

REAL ESTATE LEASE AGREEMENT

THIS LEASE AGREEMENT, is made and entered into this 1st day of June, 2023, by and between West Point Lodge #62, hereinafter called the Lessor, and CITY OF COBURG, hereinafter called the Lessee.

In consideration of the covenants, agreements and stipulations herein contained on the part of the Lessee to be paid, kept and faithfully performed, the Lessor does hereby lease, demise and let unto the said Lessee those certain premises, as is, situated in the City of Coburg, County of Lane and State of Oregon, at: 91119 N. Willamette Street (approximately 2100 sf of ground floor retail space and the attached parking lot to the south of the building.) upon the following TERMS and CONDITIONS:

SECTION 1. OCCUPANCY

- 1.1 **Original Term.** The term of this lease shall commence on June 1, 2023 and continue through May 31, 2028.
- 1.2 **Possession.** Lessee's rights to possession and obligations under this lease shall commence on June 1, 20228.
- 1.3 **Area of Lease.** Area of lease shall consist of the full downstairs of the property including community room, kitchen, bathroom, and storage rooms and closets. In addition, the lease extends to the outside common areas and full parking lot.
- 1.4 **Renewal Option.** If Lessee desires to extend the Lease and if the Lease is not then in default, Lessee shall have the option to renew this Lease for one successive term of five years as follows:
 - (a) The renewal term shall commence on the day following the date of termination of the preceding term.
 - (b) The option must be exercised by written notice to Lessor not less than NINETY (90) days prior to the last day of the expiring term. The giving of such notice shall be sufficient to make the lease binding for the renewal term without further act of the parties who shall then be bound to take the steps required in connection with the determination of rent as specified below.
 - (c) The basic rental rate of the lease for any renewal term shall be the greater of (i) the ending rental rate of the preceding term, (ii) a reasonable rental rate for the ensuing term, as mutually agreed to by the parties, or (iii) as described in Section 2.1 below.
- 1.5 Lessor, or Lessor's agent, shall have the right to place "For Lease", "For Sale" or similar such signs on the subject leased property at any time within the last one hundred and twenty (120) days of the lease term. The location of such signs shall be at the sole discretion of the Lessor (see also 18.7).

SECTION 2. RENT

- 2.1 **Base Rent.** Lessee shall pay to Lessor on the first day of each month, beginning June 1, 2023, in advance to the management of IOOF at PO Box 8543, Coburg, Oregon 97408. The monthly rent sum of \$1,000 per month.

- 2.2 Late Payment Charges.** If Lessee fails to pay, within TEN (10) days after the due date thereof, any rent, Lessor advance, or other charge payable by Lessee under this Lease, then Lessee shall be obligated to pay to Lessor (in addition to the overdue principal amount of the rent, advance, or other charge) a late payment charge of \$50.00 with said late payment charge being compounded monthly, for each month or fraction of a month during which the overdue principal amount remains unpaid. Payment date shall be that date on which Lessor receives said payment.
- 2.3 Security Deposit.** To secure Lessee's compliance with all terms of this lease, Lessee has paid Lessor the sum of \$500 as a deposit. The deposit shall be a debt from Lessor to Lessee, refundable within THIRTY (30) days following expiration of the lease term or other termination not caused by Lessee's default. Lessor shall have the right to offset against the deposit any sums owing from Lessee to Lessor and not paid when due, any damages caused by Lessee's default, the cost of curing any default by Lessee should Lessor elect to do so, and the cost of performing any repair or cleanup that is Lessee's responsibility under this lease. Offset against the deposit shall not be an exclusive remedy in any of the above cases, but may be invoked by Lessor, as its option, in addition to any other remedy provided by law or this lease for Lessee's nonperformance. Lessor shall give notice to Lessee each time an offset is claimed against the deposit, and, unless the lease is terminated, Lessee shall within TEN (10) days following such notice deposit with Lessor a sum equal to the amount of the offset so that the total deposit amount, net of offset, shall remain constant throughout the lease term.
- 2.4 Additional Rent.** All taxes, insurance costs, utility charges, maintenance and other charges which Lessee is required to pay by this lease, as outlined in Sections 7.2 and 8.1 of this lease, and any other sum which Lessee is required to pay to Lessor or third parties shall be additional rent.

SECTION 3. REPAIRS AND MAINTENANCE

- 3.1 Lessor's Obligations.** The following shall be the responsibility of Lessor:
- (a) Lessor warrants that all heating, cooling, electrical and plumbing systems are in reasonable operating order at date of Lessee's possession.
 - (b) Repairs and maintenance of the roof and gutters, exterior walls (including painting), bearing walls, structural members, and foundations.
 - (c) Repair of sidewalks, driveways, curbs, parking areas, and areas used in common by Lessee and Lessor or Lessees of other portions of the same building.
 - (d) Repair and maintenance of exterior water, sewage, gas and electrical services up to the point of entry to the leased premises.
 - (e) Repair and maintenance of the heating system to include ordinary maintenance.

(f) Secure access to the stairs at the lower level and lock doors on the upper level of the hall. The Lessor holds the Lessee harmless for any entrance or damage to the upper-level area.

(g) The Lessor agrees to install and maintain smoke alarms and CO2 alarms at their cost to the downstairs leased area.

3.2 Lessee's Obligations. The following shall be the responsibility of Lessee:

(a) Any repairs necessitated by the negligence of Lessee, its agents, employees and invitees, except as provided in Paragraph 7.1 dealing with waivers of subrogation.

(b) Any repairs or alterations required under Lessee's obligation to comply with laws and regulations as set forth in Paragraph 4.2 (a) below.

(c) All other repairs to the premises which Lessor is not required to make under Paragraph 3.1 above.

(d) Compliance with all reasonable rules and regulations respecting the use of the Leased Premises issued by Lessor from time to time and communicated to Lessee in writing.

(e) Not commit waste, not suffer or permit waste to be committed, and not cause or permit any nuisance on or in the Leased Premises.

3.3 Lessor's Interference with Lessee. Any repairs, replacements, alterations, or other work performed on or around the leased premises by Lessor shall be done in such a way as to interfere as little as reasonably possible with the use of the premises by Lessee. Lessee shall have no right to an abatement of rent nor any claim against Lessor for any inconvenience or disturbance resulting from Lessor's activities performed in conformance with the requirements of this provision.

3.4 Reimbursement for Repairs Assumed. If either party fails or refuses to make repairs which are required by this Section 3, the other party may make the repairs, and charge the actual costs of repairs to the first party. Such expenditures by Lessor shall be reimbursed by Lessee on demand, together with interest at the rate of FIVE (5%) percent per annum from the date of expenditure by Lessor. Such expenditures by Lessee may be deducted from rent and other payments subsequently becoming due, or, at Lessee's election, collected directly from Lessor. Except in an emergency creating an immediate risk of personal injury or property damage, neither party may perform repairs which are the obligation of the other party, and charge the other party for the resulting expenses unless at least THIRTY (30) days before work is commenced, the defaulting party is given notice in writing outlining with reasonable particularity the repairs required, and such party fails within that time to initiate such repairs in good faith.

3.5 Inspection of Premises. Lessor shall have the right to inspect the premises at any reasonable time or times, during normal business hours and without undue interference to Lessee's business operations, to determine the necessity of repairs. Whether or not such inspection is made, the duty of Lessor to make repairs shall not mature until a reasonable time after Lessor has received from Lessee notice in writing of the repairs that are required.

SECTION 4. USE OF THE PREMISES

4.1 Permitted Use. The premises shall be used as a community asset which may include a Museum or display of historic community artifacts, office space for Coburg Main Street and/or, meeting space for public meetings, rentable event space, rentable kitchens makers space, gathering space for community events or other uses which support the Economic Development and Vitality of the Community and for no other purpose without the written consent of Lessor. Lessor makes no representations as to the suitability of the premises for Lessees anticipated use(s), and Lessee acknowledges that Lessee has through its own due diligence determined suitability and, except as may be specially provided otherwise herein, hereby accepts the premises in the current "AS IS" condition.

4.2 Restrictions on Use. In connection with use of the premises Lessee shall:

(a) Conform to all applicable laws and regulations of any public authority affecting the premises, and the use, including any requirements of any governmental agency relating to the use, storage, or spillage of any hazardous waste or materials, and correct at Lessee's own expense any failure of compliance created through Lessee's fault or by reason of Lessee's use, but Lessee shall not be required to make any structural changes to effect such compliance unless such changes are required because of Lessee's specific use. Lessee shall indemnify and hold Lessor harmless from any and all liability, including Lessor's reasonable attorney's fees, which Lessor may incur by reason of any default of Lessee in compliance with this paragraph.

(b) Refrain from any activity which would make it impossible to insure the premises against casualty, would increase the insurance rates, or would prevent Lessor from taking advantage of any ruling of the Oregon Insurance Rating Bureau or its successor allowing Lessor to obtain reduced premium rates for long-term fire insurance policies, unless Lessee pays the additional cost of the insurance.

(c) Refrain from any use which would be reasonably offensive to other Lessees or owners or users of neighboring premises or which would tend to create a nuisance or damage the reputation of the premises.

(d) Refrain from loading the floors beyond the point considered safe by a competent engineer or architect selected by Lessor.

4.3 Signs. Lessee is strictly forbidden from making any marks on or attaching any signs, antenna, aerial, or other device to the exterior or interior walls, windows, or roof of the premises without the prior written consent of Lessor.

Should Lessor give consent for installation of any sign by Lessee, said consent would be subject to Lessor's approval of the proposed sign placement, method of installation, design, size, color, wording and evidence of approval by the prevailing local governmental authority.

The entire cost related to any approved sign, design, construction and installation shall be the sole obligation of the Lessee. Immediately upon termination of Lessee's tenancy all signs previously installed by Lessee shall be removed by Lessee, at Lessee's expense, and the area where the sign was installed or attached, repaired to its original condition.

- 4.4 Parking.** Lessee intends to utilize the parking area for public parking while visiting downtown businesses, restaurants, and attendance at events conducted on the premises. Lessee agrees to promptly comply with all parking instructions and restrictions as Lessor may, from time to time, impose for purposes of achieving the orderly and reasonable allocation of available on-site parking amongst the Lessee, customers, employees and agents of the subject property.

SECTION 5. HAZARDOUS MATERIALS

Lessee shall not cause or permit any Hazardous Material (as defined in Section 5.3) to be brought upon, kept or used in or about the Leased Premises without the express prior written consent of Lessor (which Lessor shall not unreasonably withhold, provided that Lessee demonstrates to Lessor's reasonable satisfaction that such Hazardous Material is necessary or useful to Lessee's business, and that such Hazardous Material will be used, kept and stored in a manner that complies with all laws, rules, ordinances and regulations relating to the storage and use of the Hazardous Material). Lessor's consent shall not be deemed to be a waiver by Lessor of its rights to indemnification by Lessee as stated in Section 5.1. If Lessee breaches the obligations stated herein, or if the presence of Hazardous Material on the Leased Premises caused or permitted by Lessee at any time after execution of this Agreement, results in any contamination of the Leased Premises or any other private or public property, including, without limitation, sewers or streets, or if contamination of the Leased Premises by Hazardous Material otherwise occurs for which Lessee is legally liable to Lessor or to any third party for damages resulting therefrom, then:

- 5.1 Indemnity.** Lessee shall indemnify, defend and hold Lessor harmless from and against any and all claims, judgments, damages, penalties, fines, costs, expenses, liabilities and losses (including, without limitation, diminution in value of the Leased Premises, damages for the loss or restriction on use of the Leased Premises, and sums paid in settlement of claims, attorney's fees, consultant fees and expert fees) that arise during or after the term of this Lease, as a result of or in connection with such contamination. The foregoing indemnification of Lessor by Lessee includes, without limitation, costs incurred in connection with any investigation of site conditions or any clean-up, remedial, removal or restoration work required or recommended by any federal, state or local governmental agency or political subdivision because of Hazardous Material present in the soil or groundwater on or under the Leased Premises or any public facilities.
- 5.2 Return to Existing Conditions.** Lessee shall promptly take any and all actions, at its sole cost and expense, as are necessary or appropriate to return the Leased Premises or other private or

public facilities to the condition existing prior to the introduction of any Hazardous Material to the Leased Premises; provided that Lessor's approval of such actions shall first be obtained, which approval shall not be unreasonably withheld if such actions would not potentially have any material adverse effect on the Leased Premises or other private or public facilities. All contractors, laboratories and engineering firms (hereinafter "Consultants") chosen by Lessee to undertake any remedial action that may be necessary or appropriate on or about the Leased Premises or other private or public facilities shall be approved by Lessor prior to their employment by Lessee, which approval will not be unreasonably withhold. Consultants shall be licensed and bonded in accordance with all applicable laws. Duplicate copies of all reports and findings made by Consultants with regard to the condition of the Leased Premises or other private or public facilities shall be delivered to Lessor concurrently with their delivery to Lessee. Lessee shall have the work done by the Consultants at Lessee's sole risk and shall indemnify and hold Lessor and Lessor's agents and employees harmless from and against any and all loss, costs, liability, damage and expense relating to or arising from any damage or injury to Lessee, the Consultants, or the agents of either of them, for any third-party liability incurred by any of them, and for any claim by Lessor, or Lessor's agents or employees by reason of any such work conducted by Consultants.

- 5.3 Hazardous Material.** As used herein, the term "Hazardous Material" means any hazardous or toxic substance, material or waste that is or becomes regulated by any local governmental authority, the State of Oregon, or the United States Government. The term "Hazardous Material" includes, without limitation, any material or substance which is designated as a hazardous substance pursuant to the Water Pollution Control Act (33 USC Section 1317); or defined as hazardous waste pursuant to the Resource Conservation and Recovery Act (42 USC Section 6901 et seq.); or defined as a hazardous substance pursuant to the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended (42 USC Section 9601 et seq.); or defined as a hazardous material pursuant to Article 90 of the Uniform Fire Code, as adopted by the City or County in which the subject property is located and, as amended from time to time.

SECTION 6. ALTERATIONS

- 6.1 Alterations Prohibited.** Lessee shall make no improvements or alterations that are not authorized in this agreement to the leased premises of any kind without first obtaining Lessor's written consent.
- 6.2 Temporary Flooring.** Lessee may install temporary flooring as they deem necessary, it may not have any glue or other adhesive material which would cling to existing floor.6.3 Lessee may install outside cameras to ensure security to the lessee's business and the parking lot. Locations of cameras will be approve by the Lessor and installation of cameras is to be completed in a manner that will not cause deterioration to the building exterior.
- 6.3 Parking Sign.** The Lessee agrees to post signs in the parking lot stating that parking is for Coburg Visitors Downtown Parking or IOOF members.

6.4 Ownership of Alterations. All improvements and alterations performed on the leased premises by either Lessor or Lessee shall be the property of Lessor when installed unless the applicable lessor's consent specifically provides otherwise.

SECTION 7. INSURANCE

7.1 Insurance Required. Lessor shall be responsible for insuring the premises and parking area, and Lessee for insuring its personal property and trade fixtures located on the premises. Neither party shall be liable to the other for any loss or damage caused by water damage, sprinkler leakage, or any of the risks covered by a standard fire insurance policy with an extended coverage endorsement, and there shall be no subrogated claim by one party's insurance carrier against the other arising out of any such loss.

7.2 Liability Insurance. Lessee shall maintain and continue to carry the following insurance at Lessee's costs: Public liability and property damage insurance in a responsible company with limits of not less than \$1,000,000 dollars for injury to one person \$1,000,000 dollars for injury to two or more persons, and \$1,000,000 dollars for damage to property. Such insurance shall cover all risks arising directly or indirectly out of Lessee's activities on or any condition of the Leased Premises whether or not related to an occurrence caused or contributed to by Lessor's negligence, shall protect Lessee against the claims of Lessor on account of the obligations assumed by Lessee under Paragraph 7.1, and shall protect Lessor and Lessee against claims of third persons. Certificates evidencing such insurance, and bearing endorsements requiring TEN (10) days written notice to Lessor prior to any change or cancellation shall be furnished to Lessor prior to Lessee's occupancy of the property.

SECTION 8. UTILITIES AND SERVICES

8.1 Utility and Service Charges. Utilities and services shall be paid by:

<u>Utility and Service</u>	<u>Lessor</u>	<u>Lessee</u>	<u>REMARKS</u>
Telephone	()	(x)	
Electric Service	()	(x)	
Natural Gas Service	()	(x)	
Municipal Water Service	()	(x)	
Sewer Service	()	(x)	
Refuse Collections	()	(x)	
Interior Janitorial Service	()	(x)	
Storm Water Charges	()	(x)	
Landscape Care & Maintenance	()	(x)	
Other	()	(x)	Internet Wi-Fi

8.2 Telephone Service. Lessee hereby takes possession of said leased premises with telephone service in an "as-is" condition. Lessee acknowledges inspection of telephone service and accepts service as adequate.

SECTION 9. TAXES

9.1 Real Property Taxes. Lessor shall pay all real property taxes assessed against Lessor's real property.

SECTION 10. DAMAGE AND DESTRUCTION

10.1 Partial Damage. If the leased premises are partly damaged, and Paragraph 10.2 below does not apply, the property shall be repaired by Lessor at Lessor's expense. Repairs shall be accomplished with all reasonable dispatch subject to interruptions and delays from labor disputes, and matters beyond the control of Lessor, and shall be performed in accordance with the provisions of Paragraph 3.3 above.

10.2 Destruction. If the leased premises are destroyed or damaged such that the cost of repair exceeds FIFTY (50%) percent of the value of the structure before the damage, either party may elect to terminate the lease as of the date of the damage or destruction by notice given to the other in writing not more than FORTY-FIVE (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 Lessee shall be entitled to any prepaid amounts previously paid by Lessee, and attributable to the anticipated term. If neither party elects to terminate, Lessor shall proceed to restore the leased premises to substantially the same form as prior to the damage or destruction. Work shall be commenced as soon as reasonably possible, and thereafter shall proceed without interruption except for work stoppages on account of labor disputes, and matters beyond the control of the Lessor.

10.3 Rent Abatement. Rent shall be abated during the repair of any damage to the extent the premises are un-leasable, except that there shall be no rent abatement where the damage occurred as the result of the fault of Lessee, their agents, employees or invitees.

10.4 Damage Late in Term. If damage or destruction to which Paragraph 10.2 would apply occurs within ONE (1) year prior to the end of the then current lease term, Lessee may elect to terminate the lease by notice in writing to Lessor given within THIRTY (30) days after the date of the damage.

SECTION 11. EMINENT DOMAIN

11.1 Partial Taking. If a portion of the leased premises is condemned, and Paragraph 11.2 does not apply, the lease shall continue on the following terms:

(a) Lessor shall be entitled to all of the proceeds of condemnation, and Lessee shall have no claim against Lessor as a result of the condemnation.

(b) Lessor shall proceed as soon as reasonably possible to make such repairs and alterations to the premises as are necessary to restore the remaining premises to a condition as comparable as reasonably practicable to that existing at the time of the condemnation.

(c) After the date on which title vests in the condemning authority or an earlier date on which alterations or repairs are commenced by Lessor to restore the balance of the property in anticipating of taking, the rent shall be reduced in proportion to the reduction in value of the leased premises as an economic unit on account of the partial taking. If the parties are unable to agree upon the amount of the reduction of rent, the amount shall be determined by arbitration in the manner as is provided in Section 20.

(d) If a portion of Lessor's property not included in the leased premises is taken, and severance damages are awarded on account of the leased premises, or an award is made for detriment to the leased 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 subparagraphs (a) and (c) apply, 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.

11.2 Total Taking. If a condemning authority takes all of the leased premises or a portion sufficient to render the remaining premises reasonably unsuitable for the use which Lessee was then making of the premises, the lease shall terminate as of the date the title vests in the condemning authorities. Such termination shall have the same effect as termination under Paragraph 11.1 (a) above. Lessor shall be entitled to all of the proceeds of condemnation, and Lessee shall have no claim against Lessor as a result of the condemnation.

11.3 Sale in Lieu of Condemnation. Sale of all or part of the leased premises to a purchaser with the power of eminent domain in the face of a threat or probability of the exercises of the power shall be treated for the purposes of this Section 11 as a taking by condemnation.

SECTION 12. LIABILITY AND INDEMNITY

12.1 Liens.

(a) Except with respect to activities for which Lessor is responsible, Lessee shall pay as due all claims for work done on and for services rendered or material furnished to the leased premises, and shall keep the premises free from any liens. If Lessee fails to pay any such claims or to discharge any lien, Lessor may do so, and collect the cost as additional rent. Any amount so added shall bear interest at the rate of FIVE (5%) percent per annum from the date expended by Lessor and shall be payable on demand. Such action by Lessor shall not constitute a waiver of any right or remedy which Lessor may have on account of Lessee's default.

(b) Lessee may withhold payment of any claim in connection with a good-faith dispute over the obligation to pay, so long as Lessor's property interests are not jeopardized. If a lien is filed as a result of nonpayment, Lessee shall, within TEN (10) days deposit with Lessor cash or sufficient corporate surety bond or other surety satisfactory to Lessor in an amount sufficient to discharge the lien, plus any costs, attorney's fees, and other charges that could accrue as a result of a foreclosure or sale under the lien.

12.2 Indemnification. Lessee shall indemnify and defend Lessor from any claim, loss, or liability arising out of or related to any activity of Lessee on the leased premises or any condition of the leased premises in the possession or under the control of Lessee. Lessor shall have no liability to Lessee for any loss or damage caused by third parties or by any condition of the premises, except to the extent caused by Landlord's negligence or breach of duty under this Lease Agreement.

SECTION 13. QUIET ENJOYMENT; MORTGAGE PRIORITY

13.1 Lessor's Warranty. Lessor warrants that it is the owner of the leased premises, and has the right to lease them. Lessor will defend Lessee's right to quiet enjoyment of the leased premises from the lawful claims of all persons during the lease term.

13.2 Mortgage Priority. This lease is and shall be prior to any mortgage or deed of trust ("Encumbrance") recorded after the date of this lease and affecting the premises. However, if any lender holding such an Encumbrance requires that this lease be subordinate to the Encumbrance, then Lessee agrees that the lease shall be subordinate to the Encumbrance if the holder thereof agrees in writing with Lessee that so long as Lessee performs its obligations under this lease no foreclosure, deed given in lieu of foreclosure, or sale, pursuant to the terms of the Encumbrance, or other steps or procedures taken under the Encumbrance shall affect Lessee's rights under this lease. If the foregoing condition is met, Lessee shall execute the written agreement, and any other documents required by the holder of the Encumbrance to accomplish the purposes of this paragraph. If the premises are sold as a result of foreclosure of any Encumbrance thereon, or otherwise transferred by Lessor or any successor, Lessee shall agree to be the lessee of the purchaser or transferee.

13.3 Certificate. Either party will within TWENTY (20) days after notice from the other, execute and deliver to the other party a certificate stating whether or not this lease has been modified, and is in full force and effect, and specifying any modifications or alleged breaches by the other party. The Certificate shall also state the amount of monthly base rent, the dates to which rent has been paid in advance, and the amount of any security deposit or prepaid rent. 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.

SECTION 14. ASSIGNMENT AND SUBLEASE

No part of the leased property may be assigned, mortgaged, or subleased, nor may a right of use of any portion of the property be conferred on any third person by any other means, without the prior written consent of Lessor. This provision shall apply to all transfers by operation of law. If Lessee is a corporation, this provision shall apply to any sale of a controlling interest in the stock of the corporation. No consent in one instance shall prevent the provision from applying to a subsequent instance. Lessor shall consent to a transaction covered by this provision when withholding such consent would be unreasonable in the circumstance. In determining whether to consent to assignment, Lessor may

consider the following factors: financial ability of assignee, business experience of assignee, and credit worthiness of assignee. However, Lessor agrees not to unreasonably withhold such consent.

SECTION 15. DEFAULT

THE FOLLOWING SHALL BE EVENTS OF DEFAULT:

- 15.1 Default in Rent.** Failure of Lessee to pay any rent or other charge within TEN (10) days after it is due.
- 15.2 Default In Other Covenants.** Failure of Lessee to comply with any term or condition, to fulfill any obligation of the lease (other than the payment of rent or other charges) within TWENTY (20) days after written notice by Lessor 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 TWENTY (20) day period, this provision shall be complied with if Lessee begins correction of the default within the TWENTY (20) day period, and thereafter proceeds with reasonable diligence, and in good faith to effect the remedy as soon as practicable.
- 15.3 Insolvency.** Insolvency of Lessee; an assignment by Lessee for the benefit of creditors; the filing by Lessee of a voluntary petition in bankruptcy; an adjudication that Lessee is bankrupt or the appointment of a receiver of the properties of Lessee; the filing of any involuntary petition or bankruptcy, and failure of Lessee to secure a dismissal of the petition within THIRTY (30) days after filing; attachment of or the levying of execution of the leasehold interest, and failure of Lessee to secure discharge of the attachment or release of the levy of execution within TEN (10) days. If Lessee consists of two or more individuals or business entities, the events of default specified in this Paragraph 15.3 shall apply to each individual or business entity, unless within TEN (10) days after an event of default occurs, the remaining individuals produce evidence satisfactory to Lessor that they have unconditionally acquired the interest of the one causing the default. If the lease has been assigned, the events of default so specified shall apply only with respect to the one then exercising the rights of Lessee under the lease.
- 15.4 Abandonment.** Failure of Lessee for TEN (10) days or more to occupy the property for one or more of the purposes permitted under this lease unless such failure is excused under other provisions of this lease shall be an abandonment of the property.

SECTION 16. REMEDIES ON DEFAULT

- 16.1 Termination.** In the event of a default the lease may be terminated at the option of the Lessor by notice in writing to Lessee. If the lease is not terminated by election of Lessor or otherwise, Lessor shall be entitled to recover damages from Lessee for the default. If the lease is terminated, Lessee's liability to Lessor for damages shall survive such termination, and Lessor may re-enter, 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 damage.

16.2 Reletting. Following re-entry or abandonment, Lessor 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 Lessor shall not be required to relet for any use or purpose other than that specified in the lease or which Lessor may reasonably consider injurious to the premises, or to any Lessee which Lessor may reasonably consider objectionable. Lessor 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.

16.3 Damages. In the event of termination on default, Lessor shall be entitled to recover immediately, without waiting until the due date of any future rent or until the date fixed for expiration of the lease term, the following amounts as damages:

(a) The loss of reasonable rental value from the date of default until a new Lessee has been, or with the exercise of reasonable efforts could have been, secured.

(b) The reasonable costs of re-entry and reletting, including without limitation the cost of any clean up, refurbishing, removal of Lessee's property and fixtures, or any other expense occasioned by Lessee's failure to quit the premises upon termination, and to leave them in the required condition, any remodeling costs, attorney's fees, court costs, Agent commissions, and advertising costs.

(c) Any excess of the value of the rent and all of Lessee's other obligations under this lease over the reasonable expected return from the premises for the period commencing on the earlier of the date of trial or the date the premises are relet and continuing through the end of the term. The present value of future amounts will be computed using a discount rate equal to the prime loan rate of major Oregon banks in effect on the date of trial.

16.4 Right to Sue More Than Once. Lessor may sue periodically to recover damages during the period corresponding to the remainder of the lease term, and no action for damages shall bar a later action for damages subsequently accruing.

16.5 Remedies Cumulative. The foregoing remedies shall be in addition to, and shall not exclude any other remedy available to Lessor under applicable law.

SECTION 17. SURRENDER AT EXPIRATION

17.1 Condition of Premises. Upon expiration of the lease term or earlier termination on account of default, Lessee shall deliver all keys to Lessor, and surrender the leased premises in good order and repair, reasonable wear and tear excepted, and broom clean. Alterations constructed by Lessee with permission from Lessor shall not be removed or restored to original condition, unless the terms of permission for the alteration so require. Lessee's obligations under this paragraph shall be subordinate to the provisions of Section 10 related to destruction.

17.2 Fixtures.

(a) All fixtures, improvements or additions placed upon the leased premises during the lease term, other than Lessee's trade fixtures, shall, at Lessor's option, become the property of Lessor. If Lessor so elects, Lessee shall remove any or all fixtures which would otherwise remain the property of Lessor, and shall repair any physical damage resulting from the removal. If Lessee fails to remove such fixtures, Lessor may do so, and charge the cost to Lessee, with interest at the rate of FIVE (5%) percent per annum, from the date of expenditure.

(b) Prior to expiration or termination of the lease term, Lessee shall remove all furnishings, furniture, and trade fixtures which remain its property. If Lessee fails to do so, this shall be an abandonment of the property, and Lessor may retain the property, and all rights of Lessee with respect to it shall cease, or, by notice in writing given to Lessee within TWENTY (20) days after removal was required, Lessor may elect to hold Lessee to its obligation of removal. If Lessor elects to require Lessee to remove, Lessor may affect a removal, and place the property in public storage for Lessee's account. Lessee shall be liable to Lessor for the cost of removal, transportation to storage, and storage costs, plus interest at the rate of FIVE (5%) percent per annum, on all such expenses from the date of expenditure by Lessor.

17.3 Holdover.

(a) If Lessee does not vacate the leased premises at the time required, Lessor shall have the option to treat Lessee as a Lessee from month-to-month, subject to all of the provisions of this lease except the provisions for term and renewal. Failure of Lessee to remove fixtures, furniture, furnishing or trade fixtures which under this lease shall constitute a failure to vacate to which this paragraph shall apply if the property not removed will substantially interfere with occupancy of the premises by another Lessee or with occupancy by Lessor for any purpose, including preparation for a new Lessee. Lessee's monthly rent shall automatically increase to an amount equal to 150% of the last month's rental rate during the specified lease term, for any holdover period.

(b) If a month-to-month tenancy results from a holdover by Lessee under this Paragraph 17.3, the tenancy shall be terminable at the end of any monthly rental period on written notice from Lessor, given not less than TEN (10) days prior to the termination date which shall be specified in the notice. Lessee waives any notice which would otherwise be provided by law with respect to a month-to-month tenancy.

SECTION 18. MISCELLANEOUS

18.1 Nonwaiver. Waiver by either party of strict performance of any provision of this lease shall not be a waiver of or prejudice to the party's right to require strict performance of the same provision in the future or of any other provision.

18.2 Attorney Fees. If suit or action is instituted in connection with any controversy arising out of this lease, the prevailing party shall be entitled to recover, in addition to costs, such sum as the court may adjudge reasonable as attorney's fees, including fees on appeal.

- 18.3 Notices.** Any notice required or permitted under this lease shall be given when actually delivered or FORTY-EIGHT (48) hours after deposited in United States mail as certified mail addressed to the address first given in this lease, or to such other address as may be specified from time to time by either of the parties in writing.
- 18.4 Succession.** Subject to the above-stated limitations on transfer of Lessee's interest, this lease shall be binding upon and inure to the benefit of the parties, their respective successors, and assigns.
- 18.5 Lessor's Right to Cure Defaults.** If Lessee fails to perform any obligation under this lease, Lessor shall have the option to do so after THIRTY (30) days' written notice to Lessee. All of Lessor's expenditures to correct the default shall be reimbursed by Lessee on demand, with interest at the rate of FIVE (5%) percent per annum from the due date until paid.
- 18.6 Recordation.** This lease shall not be recorded without the prior written consent of the Lessor.
- 18.7 Entry for Inspection.** Lessor, or Lessor's agent, shall have the right to enter upon the premises, during normal business hours, in a manner that does not interfere with Lessee's business or Lessee's customers, to determine Lessee's compliance with this lease, to make necessary repairs to the building or to the premises, or to show the premises to any prospective Lessee or purchase, and, in addition, shall have the right, at any time during the last four months of the term of this lease, to place and maintain upon the premises notices for leasing or selling the premises.
- 18.8 Interest on Rent or Other Charges.** Any rent or other payment required of Lessee by this lease shall, if not paid within TEN (10) days after it is due, bear interest at the rate of FIVE (5%) percent per annum from the due date until paid.
- 18.9 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 Lessee or paid on its account.

SECTION 19. OTHER AGREEMENTS BETWEEN LESSEE AND LESSOR (If left blank, then that was the intent of the parties).

- 19.1** Lessor left a grill, 20 chairs and 11 six foot table that are available to the Lessee to use.
- 19.2** Lessee will endeavor to improve the facilities in order to make them safer, and more enjoyable to the community. This may include the replacement of lighting, door repair, repairs and remodel to the bathroom and kitchen. These activities may include the application for grant funds to cover the costs of such improvements. Grant funds may require the funds be granted to the Odd Fellow Lodge on behalf of the community and to be spent on the repairs as referred to in the grant application.

THIS IS A LEGALLY BINDING AGREEMENT. IF NOT UNDERSTOOD BY ANY PARTIES HERETO, THEY SHOULD SEEK COMPETENT LEGAL AND/OR ACCOUNTING ADVICE PRIOR TO SIGNING.

LESSOR: West Point Lodge #62

LESSEE: City of Coburg

Title: _____

Anne L. Heath, City Administrator

DATE: _____

DATE: _____

West Point Lodget #62
PO Box 8543
Coburg, Oregon 97408

City of Coburg
PO Box 8316
91136 N. Willamette
Coburg, Oregon 97408
541-682-7871