

LEASE AGREEMENT  
FOR CITY REAL PROPERTY BY FAC  
with Hold Harmless and Indemnification Provisions

THIS AGREEMENT is made this \_\_\_\_\_ day of February of 2022, between City of Sweet Home, an Oregon Municipal Corporation, hereinafter called the "Lessor" and Family Assistance and Resource Center Group aka FAC, hereinafter called the "Lessee."

WITNESSETH: In consideration of the covenants hereinafter set forth, the Lessor does hereby lease, demise and let unto the Lessee, and the Lessee does hereby lease and rent from the Lessor, the real property located at 1400 24<sup>th</sup> Avenue, Sweet Home OR 97386, with an area depicted as the blue area as shown in Exhibit "A" attached hereto.

RECITALS: This Lease is authorized by ORS 271.310 (Governmental Body Lease) and is entered into by the Parties for the health, safety and general welfare of the public which is benefited thereby and is part of the consideration herein.

The Parties understand that the Lessee intends to have a homeless sleep center and facility managed by employees and volunteers of FAC on the premises and shall be known as the Managed Outreach and Community Resource Facility and which shall include a sleep center.

In consideration of the mutual promises of the parties hereto, it is agreed as follows:

- 1) TERM: The term of this Lease shall commence on \_\_\_\_\_ 2022, and continue until terminated by a party hereto as stated in Subsection 31 of the Lease. In compliance with ORS 271.310 this Lease shall not exceed 99 years.
- 2) RENT: Lessee shall pay \$1.00 for the whole term, which Lessee agree to pay upon the Lessor executing the lease.
- 3) LESSEE'S ACCEPTANCE OF LEASE: Lessee accepts said letting and agrees to pay to the order of the Lessor, the rent above stated.
- 4) AUTHORIZED USE: Lessee shall use the leased premises for the purpose of a managed unsheltered sleep center and facility. Lessee shall not use or occupy the premises for any other purpose without the written consent of Lessor being first had and obtained. Lessee shall comply with all applicable Federal, State, and local laws and regulations regarding operations for the sleep center and facility including but not limited to pollution, discharge, and environmental regulations. Lessor is not, by virtue of this Lease, a partner or joint venture with Lessee in connection with the operation carried on under this Lease, and Lessor shall have no obligation with respect to Lessee's debts or other liabilities. Lessee is independent of Lessor, and Lessee's employees and volunteers shall not be deemed to be employees and volunteers of Lessor.
- 5) HAZARDOUS SUBSTANCES: Lessee shall not cause or permit any Hazardous Substance to be received, spilled, leaked, disposed of, or otherwise released on or under the premises. Lessee may use or otherwise handle on the premises only those Hazardous Substances typically used or sold in the prudent and safe operation of the sleep center and facility specified in Section 4. Lessee may store such Hazardous Substances on the premises only in quantities necessary to satisfy Lessee's reasonably

anticipated needs. Lessee 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 of Hazardous Substances used, handled, or stored on the premises. Upon the expiration or termination of this Lease, Lessee shall remove all Hazardous Substances from the premises, clean up any and all Hazardous Substances caused by the Lessee, and Lessee agrees to and shall indemnify and hold Lessor harmless against any and all claims and demands arising from the negligence of the Lessee, Lessee's officers, agents (includes volunteers), invitees, and/or employees, as well as those arising from Lessee's failure to comply with any covenant of this Lease on Lessee's part to be performed, and shall at Lessee's own expense defend the Lessor against any and all suits or actions arising out of such negligence, actual or alleged, and all appeals therefrom and shall satisfy and discharge any judgment which may be awarded against Lessor in any such suit or action. 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.

- 6) PAYMENT OF UTILITIES: Lessee shall pay all charges for water, sewer, electricity, security alarm, and other public and private utilities used on the leased premises throughout the term of this Lease.
- 7) REPAIRS AND IMPROVEMENTS: Lessor shall not be required to make any repairs, alterations, additions, or improvements to or upon said premises during the term of this Lease.
- 8) MAINTENANCE OF PROPERTY: The Lessee agrees to keep and maintain said premises and all improvements, alterations, additions, fixtures, and equipment now or hereinafter placed or make thereon in a first-class condition, so that the same will always be neat, clean, and attractive, and in a good state of repair, damage by fire or other casualty excepted, and shall be at no expense to the Lessor. The Lessee agrees not to commit any strip nor waste of said premises, nor to permit said premises to be used for any unlawful purposes or in violation of any of the laws, ordinances or regulations of the United States, the State of Oregon, the City of Sweet Home and Linn County.
- 9) IMPROVEMENTS BY LESSEE: Lessee shall not make improvements on the premises without the written consent of Lessor which shall not be unreasonably withheld.

Lessee further agrees that all improvements made upon said leased premises, except for those shown on the attached site plan that is part of Exhibit A, shall be removed by Lessee, at Lessee's expense, upon the termination of the Lease except Lessor, at its own option, can require Lessee to leave said improvements and if left shall become the property of Lessor.

- 10) ERECTION OF SIGNS: Lessee may place suitable signs on the leased premises for the purpose of indicating the nature of the facility, provided, however, that such signs shall be in conformance with the laws and ordinances of the State of Oregon and the City of Sweet Home, and provided further that such signs will not damage leased premises in

any manner.

- 11) PRUNING AND WATERING LANDSCAPE VEGETATION: Lessee agrees to prune, water, mow and maintain the landscape vegetation on the property as needed and keep the property neat and clean of litter, debris, and rubbish and in compliance with City ordinances and codes at all times.
- 12) RIGHT OF ENTRY BY LESSOR: Lessee will at any and all reasonable times permit and allow the Lessor and its agents and representatives to enter and go upon said leased premises or any part thereof for the purpose of examining the condition of the same or for any other lawful purpose.
- 13) PAYMENT OF TAXES AND OTHER ASSESSMENTS: Lessee shall be responsible for any Linn County real property taxes, if any, on the premises during the lease term.
- 14) PAYMENT OF FIRE INSURANCE PREMIUMS: Lessee shall carry fire insurance on the structures on the leased premises. Lessee shall provide Lessor with a copy of the fire insurance policy in effect upon the property and the Lessor shall be named as an additional insured thereon. The Lessee's fire insurance shall be the primary fire insurance and the Lessee shall provide the Lessor with a Certificate of Insurance.
- 15) ASSIGNMENT AND SUBLETTING: The Lease cannot be assigned, and the premises sublet by Lessee without the Lessor's prior written consent. Any such assignment or subletting shall in no way affect the personal liability of the Lessee for the complete performance and payment of all obligations due hereunder.
- 16) DAMAGE OR DESTRUCTION: In the event of damage to said structures by fire or other casualty the Lessee can rebuild at its own expense.
- 17) LIABILITY INSURANCE: Lessee agrees to hold Lessor harmless and defend Lessor from any and all claims and demands of any and every kind that may be made against Lessor by reason of or on account of any injury or damage of any kind received or sustained during the term of this Lease by any person or property, arising out of the operations conducted by Lessee on said leased premises. Lessee further agrees at all times during the term of this Lease, at the expense of Lessee, to maintain, keep in effect, furnish and deliver to Lessor liability insurance policies in form and with an insurer satisfactory to the Lessor, insuring both the Lessor and the Lessee against all Liability for damages to persons or property in or about said leased premises. The amount of said liability insurance shall not be less than \$2,000,000.00 for injury to one person, \$2,000,000.00 for injuries arising out of any one accident and not less than \$2,000,000.00 for property damage. Lessee agrees to furnish Lessor with evidence of such insurance and the maintenance of policies during the entire term of this Lease. The Lessee's insurance policy shall name Lessor as an additional insured. The Lessee's liability insurance shall be the primary liability insurance and the Lessee shall provide the Lessor with a Certificate of Insurance and an additional insurance endorsement naming the City of Sweet Home on the insurance policy.
- 18) INJURIES AND PROPERTY DAMAGE: Lessee shall indemnify and hold harmless Lessor from any and all claims of any kind or nature arising from Lessee's use of the premises, except such as might result from the negligence of the Lessor or Lessor's

representatives. Lessee shall at all times during the term of this Lease insure and be responsible for any personal property placed upon the premises.

- 19) EMINENT DOMAIN: In case of the condemnation or purchase of all or any substantial part of the said demised premises by any public or private corporation with the power of condemnation, this Lease may be terminated, effective on the date possession is taken, by either party hereto on written notice to the other and in that case the Lessee shall not be liable for any rent after the termination date. Lessee shall not be entitled to and hereby expressly waives any right to any part of the condemnation award or purchase price.
- 20) SURRENDER OF PREMISES: Lessee agrees to quit and deliver up said premises at the expiration of the term thereof, or any sooner termination, in a first-class condition as the same now is, ordinary wear and tear, grading and damage by fire or other casualty excepted.
- 21) HOLDING OVER: In the event the Lessee for any reason shall hold over after the expiration of this Lease, such holding over shall not be deemed to operate as a renewal or extension of this Lease but shall only create a tenancy at sufferance which may be terminated at will at any time by the Lessor.
- 22) DEFAULT: Any default by the Lessee in the conditions and provisions of this Lease shall enable Lessor, after a thirty (30) day notice to the Lessee given as specified in this Lease requiring Lessee to fulfill such conditions and provisions, and on the failure of Lessee to do so, to take and use any and all remedies, legal or equitable, to secure the performance of this Lease, or its termination, and damages and expense of its breach, including attorney's fees and costs. This subsection is subject to the Termination subsection herein which provides that this Lease can be terminated with fifteen (15) days written notice to the other party.
- 23) LIENS: The Lessee will not permit a lien or encumbrance of any kind, type or description to be placed or imposed upon the leased property.
- 24) NOTICES: Any notice required or permitted to be given hereunder shall be deemed sufficient, if in writing and given by hand delivery to the City Manager for the City at the below address and to the person in charge of the Managed Outreach and Community Resource Facility at the time of service who is on site for the Contractor; or if given by a communication in writing by United States mail, postage prepaid and addressed as follows: If to the City at the following address: 3225 Main Street, Sweet Home, Oregon 97386 , and if to the Contractor at the following address: PO Box 714, Lebanon, OR 97355. Any such notice shall be deemed conclusively to have been delivered to the address thereof forty-eight (48) hours after the deposit thereof in said United States mails.
- 25) RIGHTS OF SUCCESSORS AND ASSIGNS: This Lease shall be binding upon and inure to the benefit of the successors and assigns of the parties hereto and to their agents, subcontractors, employees, and volunteers.
- 26) ATTORNEY'S FEES AND COURT COSTS: In the event any party shall institute and prevail in any action or suit for the enforcement of any of their rights hereunder, the party at fault will pay to the other party reasonable attorney's fees and account thereof, plus their costs and expenses incurred therein, and attorney's fees and costs on any appeal to

