

CUMBERLAND COMMUNITY EVENT CENTER
540, 560, 524/580 PINE STREET SE, ALBANY
LEASE/OPTION CONTRACT

This LEASE AGREEMENT WITH OPTION TO PURCHASE REAL ESTATE (hereinafter referred to as the Lease/Option) is made on this the 1st day of March 2024, by and between the following parties: Cumberland Community Event Center (~~CCEC~~), (hereinafter referred to as the ~~“Tenant/Buyer”~~), and City of Albany, Oregon; (~~hereinafter referred to as the “Landlord/Seller”~~).

In consideration of the mutual promises and covenants herein, the parties hereby agree as follows:

(1) DESCRIPTION: The Landlord/Seller agrees to lease, and the Tenant/Buyer agrees to rent the real property and improvements, located at: 540, 560, 524/580 Pine Street SE, Albany, OR 97321, and shown on Attachment A – Cumberland Church Leased Properties, (~~hereinafter referred to as the “Properties”~~).

(2) TERM: The term of this Lease/Option shall be for a period of 36 months commencing on March 1, 2024, and ending on February 28, 2027. This Lease/Option may be renewed with the consent of both parties for subsequent three-year terms. Modifications to the existing Lease/Option will be agreed to by both parties followed by execution of a new Lease/Option Contract. if no material changes are made.

(3) RENT: Tenant/Buyer agrees to pay the Landlord/Seller, the sum of \$3.00 per month, as rent for the Properties, for the term of this Lease/Option, and during any extension or renewal thereof. All rental payments shall be due and payable in advance of the 10th calendar day of each and every month.

(4) INSURANCE AND INDEMNITY

(A) Insurance.

i. Commercial General Liability Insurance.

At all times during the Term of this Lease/Option, Tenant/Buyer, at its expense, will maintain commercial general liability insurance in respect of the Premises and the conduct or operation of business in it, naming Landlord/Seller as additional insureds, with a combined single limit of not less than onetwo million dollars (\$12,000,000). All such insurance will ensure the Tenant/Buyer’s performance of the indemnity agreement as to liability for bodily injury to, illness of, or death of persons and damage to property set forth in this Lease. Tenant/Buyer will pay for and deliver to Landlord/Seller and any additional insured such policies or certificates of insurance, in form reasonably satisfactory to Landlord/Seller, issued by the insurance company or its authorized agent, at least ten (10) days before the Lease Commencement Date. Tenant/Buyer will procure and pay for renewals of such insurance from time to time before the expiration thereof, and Tenant/Buyer will deliver to Landlord/Seller and any additional insured the renewal policy or a binder thereof at least thirty (30) days before the expiration of any existing policy. Tenant/Buyer shall provide Landlord/Seller at least thirty (30) days’ prior written notice of the cancellation or modification of the insurance.

ii. ~~Workers’ Compensation~~ Insurance Requirements for Subcontractors and

Volunteers.-

~~At all times during the Lease Term and any extensions or renewals, Tenant/Buyer agrees to keep and maintain, and to cause Tenant/Buyer's agents, contractors, and subcontractors and affiliates, if not covered under Tenant/Buyer's insurance, to obtain and keep in force for the duration of the Lease Agreement, insurance equal to the minimum values indicated above. Should Tenant/Buyer use volunteers for any part of the Lease Agreement, Tenant/Buyer should include volunteer under Tenant/Buyer's insurance policy and shall require volunteers or volunteer's legal guardian, when applicable, to sign a waiver of liability to keep and maintain, workers' compensation insurance and other forms of insurance as may from time to time be required by Law or may otherwise be necessary to protect Landlord/Seller and the Premises from claims of any person who may at any time work on or in the Premises, whether as an officer, servant, agent, customer, invitee, subcontractor, volunteer, or employee of Tenant/Buyer or otherwise. Such insurance must be maintained at the expense of Tenant/Buyer or Tenant/Buyer's agents, contractors, or subcontractors and not at the expense of Landlord/Seller.~~

iii. Property Insurance.

Tenant/Buyer shall keep the improvements both the real and personal property insured for their full replacement value against loss by all casualties covered by the special form coverage policy. Landlord/Seller shall be named as an additional insured under such insurance.

(B) Indemnification.

To the extent allowed by Oregon law, Tenant/Buyer will indemnify, defend, and hold harmless Landlord/Seller and Landlord/Seller's officers, directors, partners, employees, agents, and independent contractors from any and all claims or liability for any uninsured property damages including, but not limited to, damages resulting in any injury, illness, or death of any person caused or created by Tenant/Buyer's use of Landlord/Seller's property and by the act or failure to act of Tenant/Buyer, its agents, officers, servants, employees, customers, invitees, subcontractors, volunteers, or licensees during the Term of this Lease. Tenant/Buyer will be liable for all property cleanup costs that Landlord/Seller may incur as a result of Tenant/Buyer's negligence.

(5) OPTION TO PURCHASE: The Tenant/Buyer, as part of the consideration herein, is hereby granted by the Landlord/Seller the exclusive right, option, and privilege of purchasing the Properties at any time during the term of this Lease/Option or any extension thereof.

(6) LIQUIDATED DAMAGES: Should Tenant/Buyer default on this agreement, Landlord/Seller shall keep all monies paid to date as liquidated damages.

(7) COVENANTS OF TENANT/BUYER: Commencing with entering the term of this agreement, including extensions, the Tenant/Buyer hereby covenants and agrees as follows:

(A) That the Tenant/Buyer will pay all utility charges and bills, including, but not limited to water, sewer, gas, oil, and electric, which may be assessed or charged against the Properties; and

(B) That the Tenant/Buyer will not use the Properties for any unlawful purpose and that the Tenant/Buyer will conform to and obey all laws, ordinances, rules, regulations, requirements and orders of all federal, state, and local governmental authorities, agencies, departments, bureaus, boards or officials, respecting the use of the Properties; and

(C) That the Tenant/Buyer will surrender and deliver up the Properties, at the end of the term or any extensions thereof, should the option herein not be exercised, in as good order and condition as the same now exists, reasonable use and natural wear and tear excepted.

(8) COVENANTS OF THE LANDLORD/SELLER: The Landlord/Seller hereby covenants and agrees as follows:

(A) That the Tenant/Buyer is entitled to the quiet enjoyment of the Properties without any interference or interruption by Landlord/Seller or its representatives.

(9) COSTS OF IMPROVEMENTS: In the event the Tenant/Buyer exercises the option to purchase set forth in paragraph 5, above, and through no fault of the Tenant/Buyer, the Landlord/Seller fails to convey said Properties to Tenant/Buyer in accordance with the terms of this Lease/Option, the Tenant/Buyer, in addition to any other rights which Tenant/Buyer may have in law or equity for the enforcement of Tenant/Buyer's option to purchase, shall be entitled to reimbursement for the cost of all repairs, maintenance, and improvements.

(9) (10) FURTHER ENCUMBRANCES: The Landlord/Seller hereby warrants the total of the leases, options, mortgages, liens, and any other encumbrances against the Properties, whether of public record or not, are as follows:

(A) None.

The Landlord/Seller shall not lease to any other third party, nor to assign, sell, option, transfer, pledge, or otherwise to convey any or all rights or interests had by Landlord/Seller in the Properties or in this Lease/Option, nor to further encumber the Properties nor allow the same to occur. Violation of this paragraph shall be considered a material breach of this Lease/Option. The Landlord/Seller further agrees to keep all mortgages, liens, taxes, or other encumbrances on the Properties, current and in good standing, Tenant/Buyer shall have the right to make payment on same in the event that Landlord/Seller becomes delinquent or otherwise defaults on such payments, and Tenant/Buyer may at its option either reduce its monthly rent in the amount of the payments, or subtract the amount of the payments from the balance due Landlord/Seller at closing of the sale of the Properties.

(11) NO RIGHT OF ASSIGNMENT: The Tenant/Buyer may not sublet the Properties, and/or assign, sell, transfer, pledge, or otherwise convey any rights or interest which the Tenant/Buyer may have in the Properties or in this Lease/Option.

(12) MAINTENANCE AND REPAIRS: The Tenant/Buyer accepts the Properties "as-is" on the date of execution of this Lease/Option except for items listed in paragraph 14. As of the effective date, the Tenant/Buyer shall be responsible for all maintenance and repair upon said Properties, both interior and exterior. The Tenant/Buyer shall have the right to make such repairs, maintenance, and improvements as Tenant/Buyer shall deem necessary, proper or desirable.

(13) BINDING AGREEMENTS: The parties hereto agree that this Lease/Option comprises the entire agreement of the parties and supersedes all prior written or oral agreements, representations, warranties, negotiations, or understandings. This Lease/Option may not be amended except in a writing executed by all the parties hereto. The parties further represent and warrant that they have not relied on any representations, warranties or statements as an inducement to entering this Lease/Option other than what is expressly written herein. This Lease/Option shall be binding upon the parties, their heirs, executors, administrators, personal representatives, successors, or assigns.

(14) SPECIAL PROVISIONS:

(A) A TITLE SEARCH may be ordered by the Tenant/Buyer. This cost will be borne by the Tenant/Buyer unless it is discovered that Landlord/Seller has unmarketable title in which case the Landlord/Seller will reimburse Tenant/Buyer to cost of the search. If the title is unmarketable the Tenant/Buyer will then have the option to void this agreement or proceed as agreed herewith.

(15) OPTION PURCHASE TERMS:

(A) PRICE AND TERMS: The Tenant/Buyer agrees to pay for said Properties the sum of One Hundred and Ninety-Six Thousand and Seventy Dollars (\$196,070) less any sums for which the Tenant/Buyer is entitled to claim as reimbursement or offset in accordance with this Lease/Option; the net sum to be paid in cash, certified check, or cashier's check at closing.

(B) TITLE: The Landlord/Seller shall convey marketable title to the Properties with the above-described inclusions, by General Warranty Deed free, clear, and unencumbered except any existing mortgages, restrictions, and easements of record shown in paragraph 10.

(C) CLOSING: The deed shall be delivered, and the purchase money shall be paid at a time and place of Tenant/Buyer's choice, no later than 60 days after notification to the Landlord/Seller of the Tenant/Buyer's exercise of the Option.

(D) COSTS AND PRORATIONS: The following items shall be prorated by the Landlord/Seller and the Tenant/Buyer as of date of closing:

- i. All real estate taxes and assessments; ~~and~~
- ii. ~~Title fees~~ Escrow fees and title insurance fees shall be divided equally between the parties.

(16) LEGAL: In the event that any legal proceeding is brought to enforce any right or obligation under this Lease/Option, the parties each agree to waive their right to a jury trial. In addition, the prevailing party shall recover its reasonable court costs and attorney fees from the non-prevailing party.

~~(17) CITY OPTION TO RE-PURCHASE LOT: The parties acknowledge that they have previously entered into an agreement whereby the Tenant/Buyer has purchased a separate lot described as 520 Pine Street SE, Albany, Oregon.~~

IN WITNESS WHEREOF, the parties hereto, have set their hands to this Lease/Option on this _____ day of _____, 2024.

LANDLORD/SELLER:

CITY OF ALBANY

Peter Troedsson, City Manager

TENANT/BUYER:

CUMBERLAND COMMUNITY EVENT CENTER

Name, Title