shall be modified to include a seven month extension period beginning October 1, 2013 through April 30, 2014.

The rental payment during the seven month extension period shall be paid at the monthly rate identified in Section 1 (c) Renewal Period for Year 4-October 1, 2013 – September 30, 2014: \$ 3,370.66 /month.

Section 21: Notices shall be modified to replace Dave Henderson and contact information as follows:
Mina Hanssen, Director
Fax: 503-588-7998
E-Mail: mhanssen@co.marion.or.us

Except as modified herein, all other terms and conditions of the Lease Agreement shall remain in effect and full force.

**MARION COUNTY
BOARD OF COMMISSIONERS:**

Janet Larson
Chair
Sam Brand
Commissioner

Not Present at meeting

Commissioner

Date: 5/1/13

Recommended by:

Mina Hanssen 4/15/13
Department Head Date

Approved as to Form

Peggy Mitchell 4/24/13
Marion County Contracts Date

Alvin M. Roy 4/25/13
Marion County Legal Counsel Date

LANDLORD

Valley Office Buildings, LLC

[Signature]
Signature Date

DAVID A HOLMES
Name

MEMBER
Title

**Amendment # 2
Lease Extension Agreement
The Kenneth A. Holmes Building
234 High Street SE, Salem Oregon**

The Lease Agreement dated September 1, 2010 between Marion County, a political subdivision of the state of Oregon (Tenant) and Valley Office Buildings, LLC (Landlord) as amended by Amendment 1 on May 1, 2013, is further amended as set forth below:

Section 1 (b) Lease Term was modified by Amendment 1 to include a seven month extension period beginning October 1, 2013 through April 30, 2014. By this Amendment the Lease Term shall be extended from April 30, 2014 to June 30, 2015.

The monthly rental payment for the total extension period shall be paid in accordance with the monthly rates identified in Section 1 (c) of the Lease, as follows:

October 1, 2013 – September 30, 2014: \$ 3,370.66 /month. (Renewal year 4)

October 1, 2014 – June 30, 2015: \$ 3,454.93 /month (Renewal year 5)

Except as modified herein, all other terms and conditions of the Lease Agreement and the Amendment 1 shall remain in effect and full force.

**MARION COUNTY
BOARD OF COMMISSIONERS:**

Not Present at meeting

Chair

David A. Burt

Commissioner

Patricia Miller

Commissioner

Date: Nov. 27, 2013

Recommended by:

Alvian Roy 11/19/13
Department Head Date

Approved as to Form

Peggy Mitchell 11/12/13
Marion County Contracts Date

Alvian Roy 11/14/13
Marion County Legal Counsel Date

LANDLORD

Valley Office Buildings, LLC

[Signature]

Signature

10/29/13

Date

DAVID A. HOLMES

Name

MEMBER

Title

Lease Amendment 3

THIS LEASE EXTENSION AGREEMENT (the "*Lease Extension*"), entered into on Feb 18, 2015, is made by and between *Valley Office Buildings, LLC*, an Oregon limited liability company ("*Landlord*") and *Marion County*, a political subdivision of the State of Oregon ("*Tenant*").

RECITALS

- A. Landlord and Tenant previously entered into a Lease Agreement dated September 1, 2010, as amended (the "*Lease*"), in which Landlord leases to Tenant space in the building located at 234 High Street, Salem, in the County of Marion, State of Oregon (the "*Premises*").
- B. Landlord and Tenant wish to extend the term of the Lease, a copy of which is attached hereto as *Exhibit A*, and by this reference made a part hereof.
- C. Landlord and Tenant have agreed upon the terms of the Lease during the extension period, as described below.

AGREEMENTS

Now therefore, in consideration of the mutual covenants contained herein, the parties have agreed as follows:

1. Extended Term

The term of the Lease shall be extended from July 1, 2015, through June 30, 2016 (the "*Extended Term*").

2. Rent

Tenant shall pay to Landlord rent in the amount of Three Thousand Four Hundred Fifty Four and 93/100 Dollars (\$3,454.93) per month from July 1, 2015 through September 30, 2015. Tenant shall pay to Landlord rent in the amount of Three Thousand Five Hundred Forty One and 31/100 Dollars (\$3,541.31) per month from October 1, 2015 through June 30, 2016.

3. Amendments

Section 21 of this Lease is hereby amended to require that any notice from Landlord to Tenant be delivered to:

Marion County Legal Counsel
Attn: Gloria Roy
PO Box 14500
Salem, Oregon 97309

Phone: 503.588.5220
Fax: 503.373.4367
Email: groy@co.marion.or.us

4. No Further Changes

Unless specifically modified by the terms of this Lease Extension, all the terms of the Lease shall remain in full force and effect.

5. Time of Essences

Time is of the essence with respect to the performance of each of the obligations under this Lease Extension.

6. Governing Law

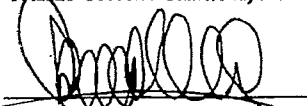
The parties hereby submit to jurisdiction in Marion County, Oregon and agree that any and all disputes arising out of or related to this Lease Extension shall be litigated exclusively in the Circuit Court for Marion County, Oregon and in no federal court or court of another county or state. Each party to this Lease Extension further agrees that pursuant to such litigation, the party and the party's officers, employees, and other agents shall appear, at that party's expense, for deposition in Marion County, Oregon.

7. Rule of Construction

Any rule of construction interpreting this instrument against the drafter shall be inapplicable.

[Signatures on following page]

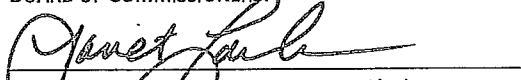
LANDLORD
VALLEY OFFICE BUILDINGS, LLC




David A. Holmes, Member

TENANT
MARION COUNTY

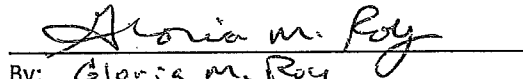
BOARD OF COMMISSIONERS:


By: _____, Chair


By: _____, Commissioner

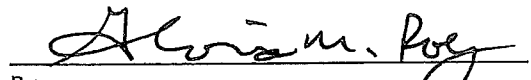

By: _____, Commissioner

RECOMMENDED BY:


By: Gloria M. Roy
Its: Department Head

APPROVED AS TO FROM:


By: Camber Schlag
Its: Marion County Contracts


By: _____
Its: Marion County Legal counsel