

APR 12 PM 3 48

Vol 93 Page 7547

59778

COMMERCIAL LEASE

This indenture of lease, dated March 31, 1993, made and entered into by and between Don R. Gruener, hereinafter called LANDLORD, and Migrant & Indian Coalition, a non-profit corporation, hereinafter called TENANT.

WITNESSETH:

The Landlord, for and in consideration of the mutual promises and of the rents, covenants and agreements by the Tenant agreed to be paid, kept and performed, does hereby lease, demise and let unto the Tenant the following described premises, to-wit:

That certain commercial building and property situated at 5642 S. Sixth, Klamath Falls, Oregon

1. TERM AND POSSESSION.

The term of this lease shall commence April 1, 1993 and continue until March 31, 2003 (the "Lease Term"), and Tenant's right to possession and obligations under the lease shall commence upon commencement of the Lease Term.

2. RENTAL

Tenant shall pay Landlord a Base Rent of \$2,800.00 per month payable in advance on the 1st day of each month commencing April 1, 1993.

2.1 RENT PAYMENT

Tenant shall pay the Base Rent for the Premises and any additional rent provided herein without deduction or offset. Rent for any partial month during the lease term shall be prorated to reflect the number of days during the month that Tenant occupies the Premises. Additional rent means amounts determined under paragraph 2.2 of this Lease and any other sums payable by Tenant to Landlord under this Lease.

2.2 ADDITIONAL RENT - COST OF LIVING ADJUSTMENT

On each anniversary date of this lease, the landlord shall adjust the base rental in the same percentage as the increase, if any, in the Consumer Price Index published by the United States Department of Labor, Bureau of Labor Statistics. The change shall be computed by comparing the schedule entitled CPI for Portland, Oregon, not to exceed 5% per year, All items, All Urban Consumers 1982-84 = 100 for the latest available month preceding the month in which the lease term

After recording please return to: KLAMATH FIRST FEDERAL S&LA
2943 SOUTH SIXTH STREET
KLAMATH FALLS, OR 97603

commenced with the same figure for the same month in the years for which the adjustment is computed. All comparisons shall be made using index figures derived from the same base period and in no event shall this provision operate to decrease the monthly rental for the Premises below the initial stated monthly rental, plus property tax adjustment as stated below. If the index cited above is revised or discontinued during the term of this lease then the index that is designated by the Portland Metropolitan Association of Building Owners and Managers to replace it shall be used.

2.3 LATE CHARGES

There shall be a late charge of 3% of any rental payments paid more than 15 days late.

3. LEASE CONSIDERATION

Upon execution of the lease Tenant has paid the Base Rent for the first full month of the lease term and in addition paid the base rent for the last month for which rent is payable.

4. USE OF PREMISES.

Tenant agrees that the leased premises shall be used and occupied for the purpose of operating a Federal government sanctioned Head Start program and related office space.

4.1 PERMITTED USES.

Tenant's use of the leased premises shall not violate any applicable governmental ordinance, rule, regulation, or law. Tenant shall not conduct its activities in such a way as to increase any insurance premium, whether property or liability, on the leased premises or which may make void or voidable any policy or policies of insurance on said premises. In the event Tenant desires to use the leased premises in any way which will increase any insurance premium, and Landlord consents in writing to such activity, Tenant shall pay the amount of increased insurance premium resulting from Tenant's activities.

5. WASTE AND NUISANCE PROHIBITED.

Tenant shall not commit, or suffer to be committed, any waste or nuisance on or about the leased space.

6. MAINTENANCE AND REPAIRS.

A. During the term of this lease, Tenant covenants and agrees that wear and tear on the building and grounds shall be no more than ordinary wear and tear.

B. Throughout the term of this lease, Landlord shall be responsible for the maintenance of the exterior of the building, excluding glass, including roof, structural portions of the building and foundation.

C. Tenant shall be responsible for the interior remodeling, maintenance and repair, including plumbing, electrical, glass and carpet, appliances, elevator, cabinetry, HVAC in the leased premises. Tenant shall repair any damage which is caused to the property by Tenant's agents, employees, customers or invitees, other than ordinary wear and tear. Tenant shall keep the interior and exterior of the leased space in good sanitary and neat order and condition and provide janitorial services.

D. Landlord shall have the right to erect scaffolding and other apparatus necessary for the purpose of making repairs, and Landlord shall undertake any such repairs in a such a way as to interfere as little as possible with tenants use of the premises.

7. RENOVATION

Landlord shall renovate the premises at his expense in accordance with the specifications set forth in Exhibit A, attached hereto and by this reference incorporated herein. All such renovations shall be made in a commercially reasonable manner and in such a way as to comply with the standards of the State of Oregon Childrens Services Division for day care facilities. Said renovations shall be completed on or before July 1, 1993.

8. ALTERATIONS

Except as set forth in paragraph 7. above, Tenant shall not make any alterations, additions, or improvements to the Premises without Landlord's prior written consent. Any such additions, alterations, or improvements, except for removable machinery and unattached moveable trade fixtures, shall at once become part of the realty and belong to Landlord. Landlord may at its option require that Tenant remove any alterations and restore the Premises to the original condition upon termination of this lease.

9. BODILY INJURY AND PROPERTY DAMAGE LIABILITY INSURANCE.

- A. Tenant covenants to hold the Landlord harmless from any loss, damage or liability resulting from or arising out of any injury to the person or damage to property resulting from any willful or negligent failure to act, or any default of Tenant or any of Tenant's agents or servants. Tenant agrees, during the term of this lease or any extension thereof, to maintain in force and effect public liability insurance with limits of at least \$1,000,000.00 to bodily injury or property damage, in a responsible insurance company or companies, with Landlord endorsed thereon as an additional insured or otherwise covered, and to provide to Landlord upon request and at least annually, evidence that said insurance is in full force and effect.
- B. Landlord shall maintain fire insurance on the building leased but not on the trade fixtures or personal property of the Tenant.
- C. If Tenant desires fire insurance coverage on any of Tenant's personal property and fixtures, Tenant shall provide said insurance at Tenant's expense.

10. TAXES.

The parties expressly agree that the rent payable by the tenant has been established to reflect the savings resulting from tenants successful application to Klamath County for exemption from real estate taxation pursuant to the requirements of Oregon law.

If the tenant fails to secure such tax exemption for any tax year during the lease term, the monthly rental payable hereunder shall be the sum of (i) the rent reserved under Paragraph 2 hereof and (ii) the Tax Rent. As used herein, Tax Rent shall mean, for each tax year in which the tax exemption is not obtained, an amount equal to the annual real estate taxes assessed against the Property for such tax year divided by 12. The Tax Rent shall be additional rent and shall be payable beginning July 1 of such tax year.

11. COVENANT AGAINST ENCUMBRANCES.

Tenant agrees not to allow any liens or encumbrances to attach to the leased space, or any interest therein, as a result of any action or omission of Tenant. In the event such a lien or encumbrance does attach, Tenant agrees to promptly discharge said lien or encumbrance.

12. DESTRUCTION/CONDEMNATION.

A. In the event the leased premises are damaged to an extent in excess of 40% of its replacement cost:

- (1) Either party may elect to terminate the Lease as of the date of the damage or destruction by written notice given to the other party 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, if not in default under the Lease, shall be entitled to the reimbursement of any prepaid rent, or other amounts paid by the Lessee and attributable to the anticipated term subsequent to the termination date. If Lessee is in default under the Lease, such amounts will be applied against any amount owing Landlord under the terms of the Lease and the excess, if any, shall be paid to Lessee.**
- (2) In the absence of an election under subparagraph 13.A(1), or if the damage is less than 40% of the replacement value, Landlord shall proceed to restore the leased premises to substantially the same form as prior to the damage or destruction so as to provide for the Lessee usable space equivalent in quantity and in character to that before the damage. 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 not under control of the Landlord.**
- (3) In either event, rent shall be abated to the extent the leased premises are untenantable from the date of damage and during any period of repair except when the damage occurs because of the fault of the Lessee and the Landlord elects to rebuild.**

B. If a portion of the leased premises is condemned and Paragraph 11.A does not apply, the lease shall continue on the following terms:

- (1) Landlord shall be entitled to all of the proceeds of condemnation, and Tenant shall have no claim against Landlord as a result of the condemnation.**

- (2) Landlord 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.
 - (3) After the date on which title vests in the condemning authority or an earlier date on which alterations or repairs are commenced by Landlord to restore the balance of the property in anticipation 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 a single arbitrator in accordance with the Oregon statutes governing arbitration.
- C. 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 Tenant 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 a termination under paragraph 14.A.
- D. 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 exercise of the power shall be treated for the purposes of this Section as a taking by condemnation.

13. PEACEFUL ENJOYMENT.

Landlord covenants and agrees that in the event the tenant performs all of the covenants and conditions contained herein, the Tenant may peacefully hold and enjoy said lease space during the term of this lease without any interruption by Landlord or any person lawfully claiming by, through or under Landlord.

14. RIGHT OF ASSIGNMENT.

The Tenant will not assign, transfer pledge, hypothecate, surrender or dispose of this lease, or any interest herein, without the written consent of the Landlord being first obtained in writing, said consent shall not be unreasonably withheld.

15. DEFAULT.

This lease shall be in default if Tenant fails to pay rent within thirty (30) days after it is due, if Tenant fails to comply with any other provision of this lease within 15 days after written notice from Landlord stating the manner in which Tenant is failing to comply with this lease (or, if the default cannot be cured within 30 days, failure within such time to commence and pursue curative action with reasonable diligence), or if Tenant becomes insolvent or is the subject to any bankruptcy proceeding. In case of default, Landlord may elect to pursue any one or more of the following remedies, or any other remedy available under applicable law:

- a. Terminate this lease by notice to Tenant;
- b. Recover damages caused by Tenant's default;
- c. Retake possession of the Premises in the manner provided by law;
- d. Relet the Premises (but such reletting shall not be an acceptance of a surrender);
- e. Make any payment or take other action necessary to cure the default and collect the costs thereof from Tenant.

16. LANDLORD'S RIGHT OF ENTRY.

Tenant shall permit Landlord and the agents and employees of Landlord to enter into or upon the leased space upon reasonable notice and at all reasonable times for the purpose of inspecting the same and performing routine repairs, without any rebate of rent and without any liability to Tenant for any resulting loss of occupation or quiet enjoyment of space.

17. UTILITIES.

Tenant will pay all charges for public utilities which may be levied, assessed or made payable against said premises during the term of this lease including, without limitation, electricity, gas, heating and air conditioning, water, sewer and garbage.

18. TIME OF ESSENCE.

Time is of the essence of this agreement.

19. WAIVER.

No waiver of any right arising out of a breach of any covenant, term or condition of this agreement shall operate as a waiver of any right arising out of any other or subsequent breach of the same or any other covenant, term or condition or a waiver of the covenant, term or condition itself.

20. NOTICES.

Notices shall be sent to Landlord at 5875 BASIN VIEW DR.
to Tenant at 1175 Mt. Hood Avenue, Woodburn, Oregon 97071. KLAMATH FALLS, OR.

21. INTERPRETATION.

The covenants, terms and conditions of this lease shall extend to and be binding upon and inure to benefit of the personal representatives, heirs, successors and assigns of the parties hereto, provided, however, that nothing contained in this paragraph shall alter the restrictions contained herein relating to assignments.

22. RIGHT TO LEASE.

Landlord warrants that it has the right to lease the Premises to the tenant.

23. ATTORNEY'S FEES

In the event any suit or action is instituted for any purpose under or in connection with this lease, the prevailing party shall be entitled to an attorney's fee, at arbitration, trial and upon appeal, in such amount as the Court may deem reasonable, in addition to other relief granted.

24. HOLDING OVER.

Upon the expiration of this lease agreement, and upon obtaining the written approval of the Landlord, any holding over by the Tenant after the expiration of the term of this lease agreement or any extension thereof, shall be as a tenancy from month to month and not otherwise. The terms and conditions of the month to month tenancy will be the same as the original lease agreement. If this is a month to month tenancy only, then, except as otherwise provided by statute, this agreement may be terminated by either party giving the other at any time not less than 30 days' notice in writing prior to the date designated in the tenancy termination

notice, whereupon the tenancy shall terminate on the date designated. Such holding over under the terms of this lease shall not be deemed a renewal thereof.

25. EXPIRATION.

At the expiration of the term of this lease, or any prior termination thereof, Tenant will quit and surrender unto the said Landlord the said premises peaceably and quietly, without notice of the termination of said term, notice to quit, or demand for possession. Tenant hereby expressly waives any and all statutory or other notice to quit or demand for possession.

26. OBLIGATION OR CONDITION OF SIGN INSTALLATION.

The Tenant shall not affix, erect, inscribe, or otherwise install signs, projections, awnings, signals, or advertisements of any kind to any part of the premises without the written consent of the Landlord. Said consent shall not be unreasonably withheld.

27. AUTHORITY TO EXECUTE.

The individuals executing this Lease on behalf of the parties expressly warrant their authority to do so and that all necessary board resolutions have been obtained.

IN WITNESS WHEREOF, the parties have executed this lease and option as of the date first above written.

LANDLORD:

Don R. Gruener,
OWNER

Don R. Gruener

Date: April 1, 93

TENANT:

MIGRANT & INDIAN COALITION
A non-profit organization

by Paul Miller

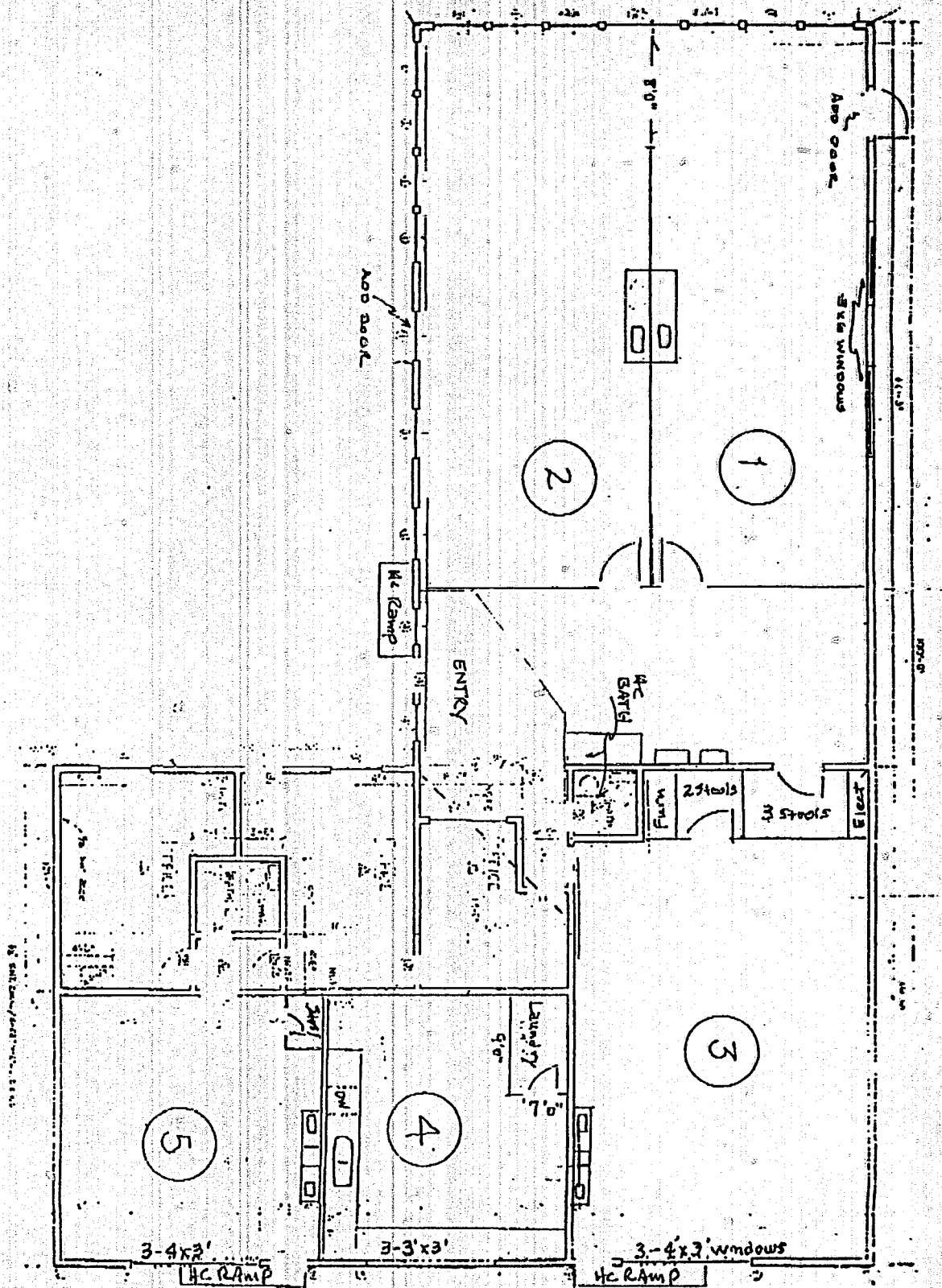
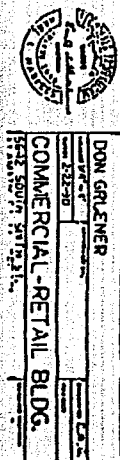
Date: 3/31/93

7556

General

- Handicapped ramps made of PT wood at front door and at two back doors off of classrooms
- Existing entry bath converted to handicapped bath
- Service counter removed, tile floor extended to sliding window wall in front of office
- Parking for max. staff of 20 plus visitor parking and 2 buses
- Fire alarm system
- Floor area east of tile entry and in front of Rooms 1 & 2 to be carpeted
- Additional heat pump and ducting for warehouse rooms
- Electrical: wall receptacles and light switches, heat pump hook up and ceiling light
- Drop ceiling with drop-in fluorescent lighting in Rooms 1-5.
- Raise floors in Rooms 3-5 to accommodate wiring, plumbing
- Two wall-mounted lavs in hallway immediately east of enlarged HC bath with vinyl flooring around them
- All cabinets to be laminate exteriors with melamine interiors
- Stools in Rooms 3 & 5 are child-sized

7557



STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of Mountain Title co the 12th day
of April A.D., 19 93 at 3:48 o'clock P.M., and duly recorded in Vol. M93
of Deeds on Page 7547

FEE \$80.00

Evelyn Biehn - County Clerk

By Donna M. Mendenhall