

REVIEWED

LEGAL COUNSEL

LEASE

This Lease is made by and between DESCHUTES COUNTY, a political subdivision of the State of Oregon ("Lessor") and CASCADE PEER AND SELF HELP CENTER, a nonprofit corporation ("Lessee").

Lessor hereby leases to Lessee and Lessee takes from Lessor the "Premises" described as follows:

Property commonly known as the "Clubhouse" at the Deschutes County Courthouse Annex, 1128 NW Harriman Street, Bend Oregon, 97703 - approximately Two Thousand Nine Hundred (2,900) square feet of space.

The parties agree that the terms of this Lease are as follows:

1. Occupancy

a) Term. The effective date of this Lease shall be October 1, 2021, and shall continue until December 31, 2024, or three (3) years, and three (3) months. Lessor and Lessee each reserve the right to terminate this Lease prior to its expiration with sixty (60) days written notice, given to the other party. This lease is contingent upon a Grant Agreement between Deschutes County and Cascade Peer and Self-Help, Inc.

b) Possession. During the Lease term Lessee shall be entitled to access the Premises twenty-four hours a day, seven days a week. Changes to the hours and days of access are at the discretion of County behavioral health staff.

c) Renewal Option. Except as otherwise provided in this Lease, if the Lessee is not then in default and with Lessor's approval, Lessee has the option to renew this lease for three (3) years by giving at least sixty (60) days written notice to Lessor prior to the expiration of the lease term. The subsequent renewal option, for a period of three (3) years, shall be January 1, 2025 through December 31, 2027.

2. Rent. Lessee provides services to adults with mental health issues. The program compliments Deschutes County Mental Health's Community Support Services, which supports it with some paid staff and funding. In exchange for the benefit the Lessee's service provides to the public, Lessor shall not charge Lessee rent during the term of this Lease. The rent payable by Lessee has been established to reflect the savings below market rent resulting from the exemption from taxation.

3. Use of Premises. The Premises shall be used by Lessee for offices, meeting space, and educational resources.
4. Restrictions on Use. In connection with the use of the Premises, Lessee shall:
 - a) Conform to all applicable laws and regulations of any public authority affecting Lessee's use, and correct at Lessee's own expense any failure of compliance created through Lessee's fault or by reason of Lessee's use.
 - b) Refrain from making any marks on or attaching any sign, insignia, antenna, aerial, or other device to the walls or windows without the prior written consent of Lessor, which consent shall not be withheld unreasonably.
 - c) Lessee shall not cause or permit any Hazardous Substance to be spilled, leaked, disposed of, or otherwise released on or under the Premises. Lessee shall comply with all Environmental Laws and exercise the highest degree of care in the use, handling, and storage of Hazardous Substances and shall take all practicable measures to minimize the quantity and toxicity of Hazardous Substances used, handled, or stored on the Premises. Upon the expiration or termination of this Lease, Lessee shall remove all Hazardous Substances from the Premises. The term Environmental Law shall mean any federal, state, or local statute, regulation or ordinance or any judicial or other governmental order pertaining to the protection of health, safety or the environment. The term Hazardous Substance shall mean any hazardous, toxic, infectious or radioactive substance, waste and material as defined or listed by Environmental Law and shall include, without limitation, petroleum oil and its fractions.
 - d) Lessee shall maintain its facilities and equipment on the Premises so as to impact in the least possible way Lessor's equipment, facilities and personnel. Lessee shall also secure its personal property on the Premises in a clean, safe and sanitary condition when not in use.
 - e) Lessee warrants the honesty and integrity of all personnel and volunteers Lessee authorizes to access or use the Premises. Lessee shall notify Lessor in writing in advance of any changes in personnel having access to the Premises, including without limitation suspension, termination or resignation. Lessee shall have access to and through Lessor's security access system and shall be responsible for retrieving access keys from Lessee's personnel who are no longer authorized on the Premises.
 - f) Comply with Lessor's policies regarding smoking, parking, fragrances, facilities maintenance, facilities use and violence in the workplace. The Lessee's Safety Policy and Plan shall supplement the Lessor's policy to prevent violence in the workplace.

5. Maintenance and Repair of Premises.

a) Lessor's Obligations

1) Lessor shall perform all necessary maintenance and repairs to the structure, foundation, exterior walls, roof, doors and windows, elevators, emergency lighting, and Lessor-provided fire extinguishers, sidewalks, and parking area which are located on or serve the Premises. Lessor shall repair or replace, if necessary and at Lessor's sole expense, the heating, air conditioning, plumbing, electrical, and lighting systems in the Premises, obtaining required permits and inspections from codes enforcement authorities, and shall keep the improvements, grounds and landscaping in good repair and appearance replacing dead, damaged or diseased plant materials when necessary.

2) Should Lessor fail to maintain the Premises in accordance with above requirements, and after at least fourteen (14) days prior written notification to Lessor, Lessee may contract for necessary labor equipment and material to bring Premises within those requirements and may deduct reasonable and necessary costs from future rent payments.

b) Lessee's Obligations.

1) 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 wear, permitted alterations, and damage by fire or other casualty. Lessee is responsible for its own janitorial cleaning. Lessee shall ensure that frequent, routine cleanings occur and Premises is well maintained. Exterior spaces are to remain neat and clean, and free of any kind of debris, including trash, boxes, storage containers, food containers, etc. Lessor will conduct periodic inspections of Premises to ensure that these maintenance standards are adhered to.

2) Lessee's signage and decorative accessories may be allowed but must be approved by the Lessor prior to installation. Placement of exterior signs, whether wall-mounted or free-standing, will be subject to the prior approval of the County's Building Services Division. Exterior signs, if allowed, must also comply with the City of Bend sign code and be installed in accordance with all related City permit regulations.

3) No decorative or other materials of any kind are permitted to be attached to the ceiling or ceiling grids within the Premises.

6. Inspection of Premises. Lessor shall have the right to inspect the Premises any reasonable time or times to determine the necessity of repair and Lessee's compliance with its other obligations set forth in this Lease.

7. Utilities and Services.

a) Lessor shall provide water, sewer, gas, and electricity. A trash dumpster that may be used by the Lessee will be made available at an assigned location. Lessee shall provide its own telephone service and janitorial services for the Premises.

b) Unless it is an exempt entity, Lessee agrees to pay property taxes and assessments applicable to the Premises which are due and payable during the term of this Lease or any extension hereof. If exempt, it is the responsibility of Lessee to file for such exemption with the Deschutes County Tax Assessor's office.

8. Liens.

a) Except with respect to activities for which the Lessor is responsible, the Lessee shall pay as due all claims for work done on and for services rendered or material furnished to the leased real property and shall keep the real property free from any liens. If Lessee fails to pay any such claims or to discharge any lien, Lessor may do so and collect the cost from Lessee. Any amount so expended shall bear interest at the rate of nine percent (9%) per annum from the date expended by Lessor and shall be payable on demand. Such action by Lessor shall not constitute a waiver of any right or remedy which Lessor may have on account of Lessee's default.

b) Lessee may withhold payment of any claim in connection with a good faith dispute over the obligation to pay, so long as Lessor's property interests are not jeopardized. If a lien is filed as a result of nonpayment, Lessee shall, within thirty (30) days after knowledge of the filing, secure the discharge of the lien or deposit with Lessor cash or a sufficient corporate surety bond or other surety satisfactory to Lessor in an amount sufficient to discharge the lien plus any costs, attorney fees and other charges that could accrue as a result of a foreclosure or sale under a lien.

9. Insurance.

a) It is expressly understood that Lessor shall not be responsible for carrying insurance on any property owned by Lessee.

b) Lessee will be required to carry fire and casualty insurance on Lessee's personal property on the Premises.

c) Lessor will carry fire and casualty insurance only on the structure where Premises are located.

d) Lessee shall carry commercial general liability insurance, on an occurrence basis; with a combined single limit of not less than \$1,000,000 each occurrence, with an annual aggregate limit of \$2,000,000 of all claims from a single incident. Lessee shall provide Lessor with a certificate of insurance, as well as an endorsement, naming Deschutes County, its officers, agents, and employees and volunteers as an additional insured. There shall be no cancellation, termination,

material change, or reduction of limits of the insurance coverage during the term of this lease.

e) Lessee shall provide to Lessor proof of workers compensation insurance.

f) Indemnification: Lessor and Lessee shall each be responsible for the negligent and wrongful acts of their employees and invitees. Lessor's liability exposure is restricted by the Oregon State Constitution, Article XI, and Oregon Revised Statutes 30.260 through 30.300, the Oregon Tort Claims Act.

10. 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 unusable 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 after such notice in which 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.
11. Surrender of Leased Premises. Upon abandonment, termination, revocation or cancellation of this Lease or the surrender of occupancy of any portion of or structure on the leased premises, the Lessee shall surrender the real property or portion thereof to Lessor in the same condition as the real property was on the date of possession, fair wear and tear excepted, except, that nothing in this lease shall be construed as to relieve Lessee of Lessee's affirmative obligation to surrender said premises in a condition which complies with all local, state or federal environmental laws, regulations and orders applicable at the time of surrender that was caused by Lessee or occurred during the term of this lease. Upon Lessor's written approval, Lessee may leave site improvements authorized by any land use or building permit. Lessee's obligation to observe and perform this covenant shall survive the expiration or the termination of the Lease.
12. Nonwaiver. Waiver by either party of strict performance of any provision of this Lease shall not be a waiver of or prejudice of the party's right to require strict performance of the same provision in the future or of any other provision.
13. Default. Neither party shall be in default under this Lease until written notice of its unperformed obligation has been given and that obligation remains unperformed after notice for fifteen (15) days in the case of the 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 performance. In case of default the non-defaulting party may terminate

this Lease with thirty (30) days' notice in writing to the defaulting party, shall be entitled to recover damages or any other remedy provided by applicable law, or may elect to perform the defaulting party's obligation. The cost of such performance shall be immediately recoverable from the defaulting party plus interest at the legal rate for judgment. If Lessee makes any such expenditures as the non-defaulting party, those expenditures may be applied to monthly rent payments(s).

14. Notices. Notices between the parties shall be in writing, effective when personally delivered to the address specified herein, or if mailed, effective 48 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 Property Management
Property Manager
Physical: 14 NW Kearney Avenue
Bend, Oregon 97703
Phone: 541-385-1414
Email: Kristie.Bollinger@deschutes.org

Mail to:
P.O. Box 6005
Bend, OR 97708-6005

Lessee: Cascade Peer and Self Help Center
Larry Kogovsek, President
P.O. Box 771
Bend, Oregon 97709
Phone: 541-390-1351
Email: lkogovsek@icloud.com

15. Assignment. Lessee shall not assign or sub-rent the Premises without the prior written consent of the Lessor, which consent shall not be withheld unreasonably.
16. Attorneys' Fees. In the event a suit or action of any kind is instituted on behalf of either party to obtain performance under this Lease or to enforce any rights or obligations arising from this Lease, each party will be responsible for paying its own attorney fees.
17. Authority. The signatories to this agreement covenant that they possess the legal authority to bind their respective principals to the terms, provisions and obligations contained within this agreement.
18. 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. LESSOR, BY THE SIGNATURE BELOW OF ITS AUTHORIZED REPRESENTATIVE, HEREBY ACKNOWLEDGES THAT LESSOR HAS READ THIS LEASE, UNDERSTANDS IT, AND AGREES TO BE BOUND BY ITS TERMS AND CONDITIONS.

Dated this _____ day of _____, 2021

LESSOR:

BOARD OF COUNTY COMMISSIONERS
OF DESCHUTES COUNTY, OREGON

ANTHONY DEBONE, CHAIR

ATTEST:

PHIL CHANG, VICE CHAIR

Recording Secretary

PATTI ADAIR, COMMISSIONER

Dated this _____ day of _____, 2021

LESSEE: CASCADE PEER AND SELF HELP CENTER

By: _____
Larry Kogovsek, President