

LEASE

Date:

Between: Care Access LLC (“Lessor”)
315 SW 5th Avenue, Suite 900
Portland, OR 97204

And: Multnomah County, Oregon (“Lessee”)
Facilities and Property Management
401 N Dixon
Portland, OR 97227

Lessor leases to Lessee and Lessee leases from Lessor the following described property (the “Premises”) on the terms and conditions stated below:

Approximately 11,004 square feet of space located at 2020 SE 182nd Ave., Portland, Oregon, 97233, Multnomah County, Oregon.

Section 1. Occupancy

- 1.1 Original Term.** The term of this lease shall commence on **August 02, 2010** and continue through **August 01, 2017** unless sooner terminated as hereinafter
- 1.2 Possession.** Lessee’s right to possession and obligations under the lease shall commence on **August 02, 2010** or on such date as the Lease is fully executed and the Premises are available for possession by Lessee.
- 1.3 Right of First Refusal for Additional Space.** Lessee shall have right to take any part of or all additional space available within the Premises with Lessee’s giving ninety (90) days written notice. Should Lessor receive a proposal to lease available space within the Premises, Lessor shall give Lessee notice of such proposal and Lessee shall then have fourteen (14) business days to respond to Lessor. Rental rate for additional space shall be the same as paid for the original space leased under this Lease.
- 1.4 Renewal Option.** Lessee shall have the option to renew this Lease for two (2) successive and consecutive terms of five (5) years each, provided Lessee is not in default at the time of exercise of any such renewal option and on the commencement date of any such renewal term. Each renewal term shall commence on the day following the last day of the previous term. Each option to renew shall be exercised by written notice to Lessor given by Lessee not less than one hundred and eighty (180) days prior to the commencement date of the renewal term. The terms and conditions of the Lease for the renewal terms shall be identical to those existing as of the last day of the initial term except that the amount of Base Rent (as defined in Section 2.1 below) shall be determined as provided below. Base Rent for the renewal terms shall be the fair market rental value per square foot as agreed upon by the parties multiplied by the area of the Premises. After exercise of Tenant’s option to renew the

Lease, the parties shall discuss and attempt to determine the base rent to be paid during the renewal term in question by agreement. If the parties are unable to reach agreement before the 60th day prior to the commencement of the renewal term, the matter shall be determined by arbitration. If rent arbitration is required, each party will select an independent realtor-appraiser having knowledge with respect to commercial rents in the Portland, Oregon metropolitan area. The two persons so chosen shall select an independent realtor-appraiser having the above qualifications to serve as arbitrator, or if they cannot agree, the presiding or senior judge of the Multnomah County, Oregon Circuit Court shall select the arbitrator. The arbitrator shall be instructed to determine the fair market rental value of the Premises for the period in question, which will be the Base Rent for the period, provided that the Base Rent during the renewal term will not in any event be less than the Base Rent in effect during the last year of the preceding term. If the arbitrator does not reach a decision prior to commencement of the period, Base Rent shall continue to be payable in the amount previously in effect and retroactive adjustment shall be made when the arbitrator reaches a decision. The arbitration shall be conducted according to the procedures of ORS 33.210, and the award shall have the effect provided therein.

Section 2. Rent.

- 2.1 Base Rent.** During the original term, Lessee shall pay to Lessor as base rent the sum of \$21,091.00 per month, to begin upon commencement of the lease. Rent shall be payable on the first day of each month in advance at the address for Lessor first above stated or at such place as may be designated by Lessor.
- 2.2 Additional Rent.** Any other sum that Lessee is required to pay to Lessor shall be considered additional rent.
- 2.3 Assignment and Subletting.** Lessee shall not voluntarily or by operation of law assign, transfer, mortgage or encumber (collectively, "assign or assignment") or sublet all or any part of Lessee's interest in this lease or in the premises without Lessor's prior written consent.
- 2.4 Successor.** The provisions of this lease shall extend to and be binding upon Lessee and Lessor and their respectful legal representatives, successors and assigns.

Section 3. Use of the Premises.

- 3.1 Permitted Use.** The Premises shall be used as a **Health Care Facility**. The Premises shall be used for no other purpose without the consent of Lessor, which consent shall not be unreasonably withheld or delayed.
- 3.2 Restrictions on Use.** In connection with the use of the Premises, Lessee shall:
- (1) Conform to all applicable laws and regulations of any public authority affecting the Premises and the use, 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.
 - (2) Refrain from any activity that 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.

- (3) Refrain from any use that would be reasonably offensive to other tenants or owners or users of neighboring premises or that would tend to create a nuisance or damage the reputation of the Premises.
- (4) Refrain from loading the electrical system or floors beyond the point considered safe by a competent engineer or architect.

3.3 Hazardous Substances. Lessee shall not cause or permit any Hazardous Substance to be 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 reasonable operation of the permitted use specified in Section 3.1. 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 and toxicity 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. 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.

3.4 Inspection; Compliance. Lessor and Lessor's contractors shall have the right to enter into Premises at any time, in case of an emergency, and otherwise at reasonable times after twenty (24) hour notice, for the purpose of inspecting the condition of the Premises and for verifying compliance by Lessee with this lease. The cost of any such inspections shall be paid by Lessor, unless a violation of Applicable Requirements, or a Hazardous Substance Condition (see Section) is found to exist or be imminent, or the inspection is as such inspection is reasonably related to the violation or contamination. In addition, Lessee shall provide copies of all relevant material safety data sheets (MSDS) to Lessor within 10 days of the receipt of a written request therefore.

Section 4. Repairs and Maintenance.

4.1 This Lease is full service with all maintenance and repairs the responsibility of Lessor.

4.2 Lessor's Interference with Lessee. In performing any repairs, replacements, alterations, or other work performed on or around the Premises, Lessor shall not cause unreasonable interference with 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 requirement of this provision.

Section 5. Alterations

5.1 Alterations Prohibited. Lessee shall make no improvements or alterations on the Premises of any kind without first obtaining Lessor's consent in writing. All alterations shall be made in a good and workmanlike manner, and in compliance with all applicable laws and building Lessor may, at its option, require that Lessee remove any improvements, alterations, wiring, cables, or conduit installed by or for Lessee and restore the Premises in good condition upon termination of this lease, subject only to reasonable wear from ordinary use.

Section 6. Insurance

6.1 Insurance Required. Lessor shall keep the Premises insured at Lessor’s expense against fire and other risks covered by a standard fire insurance policy with an endorsement for extended coverage. Lessee shall bear the expense of any insurance insuring the property of Lessee on the premises against such risks but shall not be required to insure. Lessee is self-insured for the risks for which insurance is required under this paragraph. So long as Lessee remains self-insured, Lessee shall not be required to provide the insurance required by this paragraph. Lessee shall provide to Lessor a certificate of self-insurance.

6.2 Waiver of Subrogation. Neither party shall be liable to the other (or to the other’s successors or assigns) for any loss or damage caused by fire or any of the risks enumerated in a standard fire insurance policy with an extended coverage endorsement, and in the event of insured loss, neither party’s insurance company shall have a subrogated claim against the other. This waiver shall be valid only if the insurance policy in question expressly permits waiver of subrogation or if the insurance company agrees in writing that such a waiver will not affect coverage under the policies. Each party agrees to use best efforts to obtain such an agreement from its insurer if the policy does not expressly permit a waiver of subrogation.

Section 7. Taxes. Lessee is entitled to claim an exemption from real property taxes for the premises o the extent Lessee obtains such an exemption, Lessee shall not be liable for payment to Lessor of any additional sum for real property taxes, but shall remain liable for payment of any special assessments for which Lessee does not receive an exemption. The total compensation paid by Lessee under this lease has been established to reflect the savings below market rent resulting from the exemption from taxation.

Section 8. Services and Utilities.

8.1 Lessor and Lessee Responsibilities. Lessor will cause the utilities and services listed below to be furnished to the Premises. Costs shall be paid as indicated:

<u>Utility or Service</u>	Lessor	Cost Paid By: Lessee
Water	X	
Sewer	X	
Electricity	X	
Gas	X	
Trash Removal	X	
Janitorial Service	X	
Janitorial Supplies	X	
Window Washing	X	
Snow, Ice Removal and Debris	X	
Heat, Ventilating, and Air Conditioning	X	

8.2 Recycling Materials. Lessor shall support the policy for recycling materials as provided in ORS 279.735 by providing adequate collection areas and storage facilities for office recycling programs when recycling services are available to Lessee

8.3 Heating, Ventilating and Air Conditioning (HVAC) Requirements. The HVAC system shall satisfy all factors contributing to the respective heating and cooling and ventilation loads of the building, its occupancy and individual spaces. The system shall produce temperatures within

standard industry parameters. Consideration shall be given to HVAC unit zoning by sectioning areas where load variations occur. Temperature variations shall not exceed five degrees Fahrenheit in any given zone.

Section 9. Damage and Destruction

9.1 Partial Damage. If the Premises are partly damaged and Section 9.2 does not apply, the Premises 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 Section 4.3.

9.2 Destruction. If the Premises or the structure are destroyed or damaged such that the cost of repair exceeds 50% 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 the reimbursement of any prepaid amounts paid by Lessee and attributable to the anticipated term. If neither party elects to terminate, Lessor shall proceed to restore the Premises to substantially the same form as prior to the damage or destruction. Work shall be commenced as soon as reasonably possible and thereafter shall proceed without interruption except for work stoppages on account of labor disputes and matters beyond Lessor's reasonable control.

Section 10. Eminent Domain

10.1 Total Taking. If a condemning authority takes all of the Premises or a portion sufficient to render the remaining premises reasonably unsuitable for the use that Lessee was then making of the Premises, the Lease shall terminate as of the date the condemnor takes possession. Such termination shall have the same effect as termination by Lessor under Section 9.2. 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.

10.2 Sale in Lieu of Condemnation. Sale of all or part of the Premises to a purchaser with the power of eminent domain in the face of a threat or probability of the exercise of the power shall be treated for the purposes of this Section 10 as a taking by condemnation.

Section 11. Liability and Indemnity

11.1 Liens. 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 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. Such action by Lessor shall not constitute a waiver of any right or remedy which Lessor may have on account of Lessee's default.

11.2 Indemnification. Subject to the conditions and limitations of Article XI, Section 10 of the Oregon Constitution the Oregon Tort Claims Act, ORS 30.260 through 30.300, and specifically within the financial limits set forth at ORS 30.270; Lessee shall indemnify and defend Lessor from any claim, loss, or liability arising out of or related to any negligent activity of Lessee on the Premises or any condition of the Premises in the possession or under the control of Lessee. Lessor shall have no liability to Lessee for any injury, loss, or damage caused by third parties,

or by any condition of the Premises except to the extent caused by Lessor's negligence or breach of duty under this lease.

11.3 Self Insurance. Lessee is self-insured for its liability exposures, as subject to the Oregon Tort Claims Act, Ors 30.260 through 30.300. A certificate of Self-Insurance will be provided upon request of Sublessor.

Section 12. Quiet Enjoyment. Lessor warrants that it has the right to lease the Premises, and Lessor warrants that so long as Lessee complies with all terms of this Lease it shall be entitled to peaceable and undisturbed possession of the premises free from any eviction or disturbance by Lessor.

Section 13. Default – The following are events of default:

13.1 Default in Rent. Failure of Lessee to pay rent or any other charge within fourteen (14) days after written notice that it is due.

13.2 Default in Other Covenants. Failure of Lessee to comply with any term or condition or fulfill any obligation of 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.

Section 14. Remedies on Default. In the event of default by Lessee, the Lease may be terminated at the option of Lessor by written notice to Lessee. Whether or not the Lease is terminated by the election of Lessor, Lessor shall be entitled to pursue any remedies available to Lessor under applicable law.

Section 15. Surrender at Expiration

15.1 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 Premises in good condition; wear and tear excepted; broom clean and free of debris. Lessee's obligations under this section shall be subordinate to the provisions of Section 9 relating to destruction.

15.2 Fixtures

- (1) All fixtures placed upon the Premises during the 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 that would otherwise remain the property of Lessor.
- (2) Prior to expiration or other termination of the lease term Lessee shall remove all furnishings, furniture and trade fixtures that remain its property. If Lessee fails to do so, this shall be an abandonment of the property, and 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 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, with interest at the legal rate on all such expenses from the date of expenditure by Lessor.

15.3 Holdover

- (1) If Lessee does not vacate the Premises at the time required, Lessor shall have the option to treat Lessee as a tenant from month to month, subject to all of the provisions of this lease. Failure of Lessee to remove fixtures, furniture, furnishings, or trade fixtures that Lessee is required to remove under this lease shall constitute a failure to vacate to which this section shall apply if the property not removed will substantially interfere with occupancy of the Premises by another tenant or with occupancy by Lessor for any purpose including preparation for a new tenant.
- (2) If a month to month tenancy results from a holdover by Lessee under this Section 15.3, the tenancy shall be terminable at the end of any monthly rental period on written notice from Lessor given not less than thirty (30) days prior to the termination which shall be specified in the notice.

Section 16. Miscellaneous

16.1 Time of Essence. Time is of the essence for the performance of each of Lessee’s obligations under this Lease.

16.2 Oregon Tort Claims Act. Any covenant herein by Lessee to defend, indemnify or hold harmless the Lessor, its subsidiaries, affiliates, officers, agents, employees, successors, and assigns, shall be subject to the financial limits provided in the Oregon Tort Claims Act as applicable to Local Governments, ORS 30.260 *et seq.* and the Oregon Constitution.

16.3 Termination. It is understood and agreed that both parties may cancel this agreement at any time by giving written notice not less than six (6) months’ written notice of such cancellation.

16.4 Force Majeure. Whenever a period of time is prescribed in this Lease for action to be taken by Lessor, Lessor shall not be liable or responsible for, and there shall be excluded from the computation for any such period of time, any delays due to strikes, riots, acts of God, shortages of labor or materials, war, Laws, or any other causes of any kind whatsoever which are beyond the control of the Lessor.

IN WITNESS HEREOF, the duly authorized representatives of the parties have executed this Lease as of the day and year first written above.

**LESSOR
CARE ACCESS LLC**

**LESSEE
MULTNOMAH COUNTY, OREGON**

By: _____
Name: _____
Title: _____

By: _____
Jeff Cogen, Chair

Reviewed By:

Matthew O. Ryan
Assistant County Attorney
Date: _____