

Amendment No. 2 to Lease Agreement Between City of Newport and Latta's of Oregon, Inc.

THIS AMENDMENT No. 2 is to the Agreement for Lease of Business Premises between the City of Newport, Lessor, and Latta's of Oregon, Inc., Lessee.

Recitals:

- 1. City and Lessee entered into an agreement for lease of business premises dated May 5, 2010 (Lease) for a certain portion of the street level of the Abbey Street Pier Building that fronts Bay Boulevard in Newport, Oregon (Premises), business address of 669 SW Bay Boulevard.**
- 2. Lessee is currently a month-to-month tenant under Section 14.3 of the Lease.**
- 3. Lessee is in arrears on monthly rent payments under the Lease in excess of \$9,000 through February 28, 2021.**
- 4. Lessee did not pay property taxes assessed on the Premises for 2016 to 2020, as required under Section 7.1 of the Lease. City subsequently paid those taxes in the total amount of \$15,778.86, which included penalties and interest.**
- 5. City and Lessee desire to amend the Lease to address the above items and to incorporate the following terms as part of the Lease, effective on the date of the last signature below.**

Terms of Amendment:

City and Lessee agree to amend the Lease as follows:

- A. Lessee will pay City \$3,711.50 at the time of execution of the Amendment as satisfaction in full of unpaid rent arrearage through February 28, 2021.**
- B. Lessee will sign a promissory note at the time of execution of the Amendment for repayment of property taxes assessed on the Premises for 2016 to 2020 and paid by City in the amount of \$15,778.86.**
- C. Lease will be extended for the period from March 1, 2021 through February 28, 2022, with the option of a second year at sole discretion of City.**
- D. Monthly rent for the first five months of Lease extension will be \$711.50, with monthly rent increased to \$1,223 starting the sixth month. If there is a second year, at sole discretion of City, monthly rent will increase by three percent.**
- E. First month of Lease extension is March 2021 and rent payment of \$711.50 for that month is due at the time of execution of the Amendment. Rent payment for remaining months of Lease extension is due by the 15th of each month.**
- F. Failure to make either a rent payment under the Lease extension or an installment payment under the promissory note listed in Section B. above will be deemed a default of the Lease.**

G. This Amendment may be executed in counterparts and a signed copy transmitted by facsimile or other electronic means, each of which will be deemed an original, but all of which taken together will constitute one and the same agreement.

Except as expressly set forth herein, all provisions of the Lease shall continue and remain in full force and effect.

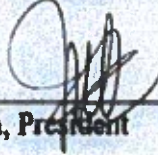
City of Newport



Spencer R. Nebel, City Manager

Date: March 2, 2021

Latta's of Oregon, Inc.



Judy Latta, President

Date: MARCH 10 2021

PROMISSORY NOTE

\$15,778.86


March 1, 2021
Newport, Oregon

For value received, the undersigned (Borrower) promises to pay to the order of the City of Newport, at 169 SW Coast Highway, Newport, Oregon 97365 (Lender), the principal sum of \$15,778.86, together with interest, payable in the manner and on the terms set forth in this Note:

1. Interest Rate. The outstanding principal balance will bear interest at the rate of five percent per annum from the date of this Note, until this Note is fully paid.
2. Payments. Borrower will make monthly installments of \$800. The first installment must be paid on or before April 1, 2021, and subsequent installments must be paid on the first day of each month thereafter until the entire note is paid in full. Each payment will be applied first to interest on the principal as of the date of payment, with the balance to the principal.
3. Prepayments. Borrower has the right to prepay this Note, in whole or in part, at any time with no prepayment penalty.
4. Default. Lender may declare the principal of this Note, together with interest, to be due and payable in the event that Borrower defaults in the performance of, or compliance with, any of the terms or provisions of this Note, after not less than 10 days' written notice to Borrower specifying with reasonable particularity the nonperformance or noncompliance and Borrower's failure to correct the default within that time period. Any forbearance or failure to exercise this right will not constitute a waiver of Lender's right to exercise the right with respect to the default and any subsequent default.
5. Attorney Fees; Costs. If the holder of this Note takes any action to enforce this Note, the holder of this Note will be entitled to recover from Borrower all expenses that the holder of this Note may reasonably incur in taking such action, including, but not limited to, costs and expenses provided by statute or otherwise, as well as reasonable attorney fees determined by the court, whether incurred in a suit or action at trial or on appeal.
6. Governing Law; Severability. This Note is to be governed by and construed in accordance with the laws of the state of Oregon. If any provision of this Note is construed by a court of competent jurisdiction to be void, invalid, or unenforceable, that construction will not affect other provisions of this Note that can be given effect without the void, invalid, or unenforceable provision, and to this end the provisions of this Note are declared to be severable.
7. Waiver of Protest. Borrower and each present or future maker, surety, endorser and signatory to this Note, in whatever capacity, waives presentment, demand, protest, notice of dishonor, and all surety defenses, and agrees that the Lender may exercise its rights under the Note in any order and at any time.
8. Time of the Essence. Time is of the essence under this Note.

The undersigned has duly executed this Note on the day and year first written above.

Borrower:



Judy Latta, President
Latta's of Oregon, Inc.