

# Contract Review Sheet

Lease Agreement

**HE-7091-26**

Title: Lotus House - 2440 Greenway Dr. NE

Contractor's Name: Oregon State Hospital

Department: Health and Human Services

Contact: Kristina Ballow

Analyst: Chalyce MacDonald

Phone #: (503) 588-5409

Term - Date From: July 1, 2026

Expires: June 30, 2031

Original Contract Amount: \$ 120,000.00

Previous Amendments Amount: \$ -

Current Amendment: \$ -

New Contract Total: \$ 120,000.00 Amd% 0%

Outgoing Funds  Federal Funds  Reinstatement  Retroactive  Amendment greater than 25%

Source Selection Method: 50-0600 Leasing Real Property

## Description of Services or Grant Award

Marion County Health & Human Services (MCHHS) is leasing an approximately 2,900-square-foot home at 2440 Greenway Dr. NE (Cottage R06) from the Oregon State Hospital (OSH) for use as client program housing.

Desired BOC Session Date: 6/10/2026

Contract should be in DocuSign by: 5/20/2026

Agenda Planning Date: 5/28/2026

Printed packets due in Finance: 5/26/2026

Management Update: 5/26/2026

BOC upload / Board Session email: 5/27/2026

BOC Session Presenter(s) Debbie Wells

Code: Y

## REQUIRED APPROVALS



05/06/2026

Finance - Contracts

Date



Kristina Ballow (May 6, 2026 06:48:09 PDT)

05/06/2026

Contract Specialist

Date



05/12/2026

Legal Counsel

Date



Jan Fritz (May 13, 2026 08:22:37 PDT)

05/13/2026

Chief Administrative Officer

Date



MARION COUNTY BOARD OF COMMISSIONERS

# Board Session Agenda Review Form

Meeting date: 6/10/26

Department: Health & Human Services

Title: Lease for Lotus House - 2440 Greenway Dr. NE

Management Update/Work Session Date: 5/26/26 Audio/Visual aids

Time Required: 10 min Contact: Kristina Ballow Phone: 503-588-5409

Requested Action:

Issue, Description & Background:

Financial Impacts:

Impacts to Department & External Agencies:

List of attachments: Lease Agreement and Exhibits A, B

Presenter:

Department Head Signature: Troy Gregg  
Troy Gregg (May 6, 2026 08:35:48 PDT)

## LEASE AGREEMENT (NO. HE-7091-26)

### (Oregon State Hospital – Salem)

THIS LEASE AGREEMENT (this “**Lease**”) is made and entered into effective as of July 1, 2026 (the “**Effective Date**”), by and between the State of Oregon, acting by and through the Oregon Health Authority, through the Oregon State Hospital (“**Landlord**”), and Marion County, a political division of the State of Oregon, acting by and through the Marion County Health and Human Services Department (“**Tenant**”). Landlord and Tenant are each a “**Party**” and together the “**Parties.**”

### RECITALS

- A. Landlord owns and operates certain buildings and other improvements in Salem, Marion County, Oregon, known as the Oregon State Hospital – Salem (the “**OSH Campus**”).
- B. The OSH Campus includes a residential structure known as Cottage 6 – Lotus House (the “**Residence**”). The Residence (approximately 2,900 square feet) and the surrounding property are the “**Premises.**” The Premises are shown on Exhibit A.
- C. The Parties were parties to that certain Intergovernmental Office Space Lease Agreement (DAS Lease #3344) for the Premises dated December 22, 2017, as amended March 11, 2019 and July 11, 2022 (as so amended, the “**Existing Lease**”). The Existing Lease expires June 30, 2026.
- D. The Parties acknowledge and agree that they are entering into this new Lease in order to simplify and update the documentation of their agreements concerning the Premises going forward. As of the Commencement Date (as defined below), this Lease supersedes and cancels the Existing Lease in its entirety, except for any outstanding obligations thereunder of the Parties.

### AGREEMENTS

For good and valuable consideration, the Parties agree as follows:

#### 1. Premises.

1.1 Landlord hereby leases the Premises to Tenant, and Tenant hereby leases the Premises from Landlord.

The Premises address is:

Oregon State Hospital – Salem  
Lotus House  
2440 Greenway Dr. NE  
Salem, Oregon 97301  
Marion County

1.2 Tenant understands, acknowledges and agrees that it is leasing the Premises from Landlord “As Is,” without any representations or warranties from Landlord regarding the condition of the Premises.

## 2. Term.

2.1 Generally. The term of this Lease (the “**Initial Term**”) is five (5) years, commencing July 1, 2026 (the “**Commencement Date**”) and expiring June 30, 2031 (the “**Expiration Date**”). Any reference in this Lease to “**Term**” means the Initial Term, an Extension Term (as defined in Section 2.2 below) or both, as the context may so require.

2.2 Extension of Term. So long as there is not then any material Tenant Default under this Lease (as defined in Section 23.1 below), Tenant may extend the Term of this Lease for a period of three (3) years (the “**Extension Term**”). With the exception of the amount of Monthly Extension Rent (as defined and set forth in Section 3.3 below), and any terms or conditions that the Parties modify in writing, all terms and conditions of this Lease will apply during the Extension Term. To extend the Term of this Lease, Tenant shall deliver notice to Landlord at least sixty (60) days before to the Expiration Date.

## 3. Monthly Rent.

3.1 Monthly Rent. “**Monthly Rent**” commences at \$1,774.77 per month for the first year of the Lease, and will increase every year by three percent (3%), including for any Extension Term.

3.2 Payment of Monthly Rent. From and after the Commencement Date, and throughout the Term of this Lease, Tenant shall pay Monthly Rent to Landlord, in advance, on or before the fifth (5<sup>th</sup>) day of each month, without notice or demand and without offset or deduction except as specifically provided in this Lease, and at Landlord’s Address (as defined in Section 27.1 below). Monthly Rent for any partial calendar month will be prorated on a per diem basis, based on a 365-day calendar year.

3.3 Monthly Extension Rent. The Monthly Rent for the Extension Term (the “**Monthly Extension Rent**”) will be based on the Monthly Rent during the last year of the Initial Term, as escalated pursuant to Section 3.1 above.

## 4. Use.

4.1 Authorized Use. Tenant shall use the Premises for residential treatment services for individuals with mental illnesses, and for no other purpose.

4.2 Laws and Ordinances. Tenant shall use the Premises in compliance with any and all applicable federal, state and local laws, ordinances, codes, regulations and rules (“**Laws and Ordinances**”).

4.3 ADA. Tenant shall keep the interior of the Residence in compliance with all applicable

provisions of the Americans with Disabilities Act (ADA).

4.4 Hazardous Materials. Tenant shall not use, place or allow any Hazardous Materials on the Premises, except for amounts normal and appropriate for Tenant's use of the Premises, stored, used and disposed of in strict compliance with all applicable Laws and Ordinances. "**Hazardous Materials**" includes, without limitation, any and all substances, pollutants, contaminants, materials or products defined or designated as hazardous, toxic, radioactive, dangerous or regulated wastes or materials, or any other similar term in or under any applicable Law or Ordinance. Hazardous Materials also includes, without limitation, fuels, petroleum and petroleum-derived products.

4.5 No Tobacco Use. Smoking, vaping, and the use of any kind of tobacco product in or on the Premises or elsewhere on the OSH Campus is prohibited, pursuant to DHS/OHA Policy 060-041 (Tobacco Free Campus Policy).

5. **Parking**. The Premises include on-site parking.

6. **Background Checks**.

6.1 Tenant shall:

(a) using ORCHARDS (Oregon Criminal History and Abuse Records Data System), perform background checks on all of Tenant's agents and employees providing services on the Premises during the Term of this Lease (such persons collectively being "**Tenant's On-Premises Individuals**");

(b) retain all records relating to such background checks for Tenant's On-Premises Individuals;

(c) promptly notify Landlord of any changes in the status of a background check for any of Tenant's On-Premises Individuals; and

(d) upon Landlord's request, which will include a reasonable basis for requesting such records, promptly deliver to Landlord any background check records for Tenant's On-Premises Individuals that Tenant is legally permitted to provide.

6.2 Notwithstanding the notice requirements in Section 27 below, Landlord shall deliver any communications to Landlord regarding background checks for Tenant's On-Premises Individuals to the following email address: SNeal@co.marion.or.us.

6.2 Notwithstanding the notice requirements in Section 27 below, Landlord shall deliver any communications to Landlord regarding background checks for Tenant's On-Premises Individuals to the following email address: SNeal@co.marion.or.us.

**7. Utilities and Services.**

**7.1 Utilities and Services Table.**

<b>Utility/Service</b>	<b>Provided by Landlord</b>	<b>Arranged by Tenant</b>
Water	X	
Sewer	X	
Electricity	X	
Gas	X	
Trash removal	X	
Recycling		X
Janitorial services and supplies		X
Window washing		X
Snow and ice removal		X
Security		X
Pest control		X
Phone and data service		X

7.2 Provided by Landlord. Landlord shall arrange for the utilities and services listed in the table above as “Provided by Landlord” to be provided to the Premises. The costs of such utilities and services are included in the Monthly Rent.

7.3 Arranged by Tenant. Tenant shall arrange for the utilities and services listed in the table above as “Arranged by Tenant” to be provided to the Premises. Tenant shall directly pay the costs thereof to the providers.

**8. Maintenance, Repair and Replacement Obligations – Landlord.**

8.1 Generally. Landlord shall, at its sole cost and expense, perform the following maintenance, repair and replacement work on the Premises to keep it in good order and condition:

- (a) exterior maintenance and repairs;
- (b) HVAC system: maintenance and upgrades;
- (c) exterior lighting fixtures;
- (d) roof;
- (e) gutters;
- (f) exterior walls;
- (g) bearing walls;

- (h) structural members;
- (i) foundation;
- (j) sidewalks and curbs;
- (k) parking lot;
- (l) exterior doors;
- (m) plumbing;
- (n) electrical;
- (o) locks and keys for exterior doors;
- (p) damage from groundwater and storms; and
- (q) mowing and tree and shrub maintenance.

Landlord's obligations under this Section 8 do not include any maintenance, repair or replacement that Tenant is obligated to perform pursuant to Section 9 below.

8.2 Work Standards. Landlord shall perform its maintenance, repair and replacement obligations under this Section 8 promptly, in a first-class and workmanlike manner and in accordance with all applicable Laws and Ordinances, and shall obtain all required permits and inspections for such work.

## **9. Maintenance, Repair and Replacement Obligations – Tenant.**

9.1 Generally. Tenant shall, at its sole cost and expense, perform the following maintenance, repair and replacement work on the Premises to keep it in good order and condition:

- (a) HVAC system: bi-annual filter replacement;
- (b) interior walls, ceilings and doors;
- (c) window hardware;
- (d) indoor light fixtures;
- (e) smoke detectors;
- (f) switches;

- (g) air filter replacement;
- (h) lightbulb replacement;
- (i) flowerbed and garden maintenance;
- (j) lawn edging and watering;
- (k) interior painting; and
- (l) any other maintenance, repair or replacement, except as specifically set forth as a Landlord obligation in Section 8 above, that is reasonably necessary to keep the Premises in good order and condition.

9.2 Appliances. As of the Effective Date, Landlord owns the following appliances on the Premises: washer, dryer, stove and refrigerator (the “**Appliances**”). Tenant’s obligations under Section 9.1 above include the maintenance and repair of the Appliances, and the replacement of any Appliances when they have reached the end of their useful life, or as may reasonably be requested by Landlord based on their condition. Tenant shall replace any such Appliances with appliances of the same or better quality. For the avoidance of doubt, all such replaced Appliances will remain the property of Landlord.

9.3 Work Standards. Tenant shall perform its maintenance, repair and replacement obligations under this Section 9 promptly, in a first-class and workmanlike manner and in accordance with all applicable Laws and Ordinances, and shall obtain all required permits and inspections for such work.

**10. Maintenance, Repair and Replacement Obligations – Shared by Parties.** The Parties shall negotiate and equally share the costs of performing the following maintenance, repair and replacement work on the Premises, as such work is necessary or advisable to keep the Premises in good order and condition:

- 10.1 interior painting;
- 10.2 carpet and flooring; and
- 10.3 countertops.

**11. Tenant’s Improvements and Alterations.**

11.1 Nonstructural. Tenant may, at its sole cost and expense:

- (a) without Landlord’s consent (but after notice thereof is given to Landlord), make nonstructural improvements and alterations to the Premises; and
- (b) without notice to Landlord or Landlord’s consent, place partitions, personal property,

trade fixtures and the like in and on the Premises. Tenant shall retain ownership of all such partitions, personal property, trade fixtures and the like.

11.2 Structural. Tenant shall not make any improvements or alterations to the Premises that modify or affect the Premises structure or the proper operation of a mechanical system, without Landlord's prior consent, which Landlord may withhold in its sole discretion. Tenant shall make any such permitted improvements or alterations at its sole cost and expense and using a contractor of its own choosing, and in a manner so as to minimize interference with the use and enjoyment of the OSH Campus by any other tenants or by any patients, employees or visitors. Any such improvements or alterations will become part of the Premises, and will be surrendered with the Premises upon the expiration or earlier termination of this Lease.

11.3 Performance of Work. Any improvements or alterations that Tenant makes to the Premises will be made in a first-class and workmanlike manner and in accordance with all applicable Laws and Ordinances and with all required permits and inspections for such work. Upon Landlord's request, Tenant shall provide Landlord with reasonable supporting documentation relating to such work.

**12. Landlord's Entry.** Landlord, its agents and employees may enter the Premises with at least twenty-four (24) hours' prior notice specifying the date and time of entry; or, in the event of an emergency, at any time with no prior notice. Landlord shall use its reasonable best efforts to conduct any non-emergency entry in order to minimize interference with Tenant's operations on the Premises. Landlord's entry may be for the purposes of performing any work pursuant to its obligations under Section 8 above; confirming Tenant's compliance with the provisions of this Lease; or for any other purpose related to this Lease, in Landlord's reasonable discretion.

**13. Rules and Regulations.** Tenant shall comply with any and all posted rules and regulations for the OSH Campus.

**14. Signage.** Tenant shall not install any exterior signage on the Premises without Landlord's prior consent.

**15. Insurance.**

15.1 Landlord's Insurance Coverage. Landlord is self-insured for its property and liability exposures, pursuant and subject to the Oregon Constitution and the Oregon Tort Claims Act ("Tenant's Insurance Coverage"). A current Certificate of Insurance for Landlord's Insurance Coverage is available at <http://www.oregon.gov/das/Risk/Pages/CertCovRequest.aspx>.

15.2 Tenant's Insurance Coverage. During the Term of this Lease, Tenant shall maintain the insurance set forth in Exhibit B.

**16. Contribution.**

16.1 Other Party Notification. If any third party makes any claim or brings any action, suit or proceeding relating to this Lease or the Premises and alleging a tort as now or hereafter defined

in ORS 30.260 (a “**Third-Party Claim**”) against a Party (the “**Notified Party**”) with respect to which the other Party (the “**Other Party**”) may have liability, the Notified Party shall promptly notify the Other Party of the Third-Party Claim and deliver to the Other Party a copy of the claim, process, and all legal pleadings with respect to the Third-Party Claim. Either Party is entitled to participate in the defense of a Third-Party Claim, and to defend a Third-Party Claim with counsel of its own choosing. Receipt by the Other Party of the notice and copies required in this Section 16.1 and meaningful opportunity for the Other Party to participate in the investigation, defense and settlement of the Third-Party Claim with counsel of its own choosing are conditions precedent to the Other Party’s liability with respect to the Third-Party Claim.

16.2 Tenant Jointly Liable with Landlord. With respect to a Third-Party Claim for which Tenant is jointly liable with Landlord (or would be if joined in the Third-Party Claim), Tenant shall contribute to the amount of expenses (including attorneys’ fees), judgments, fines and amounts paid in settlement actually and reasonably incurred and paid or payable by Landlord in such proportion as is appropriate to reflect the relative fault of Tenant on the one hand and of Landlord on the other hand in connection with the events which resulted in such expenses, judgments, fines or settlement amounts, as well as any other relevant equitable considerations. The relative fault of Tenant on the one hand and of Landlord on the other hand shall be determined by reference to, among other things, the Parties’ relative intent, knowledge, access to information and opportunity to correct or prevent the circumstances resulting in such expenses, judgments, fines or settlement amounts. Tenant’s contribution amount in any instance is capped to the same extent it would have been capped under Oregon law if Tenant had sole liability in the proceeding.

16.3 Landlord Jointly Liable with Tenant. With respect to a Third-Party Claim for which Landlord is jointly liable with Tenant (or would be if joined in the Third-Party Claim), Landlord shall contribute to the amount of expenses (including attorneys’ fees), judgments, fines and amounts paid in settlement actually and reasonably incurred and paid or payable by Tenant in such proportion as is appropriate to reflect the relative fault of Landlord on the one hand and of Tenant on the other hand in connection with the events which resulted in such expenses, judgments, fines or settlement amounts, as well as any other relevant equitable considerations. The relative fault of Landlord on the one hand and of Tenant on the other hand shall be determined by reference to, among other things, the Parties’ relative intent, knowledge, access to information and opportunity to correct or prevent the circumstances resulting in such expenses, judgments, fines or settlement amounts. Landlord’s contribution amount in any instance is capped to the same extent it would have been capped under Oregon law if it had sole liability in the proceeding.

**17. Assignment and Subletting.** Tenant shall not voluntarily or by operation of law assign this Lease or sublet any portion of the Premises without Landlord’s prior consent, which Landlord may withhold, condition or delay in its sole discretion. Any assignment or sublet in contravention of this Section 17 will be deemed null and void.

**18. Liens.** Tenant shall pay when due all claims for work performed on the Premises by or through Tenant or for services rendered or materials furnished to the Premises for Tenant, and shall keep the Premises free from any liens arising by or through Tenant. If any such lien shall at

any time be filed against the Premises, or any portion thereof, Tenant shall cause the same to be discharged of record or bonded off, as permitted by statute, within thirty (30) days after Tenant's receipt of written notice of same.

**19. Surrender; Holdover.**

19.1 Surrender. Tenant shall, upon the expiration or earlier termination of this Lease, surrender the Premises to Landlord broom clean, in first-class condition and repair, except for ordinary wear and tear and damage from any "Casualties" (e.g., floods, hurricanes, tornados, storms, fires, explosions, lightning or earthquakes) or Force Majeure Event (as defined in Section 28.11 below).

19.2 Holdover. If Tenant fails to surrender the Premises as required by Section 19.1 above, and Landlord does not, within ten (10) business days after such expiration or termination, deliver to Tenant a notice of eviction, such holding over by Tenant shall create a tenancy from month to month, with Monthly Rent to be one hundred fifty percent (150%) of the Monthly Rent for the immediately preceding month.

**20. Quiet Enjoyment.** Subject to the terms and conditions of this Lease, Tenant shall peaceably and quietly have, hold and enjoy the Premises during the Term, without any interruption or disturbance from Landlord or any party claiming by, through or under Landlord.

**21. Interest Rate.** Except as otherwise specifically provided in this Lease, any payment due hereunder by one Party to the other Party shall accrue interest at the maximum rate permitted under ORS 293.462, as it may be amended or replaced from time to time, from the date the payment is past due until the past-due payment and all interest thereon are paid in full.

**22. Representations and Warranties.**

22.1 Landlord. Landlord represents and warrants to Tenant that Landlord is a State of Oregon agency, duly organized and validly existing; that Landlord has the power and authority to enter into and perform under this Lease; and that the person signing this Lease on behalf of Landlord is authorized by Landlord to bind Landlord to this Lease. Upon Tenant's request, Landlord shall provide Tenant with evidence reasonably satisfactory to Tenant confirming the foregoing.

22.2 Tenant. Tenant represents and warrants to Landlord that Tenant has the power and authority to enter into and perform under this Lease; and that the person signing this Lease on behalf of Tenant is authorized by Tenant to Tenant to this Lease. Upon Landlord's request, Tenant shall provide Landlord with evidence reasonably satisfactory to Landlord confirming the foregoing.

**23. Tenant Default.**

23.1 Default. The following will be events of default by Tenant ("Tenant Default"):

(a) *Nonpayment of Monthly Rent*: Tenant's failure to pay Landlord any Monthly Rent within

ten (10) days after notice from Landlord specifying the nonpayment.

(b) *Other Nonperformance.* Other than a nonpayment described in Section 23.1(a) above, Tenant's failure to comply with or fulfill any term, condition or obligation of this Lease within thirty (30) days after notice from Landlord specifying the nature of the failure with reasonable particularity; or, if Tenant cannot reasonably cure such failure within such thirty (30) -day period, then within such time as Tenant can cure the failure with reasonable good faith and diligence; provided, however, that such cure period shall not exceed one hundred eighty (180) days.

23.2 Remedies. Upon any Tenant Default, Landlord may exercise any one or more of the following remedies:

(a) *Cure.* At Tenant's cost and expense, Landlord may perform Tenant's unperformed obligations that gave rise to the Tenant Default, and charge all such costs and expenses to Tenant pursuant to this Lease, which Tenant shall pay within thirty (30) days after Landlord delivers an invoice therefor, together with reasonable supporting documentation (including receipts and invoices from service and materials providers) of such costs and expenses.

(b) *Termination.* With at least thirty (30) days' notice to Tenant, Landlord may terminate this Lease, re-enter and take possession of the Premises and remove any persons or property by legal action or by self-help with the use of reasonable force and without liability for damages to Tenant, its property, any other persons or their property.

(c) *Reletting.* Landlord may relet the Premises, and in connection therewith may make any suitable alterations or refurbish the Premises, or both, or change the character or use of the Premises. Landlord will not be required to relet the Premises for any use or purpose that Landlord may reasonably consider injurious to the Premises, or to any tenant that Landlord may reasonably consider objectionable. Landlord may relet all or part of the Premises, alone or in conjunction with other properties, for a term longer or shorter than the Term of this Lease, and upon any reasonable terms and conditions, including the granting of rent-free occupancy or other rent concessions.

(d) *Right to Sue.* Landlord may sue periodically to recover damages as they accrue without barring a later action for further damages.

(e) *Damages.* Landlord will be entitled to recover from Tenant any and all damages arising from a Tenant Default, including the following:

(i) all costs and expenses of curing the Tenant Default;

(ii) the reasonable costs of reentry and reletting, including, without limitation, the costs of any clean up, refurbishing, removal of Tenant's property and fixtures and any other expense arising from Tenant's failure to surrender the Premises in the condition required by Section 19.1 above; and

(iii) the loss of Monthly Rent for the Premises from the date of the Tenant Default

until a new tenant for the Premises has been, or with the exercise of reasonable efforts could have been, secured.

(f) *Other.* The foregoing remedies will be in addition to and shall not exclude any other remedy available to Landlord in law or equity.

## **24. Landlord Default.**

24.1 Default. The following will be events of default by Landlord (“**Landlord Default**”):

Landlord’s failure to comply with or fulfill any term, condition or obligation of this Lease within thirty (30) days after notice from Tenant specifying the nature of the failure with reasonable particularity; provided, however, that if Landlord cannot reasonably cure such failure within such thirty (30) -day period, then within such time as Landlord can cure the failure with reasonable good faith and diligence, provided that such cure period shall not exceed one hundred eighty (180) days.

24.2 Remedies. Upon any Landlord Default, Tenant may exercise any remedy available in law or equity and is entitled to recover from Landlord any and all damages arising from a Landlord Default, including any and all costs and expenses of performing Landlord’s unperformed obligations that gave rise to the Landlord Default.

**25. Termination for Convenience.** Landlord or Tenant may terminate this Lease with at least thirty (30) days’ notice, for any reason, at such Party’s discretion.

**26. Health Insurance Portability and Accountability Act.** Landlord and Tenant are “covered entities” and/or “business associates” for the purposes of the provisions of the Health Insurance Portability and Accountability Act (“**HIPAA**”) of 1996, Public Law 104-191, Title II, Subtitle F, Administrative Simplification. The Parties shall take such action as is necessary to amend this Lease from time to time as needed for compliance with the requirements of the Security and Privacy Rules and other provisions of HIPAA.

## **27. Notices.**

27.1 Addresses; General Notice Requirements.

(a) *Addresses.* A Party’s “**Address**” means the address set forth beneath that Party’s signature on this Lease.

(b) *General Notice Requirements.* Any notices, demands, deliveries or other communications required under this Lease will be made in writing and delivered by one of the methods set forth in Section 27.2 below to Landlord’s Address or Tenant’s Address, as the case may be, unless one Party modifies its Address by notice to the other Party, given in accordance with Section 27.2 below.

27.2 Delivery.

<b>Method of delivery</b>	<b>When notice deemed delivered</b>
In person (including by messenger service)	the day delivered, as evidenced by signed receipt
Email or Fax	the day sent (unless sent after 5:00 p.m., P.T., in which case the email or fax will be deemed sent the following business day)
US Mail (postage prepaid, registered or certified, return receipt requested)	the day received, as evidenced by signed return receipt
Courier delivery (by reputable commercial courier)	the day received, as evidenced by signed receipt

If the deadline under this Lease for delivery of a notice is a Saturday, Sunday or federal or State of Oregon holiday, such deadline will be deemed extended to the next business day.

**28. Miscellaneous.**

28.1 Time is of the Essence. Time is of the essence in relation to the Parties' performance of any and all of their obligations under this Lease.

28.2 Calculation of Days. Any reference in this Lease to "days" shall mean calendar days, unless specified as "business days." A business day is any day that is not a Saturday, Sunday or a federal or State of Oregon holiday.

28.3 Consent. Unless otherwise specifically stated herein, any consent by a Party will not be unreasonably withheld, conditioned or delayed.

28.4 Integration. This Lease constitutes the entire agreement between the Parties on the subject matter hereof. The Parties have no understandings, agreements or representations, oral or written, regarding this Lease that are not specified herein.

28.5 Amendments. This Lease may be amended or modified only by a written instrument signed by both Parties.

28.6 No Waiver of Performance. No waiver by a Party of performance of any provision of this Lease by the other Party will be deemed a waiver of nor prejudice the other Party's right to otherwise require performance of the same provision, or any other provision.

28.7 Severability. If any term or provision of this Lease is declared by a court of competent jurisdiction to be illegal or in conflict with any Law or Ordinance, the validity of the remaining terms and provisions will not be affected, and the rights and obligations of the Parties will be construed and enforced as if this Lease did not contain the particular term or provision held to be invalid.

28.8 Counterparts. This Lease and any amendments hereto may be executed in two or more counterparts, each of which is an original, and all of which together are deemed one and the same document, notwithstanding that both Parties are not signatories to the same counterpart.

28.9 Governing Law; Consent to Jurisdiction. This Lease is governed by and construed in accordance with the laws of the State of Oregon without regard to principles of conflicts of law. Any Claim between Landlord (or any other agency or department of the State of Oregon) and Tenant that arises from or relates to this Lease will be brought and conducted solely and exclusively within the jurisdiction of the Circuit Court of Marion County in the State of Oregon; provided, however, if a Claim must be brought in a federal forum, then it will be brought and conducted solely and exclusively within the United States District Court for the District of Oregon. Each Party hereby consents to the exclusive jurisdiction of the foregoing courts, waives any objection to venue and waives any claim that such forums are an inconvenient forum. In no event shall this Section 28.9 or any other provision of this Lease be construed as a waiver by the State of Oregon of any form of defense or immunity, whether sovereign immunity, governmental immunity, immunity based on the eleventh amendment to the Constitution of the United States or otherwise, or consent by the State of Oregon to the jurisdiction of any court.

28.10 No Presumption against Drafter. No inference, presumption or conclusion will be drawn against either Party by virtue of that Party having drafted this Lease or any portion thereof.

28.11 Force Majeure. Except for Tenant's continuing obligation to pay Monthly Rent under this Lease, a Party will not be liable for any delay in performance under this Lease, other than payment of any money to the other Party, if such delay is caused by Casualties, strikes, lockouts, riots, wars, acts of public enemies, insurrections, acts of God, shortages of labor or materials or any other such causes not within the control of the first Party (any such event being a "**Force Majeure Event**").

28.12 Exhibits. The Exhibits listed below are incorporated as part of this Lease:

- Exhibit A: Premises
- Exhibit B: Tenant's Insurance Coverage

*[remainder of this page intentionally left blank]*

Each person signing this Lease below on behalf of a Party represents and warrants that such person is duly authorized by that Party and has legal capacity to do so.

**LANDLORD:**

The State of Oregon, acting by and through the Oregon Health Authority,  
through the Oregon State Hospital

Signature \_\_\_\_\_  
Name \_\_\_\_\_ Date \_\_\_\_\_  
Title \_\_\_\_\_

---

**Landlord's Address**

Name: Oregon State Hospital, Salem  
Address: 2600 Center Street NE  
City, State, ZIP: Salem, Oregon 97301  
ATTN: Facilities Management  
Phone Number: 503-945-2800  
Email Address: osh-real-property@oha.oregon.gov

---

**TENANT:**

Marion County, a political division of the State of Oregon,  
acting by and through the Marion County Health and Human Services Department

Signature See County signature page  
Name \_\_\_\_\_ Date \_\_\_\_\_  
Title \_\_\_\_\_

---

**Tenant's Address**

Name: Marion County Health and Human Services Department  
Address: 3160 Center Street NE  
City, State, ZIP: Salem, Oregon 97301  
ATTN: Department Director or Administrator  
Phone Number: 503-361-2670  
Email Address: Health\_Contracts@co.marion.or.us

---

#1(ser)

**MARION COUNTY SIGNATURES FOR  
LOTUS HOUSE - 2440 GREENWAY DR. NE - HE-7091-26  
between  
MARION COUNTY and OREGON STATE HOSPITAL**

**BOARD OF COMMISSIONERS:**

---

Chair \_\_\_\_\_ Date \_\_\_\_\_

---

Commissioner \_\_\_\_\_ Date \_\_\_\_\_

---

Commissioner \_\_\_\_\_ Date \_\_\_\_\_

Authorized Signature: *Troy Gregg* Troy Gregg (May 6, 2026 08:35:48 PDT) 05/06/2026  
Department Director or designee Date

Authorized Signature: *Jan Fritz* Jan Fritz (May 13, 2026 08:22:37 PDT) 05/13/2026  
Chief Administrative Officer Date

Reviewed by Signature: *Andrew Wittendorf* 05/12/2026  
Marion County Legal Counsel Date

Reviewed by Signature: *Chalyse McDowell* 05/06/2026  
Marion County Contracts & Procurement Date

**EXHIBIT A**

**Premises**



## EXHIBIT B

### **Tenant's Insurance Coverage**

*Any capitalized term used but not defined in this Exhibit will have the definition set forth in the Lease to which it is attached.*

**1. Generally.** During the Term of the Lease, Tenant shall obtain and keep in effect Tenant's Insurance Coverage as set forth in Section 2 below. Tenant's Insurance Coverage will be issued by an insurance company authorized to do business in the State of Oregon. Tenant shall pay for all deductibles, self-insurance retention and self-insurance, if any. A combination of primary and excess/umbrella insurance may be used to meet the required limits of Tenant's Insurance Coverage.

**2. Types of Coverage.** Tenant shall obtain and keep in effect during the Term of the Lease the following Tenant's Insurance Coverage:

2.1 General Liability: a commercial general liability policy, covering bodily injury and property damage and providing contractual liability coverage for Tenant's contribution under Section 16 of the Lease. The policy shall include coverage for personal and advertising injury liability, products and completed operations and have no limitation of coverage to designated premises, project or operation. Coverage will be written on an occurrence basis in an amount of not less than \$2,000,000.00 per occurrence, with an annual aggregate of not less than \$4,000,000.00.

2.2 Workers' Compensation: if Tenant employs any "subject worker" as defined in ORS 656.027, workers' compensation insurance for those workers, with statutory limits, and employer's liability insurance, with limits not less than \$500,000.00 per each accident or disease.

**3. Additional Insured.** All of Tenant's Insurance Coverage, except for workers' compensation, shall include an "**Additional Insured**" endorsement specifying the State of Oregon, its officers, employees and agents as Additional Insureds, including Additional Insured status with respect to liability arising out of ongoing operations and completed operations, but only with respect to Tenant's activities to be performed under the Lease. Coverage will be primary and non-contributory with any other insurance and self-insurance. The Additional Insured endorsement with respect to liability arising out of Tenant's ongoing operations will be on ISO Form CG 20 10 07 04 or equivalent and the Additional Insured endorsement with respect to completed operations will be on ISO form CG 20 37 07 04 or equivalent.

**4. Tail Coverage.** If any of Tenant's Insurance Coverage is on a claims-made basis and does not include an extended reporting period of at least twenty-four (24) months, Tenant shall maintain either tail coverage or continuous claims-made liability coverage, provided the effective date of the continuous claims-made coverage is on or before the Effective Date, for a minimum of twenty-four (24) months following the later of:

- 4.1 Landlord's or Tenant's termination of the Lease; or
- 4.2 the expiration of all warranty periods provided under the Lease.

**5. Certificate and Proof of Insurance.** Within fifteen (15) business days after its signature on the Lease, Tenant shall provide to Landlord a “**Certificate of Insurance**” for all of Tenant's Insurance Coverage. The Certificate of Insurance will list the State of Oregon, its officers, employees and agents as a Certificate holder and as an endorsed Additional Insured. The Certificate of Insurance shall also include all required endorsements or copies of applicable policy language effecting coverage required under the Lease. If excess/umbrella insurance is used to meet the minimum insurance requirement, the Certificate of Insurance will include a list of all policies that fall under the excess/umbrella insurance. As proof of insurance, Landlord may request, and Tenant shall deliver to Landlord, copies of insurance policies and endorsements relating to the insurance requirements in the Lease.

**6. Change or Cancellation.** Tenant shall provide at least thirty (30) days' prior notice to Landlord before cancellation of, material change to, potential exhaustion of aggregate limits of, or non-renewal of the required insurance coverage(s). Should the terms and conditions of Tenant's Insurance Coverage change during the Term of the Lease, Landlord may require Tenant to replace any coverage omitted or deleted by such change.

**7. Insurance Requirement Review.** Tenant agrees to Landlord's periodic review of the requirements for Tenant's Insurance Coverage under Section 2 above, and to provide an updated Certificate of Insurance as reasonably requested by Landlord.

**8. Landlord Acceptance.** All insurance providers are subject to Landlord acceptance. If requested by Landlord, Tenant shall provide complete copies of insurance policies, endorsements, self-insurance documents and related insurance documents to Landlord's representatives responsible for verification of Tenant's Insurance Coverage.