

Contract Review Sheet

Lease Agreement

HE-1191-17 - Am5

Title: **Behavioral Health Lease - 3878 Beverly Ave Bldg. H, Salem 4,781 SF**

Contractor's Name: **Pioneer Trust Bank NA Trustee**

Department: **Business Services Department**

Contact: **Vanessa Keck**

Analyst: **Chalyce MacDonald**

Phone #: **(503) 566-3910**

Term - Date From: **March 1, 2017**

Expires: **October 31, 2026**

Original Contract Amount: **\$ 351,720.64** Previous Amendments Amount: **\$ 494,547.84**

Current Amendment: **\$ 33,555.36** New Contract Total: **\$ 879,823.84** Amd% **150%**

Outgoing Funds Federal Funds Reinstatement Retroactive Amendment greater than 25%

Source Selection Method: **50-0600 Leasing Real Property**

Description of Services or Grant Award

Lease agreement for performing physical health and behavioral health services, and operations of business office.

Amendment #1 updated notification contract information for Health & Human Services

Amendment #2 extends the expiration date to June 30, 2024 and adds \$300,000.00 to cover rent payments

Amendment #3 extends the expiration date to June 30, 2025 and adds \$95,836.36 to cover rent payments.

Amendment #4 extends the expiration date to June 30, 2026 and adds \$98,711.48 to cover rent payments.

Amendment #5 extends the expiration date of the Lease to October 31, 2026 [June 30, 2026] and adds funds totaling \$33,555.36. HHS anticipates relocating staff from this location to the Center Street campus building located at 3180 Center St NE, Salem, OR 97301 by the end of this extension.

Desired BOC Session Date: **5/6/2026**

Contract should be in DocuSign by: **4/15/2026**

Agenda Planning Date: **4/23/2026**

Printed packets due in Finance: **4/21/2026**

Management Update: **4/21/2026**

BOC upload / Board Session email: **4/22/2026**

BOC Session Presenter(s) **Tamra Goettsch**

Code: **Y**

REQUIRED APPROVALS

Chalyce MacDonald

04/15/2026

Finance - Contracts

Date

Vanessa Keck

04/14/2026

Contract Specialist

Date

Scott A. Norris

04/15/2026

Legal Counsel

Date

Jeff Fritz

Jeff Fritz (Apr 15, 2026 21:16:35 PDT)

04/15/2026

Chief Administrative Officer

Date



MARION COUNTY BOARD OF COMMISSIONERS

Board Session Agenda Review Form

Meeting date: May 6, 2026

Department: Business Services

Title: Amendment #5 to the Lease Agreement at 3878 Beverly Avenue NE (Bldg H)

Management Update/Work Session Date: April 21, 2026 Audio/Visual aids

Time Required: 10 min Contact: Tamra Goettsch Phone: x3200

Requested Action: Approve Amendment 5 to extend the term of the Lease through October 31, 2026 and add \$33,555.36 to cover rent payments.

Issue, Description & Background: Health and Human Services (HHS) entered into a Lease Agreement with Pioneer Trust Bank to lease 4,781 sqare feet of office space at 3878 Beverly Ave. NE in Salem, OR in 2014. HHS uses this space to provide physical health and behavioral health services, and operations of business office.services. HHS anticipates relocating staff from this location to the Center Street campus building located at 3180 Center St NE, Salem, OR 97301. An additional \$33,555.36 is needed to cover rent payments through the new termination date of October 31, 2026.

Financial Impacts: With \$33,555.36 in additional funds for rent payments through 10/31/2026, the Lease Agreement total will be approximately \$879,823.84

Impacts to Department & External Agencies: n/a

List of attachments: Amendments #5, #4, #3, #2, #1 and original Lease

Presenter: Tamra Goettsch

Department Head Signature: *Tamra Goettsch*



**AMENDMENT 5 to HE-1191-17
the LEASE AGREEMENT**

**between
MARION COUNTY and PIONEER TRUST BANK, N.A. TRUSTEE FOR THE SALEM
FOUNDATION**

This Amendment No. 5 to the Lease Agreement (as amended from time to time, the "Agreement"), dated March 1, 2017 between Marion County, a political subdivision of the State of Oregon, hereafter called "County", and Pioneer Trust Bank, N.A. Trustee for the Salem Foundation, hereafter called "Landlord".

The Agreement is hereby amended as follows (new language is indicated by underlining and deleted language is indicated by ~~strikethrough~~):

- 2. **Term.** The term of this lease shall commence on March 1, 2017, and continue through October 31, 2026 ~~June 30, 2026~~.

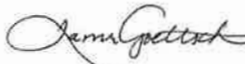
Except as expressly amended above, all other terms and conditions of the original contract are still in full force and effect. Contractor certifies that the representations, warranties and certifications contained in the original Contract are true and correct as of the effective date of this Amendment and with the same effect as though made at the time of this Amendment.

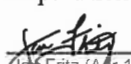
**MARION COUNTY SIGNATURES
BOARD OF COMMISSIONERS:**

Chair Date

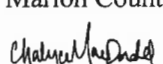
Commissioner Date

Commissioner Date

Authorized Signature:  04/15/2026
Department Director or designee Date

Authorized Signature:  04/15/2026
AP Fritz (Apr 15, 2026 21:16:35 PDT)
Chief Administrative Officer Date

Reviewed by Signature:  04/15/2026
Scott A. Norris (Apr 15, 2026 11:14:09 PDT)
Marion County Legal Counsel Date

Reviewed by Signature:  04/15/2026
Marion County Contracts & Procurement Date

PIONEER TRUST BANK, N.A. TRUSTEE FOR SALEM FOUNDATION SIGNATURE

Authorized Signature: _____
Date

Title: _____



Marion County
OREGON

**AMENDMENT 4 to HE-1191-17
the LEASE AGREEMENT**

between

**MARION COUNTY and PIONEER TRUST BANK, N.A. TRUSTEE FOR THE SALEM
FOUNDATION**

This Amendment No. 4 to the Lease Agreement (as amended from time to time, the "Agreement"), dated February 28, 2017 between Marion County, a political subdivision of the State of Oregon, hereafter called "County", and Pioneer Trust Bank, N.A. Trustee for the Salem Foundation, hereafter called "Landlord".

The Agreement is hereby amended as follows (new language is indicated by underlining and deleted language is indicated by ~~strikethrough~~):

- 2. **Term.** The term of this lease shall commence on March 1, 2017, and continue through June 30, 2026 ~~June 30, 2025~~.
- 3. **Option to Extend.** Tenant shall have and is hereby given the option to extend this lease for additional two (2) seven (7) year periods. Tenant shall provide Landlord with not less than ninety (90) days notice prior to the termination date, if Tenant desires to exercise this option to extend.

Except as expressly amended above, all other terms and conditions of the original contract are still in full force and effect. Contractor certifies that the representations, warranties and certifications contained in the original Contract are true and correct as of the effective date of this Amendment and with the same effect as though made at the time of this Amendment.

MARION COUNTY SIGNATURES

| | | |
|------------------------|-----------------------------------------------------------------------------------------|----------|
| Authorized Signature: | <small>Signed by:</small> <u>Tamra Goettlich</u> <small>E4D545951879444</small> | 5/8/2025 |
| | Department Director or designee | Date |
| Authorized Signature: | <small>DocuSigned by:</small> <u>Jan Fritz</u> <small>DC16351248D54EC</small> | 5/8/2025 |
| | Chief Administrative Officer | Date |
| Reviewed by Signature: | <small>DocuSigned by:</small> <u>John Pettifer</u> <small>AFD6EB7C0023416</small> | 5/8/2025 |
| | Marion County Legal Counsel | Date |
| Reviewed by Signature: | <small>DocuSigned by:</small> <u>[Signature]</u> <small>A3638E7AEC704F4</small> | 5/7/2025 |
| | Marion County Contracts & Procurement | Date |

PIONEER TRUST BANK, N.A. TRUSTEE FOR SALEM FOUNDATION SIGNATURE

Authorized Signature: [Signature] 6-17-2025
Date

Title: TRUST OFFICER



Marion County
OREGON

**AMENDMENT 3 to HE-1191-17
the LEASE AGREEMENT**

between

**MARION COUNTY and PIONEER TRUST BANK, N.A. TRUSTEE FOR THE SALEM
FOUNDATION**

This Amendment No. 3 to the Lease Agreement (as amended from time to time, the "Agreement"), dated March 1, 2017 between Marion County, a political subdivision of the State of Oregon, hereafter called "County", and Pioneer Trust Bank, N.A. Trustee for the Salem Foundation, hereafter called "Landlord".



The Agreement is hereby amended as follows (new language is indicated by underlining and deleted language is indicated by ~~strike through~~):

- 2. **TERM:** The term of this lease shall ~~be for seven (7) years, to~~ commence on March 1, 2017, and continue through June 30, 2025 ~~June 30, 2024~~.

Except as expressly amended above, all other terms and conditions of the original contract are still in full force and effect. Contractor certifies that the representations, warranties and certifications contained in the original Contract are true and correct as of the effective date of this Amendment and with the same effect as though made at the time of this Amendment.

**MARION COUNTY SIGNATURES
BOARD OF COMMISSIONERS:**

Not Present At Meeting

| | | | |
|--------------|-------------------------------------------------------------------------------------|------|-----------|
| Chair |  | Date | 6/12/2024 |
| Commissioner |  | Date | 6/12/2024 |
| Commissioner | | Date | |

| | | |
|------------------------|---------------------------------------------------------------------------------------------------------------------------------------------|-----------|
| Authorized Signature: |  <small>DocuSigned by: E4D545951870444...</small> | 5/23/2024 |
| | Department Director or designee | Date |
| Authorized Signature: |  <small>DocuSigned by: 1E994034585E453...</small> | 5/23/2024 |
| | Chief Administrative Officer | Date |
| Reviewed by Signature: |  <small>DocuSigned by: 6CC98A6F708240B...</small> | 5/23/2024 |
| | Marion County Legal Counsel | Date |
| Reviewed by Signature: |  <small>DocuSigned by: E4692AF8CA4642C...</small> | 5/23/2024 |
| | Marion County Contracts & Procurement | Date |

PIONEER TRUST BANK, N.A. TRUSTEE FOR SALEM FOUNDATION SIGNATURE

Authorized Signature:  6/14/2024
38AC0C8948E2483 _____
Date

Title: Trust officer



Marion County
OREGON

AMENDMENT 2 to the
LEASE AGREEMENT #HE-1191-17

between

MARION COUNTY and PIONEER TRUST BANK, N.A. TRUSTEE FOR THE SALEM
FOUNDATION

This Amendment No. 2 to the Lease Agreement (as amended from time to time, the "Agreement"), dated February 28, 2017 between Marion County, a political subdivision of the State of Oregon, hereafter called Tenant, and Pioneer Trust Bank, N.A. Trustee for the Salem Foundation hereafter called Landlord.

The Agreement is hereby amended as follows (new language is indicated by underlining and deleted language is indicated by brackets):

2. **TERM.** The term of this Lease shall be for seven (7) years [four (4) years] to commence March 1, 2017 and continue through June 30, 2024 [June 30, 2021].

24. MISCELLANEOUS

b. Notices

TENANT: MARION COUNTY [HEALTH DEPARTMENT] HEALTH & HUMAN SERVICES DEPARTMENT

Attn: [Senior Administrative Services Manager] Property Coordinator

[3180 Center St Suite 2100] PO Box 14500

Salem, OR [97301] 97309

Phone: [503-588-5357] 503-373-4364

Email: [jelliott@co.marion.or.us] JCarlson@co.marion.or.us

Except as expressly amended above, all other terms and conditions of the original Agreement are still in full force and effect. Landlord certifies that the representations, warranties and certifications contained in the original Agreement are true and correct as of the effective date of this Amendment and with the same effect as though made at the time of this Amendment.

MARION COUNTY SIGNATURE
BOARD OF COMMISSIONERS:

Kim Cameron 5-19-2021
Chair Date

David B... 5-19-2021
Commissioner Date

Colleen Lillis 5/19/2021
Commissioner Date

Authorized Signature: [Signature] 5/4/2021
Department Director or designee Date

Authorized Signature: [Signature] 5/13/21
Chief Administrative Officer Date

Reviewed by Signature: [Signature] 5/10/21
Marion County Legal Counsel Date

Reviewed by Signature: [Signature] May 7, 2021
Marion County Contracts & Procurement Date

PIONEER TRUST BANK, N.A. TRUSTEE for SALEM FOUNDATION SIGNATURE

Authorized Signature: [Signature] 5-23-2021
Date

Title: Vice President



Marion County
OREGON

AMENDMENT 1 to the
LEASE AGREEMENT

between

MARION COUNTY and PIONEER TRUST BANK, N.A. TRUSTEE FOR THE SALEM
FOUNDATION

This Amendment No. 1 to the Lease Agreement (as amended from time to time, the "Contract"), dated February 28, 2017 between Marion County, a political subdivision of the State of Oregon, hereafter called County, and Pioneer Trust Bank, hereafter called Contractor.

The Contract is hereby amended as follows (new language is indicated by underlining and deleted language is indicated by brackets []):

24. Miscellaneous

b. Notices. Any notice required or permitted under this lease shall be given when actually delivered or 72 hours after deposited in United States mail as certified mail addressed to the address as may be specified below or as may be changed from time to time by either of the parties in writing.

LANDLORD: SALEM FOUNDATION

Pioneer Trust Bank, N.A.

P.O. Box 2305

Salem, Oregon 97308

Phone: (503) 480-1873

Email: bdavis@pioneertrustbank.com

TENANT: MARION COUNTY HEALTH DEPARTMENT

Attn: [Senior Office Manager] Senior Administrative Services Manager

[PO Box 14555] 3180 Center St Suite 2100

Salem, OR [97309] 97301

Phone: [503-364-6552] 503-588-5357

Email: [rmatthews@co.marion.or.us] jelliott@co.marion.or.us

Except as expressly amended above, all other terms and conditions of the original contract are still in full force and effect. Contractor certifies that the representations, warranties and certifications contained in the original Contract are true and correct as of the effective date of this Amendment and with the same effect as though made at the time of this Amendment.

REMAINDER OF PAGE INTENTIONALLY LEFT BLANK

MARION COUNTY and PIONEER TRUST BANK, N.A. TRUSTEE FOR THE SALEM FOUNDATION

MARION COUNTY SIGNATURE

Authorized Signature:  10/25/17
Cary Moller, Administrator Date

Reviewed by Signature:  10/27/17
Marion County Contracts & Procurement Date

PIONEER TRUST BANK, N.A., TRUSTEE for SALEM FOUNDATION

Authorized Signature: William C. Dams Date: 10-16-17

Title: Trust Officer

APPROVED AS TO FORM:

 10/30/17
Marion County Legal Counsel Date

 10/30/17
Chief Administrative Officer Date

LEASE AGREEMENT

THIS AGREEMENT is entered this 28th day of February 2017, between PIONEER TRUST BANK, N.A., TRUSTEE FOR THE SALEM FOUNDATION thereafter referred to as "Landlord", and MARION COUNTY, a political subdivision of the State of Oregon, by and through the Health Department, hereinafter referred to as "Tenant."

RECITAL:

Landlord owns an office building consisting of approximately 11,300 square feet of space located at 3878 Beverly Avenue NE, Building "H", Salem, Oregon, Marion County, Oregon. Landlord wishes to lease a portion of this property to Tenant and Tenant wishes to lease a portion of this property from Landlord upon the terms and conditions contained in this lease.

AGREEMENT:

1. **Lease.** Landlord leases to Tenant and Tenant leases from Landlord the following described property (the Premises) on the terms and conditions contained in this Lease.

That certain office space, consisting of approximately 4,781 square feet, situated in the office building located at 38786 Beverly Avenue NE, Building "H", Salem, Marion County, Oregon.

Tenant and its invitees shall also have the non-exclusive right to use sidewalks, entryways, driveways, passageways, parking areas and other common areas serving the improvements in which the Premises are located.

2. **Term.** The term of this Lease shall be for four (4) years, to commence March 1, 2017, and continue through June 30, 2021.
 - a. **Early Termination.** Tenant may terminate the lease with a minimum 30 days' notice to Landlord prior to expiration due to lack of appropriations should the Marion County Board of Commissioners determine that any revenue sources are reduced, changed, modified, or otherwise eliminated, thereby requiring the Tenant to curtail services and reduce staff and office space.
3. **Option to Extend.** Tenant shall have and is hereby given the option to extend this lease for two (2) seven (7) year periods. Tenant shall provide Landlord with not less than ninety (90) days notice prior to the termination date, if Tenant desires to exercise this option to extend.
4. **Possession.** Tenant's right to possession and obligations under the lease shall continue beginning March 1, 2017.
5. **Rent.** Rent shall be payable on the first day of each month in advance at such place as may be designated by Landlord. During the term of this lease and any extension or renewal period, tenant shall pay to Landlord as rent the following amounts:
 - a. **Base Rent.** The sum of \$6,429.34 per month.

- b. Escalation. Beginning on March 1, 2018 and each March 1st thereafter the Base Rent shall be increased by three percent (3%) over the prior year. Landlord will notify Tenant, in writing, each year of the rent escalation.
6. Deposit. The security deposit requirement is hereby waived by Landlord.
7. Additional payments. Landlord agrees to pay for the monthly cost of collection of garbage from the common area dumpster. Tenant agrees to provide and pay for electricity, natural gas, water and sewer charges and all other services, including but not limited to janitorial services, data and phone services. The payment under this paragraph shall be made promptly as soon as such payments become due.
8. Condition of Premises and Permitted Uses. The Premises shall be used for performing physical health and behavioral health services, operation of a business office and other uses related or ancillary to Tenant's operations and activities, and to provide the normal and customary services associated with such function, and for no other purposes without the consent of Landlord, which consent shall not be withheld unreasonably. Tenant will at all times keep and maintain the Premises in a good state of repair, order and condition, as that existing at the commencement of the term, reasonable wear and tear from ordinary use thereof and damage by fire or the elements alone excepted. Tenant is aware that this is a smoking office facility and, therefore, no smoking is allowed on the interior of any office in Village East Park Office Complex. Tenant shall assume full responsibility to see that cigarette debris (if any) is picked up daily in front of the Leased Premises.
9. Restrictions of Use. In connection with the use of the Premises, Tenant shall:
 - a. Conform to all applicable laws and regulations of any public authority affecting the Premises and the use of the Premises. Tenant, at Tenant's own expense, shall correct any noncompliance under this section which is created by reason of Tenant's specific use of the property or by Tenant's other actions or failure to act which result in the failure to comply. However, Tenant shall not be required to make any structural changes to the Premises which are necessary for compliance, unless the changes are required as a result of Tenant's specific use of the Premises.
 - b. Refrain from any activity that would make it impossible to insure the Premises against casualty, would increase the insurance rate, or would prevent Landlord from taking advantage of any ruling of the Oregon Insurance Rating Bureau, or its successor, unless Tenant pays the additional cost of the insurance.
 - c. Refrain from unreasonably loading the electrical system or floors to create an unsafe condition.
 - d. Refrain from making any marks on or attaching any sign, insignia, advertisements, notices, antenna, aerial, or other device to the exterior or interior walls, windows, or roof of the Premises which would be visible from any public street without the written consent of Landlord.

e. Tenant shall not cause or permit any Hazardous Substance to be spilled, leaked, disposed of, or otherwise released on or under the Premises. Tenant may use or otherwise handle on the Premises only those Hazardous Substances typically used or sold in the prudent and safe operation of the business specified in paragraph 8. Tenant may store such Hazardous Substances on the Premises only in quantities necessary to satisfy Tenant's reasonably anticipated needs. Tenant shall comply with all Environmental Laws and exercise the highest degree of care in the use, handling and storage of Hazardous Substances and shall take all practicable measures to minimize the quantity and toxicity of Hazardous Substances used, handled, or stored on the Premises. Upon the expiration or termination of this lease, Tenant shall remove all Hazardous Substances from the Premises. The term Environmental Law shall mean any federal, state, or local statute, regulation, or ordinance or any judicial or other governmental order pertaining to the protection of health, safety or the environment. The term Hazardous Substance shall mean any hazardous, toxic, infectious or radioactive substance, waste, and material as defined or listed by any Environmental Law and shall include, without limitation, petroleum oil and its fractions.

10. **Repairs and Maintenance.** Landlord shall at its own cost and expense during the term of this lease keep and maintain the leased Premises, including any and all building improvements situated therein, in a good condition and state of repair.

a. The following shall be the responsibility of Landlord:

- (1) Repairs and maintenance of the interior and exterior components of the premises, to include, in inclement weather, de-icing of the parking area and adjacent building sidewalks, excepting those items outlined in section 10.b. below. Landlord is responsible for repairs to original or Landlord installed systems and will repair any such systems at Landlord's expense.
- (2) Construction of the tenant improvements outlined in attached exhibit B. Interior paint colors, floor coverings and other finishes shall be the finishes standard for Village East Office Park. Tenant shall be responsible for the installation, maintenance and repairs to all phone and data lines from the point of demarcation into the Premises.
- (3) Landlord to resolve reported repair emergencies within 24 hours, and non-emergency repair issues within 48 hours. An emergency contact list with current phone numbers, including identification of a primary point of contact, shall be provide to the Tenant.
- (4) HVAC systems will be maintained to provide current ASHRAE and International Building Code requirements for air flow, air exchange rate and air quality.

b. The following shall be the responsibility of Tenant:

- (1) Any repairs arising as a result of the actions or negligence of Tenant, their clients or invitees, normal wear and tear excepted.

- (2) Ordinary maintenance and any repairs necessary because of improper Tenant maintenance responsibilities, including light bulb replacement within the Premises. Costs to repair or replace items due to excessive wear and tear are the responsibility of Tenant. To prevent excessive interior rug damage, door entry rugs and desk chair mats are required;
- (3) Any repairs or alterations required under Tenant's obligation to comply with laws and regulations as set forth in paragraph 9a;
- (4) Re-keying of locks. If after commencement of the term of the lease, Tenant requires that the door locks be re-keyed, Tenant may rekey the Premises at any time of their choosing with any licensed, qualified locksmith of their choice. The new keyway need not be part of the master key system for the office complex. All rekeying and management of the key system will be Tenant's responsibility and expense. Tenant acknowledges that a key system outside the master key system for the office complex may cause delays in Landlord response to emergencies which require Landlord access, although Landlord will make every effort to minimize these delays.
- (5) Fire extinguisher(s). If required by the City of Salem Fire Code, Tenant shall supply and maintain their own fire extinguisher.
- (6) Phone & Data. Tenant shall be responsible for the installation, maintenance and repair of all phone and data services from the point of demarcation forward into the Premises. Landlord consents to Tenant using Landlord-owned conduit that connects the utility closet of the Premises to the utility closet of the neighboring building at 3867 Wolverine Street NE, Building F, at their own expense. Tenant agrees to remove the connection between the two buildings upon termination of the lease.

11. Americans With Disabilities Act (ADA).

- a. Compliance. Tenant shall be responsible for compliance with the ADA for all issues that arise with respect to Tenant's trade fixtures, equipment and freestanding space dividers and any other fixtures or equipment installed or used on the Premises by Tenant. Landlord shall be responsible for compliance with the ADA with respect to all issues that arise due to structural features of the Premises, to include ramps and other ADA access to the building interior and restroom compliance. With respect to each party's area of responsibility, each party shall take all steps necessary to comply with the ADA, shall pay all costs of compliance, promptly when due, and shall pay all penalties, fines, judgments, including attorney fees and court costs, levied or assessed because of a failure to comply with the ADA.
- b. Termination. In the event Landlord is required to make changes in the lease space to comply with the ADA at a cost exceeding \$30,000.00, Landlord and Tenant shall have the right, upon giving the other party 60 day's prior notice, to terminate this lease. If either party opts to terminate the lease, all rights and obligations of the parties shall cease as of date of termination. If Landlord does not elect to terminate the lease, Landlord shall

proceed to make such alterations as are necessary to comply with the ADA. Rent shall be abated during the period of such alterations to the extent the work interferes with Tenant's occupancy.

12. **Inspections and Other Entries.** Landlord shall have the right to inspect the Premises at any reasonable time with prior notification and with a Marion County escort proficient in HIPAA regulations and compliance to determine the necessity of repair and for any other purpose. Whether or not such inspection is made, the duty of Landlord to make repairs shall not mature until a reasonable time after Landlord has received from Tenant written notice of the repairs that are required. Landlord shall have the right to enter upon the Premises at any reasonable time with prior notification and with an escort to determine Tenant's compliance with this lease, to make necessary repairs to the building or to the Premises, or to show the Premises to any prospective tenant or purchaser, and in addition shall have the right, at any time during the last two months of the term of this lease, to place and maintain upon the Premises notices for leasing or selling of the Premises.

Landlord, Tenant, Marion County Risk Management and Facilities must complete a building evaluation and inspection before Tenant takes possession of the premises and at time of renewal.

13. **Alterations or Improvements.** Tenant shall make no improvements or alterations on the Premises of any kind without first obtaining Landlord's written consent. All alterations shall be made in a good and workmanlike manner, and in compliance with applicable laws and building codes. As used herein, "alterations" includes but is not limited to, the installation of computer and telecommunications wiring, cables, and conduit. All improvements and alterations performed on the Premises by either Landlord or Tenant shall be the property of Landlord when installed unless the applicable Landlord's consent specifically provides otherwise. Improvements and alterations installed by Tenant shall, at Landlord's option, be removed by Tenant and the Premises restored unless the applicable Landlord's consent specifically provides otherwise.
- a. **Tenant Improvements.** No further improvements are currently anticipated or required for this renewal.
 - b. Any exterior sign installed by Tenant, shall conform with the SIGN POLICY for the Village East Office Park, attached hereto as Exhibit "A" and made a part of this lease by this reference.
14. **Fire Insurance.** Landlord shall at the Landlord's expense maintain at all times property insurance and general liability insurance covering the Premises. Tenant pursuant to applicable provisions of ORS 30.260 to 30.300, shall maintain a self-insurance program, which provides property damage and personal injury coverage. 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.

Both parties agree to waive any and all recovery rights against the other or against the officers, agents and employees for any loss or damage from any cause covered by any

property insurance required to be carried under this agreement or any other insurance coverage carried by the parties. This waiver shall be valid only if the insurance policy in question expressly permits waiver of subrogation or if the insurance company agrees in writing that such a waiver will not affect coverage under the policies. Each party agrees to use best efforts to obtain such an agreement from its insurer if the policy does not expressly permit a waiver of subrogation.

15. **Taxes.** Tenant will apply for exemption from ad valorem property taxes for the leased premise under ORS 307.112, and will file claim for such exemption in a timely manner, as prescribed by ORS 307.112.
16. **Damage or Destruction.** If the Premises are destroyed or damaged to the extent of 40% of the Premises, Landlord may elect to terminate the lease as of the date of the damage or destruction by notice given to Tenant in writing not more than 45 days following the date of damage. In such event all rights and obligations of the parties shall cease as of the date of termination, and Tenant shall be entitled to the reimbursement of any prepaid amounts paid by Tenant and attributable to the anticipated term. If less than 40% of the Premises are damaged or destroyed or Landlord elects not to terminate, Landlord shall proceed to restore the Premises to substantially the same form as prior to the damage or destruction. Work shall be commenced as soon as reasonably possible. Rent shall be abated during the repair of any damage to the extent the Premises are untenantable, except that there shall be no rent abatement where the damage occurred as the result of the fault of Tenant.
17. **Eminent Domain.**
 - a. Partial Taking. If a portion of the Premises is condemned and paragraph 17.b. below does not apply, the lease shall continue on the following terms:
 - (1) Landlord shall be entitled to all of the proceeds of condemnation, and Tenant shall have no claim against Landlord as a result of the condemnation.
 - (2) Landlord, at Landlord's election, may proceed as soon as reasonably possible to make repairs and alterations to the Premises that are necessary to restore the remaining Premises to a condition as comparable as reasonably practicable to that existing at the time of the condemnation.
 - (3) After the date on which title vests in the condemning authority or an earlier date on which alterations or repairs are commenced by Landlord to restore the balance of the Premises in anticipation of taking, the rent shall be reduced in proportion to the reduction in value of the Premises as an economic unit on account of the partial taking. If the parties are unable to agree on the amount of the reduction of rent, the amount shall be determined by an independent appraiser selected by Landlord. The cost of such appraiser shall be divided equally between Landlord and Tenant.
 - (4) If a portion of Landlord's property not included in the Premises is taken, and severance damages are awarded on account of the Premises, or an award is made for detriment to the Premises as a result of activity by a public body not involving a physical taking of any portion of the Premises, this shall be regarded as a partial

condemnation to which this paragraph 17.a. applies, and the rent shall be reduced to the extent of reduction in rental value of the Premises as though a portion had been physically taken.

- b. **Total Taking.** If a condemning authority takes all of the Premises or a portion sufficient to render the remaining Premises reasonably unsuitable for the use that Tenant was then making of the Premises, the lease shall terminate as of the date the title vests in the condemning authorities. Upon termination, Landlord shall be entitled to all of the proceeds of condemnation, and Tenant shall have no claim against Landlord as a result of the condemnation.
- c. **Sale in Lieu of Condemnation.** Sale of all or part of the Premises to a purchaser with the power of eminent domain in the face of a threat or probability of the exercise of the power shall be treated for the purposes of this section as a taking by condemnation.

18. **Liens.** Except with respect to activities, for which Landlord is responsible, Tenant shall pay as due all claims for work done on and for services rendered or material furnished to the Premises, and shall keep the Premises free from any liens. If, following 10 days prior written notice from Landlord, Tenant fails to pay any such claims or to discharge any lien, Landlord may do so and collect the cost as additional rent. Any amount so added shall bear interest at the rate of 10% per annum from the date expended by Landlord and shall be payable on demand. Such action by Landlord shall not constitute a waiver of any right or remedy which Landlord may have on account of Tenant's default.

19. **Indemnification.** Subject to the limitations of the Oregon Tort Claims Act and the Oregon Constitution, Tenant agrees to indemnify, defend and hold harmless the Landlord against any and all liability, loss and costs arising from actions, suits, claims or demands attributable solely and exclusively to acts or omissions of Tenant, and Tenant's officers, agents and employees, under this lease agreement.

During the term of the lease the Landlord shall defend, indemnify and hold Tenant harmless against any claim of liability of loss from personal injury or property damage caused by the negligence or willful misconduct of the Landlord, its employees or agents except to the extent that such claims or damages may be due to or caused by the acts or omissions of the Tenant, its employees or agents.

20. **Assignment or Subletting.** No part of the Premises may be assigned, mortgaged, or subleased, nor may a right of use of any portion of the Premises be conferred on any third person by any other means; without the prior written consent of Landlord. This provision shall apply to all transfers by operation of law. This provision shall apply to any transfer of a majority voting interest in stock or partnership interest of Tenant. No consent in one instance shall prevent this provision from applying to a subsequent instance. Landlord may withhold or condition such consent in its sole and arbitrary discretion.

21. **Default.** The following shall be events of default:

- a. **Default in Rent.** Failure of Tenant to pay any rent or other charge within 15 days after it is due;

- b. **Default in Other Covenants.** Failure of Tenant to perform any obligation of the lease (other than the payment of rent or other charges) within 20 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 the 20-day period, this provision shall be complied with if Tenant begins correction of the default within the 20-day period and thereafter proceeds with reasonable diligence and in good faith to effect the remedy as soon as practicable;
- c. **Insolvency.** Insolvency of Tenant; an assignment by Tenant for the benefit of creditors; the filing by Tenant of a voluntary petition in bankruptcy; an adjudication that Tenant is bankrupt or the appointment of a receiver of the properties of Tenant; the filing of any involuntary petition of bankruptcy and failure of Tenant to secure a dismissal of the petition within 30 days after filing; attachment of or the levying of execution on the leasehold interest and failure of Tenant to secure discharge of the attachment or release of the levy of execution within 10 days shall constitute a default. ; or
- d. **Abandonment.** Failure of Tenant for 20 days or more to occupy the Premises for on or more of the purposes permitted under this lease, unless such failure is excused by other provisions of this lease.
- e. **Default by Landlord.** Landlord will be in default of this Lease if Landlord fails to perform obligations within twenty (20) days after written notice from Tenant to Landlord describing the default; provided however that if the nature of Landlord's obligation is such that more than twenty (20) days are required for performance, then Landlord shall not be in default if Landlord commences performance within the twenty (20) day period and thereafter diligently prosecutes the same to completion.

22. **Remedies on Default.** The following shall be remedies in the event of default:

- a. **Landlord Remedies.** In the event of default by Tenant, and such violation is not cured within the time allowed under Section 21, the lease may be terminated at the option of Landlord by written notice to Tenant. Whether or not the lease is terminated by the 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 Premises, and remove any persons or property by legal action.
- b. **Reletting.** Following reentry or abandonment, Landlord may relet the Premises and in that connection may make any suitable alterations or refurbish the Premises, or both, or 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 this lease or which 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, upon any reasonable terms and conditions, including the granting of some rent-free occupancy or other rent concession.

- c. **Tenant's Remedies.** If the Landlord shall violate or default in the performance of any Landlord's obligations within this Lease Agreement, and such violation is not cured within the time allowed under Section 21, the Tenant may terminate this Lease at the option of Tenant by providing written notice, and may recover damages and costs incurred by Tenant. If Landlord fails to commence repairs of the Premises as required in Section 10. a. above within twenty (20) days after written notice from Tenant, Tenant may terminate this Lease by giving notice to the Landlord, or Tenant may perform any such repairs and deduct the costs thereof from the monthly rent next falling due; provided, if such disrepair has the effect that Tenant cannot reasonably use the Premises in the manner set forth in Section 8, then the monthly rent shall be abated until the Premises can be reasonably operated for such use. Notwithstanding the preceding, Landlord shall use best efforts to avoid materially or unreasonably affecting or interrupting Tenant's use of the Premises.

23. Surrender at Expiration.

- a. **Condition of Premises.** Upon expiration of the lease term or earlier termination on account of default, Tenant shall deliver all keys to Landlord and surrender the Premises in good condition and broom clean including removal of all rubbish and debris, clean walls, clean carpets, clean bathroom items, clean plumbing fixtures and window coverings, normal wear and tear excepted. Alterations constructed by Tenant with permission from Landlord shall not be removed or restored to the original condition unless the terms of permission for the alteration so require. Tenant's obligations under this section shall be subordinate to the provisions relating to destruction.
- b. **Fixtures**
 - (1) All fixtures placed upon the Premises during the term, other than Tenant's trade fixtures shall become the property of Landlord.
 - (2) Prior to expiration or other termination of the lease term, Tenant shall remove all furnishings, furniture, and trade fixtures that remain Tenant's property. If Tenant fails to do so, this shall be an abandonment of the property, and the Landlord may retain the property and all rights of Tenant with respect to it shall cease or, by notice in writing given to Tenant within 20 days after removal was required, Landlord may elect to hold Tenant to its obligation of removal. If Landlord elects to require Tenant to remove, Landlord may effect a removal and place the property in public storage for Tenant's account. Tenant shall be liable to Landlord for the cost of removal, transportation to storage, and storage, with interest at the rate of 10% on all such expenses from the date of expenditure by Landlord.
- c. **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 the holding over shall be construed to create a tenancy from month-to-month.

24. Miscellaneous.

- a. Nonwaiver. Waiver by either party of strict performance of any provision of this lease shall not be a waiver of or prejudice the party's right to require strict performance of the same provision in the future or of any other provision.
- b. Notices. Any notice required or permitted under this lease shall be given when actually delivered or 72 hours after deposited in United States mail as certified mail addressed to the address as may be specified below or as may be changed from time to time by either of the parties in writing.

LANDLORD: SALEM FOUNDATION
Pioneer Trust Bank, N.A.
P.O. Box 2305
Salem, Oregon 97308

Phone: (503) 480-1873
Email: bdavis@pioneertustbank.com

TENANT: MARION COUNTY HEALTH DEPARTMENT
Attn: Senior Office Manager
PO Box 14555
Salem, OR 97309

Phone: (503) 364-6552
Email: RMatthews@co.marion.or.us

- c. Succession. Subject to the above-stated limitations on transfer of Tenant's interest, this lease shall be binding on and inure to the benefit of the parties and their respective successors and assigns.
- d. Recordation. This lease shall not be recorded without the written consent of Landlord.
- e. Proration of Rent. In the event of commencement or termination of this lease at a time other than the beginning or end of one of the specified rental periods, then the rent shall be prorated as of the date of commencement or termination and in the event of termination for reasons other than default, all prepaid rent shall be refunded to Tenant or paid on its account.
- f. Time of Essence. Time is of the essence of the performance of each of Tenant's and Landlord's obligations under this lease.
- g. Parking. Tenant shall have exclusive use of all the parking stalls adjacent to the Leased Premises. Additionally, Landlord shall provide Tenant, its customers and employees, parking in common with the other tenants, their customers and employees of the complex. Any change in the common area parking shall be within Landlord's sole and absolute discretion.

- h. Real Estate Taxes. The base rent stipulated in paragraph 5 above has been adjusted to reflect any exemption from real property taxation under ORS 307.112 because Tenant is qualified for an exemption under ORS 307.130.
- i. Health Insurance Portability and Accountability Act (HIPAA). 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, as amended. The parties agree to 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 the HIPAA.
- j. Civil Rights. 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."
- k. Termination. This lease may be terminated by mutual consent of both parties if set forth in writing.

IN WITNESS WHEREOF, the parties hereto have executed this instrument the day and year first set forth above.

LANDLORD:

PIONEER TRUST BANK, N.A., Trustee
For The Salem Foundation

William C. Davis 3-10-17
Trust Officer Date

Tax ID#: 93-6018523

TENANT:

MARION COUNTY

Scott Richards 2/19/17
Scott Richards, Interim Administrator Date

Cary Moller 2/10/17
Cary Moller, Division Director Date

Larry Tilford 2/13/17
Larry Tilford, Facilities Program Manager Date

Cliff Chaffin 2-14-17

Fund Verification: _____ Service Code: 2903
Account: 527210

Ryan Matthews 2/14/17
Ryan Matthews, ASD Director Date

APPROVED AS TO FORM:

Alvin M. By 2/14/17
Marion County Legal Counsel Date

Comber Schrey 2/16/17
Marion Co. Contracts & Procurement Date

BOARD OF COMMISSIONERS:

David A. Bost 2-21-17
Chair Date

Janet Park 2-22-17
Commissioner Date

Ki Curran 2-22-17
Commissioner Date

EXHIBIT 'A'
SIGN POLICY FOR VILLAGE EAST OFFICE PARK

The zone of the Village East Office Park section is Commercial Office. The zoning ordinance which covers this for signs is 191.005 through 191.080.

The following is the policy based on several conferences with staff of the Marion County Planning Commission.

Signs provided by Tenant:

A 5 ½ " x 5'0" maximum size sign is allowed, located directly under the overhang in front of the office door. If an office has more than one entrance door, more than one sign, or a larger sign will be permitted only upon approval from the Village East Architectural Control Committee prior to installation.

All signs shall be lettered with a classic Roman style of lettering. The color of stain on all signs shall be either #714 Olympic stain or the same color in another brand.

All signs shall be routed lettering with white underscoring.

All signs shall be made of kiln dried redwood material or a product that closely simulates wood.

Signs shall be installed by Landlord.