

BEFORE THE BOARD OF COMMISSIONERS OF LANE COUNTY, OREGON

ORDER NO: 17-05-16-03

IN THE MATTER OF AUTHORIZING THE COUNTY ADMINISTRATOR TO EXECUTE A TWO YEAR LEASE RENEWAL AGREEMENT WITH OAK STREET CHILD DEVELOPMENT CENTER, INC. FOR THE CHILD CARE FACILITY AT 540 OAK ST. (BUS BARN BUILDING).

WHEREAS the lease between Lane County and Oak Street Child Development Center, Inc. for the use of County owned property at 540 Oak St. expires June 30, 2017 and

WHEREAS both parties wish to continue lease arrangements and

WHEREAS the lease terms exceed the authority of the County Administrator to execute the agreement without the approval of the Board

NOW, THEREFORE, the Board of County Commissioners of Lane County **ORDERS** as follows:

1. That the County Administrator is authorized to execute a lease renewal agreement with Oak Street Child Development Center, Inc. substantially similar to the attached agreement.

ADOPTED this 16th day of May, 2017



Pat Farr, Chair, Lane County Board of Commissioners

APPROVED AS TO FORM

Date 5/16/17

LANE COUNTY OFFICE OF LEGAL COUNSEL

LEASE RENEWAL

Whereas Lane County, a political subdivision of the State of Oregon (lessor), and Oak Street Child Development Center, Inc., a not for profit corporation (lessee) entered into a lease agreement for the period July 1, 2014 – June 30, 2017 for approximately 4,700 sq. ft. of space located at 540 Oak St., Eugene, OR for operation by lessee of a child development and education center,

The parties wish to renew the lease subject to the following:

1. The renewal period will be July 1, 2017 – June 30, 2019
2. Rent will be \$3,390 monthly for the entire renewal term.

All other provisions of the July 1, 2014 – June 1, 2017 lease agreement not affected by this renewal will remain in full force and effect.

IN WITNESS WHEREOF, the duly authorized representatives of the parties have executed this lease renewal as of the day and year written below.

LESSOR:
Lane County

By _____

Name: Steve Mokrohisky

Title: County Administrator

Date: _____

LESSEE:
Oak Street Child
Development Center

By _____

Name: _____

Title: _____

Date: _____

OFFICE SPACE LEASE

This lease is made by and between LANE COUNTY, a political subdivision of the State of Oregon as Lessor, and OAK STREET CHILD DEVELOPMENT CENTER, INC., a not for profit corporation, as Lessee.

RECITALS

- A. Lane County is the owner of a building located at 540 Oak St., Eugene, OR. Said building is commonly known as the Bus Barn.
- B. The Bus Barn was purchased by Lane County in 1990 for the purpose of providing a facility for the provision of child care services for Lane County employees and Federal Government employees due to participation of the Federal Government in developing and leasing of the facility.
- C. Management and operation of the child care facility is the responsibility of Oak Street Child Development Center, a non-profit corporation with its Board of Directors comprised of parents whose children attend the facility.
- D. Lane County values having quality child care available to its employees at a location near the Public Service Building.
- E. Lane County and Oak Street Child Development Center, Inc. wish to continue having quality childcare available at the Bus Barn.

NOW, THEREFORE

Lessor hereby leases to Lessee, under the following terms and conditions, approximately 4,700 square feet of space located at 540 Oak Street, Eugene, OR in the building commonly known as the Bus Barn. Said space is located in the eastern portion of the building.

- 1.0 Term** The Term of this agreement shall be from July 1, 2014 through June 30, 2017.
- 1.1 Cancellation** Either party may cancel this agreement by providing not less than ninety (90) days written notice to the other party of its intention to do so.
- 2.0 Rent** Rent will be \$3,193 monthly for the first year of this agreement. Rent for the second year will be \$3,257 monthly. Rent for the third year will be \$3,322 monthly. Rent is due by the 5th day of the month for which it is being paid. Lessee shall pay the 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 Lessee occupies the Premises. Rent not paid when due shall bear interest at the rate of one-and-one-half percent per month until paid. Lessor may at its option impose a late charge of \$.05 for each \$1 of rent for rent payments made

more than 10 days late in lieu of interest for the first month of delinquency, without waiving any other remedies available for default. The rent has been established to reflect the savings to Lessor resulting from Lessee's tax exempt status.

3.0 Property Taxes ORS 307.166 requires Lessee and/or the party in possession of the premises, to file an application with the Assessor to obtain an exemption from real property taxes. Lessee, and/or the party in possession of the premises, shall be responsible for filing said application. County, in its capacity as owner of the leased premises, shall assist Lessee in filing said application if necessary. Lessee shall pay any property taxes assessed upon the leased premises, which result from Lessee's failure to submit the required application, the denial of the exemption due to deficiencies in the application or rejection of Lessee or the party in possession of the premises as being eligible for a property tax exempt exemption.

4.0 Parking Lessor shall provide four (4) parking spaces in the Lessor owned parking lot immediately South of the Bus Barn. Said spaces shall be used for drop-off and pick-up of children attending the day care facility. Said spaces shall be available for drop-off and pick-up between the hours of 6:00 AM – 9:00 AM and 4:00 PM – 6:00 PM. Said spaces shall otherwise be available for paid or permit parking during non pick-up and drop-off hours requiring the display of a valid permit or receipt indicating parking has been paid for. Parking in the alley in front of the facility shall be limited to unloading and loading of deliveries, supplies, equipment, etc. with parking not to exceed 30 minutes. Staff working at the facility may purchase monthly parking in a Lessor owned lot at the rate paid by Lane County employees.

5.0 Use Lessee shall use the Premises for the provision of quality child care services for children of the employees of Lessor and children of non-employees as determined by the policies and procedures of Lessee. In connection with its use, Lessee shall, at its expense, promptly comply with all applicable laws, ordinances, rules and regulations of any public authority.

6.0 Preference for Available Space As vacancies to provide care for additional children occur, the children of Lessor's employees shall be given the first opportunity over non-employees to fill such vacancies. Additionally, Lessor's employees shall be given a 10% discount from regular rates charged for childcare services. An employee's child shall be defined as follows:

- a. A biological child.
- b. An adopted child or stepchild living in the employee's home.
- c. A child in the employee's home pending adoption by the employee.
- d. A child related to the employee by blood or marriage for whom the employee is the legal guardian.
- e. A child related to the employee by blood or marriage for whom the employee is legally required to contribute toward their support.
- f. An employee's grandchild if residing in the home of the employee.

7.0 Parent Board Lessee's Board of Directors shall include a minimum of three of Lessor's employees who have a child attending the childcare facility.

8.0 Equipment Lessee shall install in the Premises only such equipment as is customary for operation of a child care facility and shall not overload the floors or electrical circuits of the Premises or Building or alter the plumbing or wiring of the Premises or Building. Lessor must approve in advance the location and manner of installing any electrical, heat generating or communication equipment or exceptionally heavy articles. Any additional air conditioning required because of heat generating equipment or air special lighting installed by Lessee shall be installed and operated at Lessee's expense.

Lessee, at Lessee's expense, shall be responsible for providing all equipment necessary to operate a quality child care facility. Such equipment shall include, but is not limited to, toys, games, playground equipment, beds, cribs, kitchen appliances and kitchen utensils.

9.0 Signs No signs, awnings, antennas, or other apparatus shall be painted on or attached to the Building or anything placed on any glass or woodwork of the Premises or positioned so as to be visible from outside the Premises without Lessor's written approval as to the design, size, location, and color. All signs installed by Lessee shall comply with Lessor's standards for signs and all applicable codes and all signs and sign hardware shall be removed upon termination of this lease with the sign location restored to its former state unless Lessor elects to retain all or any portion thereof.

10.0 Utilities and Services

10.1 Lessor's Obligations

Lessor shall furnish water, sewer, electricity, trash disposal for normal business trash (trash dumpster to be located in parking lot adjacent to leased premises), outside grounds maintenance (limited to alley and court yard area) heat, and if the Premises are air conditioned, air conditioning.

10.2 Lessee's Obligations

Lessee shall be responsible for providing phone service, internet service and janitorial services including cleaning of its equipment (toys, play structures, cribs, beds, etc.)

11.0 Extra Usage If Lessee uses excessive amounts of utilities or services of any kind because of operation outside of normal Building hours, high demands from office machinery and equipment, nonstandard lighting, or any other cause, Lessor may impose a reasonable charge for supplying such extra utilities services, which charge shall be payable monthly by Lessee in conjunction with rent payments. In case of dispute over any extra charge under this paragraph, Lessor shall designate a qualified independent engineer whose decision shall be conclusive on both parties. Lessor and Lessee shall each pay one-half of the cost of such determination.

12.0 Maintenance and Repair

12.1 Lessor's Obligations

Lessor shall keep the building in which the demised premises are located in good order and repair

except that Lessor shall not be obligated to make any repairs required due to the neglect or default of Lessee, its employees, contractors, agents or invitees. Lessee shall take the leased premises as they are at the time of the commencement of this lease and shall be solely responsible for any interior redecoration or renovation thereof subject to section 13.0. Lessor shall have no liability for failure to perform required maintenance or repair unless written notice of the needed maintenance or repair is given by Lessee and Lessor fails to commence efforts to remedy the problem in a reasonable time and manner. Lessor shall have the right to erect scaffolding and other apparatus necessary for the purpose of making repairs, and Lessor shall have no liability for interference with Lessee's use because of repairs and installations. Lessee shall have no claim against Lessor for any interruption or reduction of services or interference with Lessee's occupancy, and no such interruption or reduction shall be construed as a constructive or other eviction of Lessee. Repair of damage caused by negligent or intentional acts or breach of this lease by Lessee, its employees or invitees shall be at Lessee's expense. Lessor shall have the right of access to the premises for the purpose of performing its maintenance and repair obligations.

Lessor shall not be responsible for the repair and maintenance of Lessee's personal property and equipment used in the operation of the daycare facility. Such personal property and equipment shall include, but is not limited to, play structures (including outside playground), shelves, cubbies, beds and cribs. Lessor shall also not be responsible for the repair and maintenance of kitchen equipment including stoves, ovens and dishwashers. Lessor shall be responsible for the repair and maintenance of the stove/oven hood and exhaust system.

12.2 Lessee's Obligations

Lessee shall be responsible for the maintenance and repair of its personal property and the property and equipment used in the operation of the child care facility. Such property and equipments includes, but is not limited to, toys, play structures (including outside play structure) cribs and kitchen equipment including stoves, ovens and dishwashers.

13.0 Alterations Lessee shall not make any alterations, additions, or improvements to the Premises, change the color of the interior, or install any wall or floor covering without Lessor's prior written consent. Any such additions, alterations, or improvements, except for removable machinery and unattached movable trade fixtures, shall at once become part of the realty and belong to Lessor. Lessor may at its option require that Lessee remove any alterations and restore the Premises to the original condition upon termination of this lease. Lessor shall have the right to approve the contractor used by Lessee for any work in the Premises, and to post notices of non-responsibility in connection with any work being performed by Lessee in the Premises.

14.0 Door Locks/Keys For maintenance and safety purposes, locks for the building have been keyed to a common master. Lessee shall notify Lessor if Lessee desires to re-key the locks to the leased premises. Lessee shall be responsible for the cost of re-keying the leased premises except if said re-keying is required due to needed maintenance or repair consistent with Section 12.0

15.0 Indemnity Lessee shall not allow any liens to attach to the Building or Lessee's interest in the Premises as a result of its activities. Lessee shall indemnify and defend Lessor, its commissioners, officers,

employees and agents, from any claim, liability, damage, or loss occurring on the Premises, arising out of or connected with any activity by Lessee, its agents, or invitees or resulting from Lessee's failure to comply with any term of this lease. Lessor shall have no liability to Lessee because of loss or damage caused by the acts or omissions of other Lessees of the Building, or by third parties.

16.0 Insurance Lessee shall carry a liability insurance policy as noted on the attached Insurance Coverages Required page. Said policy shall have an endorsement naming **Lane County, its commissioners, officers employees and agents as additional insureds** covering the liability insured under paragraph 15.0 of this lease. Lessee shall furnish a certificate evidencing such insurance which shall state that the coverage shall not be canceled or materially changed without 10 days' advance notice to Lessor and Lessor's agent, if any, and a renewal certificate shall be furnished at least 10 days prior to expiration of any policy.

17.0 Fire or Casualty "Major Damage" means damage by fire or other casualty of the Building or the Premises or any substantial portion of the Building to be unusable, of which will cost more than 25 percent of the pre-damage value of the Building to repair, or which is not covered by insurance. In case of Major Damage, Lessor may elect to terminate this lease by notice in writing to Lessee within 30 days after such date. If this lease is not terminated following Major Damage, or if damage occurs which is not Major Damage, Lessor shall promptly restore the Premises to the condition existing just prior to the damage. Lessee shall promptly restore all damage to Lessee improvements or alterations installed by Lessee or pay the cost of such restoration to Lessor if Lessor elects to do the restoration of such improvements. Rent shall be reduced from the date of damage until date restoration work being performed by Lessor is substantially complete, with the reduction to be in proportion to the area of the Premises not useable by Lessee.

18.0 Waiver of Subrogation Lessee shall be responsible for insuring its personal property located on the Premises and any alterations or Lessee improvements it has made to the Premises. Neither Lessor nor Lessee shall be liable to the other for any loss or damage caused by water damage, sprinkler leakage, or any of the risks that are or could be covered by a standard all risk insurance policy with an extended coverage endorsement, or for any business interruption, and there shall be no subrogated claim by one party's insurance carrier against the other party arising out of any such loss.

19.0 Eminent Domain If a condemning authority takes title by eminent domain or by agreement in lieu thereof to the entire Building or a portion sufficient to render the Premises unsuitable for Lessee's use, then either party may elect to terminate this lease effective on the date that possession is taken by the condemning authority. Rent shall be reduced for the remainder of the term in an amount proportionate to the reduction in area of the Premises caused by the taking. All condemnation proceeds shall belong to Lessor, and Lessee shall have no claim against Lessor or the condemnation award because of the taking.

20.0 Assignment and Subletting This lease shall bind and inure to the benefit of the parties, their respective heirs, successors, and assigns, provided that Lessee shall not assign its interest under this lease or sublet all or any portion of the Premises without first obtaining Lessor's consent in writing. This provision shall apply to all transfers by operation of law including but not limited to mergers and changes in control of Lessee. No assignment shall relieve Lessee of its obligation to pay rent or perform other obligations required by this lease and no consent to one assignment or subletting shall be a consent of any further

assignment or subletting. Lessor shall not unreasonably withhold its consent to any assignment, or to subletting provided the subrental rate or effective rental paid by the assignee is not less than the current scheduled rental rate of the Building for comparable space and the Proposed Lessee is compatible with Lessor's normal standards for the Building. If Lessee proposes a subletting or assignment to which Lessor is required to consent under this paragraph, Lessor shall have the option of terminating this lease and dealing directly with the proposed subLessee or assignee, or any third party. If an assignment or subletting is permitted, any cash profit, or the net value of any other consideration received by the Lessee as a result of such transaction shall be paid to Lessor promptly following its receipt by Lessee. Lessee shall pay any costs incurred by Lessor in connection with a request for assignment or subletting, including reasonable attorneys' fees.

21.0 Default Any of the following shall constitute a default by Lessee under this lease:

- (a) Lessee's failure to pay rent or any other charge under this lease within 10 days after it is due, or failure to comply with any other term or condition within 20 days following written notice from Lessor specifying the noncompliance. If such noncompliance cannot be cured within the 20-day period, this provision shall be satisfied if Lessee commences correction within such period and thereafter proceeds in good faith and with reasonable diligence to effect compliance as soon as possible. Time is of the essence of this lease.
- (b) Lessee's insolvency, business failure or assignment for the benefit of its creditors. Lessee's commencement of proceedings under any provision of any bankruptcy or insolvency law or failure to obtain dismissal of any petition filed against it under such laws within the time required to answer, or the appointment of a receiver for Lessee's properties.
- (c) Assignment or subletting by Lessee in violation of paragraph 21.0
- (d) Vacation or abandonment of the Premises without the written consent of Lessor.

22.0 Remedies for Default In case of default as described in paragraph 22.0 Lessor shall have the right to the following remedies which are intended to be cumulative and in addition to any other remedies provided under applicable law:

- (a) Lessor may terminate the lease and retake possession of the Premises. Following such retaking of possession, efforts by Lessor to relet the Premises shall be sufficient if Lessor follows its usual procedures for finding Lessees for the space at rates not less than the current rates for other comparable space in the Building. If Lessor has other vacant space in the Building, prospective Lessees may be placed in such other space without prejudice to Lessor's claim to damages or loss of rentals from Lessee.
- (b) Lessor may recoverable damages caused by Lessee's default which shall include an amount equal to rentals lost because of the default, lease commissions paid for this lease, and the unamortized cost of any Lessee improvements installed by Lessor to meet Lessee's special requirements. Lessor may sue periodically to recover damages as they occur throughout the lease term, and no action for accrued damages shall bar a later action for damages subsequently occurring. Lessor may elect in any one action to recover accrued damages plus damages attributable to the remaining term of the lease. Such damages shall be

measured by the difference between the rent under this lease and the reasonable rental value of the Premises for the remainder of the term, discounted to the time of judgment at the prevailing interest rate on judgments.

(c) Lessor may make any payment or perform any obligation which Lessee has failed to perform, in which case Lessor shall be entitled to recover from Lessee upon demand all amounts so expended, plus interest from the date of the expenditure at the rate of one-and-one-half percent per month. Any such payment or performance by Lessor shall not waive Lessee's default.

23.0 Surrender On expiration or early termination of this lease Lessee shall deliver all keys to Lessor and surrender the Premises broom clean and in the same condition as at the commencement of the term sufficient only to reasonable wear from ordinary use. Lessee shall remove all of its furnishings and trade fixtures that remain its property and restore all damage resulting from such removal. Failure to remove shall be an abandonment of the property, and Lessor may dispose of it in any manner without liability. If Lessee fails to vacate the Premises when required, including failure to remove all its personal property, Lessor may elect further: (i) to treat Lessee as a Lessee from month to month, subject to the provisions of this lease except that rent shall be one-and-one-half times the total rent being charged when the lease term expired; or (ii) to eject Lessee from the Premises and recover damages caused by wrongful holdover.

24.0 Regulations Lessor shall have the right (but shall not be obligated) to make, revise and enforce regulations or policies consistent with this lease for the purpose of promoting safety, order, economy, cleanliness, and good service to all Lessees of the Building. All such regulations and policies shall be complied with as if part of this lease.

25.0 Access During times other than normal Building hours, Lessee's officers and employees or those having business with Lessee may be required to identify themselves or show passes in order to gain access to the Building. Lessor shall have no liability for permitting or refusing to permit access by anyone. Lessor shall have the right to enter upon the Premises at any time by passkey or otherwise to determine Lessee's compliance with this lease, to perform necessary services, maintenance and repairs to the Building or the Premises, or to show the Premises to any prospective Lessee or purchasers. Except in case of emergency, such entry shall be at such times and in such manner as to minimize interference with the reasonable business use of the Premises by Lessee.

26.0 Notices Notices between the parties relating to this lease shall be in writing, effective when delivered, or if mailed, effective on the second day following mailing, postage paid, to the address for the party stated in this lease or to such other address as either party may specify by notice to the other. Notice to Lessee may always be delivered or mailed to the Premises. Rent shall be payable to Lessor at the same address and in the same manner, but shall be considered paid only when received. Notices to Lessor shall be mailed to: Lane County/Property Management Division, 125 East 8th Avenue, Eugene, OR 97401.

27.0 Subordination This lease shall be subject and subordinate to any mortgages, deeds of trust, or land sale contracts (hereafter collectively referred to as encumbrances) now existing against the Building. At Lessor's option this lease shall be subject and subordinate to any future encumbrance

hereafter placed against the Building (including the underlying land) or any modifications of existing encumbrances, and Lessee shall execute such documents as may reasonably be requested by Lessor or the holder of the encumbrance to evidence this subordination.

28.0 Transfer of Building If the Building and/or the real property is sold or otherwise transferred, with a transfer to include Lessor entering into a long term lease for the building and/or the real property, successor, Lessee shall attorn to the purchaser or transferee and recognize it as the lessor under this lease, and, provided the purchaser assumes all obligations hereunder, the transferor shall have no further liability hereunder.

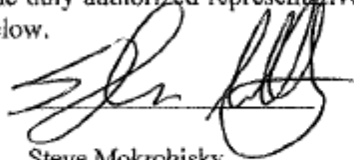
29.0 Estoppels Either party will within 20 days after notice from the other execute, acknowledge and deliver to the other party a certificate certifying whether or not this lease has been modified and is in full force and effect; whether there are any modifications or alleged breaches by the other party; the dates to which rent has been paid in advance, and the amount of any security deposit or prepaid rent; and any other facts that may reasonably be requested. 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 other requesting the certificate. If requested by the holder of any Encumbrance, or any ground lessor, Lessee will agree to give such holder or lessor notice of and an opportunity to cure any default by Lessor under this lease.

30.0 Quiet Enjoyment 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. Lessor shall have no liability to Lessee for loss or damages arising out of the acts of other Lessees of the Building or third parties, nor any liability for any reason which exceeds the value of its interest in the Building.

31.0 Complete Agreements This lease and any attached Exhibits and Schedules constitute the entire agreement of the parties and supersede all prior written and oral agreements and representations. Neither Lessor nor Lessee is relying on any representations other than those expressly set forth herein.

IN WITNESS WHEREOF, the duly authorized representatives of the parties have executed this lease as of the day and year written below.

LESSOR:
Lane County



Name: Steve Mokrohisky

Title: County Administrator

Date: 7-7-14

LESSEE:
Oak Street Child
Development

By: Cindy J Bellamy
Name: Cindy J Bellamy

Title: Director

Date: 6/17/2014