

REAL ESTATE LEASE AGREEMENT

THIS LEASE AGREEMENT, is made and entered into this _____ day of _____ 2020, by and between City of Coburg C/O Anne Heath hereinafter called the **Lessor**, and Joe & Terri Morneau, 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 within the red dashed line outlined in Exhibit A, as is, situated in the City of Eugene, County of Lane and State of Oregon, at: 91430 Stallings Lane upon the following TERMS and CONDITIONS:

SECTION 1. OCCUPANCY

- 1.1 **Original Term.** The term of this lease shall commence on the closing date of the sale to the City of Coburg and continue for the natural lives of Joe and Terry Morneau or at the time that they elect to move from the property.
- 1.2 **Lease Area.** The lease area shall cover the portion of land within the red and blue dashed areas until the property is paid for in full (December 31, 2022). After the property is paid for in full, the lease area will be the red dashed area only.
- 1.3 **Possession.** Lessee's rights to possession and obligations under this lease shall commence on the date of closing of the sale of the property to the City of Coburg.

SECTION 2. RENT

2.1 Base Rent. Lessee shall pay to Lessor on or before July 15th of each year an amount equal to \$500.00 per year for the term of the lease.

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 \$ N/A 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, 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) Maintenance and repair of the driveway
- (b) Maintenance of the Septic and Water Sytems

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

- (a) Maintenance of all properties in their current condition within the red and blue dotted areas as illustrated in Exhibit A until such time that the City pays for the Property in full at December 31, 2022. After the property is paid in full the leasee will

maintain in its current condition everything within the red dotted area on Exhibit A.

- (b) 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.
- (c) Lessee is responsible for ordinary maintenance and repairs of the heating and air conditioning systems.
- (d) Lessee is responsible for landscaping/yard maintenance on the portion of the Property as set forth on the Addendum and Exhibit A attached, and in Paragraph 1.2 of this agreement.
- (e) Any repairs or alterations required under Lessee's obligation to comply with laws and regulations as set forth in Paragraph 4.2 (a) below.
- (f) All other repairs to the premises which Lessor is not required to make under Paragraph 3.1 above and on the Property as set forth in Paragraph 1.2, above.
- (g) 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.
- (h) Not commit waste, not suffer or permit waste to be committed, and not cause or permit any nuisance on or in the Leased Premises.
- (i) Insurance coverage of the Main House and Outbuildings until such time that the full purchase of the property is completed between the City of Coburg and the Seller.

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 TWELVE (12%) 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 for residential occupancy and for no other purpose without the written consent of Lessor. Lessor makes no representations as to the suitability of the premises for Lessee's 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 rate, 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.

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 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, attorneys' 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 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 withheld. 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, for any claim by Lessor, or Lessor's agents or employees by reason of any such work conducted by Consultants.

5.3 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 to the leased premises of any kind without first obtaining Lessor's written consent.

6.2 Alterations Required. The improvements delineated on the work sheet, if any, attached hereto and made part of this lease shall be performed by the party designated and within the time stated on the work sheet.

6.3 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. Lessee shall be responsible for insuring the premises, 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. Before taking possession of the premises, Lessee shall procure and thereafter during the term of the lease shall 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, \$2,000,000 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 Collection	()	(x)	_____
Interior Janitorial Service	()	(x)	_____
Storm Water Charges.....	()	(x)	_____
Landscape Care & Maintenance .	()	(x)	_____
Other.....	()	()	_____

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 Personal Property Taxes. Lessee shall pay all property taxes assessed against Lessee's inventory, equipment, appliances and other personal property located on the subject leased premises.

9.2 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 Rent Abatement. Rent shall be abated during the repair of any damage to the extent the premises are un-leaseable, 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.

10.3 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 Eminent Domain. The Lessor agrees to not initiate eminent domain against any or all portions of the Property while the sales agreement and lease are in effect.

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 TWELVE (12%) 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 attorn to the purchaser or transferee.

13.3 Estoppel 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 entities, 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. Removal of the mobile home from the property for more than ten (10) days, unless approved by the Lessor, shall constitute 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 conditioning, 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 twelve (12%) 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 or removal. If Lessor elects to require Lessee to remove, Lessor may effect 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 twelve (12%) 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 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 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 TWELVE (12%) percent per annum from the due date until paid.

18.4 Recordation. This lease shall not be recorded without the prior written consent of the Lessor.

18.6 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.

18.7 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 twelve (12%) percent per annum from the due date until paid.

18.8 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)

SECTION 20. ADDENDUM

20.1 An addendum signed by both the Lessor and the Lessee (X) is attached, () is not attached hereto, and if attached becomes a part of this Lease Agreement.

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:

By: _____

Title: _____

By: _____

Title: _____

DATE: _____

LESSEE:

By: _____

Title: _____

By: _____

Title: _____

DATE: _____

ADDRESS: _____

ZIP: _____

PHONE: (____) _____

FAX: (____) _____

Rev. 5/2019

ADDRESS: _____

ZIP: _____

PHONE: (____) _____

FAX: (____) _____

ADDENDUM

PARTIES: Joe & Terri Morneau (Lessee)
City of Coburg C/O Anne Heath (Lessor)

PROPERTY: 91430 Stallings Lane Eugene OR 97408
Map & Tax Lot# 16-03-29-00-03100

DATE: July , 2020

AGREEMENT:

1. Lessor and Lessee agree this lease agreement is extended to Joe and Terri Morneau and will be extended to the end of their natural lives. It is not extended to any family member.
2. Lessor and Lessee agree that lessee may have a caretaker for health or for assistance with property maintenance on the premises through December 31, 2022 or until such time the property is paid in full. This does not apply to the mobile home for which the lessee will have full ownership.
3. Lessor and Lessee agree that the leased premises shall be the area contained within the red and blue dashed lines until such time that the City pays for the property in full (December 31, 2022). After paid in full the lease shall be limited to the area in the red dashed area. This shall include the outbuilding located on the property (see exhibit A).
4. Lessor and Lessee agree that Lessee is responsible for all operating expenses associated with the single-family residence and outbuildings located inside the blue dashed areas until such time that the City pays in full for the property.
5. Lessor and Lessee agree that Lessee shall be given driveway access as reasonably needed for the residence.
6. Lessor and Lessee agree that Lessor shall utilize, manage and maintain the driveway.
7. Lessor and Lessee agree that Lessor will ensure water is available to the residence at all times in an amount acceptable for reasonable residential use.
8. Lessor and Lessee agree the Lessor will maintain the septic system on the property.
9. Lessor and Lessee agree that upon expiration of the lease, the mobile home must be removed from the premises at Lessees expense within 60 days or upon settlement of any applicable probate.
10. Lessor and Lessee agree the City of Coburg will receive ownership of the mobile home if Lessee fails to remove it from the premises within the time frame stated in item 9.