



Deschutes County Board of Commissioners  
1300 NW Wall St., Suite 200, Bend, OR 97701-1960  
(541) 388-6570 - Fax (541) 385-3202 - [www.deschutes.org](http://www.deschutes.org)

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## **AGENDA REQUEST & STAFF REPORT**

### **For Board Business Meeting of February 3, 2016**

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**DATE:** January 29, 2016

**FROM:** Susan Ross                      Property & Facilities                      x6713

**TITLE OF AGENDA ITEM:**

Consideration of Signature of Intergovernmental Lease Agreement with State Department of Human Services

**PUBLIC HEARING ON THIS DATE?** No

**BACKGROUND AND POLICY IMPLICATIONS:**

A new lease has been negotiated with the State Department of Human Services (DHS). Department of Justice vacated its 8,000+ square feet of space in the Deschutes Services Building, and the DHS wishes to assume that space. The lease is for 39,204 square feet on the first floor of the Deschutes Services Building at a starting annual rate of \$60,374 lease plus \$14,500 in base operating expenses for provision of custodial services and shared utilities. The lease term commences February 1, 2016, and is 10 years with two 3-year options for a total term of 16 years.

**FISCAL IMPLICATIONS:**

Annual escalation is 2% during the term lease. Option years are to be negotiated at the time of exercising the option.

**RECOMMENDATION & ACTION REQUESTED:**

Board signature of Document No. 2016-098, Lease Agreement with Department of Human Services

**ATTENDANCE:** Susan Ross

**DISTRIBUTION OF DOCUMENTS:**

Return copy to Susan Ross

## **INSTRUCTIONS FOR COMPLETING THE AGENDA REQUEST FORM**

Use “tab” to move between fields. You can use as much space as necessary within each field. You may want to save this document to your computer and set it up with your department’s specific information for use the next time. You can remove the editing restrictions by going to review/restrict editing (stop protection), after you have saved it to your computer.

Do not leave any fields incomplete. Don’t forget the “preferred meeting date” section. Incomplete documents will be returned to the Department Director. This could cause your agenda item to miss the deadline for submission.

The Board conducts business meetings on Mondays and Wednesdays beginning at 10 a.m. Please note, if there are not enough agenda items to justify holding two meetings in one week, items may be combined and addressed at either the Monday or Wednesday meeting. There are weeks that the Board does not meet at all; much depends on the Commissioners’ schedules and availability. If your item is time-sensitive or you need to notice a specific date for a hearing or decision, please contact the Board’s Secretary.

The agenda request and backup documents should be submitted to the Board’s secretary no later than Wednesday afternoon prior to the following week’s meetings. It can be submitted as far in advance as you want.

If you are submitting a contract or other document where more than one original is needed (for instance, one original for the County and one for the contractor), please submit the correct number of original documents.

Unless your agenda item is an Order, Ordinance, Resolution or letter, a document summary form is required as well.

Please also e-mail the agenda request form and the document summary form to the Board Secretary so that minor changes can be made if needed.

**STATE OF OREGON  
INTERGOVERNMENTAL OFFICE SPACE LEASE AGREEMENT**

THIS LEASE AGREEMENT, dated January 26, 2016, is made by and between DESCHUTES COUNTY, a political subdivision of the State of Oregon (Lessor), and the STATE OF OREGON, acting by and through its Department of Human Services (Lessee).

Lessee has been leasing a portion of the Premises (as defined below) since on or about March 1, 2004, pursuant to a prior lease dated October 10, 2002, which was amended on December 18, 2002, April 22, 2004, and February 25, 2014. Lessee is currently leasing approximately 31,167 rentable square feet of the Premises from Lessor. The Parties have agreed that the Premises will expand by approximately 8,037 additional rentable square feet. Lessor and Lessee acknowledge and agree that they are entering into this new Lease in order to memorialize this expansion of the Premises, and to simplify and update the documentation of their agreements concerning the Premises going forward. The provisions of this Lease are effective as of February 1, 2016.

The parties acknowledge and agree that time is of the essence with respect to all the terms, conditions and provisions of this Lease; therefore, Lessor hereby leases to Lessee, and Lessee takes from Lessor the Premises described below under the following terms and conditions:

1. **Premises.** Approximately 39,204 rentable square feet of office space in a building located at 1300 NW Wall Street, Suite 100, Bend, Deschutes County, Oregon 97701, as such Premises are shown on Exhibit A and as such building is designated with "1" on Exhibit B. Lessee occupies approximately 45.58% of the building, which is approximately 86,004 rentable square feet.
2. **Term.** The original term of this Lease shall commence **February 1, 2016**, and continue through **January 31, 2026**.
3. **Rent.** Lessee shall pay Base Rent in arrears by the 10th day of each month for the preceding month or partial month. The Base Rent for any partial month shall be prorated on a per diem basis. The monthly Base Rent shall be per the following Rent Schedule:

<u>LEASE PERIOD</u>	<u>NET RENT</u>	<u>BASE OP EXPNS*</u>	<u>BASE RENT</u>
2/1/2016 – 1/31/2017	\$60,374.16	\$14,500.00	\$74,874.16
2/1/2017 – 1/31/2018	\$61,581.64	\$14,500.00	\$76,081.64
2/1/2018 – 1/31/2019	\$62,813.28	\$14,500.00	\$77,313.28
2/1/2019 – 1/31/2020	\$64,069.54	\$14,500.00	\$78,569.54
2/1/2020 – 1/31/2021	\$65,350.93	\$14,500.00	\$79,850.93
2/1/2021 – 1/31/2022	\$66,657.95	\$14,500.00	\$81,157.95
2/1/2022 – 1/31/2023	\$67,991.11	\$14,500.00	\$82,491.11
2/1/2023 – 1/31/2024	\$69,350.93	\$14,500.00	\$83,850.93
2/1/2024 – 1/31/2025	\$70,737.95	\$14,500.00	\$85,237.95
2/1/2025 – 1/31/2026	\$72,152.71	\$14,500.00	\$86,652.71

\*The Base Operating Expenses component in the Base Rent shall be subject to escalation and de-escalation per actual costs accounted on an annual basis, as provided herein under Section 12.

4. **Option to Extend.** If Lessee is not in default, Lessee shall have the option to extend this Lease for two (2) additional extension terms of three (3) years each. Each extension term shall commence on the day following the expiration of the immediately preceding term. Notice exercising the extension option shall be delivered to Lessor in writing not less than ninety (90) days prior to the expiration of the then current term. Unless otherwise agreed in writing, if such notice is given, all terms and conditions of this Lease, other than the rent, shall apply

during the extension term. Rent for the extension terms shall be negotiated with the goal of establishing a mutually agreed fair market rate. In the event the parties are unable to agree on a fair market rental rate for the extension term this Lease may be cancelled with no further obligation to the other. In the event the Lease is cancelled pursuant to the provisions of the previous sentence, the termination date for the then current term shall be the later of i) the natural expiration of such term or ii) a date six (6) months after written notice is given by either party to the other that a fair market rental rate for the option term cannot be agreed upon. If the natural expiration of the then current term is extended pursuant to sub clause (ii) of the previous sentence, the rental rate for the extended term period shall not be increased during such extended period.

**5. Use of Premises.** Lessee may use the Premises for business offices, storage, provision of client services, and other lawful purposes including but not limited to functions related to the conduct of its business as a state agency.

**6. Parking.** Lessee, its employees, and clientele shall have the non-exclusive right to park in up to four hundred sixty (460) parking spaces, on a first-come, first-served basis, in the three (3) parking lot areas shown with a dark border on the attached Exhibit B. Lessor shall provide parking for the disabled in compliance with the ORS 447.233.

**7. Lessor Covenants.**

(a) Lessor covenants that it has the right to make this Lease and to lease the Premises to Lessee; that possession of the Premises will be delivered to Lessee free of other tenants and of conflicting claims; that the use of the Premises by Lessee for the specific uses set forth in the Section above titled "Use of Premises" is not in violation of any federal, state or local statute, regulation or ordinance, including the acknowledged comprehensive land use plans and regulations of the city or county in which Premises are located, and that on paying the rent and performing its covenants of this Lease, Lessee may enjoy the rights granted by this Lease free from rightful interference by any third party.

(b) Lessor covenants that the Premises, including any common areas in the building to be used by Lessee, comply with all applicable regulatory and building codes requirements for occupancy by Lessee, and meet the requirements of the Americans with Disabilities Act (ADA) for accessibility in accordance with the standards provided in the ADA Accessibility Guidelines for Buildings and Facilities (ADAAG), to the extent, at the minimum, the Premises including the common areas have: (1) an accessible entrance and an accessible route therefrom to those areas in which the principal activities of Lessee as a state agency will be conducted; (2) accessible restroom facilities; and (3) accessible parking for the disabled in compliance with ORS 447.233, if parking is provided within the Lease.

(c) Lessor covenants that Premises are free of asbestos and asbestos containing materials (ACM) based on the fact that the original construction and all improvement works on the Premises were completed **after January 1, 1978**, when the building industry generally refrained from using materials containing ACM, or the Premises have been inspected by a competent inspector qualified to perform such inspection under applicable law and regulations and found to be free of any ACM.

**8. Improvements and Alterations.** Lessee may place fixtures, partitions, personal property, and the like in the Premises and may make nonstructural improvements and alterations to the Premises at its own expense, subject to Lessor's written consent, which shall not be unreasonably withheld. Lessee agrees that any such improvements and alterations made by Lessee with Lessor's consent shall become the property of the Lessor. At Lessor's written request, Lessee may be required to remove such items at the end of the Lease term. In the event such Lessor's request is received, Lessee agrees to restore the Premises to its original condition, subject to reasonable wear and tear.

**9. Maintenance and Repair.**

(a) Lessor shall at Lessor's sole cost obtain all required permits and inspections from Building Codes enforcement authorities. Lessor shall perform at Lessor's sole cost and expense, all necessary maintenance and repairs of:

(1) the entire structure, foundation, interior and exterior walls, roof, doors, windows, elevators, emergency lighting, fire alarm and sprinkler system, and Lessor provided fire extinguishers, Lessor provided window coverings, sidewalks, and parking area, including parking lot striping, which are located in or serve the Premises, maintaining the Premises and the common areas in a hazard free condition;

(2) the heating, air conditioning, plumbing, electrical, and lighting systems in the Premises, replacing parts or the system as necessary;

(3) landscaping, improvements, grounds, sprinkler/irrigation system, including back flow testing, and keeping them in good repair and appearance, replacing dead, damaged or diseased plant materials when necessary;

(4) interior and exterior walls of the Premises, performing touch-up and repainting as necessary when due to normal wear or deterioration;

(5) carpets, carpet tiles, and other floor coverings of the Premises, keeping them in good repair and appearance, repairing and replacing them as necessary (the cost of dismantling, re-assembling and lifting systems furniture to be shared equally between the Parties), whether due to premature wear/deterioration or due to normal and expected wear and tear; and

(6) all exterior lighting, parking lot lights, and interior light fixtures, including ballasts.

(b) Lessor represents that the carpets and other floor coverings provided or installed in the Premises at the commencement of this Lease are of the type and quality to last at least through the original term of the Lease; and that the areas identified by Lessee as the high traffic areas such as public/client waiting areas will be provided with a heavy duty stain resistant vinyl backed carpet with moisture guard features. Carpets and floor coverings which fail to last through the original term of the Lease under normal and expected wear will be considered "premature wear" for the purposes of this paragraph.

(c) The parties agree to use environmentally friendly cleaning products and shall follow all manufactures' instructions.

(d) The parties acknowledge that energy conservation to the extent feasible is in the best interest to both parties, and agree to make best efforts to contribute toward gaining energy efficiency wherever possible.

(e) Lessor shall notify Lessee a minimum of three (3) work days in advance of any maintenance or repair of the interior or exterior of the Premises that may affect the environment of Lessee's employees and clients. If Lessee determines that the work will be disruptive, Lessee and Lessor shall negotiate a mutual resolution.

(f) Property Management Service. Lessee is entitled to inform the property management service, if any, of any deficiencies in the performance of its services. If duties are not performed in a satisfactory or timely manner, Lessee shall have the right to notify Lessor of unsatisfactory service, and request that Lessor take appropriate corrective actions including termination or replacement of the property management service, if the performance continues to be unsatisfactory as determined by Lessee.

(g) If Lessor fails to maintain the Premises in accordance with above requirements, Lessee, after reasonable prior notification to Lessor to remedy the problems, may contract for necessary labor, equipment and material to satisfy the requirements and may deduct related costs plus reasonable administrative costs from future rent payments.

(h) Lessee shall take good care of the interior of the Premises and at the expiration of the term surrender the Premises in as good condition as at the commencement of this Lease, excepting only reasonable and expected wear and tear, permitted alterations, and damage by fire or other casualty.

**10. Heating, Ventilating and Air Conditioning (HVAC) Standards.**

(a) The HVAC system shall operate so as to satisfy all of the factors contributing to the comfortable conditions with respect to cooling, heating and fresh air intakes, per the applicable building codes and the standards applicable to similar office buildings in the area. Normally the amount of outside air per person should not be less than 20 cfm.

(b) Temperature range for occupied temperatures shall be as follows: (1) Heating: 72°F +/- 2°; (2) Cooling: 74°F +/- 2°. At no time may indoor temperatures drop below 55° or rise above 85°. At the beginning of each workday, the building must be at the occupied temperature. Operating hours are Monday through Friday, holidays excepted, starting at 6:00 a.m. and ending at 6:00 p.m.

(c) System Maintenance: Lessor shall be responsible for maintaining the system in proper operating condition to the standards set forth above. Maintenance shall be performed as frequently as may be required by the local conditions in keeping the system in proper operating condition, but shall not be less than: Every three (3) months a preventative maintenance check, every six (6) months complete filter changes, once every two years clean the coils on all units. On request by Lessee, Lessor shall provide Lessee with copies of work orders signed by the maintenance person who performed the work. Should Lessor fail to maintain the system in accordance with above standards, and after written notification to the Lessor, Lessee may contract for necessary labor, equipment and material to bring system within those standards and may deduct related costs plus reasonable administrative costs from future rent payments.

**11. Services and Utilities.**

(a) Lessor will cause the utilities and services listed below to be furnished to the Premises. Charges shall be paid as indicated below. Charges to be paid by Lessor are included in Operating Expenses pursuant to Section 12, below, except for snow and ice removal, which Lessor shall bill to Lessee as set forth below.

<u>Utility or Service</u>	<u>Monthly Charges Paid By:</u>	
	<u>Lessor / Lessee</u>	
Water	<u>X</u>	<u>      </u>
Sewer	<u>X</u>	<u>      </u>
Electricity – Premises (separately metered)	<u>      </u>	<u>X</u>
Electricity – Common Areas	<u>X</u>	<u>      </u>
Gas	<u>X</u>	<u>      </u>
Trash Removal	<u>      </u>	<u>X</u>
Janitorial Service	<u>X</u>	<u>      </u>
Janitorial Supplies (including recycling charges)	<u>X</u>	<u>      </u>
Window Washing	<u>X</u>	<u>      </u>
Snow and Ice Removal	<u>X</u>	<u>      </u>
Building Security (if required by Lessee)	<u>      </u>	<u>X</u>

(b) Lessor shall arrange for janitorial services that comply with the specifications contained in the attached Exhibit C and use cleaning products that are environmentally responsible. In doing so, Lessor shall make best efforts to support the policy of the State of Oregon, as provided in ORS 279.835 to ORS 279.855, either by contracting with a qualified nonprofit agency for disabled individuals, otherwise referred to as Qualified Rehabilitation Facility (QRF), whenever such is locally available and feasible; or by allowing the janitorial services to be taken out of the Lease, with a corresponding reduction in rent, to enable Lessee to contract directly with a QRF for the janitorial services if such becomes locally available and feasible. Lessee is hereby given such an option, which may be exercised with at least sixty (60) days advance written notice to Lessor. If Lessee chooses to contract directly with QRF for janitorial services the rent shall be reduced by an amount equal to the cost of janitorial services specified at the time Lessee chooses to contract with a QRF. The actual cost of providing janitorial service shall be determined by the most recent invoice for payment of such services, which Lessor hereby agrees to provide to Lessee. The Lease shall be amended to reflect the reduction in rent.

(c) Telephone Cable and Wire: Lessor shall be responsible for providing and maintaining all telephone cable and wire to the telephone/computer room/closet in the Premises, including bringing sufficient number of lines to the telephone closet(s) on the floor or in the area where the Premises are located for Lessee's use. Installation of any new station wire and maintenance of all station wire shall be Lessee's responsibility, except when such installation work is included in the Lessor's build out work as may be agreed to by the parties under this Lease. Station wire means that wire or cable which runs between the station jack(s) and the telephone closet(s), and those which run between and among station jacks.

(d) Should Lessor fail to provide the janitorial and other services at the levels specified hereinabove, including applicable Exhibits or attachments to this Lease, and after reasonable written notification to Lessor, Lessee may contract for necessary labor, equipment and material to correct the deficiencies and shall deduct the related costs plus reasonable administrative costs from future rent payments.

**12. Operating Expense Escalation/De-escalation.**

(a) Lessee occupies 45.58% of the building in which the Premises are located. It is the intent of the parties that Lessee shall pay 100% of the electricity charges furnished directly to the Premises and trash removal (as each are separately metered and/or billed), and 45.58% of the Operating Expenses for the building in which the Premises are located. The monthly base rent contains a component covering such expenses in terms of the best estimate, which is to be reconciled with the actual expenses on an annual basis in accordance with the procedures provided below. The component in the base rent for the Operating Expenses is \$14,500.00 per month or \$174,000.00 per year ("Base Operating Expenses"). The Operating Expense Year shall be the twelve (12) month period commencing with the first full month of Lessee's occupancy of the Premises, and each twelve (12) month period thereafter. For this Lease, the first and Base Operating Expense Year shall be from February 1, 2016 to January 31, 2017.

(b) Operating Expenses which are subject to escalation/de-escalation shall mean only those expenses required of Lessor to furnish the utilities and services to the Premises as specified in the "Services and Utilities" Section in this Lease. Such Operating Expenses shall not include: Lessor's expenditure for maintenance and repairs of the Premises under the "Maintenance and Repair of Premises" and "Heating, Ventilating and Air Conditioning (HVAC) Standards" Sections of this Lease; nor Lessor's property management expenses, nor premiums for Lessor's insurance coverage, nor any other cost or expense items of Lessor's which are capitalized by Lessor for tax purposes, nor depreciation, nor debt service paid by Lessor.

(c) If during the term of this Lease, Lessor's Operating Expenses increase or decrease over the Base Operating Expense Year expenses estimates, Lessee shall pay its proportionate share of the increase or receive a rent reduction in the form of rent credit equal to its proportionate share of the decrease. Lessor shall provide a statement to Lessee within forty-five (45) days if possible but shall not exceed ninety (90) days after the end of the Operating Expense Year, detailing the increases/decreases in the Operating Expenses. Lessor is deemed to have waived the right to adjust the rent upward in case Lessor fails to provide the statement to Lessee within the ninety (90) day period. Lessee shall pay for any increase in a lump sum within ninety (90) days of receipt of statement from Lessor. Refunding any de-escalation amounts to Lessee shall be handled in the like manner in reverse from Lessor to Lessee. Lessor's failure to provide Lessee with the accounting statement shall not abrogate Lessee's right to receive the benefits of any de-escalation. Lessor shall submit all books, records, invoices, or receipts substantiating the actual expense amounts.

**13. Self Insurance.** The Parties are each self-insured for property and liability exposures, as subject to the Oregon Tort Claims Act, ORS 30.260 through 30.300. Either party may request a Certificate of Self Insurance from the other.

**14. Waiver of Subrogation.** Neither Lessor nor Lessee shall be liable to the other for any loss arising out of damage to or destruction of the Premises or the building or the contents thereof, when such loss is caused by

any of the perils which are or could be included within or insured against by a standard form of fire insurance with extended coverage, including sprinkler leakage insurance, if any. All such claims against one another for any and all loss, however caused, hereby are waived. Said absence of liability shall exist whether or not the damage or destruction is caused by the negligence of either Lessor or Lessee or by any of its respective agents, servants or employees. Each party shall fully provide its own property damage insurance protection at its own expense, and each party shall look to its respective insurance carriers for reimbursement of any such loss, and further, the insurance carriers involved shall not be entitled to subrogation under any circumstance.

**15. Casualty Damage.** If the Premises or improvements thereon are damaged or destroyed by fire or other casualty to such a degree that the Premises are unsuitable for the purpose leased, and if repairs cannot reasonably be made within ninety (90) days, Lessee may elect to cancel this Lease. Lessor shall in all cases promptly repair the damage or ascertain whether repairs can be made within ninety (90) days, and shall promptly notify Lessee of the time required to complete the necessary repairs or reconstruction. If Lessor's estimate for repair is greater than ninety (90) days, then Lessee, upon receiving said estimate will have twenty (20) days to determine if it wishes to cancel this Lease. Following damage, and including any period of repair, Lessee's rental obligation shall be reduced to the extent the Premises cannot reasonably be used by Lessee.

**16. Assignment and Subletting.** Lessee shall have the right to assign this Lease or sublet any part of the Premises to another State agency, or sublet any parking spaces to state employees, without express approval of Lessor; and Lessee may assign this Lease or sublet any portion of the Premises to other parties with Lessor's written approval. Lessor shall not unreasonably withhold written approval, provided that the sublessee's or subassignee's use of the Premises are not incompatible with Lessee's permitted uses under this Lease, as set forth in Section 5, above.

**17. Funding.** The parties understand that rental and other charges to Lessee under this Lease are to be paid only from funds derived by legislative appropriation or budget limitation. The parties mutually understand that this Lease is made by the Lessee in its official capacity as a state agency and not by its officers as individuals.

**18. Non-appropriation.**

(a) If sufficient funds have not been provided in the legislatively approved budget of Lessee, Department of Human Services, to permit Lessee in the exercise of its reasonable administrative discretion to continue this Lease, Lessee may terminate this Lease without further liability to Lessor with not less than one hundred twenty (120) days prior written notice to Lessor. During such termination notice period, Lessee may negotiate with Lessor for continued occupancy in a portion of the Premises at a reduced rent. If that is not feasible on mutually acceptable terms, then the Lease shall terminate as notified. In determining the availability of funds to Lessee, Lessee will use the budget approved by the Oregon State Legislature or acts of the Legislative Emergency Board.

(b) If by a specific legislative act, Lessee as named herein is abolished or its functions absorbed into other state agency or agencies, Lessee may terminate this Lease without further liability to Lessor with not less than one hundred twenty (120) days prior written notice to Lessor.

(c) If any of the foregoing occurs with respect to an agency/division occupying only a portion of the Premises, Lessee shall have the right to terminate as to that portion of the Premises.

**19. Termination.** At any time during the lease term, Lessee may terminate this Lease without further obligations or liability to Lessor, with not less than one hundred eighty (180) days prior notice to Lessor.

**20. Default.** Neither party shall be in default under this Lease until written notice of the unperformed obligation has been given and that obligation remains unperformed after notice for fifteen (15) days in the case of a payment or for thirty (30) days in the case of other obligations. If the obligation cannot be performed within the thirty-day period, there shall be no default if the responsible party commences a good faith effort to



perform the obligation within such period and continues diligently to complete the performance. In case of a default the non-defaulting party may terminate this Lease with thirty (30) days prior written notice to the defaulting party, and it shall be entitled to recover damages or any other remedy provided by applicable law, or it may elect to perform the defaulting party's obligation and recover from the defaulting party the costs plus interest at the legal rate for judgment. If Lessee makes such expenditures as the non-defaulting party, those expenditures may be deducted from the rent.

**21. Notices.** Notices between the parties shall be in writing, effective when personally delivered to the address specified herein, or if mailed, effective seventy two (72) hours following mailing to the address for such party specified below or such other address as either party may specify by notice to the other:

LESSOR: Deschutes County  
1300 NW Wall Street, Suite 200  
Bend, Oregon 97701  
Attn: Susan Ross, or successor  
Phone: 541-383-6713; Fax: 541-388-4752  
Email: susan.ross@deschutes.org

LESSEE: Department of Human Services  
500 Summer Street NE, E-90  
Salem, Oregon 97301-1115  
ATTN: Linda Riddell  
Phone: 503-945-5817; Fax: 503-947-5316  
Email: Linda.C.Riddell@state.or.us

and: Department of Administrative Services  
Email: res.info@oregon.gov

**22. Confidentiality of Business Information.** Lessor acknowledges that Lessee's permitted use of the Premises includes the creation, management and retention of business information of a personal or confidential nature, and that the unauthorized acquisition or disclosure of such information may be grounds for civil and/or criminal liability. Lessor, for itself, its agents, employees and contractors, agrees that it will take no action that would jeopardize the confidentiality of Lessee's business information or expose such information to disclosure, whether such information has been identified to Lessor as confidential or otherwise, and will cooperate with Lessee in affirmatively protecting the confidentiality of all information so designated as confidential or otherwise of a sensitive nature. Lessor acknowledges and agrees that violation of the provisions of this section will be deemed a material breach of the Lease, for which Lessee may terminate the Lease and for which additional remedies may also be available.

**23. Holdover.** With thirty (30) days prior written notice to Lessor Lessee may hold over this Lease for a period not to exceed two (2) months after the end of the lease term without obtaining prior consent of Lessor. If Lessee holds over the lease term, a tenancy from month to month shall be created at the same rental rate as the immediately preceding month, and the holdover shall not be construed as an exercise of any renewal option contained herein. Lessee holding over the Lease longer than the first two (2) months shall be subject to Lessor's consent.

**24. Counterparts.** This Lease, and any amendments thereto, may be executed in two or more counterparts, by facsimile or otherwise, each of which is an original, and all of which together are deemed one and the same document, notwithstanding that all parties are not signatories to the same counterpart.

**25. Merger.** THIS LEASE CONSTITUTES THE ENTIRE LEASE BETWEEN THE PARTIES. NO WAIVER, CONSENT, MODIFICATION OR CHANGE OF TERMS OF THIS LEASE SHALL BIND

EITHER PARTY UNLESS IN WRITING AND SIGNED BY BOTH PARTIES. SUCH WAIVER, CONSENT, MODIFICATION OR CHANGE, IF MADE, SHALL BE EFFECTIVE ONLY IN THE SPECIFIC INSTANCE AND FOR THE SPECIFIC PURPOSE GIVEN. THERE ARE NO UNDERSTANDINGS, AGREEMENTS, OR REPRESENTATIONS, ORAL OR WRITTEN, NOT SPECIFIED HEREIN REGARDING THIS LEASE. THE PARTIES, BY THE SIGNATURE BELOW OF THEIR RESPECTIVE AUTHORIZED REPRESENTATIVES, HEREBY ACKNOWLEDGES THAT THE PARTIES HAVE READ THIS LEASE, UNDERSTAND IT, AND AGREE TO BE BOUND BY ITS TERMS AND CONDITIONS.

*[Remainder of page intentionally left blank]*

This Lease shall not become effective and shall not be binding upon the State of Oregon or any agency thereof until it has been executed, in the signature spaces provided below, by all parties to this Agreement, including those whose approval is required.

LESSOR: DESCHUTES COUNTY, a political subdivision of the State of Oregon

By \_\_\_\_\_

Date \_\_\_\_\_

By \_\_\_\_\_

Date \_\_\_\_\_

By \_\_\_\_\_

Date \_\_\_\_\_

LESSEE: STATE OF OREGON, acting by and through its  
Department of Human Services

By  \_\_\_\_\_

Linda Riddell, Administrator, Office of Facilities Management

Date 1/26/16

APPROVAL: STATE OF OREGON, acting by and through its  
Department of Administrative Services

By \_\_\_\_\_

Real Estate Services

Date \_\_\_\_\_

2413BendDHSWallStreetIntergovLeaseLHjp

EXHIBITS

Exhibit A Premises

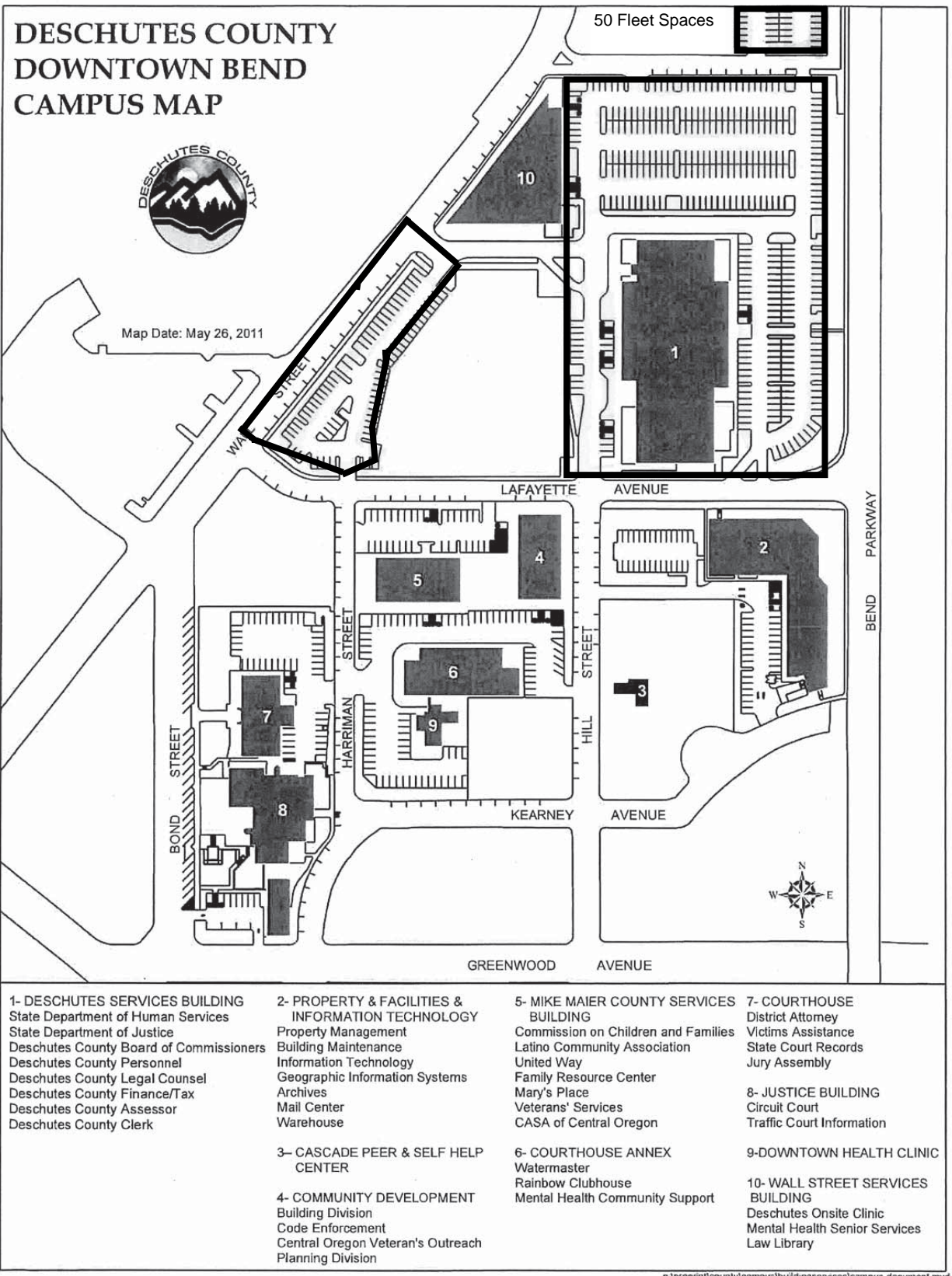
Exhibit B Building and Parking

Exhibit C Janitorial

#7096213v2



# Exhibit B Building and Parking



**Exhibit C  
Janitorial**

**DESCHUTES COUNTY CUSTODIAL DUTIES  
SCHEDULE OF PERFORMANCE  
Updated August 30, 2011**

Services are performed on weekdays (Monday through Friday) between the hours of 4:30 p.m. and 1 a.m., excluding State and County holidays.

**The following services shall be performed on a DAILY basis:**

- 1) Empty interior and exterior trash receptacles. Collect designated waste paper and trash in plastic bags and dispose of immediately in dumpster. Replace garbage can liners if they are torn, odorous or wet. Remove litter, cans, papers, and other containers marked TRASH.
- 2) Hot water, soap, deodorizer, and an appropriate disinfectant such as a bleach solution or EPA registered germicide must be used for janitorial services.
- 3) Sweep and damp mop with a neutral detergent hard surface floors, landings, stairs and entryways in the interior of the building.
- 4) Vacuum carpeted areas in the building. This will include walk-off mats, entrances, corridors, and main traffic lanes in offices and around desks. Spot clean carpets daily to remove stains.
- 5) a) Clean, disinfect and deodorize toilet room floors.  
b) Clean, disinfect and deodorize plumbing fixtures, toilets, urinals, sinks and shower stalls.  
c) Clean, disinfect and deodorize dispensers, mirrors, counters and cabinets.  
d) Clean, disinfect and deodorize restroom walls and toilet and urinal stall partitions.  
e) Clean, disinfect and deodorize restroom entry area walls and doors.  
f) Clean, disinfect coffee room sinks, counters and cabinets.  
g) Remove mineral and calcium deposits on any plumbing fixtures.  
h) Check function of dispensers and fixtures in restrooms and coffee rooms. Report maintenance problems to the Building Maintenance Supervisor.
- 6) Provide and maintain adequate supplies of toilet paper, seat covers, toilet and urinal deodorizers and room deodorizers, sanitary napkins, tampons, paper towels and

## **Exhibit C Janitorial**

soap in restrooms. Paper towels and soap dispensers are to be provided at additional sink areas.

- 7) Clean, disinfect, deodorize and polish drinking fountains and coffee room sinks. Mineral and calcium deposits will not be accepted.
- 8) Clean and disinfect the outside of appliances in coffee rooms, such as refrigerators, coffee machines, toasters, microwaves etc.
- 9) Clean, disinfect, and deodorize table surfaces in break rooms, public areas and hallways, and public counters in offices. Use only non-abrasive cleaners.
- 10) Remove finger marks, dirt, smudges, wash splatter and wax from walls, doors, door jambs, windows, woodwork, light switch cover plates, light switches, door knobs and handles, stairwell hand railings and associated surrounding areas.
- 11) Dust surfaces up to six feet, using a treated duster.
- 12) Clean and disinfect elevator floors, doors, walls, ceiling panels and selector panels. Clean and vacuum elevator doors track and carpet.
- 13) Prior to exiting the building, custodial staff shall inspect buildings to ensure that work is complete, necessary doors and windows are locked, and lights are turned off.
- 14) Community recycle containers are to be transported to the outdoor pick up area.

**B. The following services shall be provided on a MONTHLY basis:**

- 1) Pour one gallon of clean fresh water, deodorizer and disinfectant down the floor drains in restrooms.

**C. The following services are to be performed on a QUARTERLY basis**

- 1) Remove dirt and wax from hard surface floors and base cove by mopping or scrubbing with a detergent and wax remover. Rinse thoroughly and apply skid resistant wax of a type recommended by flooring manufacturers. When wax is dry, machine buff to a smooth sheen, even wet look. Use no more than the manufacturer's recommended concentration of wax stripper needed and remove promptly and rinse to eliminate damage to floors and adhesive.
- 2) Shampoo carpets, including hard-to-reach areas such as under counters, under furniture, and nooks and crannies (move carpet protectors).

**D) The following services are to be performed on a SEMI-ANNUAL basis.**

## **Exhibit C Janitorial**

- 1) Wash and wipe clean surfaces over six feet in height. This will include, but not be limited to moldings, overhead pipes, fire alarm bells, emergency lighting, ceiling fans, etc.
- 2) Clean the interior and exterior of light diffuser lenses. Clean the interior of light fixtures. Clean lamps. Use only non-abrasive cleanser. Leave no streaks on lenses or reflectors. Use drop cloths as required to protect adjacent surfaces, fixtures and furniture.
- 3) Interior and exterior washing of all perimeter windows.

**E) The following services are to be provided on an ANNUAL basis.**

- 1) Wash dirt from air grilles and diffusers using neutral cleansers. Rinse thoroughly, leaving no streaks or unwashed areas. Carefully avoid damage to ceiling tiles. Vacuum surrounding dirty ceiling tiles with the brush attachment.
- 3) Vacuum or wash window coverings (drapes, curtains and blinds) with an appropriate cleaning solution to remove dirt and grime. Method of cleaning must have Building Services Manager approval prior to commencing work.

**F) The following services are to be completed AS NEEDED.**

- 1) Remove spots, stains, and foreign matter (gum, smudges, etc.) from carpets, walk-off mats, tiles, floors, stairs, handrails, furniture, wall partitions, and walls.
- 2) Clean, disinfect, and deodorize to remove non permanent stains and soil from the interior and exterior of trash receptacles. Change plastic liners in trash receptacles. Plastic liners must be adequately sized for the receptacle.
- 3) Change cartridges, batteries and aerosol cans for deodorizers in restrooms.
- 4) Clean walls, doors, and base cove.
- 5) Remove wash splatter, wax and dirt off of base cove in corridors and rooms.
- 6) Report burned out or nonfunctioning interior/exterior lights to Building Maintenance Supervisor.