

LEASE

This Lease ("Lease") is made by and between **DESCHUTES COUNTY**, a political subdivision of the State of Oregon ("Lessor"), and **MOSAIC COMMUNITY HEALTH, an Oregon Domestic Non-Profit Corporation** ("Lessee"). Lessor and Lessee are referred to herein as "Party" or "Parties."

Lessor hereby leases to Lessee and Lessee takes from Lessor the following described:

Suite 100 located on the first floor of the Deschutes County Health Services Building at 2577 NE Courtney Drive, Bend, Oregon 97701 consisting of approximately Two Thousand Eight Hundred and Ten (2,810) square feet of office and health services rooms ("Premises"), as shown in Exhibit A, attached hereto and incorporated herein, together with necessary ingress and egress for such space.

Lessor has designated Exam Room 8 for the exclusive use of Public Health's Communicable Disease/STI staff to ensure they have the necessary physical space to carry out their mission. Public Health may allow Mosaic to use Exam Room 8 at its discretion, but this arrangement will not interfere with Public Health's primary use of the room. In return, Mosaic agrees to provide Public Health access to other Mosaic exam rooms when Exam Room 8 is in use by Mosaic. Both parties will coordinate the scheduling and use of Exam Room 8, with Public Health's use taking priority. Public Health will establish and communicate a procedure for scheduling, occupying, and maintaining Exam Room 8.

Lessee shall be entitled to use of common areas, such as conference room(s), staff break room, restroom rooms, front lobby, and parking.

Lessee shall have an active Memorandum of Understanding ("MOU") or similar contract with Deschutes County Health Services, outlining the coordination and responsibilities between the parties, currently known as Deschutes County Document No. 2025-414 Failure to maintain a current MOU or similar contract may be grounds for default as outlined in Section 16.

If any changes to the Premises occur, the Lease will be amended to memorialize such changes and Exhibit A shall be updated.

1. OCCUPANCY. The Parties agree that the terms of this Lease are as follows:

a. TERM. The effective date of this Lease shall be July 1, 2025, and shall continue through June 30, 2027. Lessor and Lessee each reserve the right to terminate

this Lease prior to its expiration with Ninety (90) days written notice given to the other party, and Lease is subject to and contingent upon the MOU.

- b. RENEWAL OPTIONS. The Lease may be extended by Amendment, upon mutual agreement by Parties.
2. RENT. In exchange for the benefit Lessee provides as services to the general public in conjunction with the services also provided therein by Deschutes County Health Services programs, Lessor shall not charge Lessee rent during the term of this Lease. However, pursuant to Section 9 Utilities and Service, of this Lease, Lessee shall pay a proportionate share of the overall Building utility costs.
3. USE OF PREMISES. The Premises shall be used by Lessee for operation of a Primary Medical Care Clinic ("Clinic"). Lessee shall operate the Clinic pursuant to the provisions of the MOU.
 - a. Lessee's Clinic will be open Monday through Friday, from 7:00 am through 6:00 pm.
 - b. Lessee shall be responsible to secure Building at the end of each workday and holidays that Clinic is operable as arranged with Deschutes County Health Services Administrative Contact ("Administrative Contact"), as defined in Section 17.
 - c. Lessee, its principals or agents shall not use the Premises to operate a business other than that specified in this Lease and shall not use the Premises address as the business or mailing address for any other business than that specified in this Lease without obtaining the Lessor's written consent in advance.
4. PARKING. Lessee's employees and staff shall have non-exclusive right to access and utilize permitted vehicle parking spaces in County parking lots on the Premises. Required parking permits must be obtained from the Deschutes County Facilities Department (541) 330-4686. Lessee's employees will be required to adhere to the County Parking Policy and Regulations regarding parking in designated employee parking spaces, which County may amend from time to time. Copy of referenced policy were provided to Lessee prior to execution of this Lease.
5. RESTRICTION OF USE. In connection with the use of the Premises, Lessee shall:
 - a. Conform to all applicable laws and regulations affecting the Premises and correct at Lessee's own expense any failure of compliance created through Lessee's fault or by reason of Lessee's use of the Premises. Lessee shall not be required to make any structural changes to affect such compliance, unless such changes are required because of Lessee's specific use.
 - b. Refrain from any use which would be reasonably offensive to Lessor, other tenants, or owners or users of adjoining property or unoccupied portions of the

real property, or which would tend to create a nuisance or damage the reputation of the real property.

- c. Refrain from making any unlawful or offensive use of said property or to suffer or permit any waste or strip thereof.
- d. Exercise diligence in protecting from damage the real property and common area of Lessor covered by and used in connection with this Lease.
- e. Be responsible for removing any liens placed on said property as a result of Lessee's use of Leased Premises.
- f. Comply with Lessor's policies, as periodically amended, regarding smoking, fragrances, facilities maintenance, facilities use and violence in the workplace. Those policies are incorporated by reference herein and are available from Lessor upon request. Copies of referenced policies were provided to Lessee prior to execution of this Lease.
- g. Hazardous Substances. Lessee shall not cause or permit any Hazardous Substance to be spilled, leaked, disposed of, or otherwise released on or under the Premises. Lessee may use or otherwise handle on the Premises only those Hazardous Substances typically used in the prudent and safe operation of the business specified in Section 3 Lessee may store such Hazardous Substances on the Premises only in quantities necessary to satisfy Lessee's reasonably anticipated needs. Lessee shall comply with all environmental laws ("Environmental Law") and exercise the highest degree of care in the use, handling, and storage of Hazardous Substances and shall take all practical measures to minimize the quantity and toxicity of Hazardous Substances used, handled or stored on the Premises. On the expiration or termination of the Lease, Lessee shall remove all Hazardous Substances from the Premises. Environmental Law(s) 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. Hazardous Substance(s) shall mean any hazardous, toxic, infectious, or radioactive substance, waste, and material as defined or listed by any Environmental Law and shall include, without limitation, petroleum oil and its fractions.
- h. Hazardous Substances – Indemnification. Lessee will indemnify, defend, and hold Lessor and Lessor's elected officials, officers, employees, agents, and volunteers harmless for, from, and against any and all losses, costs, expenses, claims, and/or liabilities (including reasonable attorney fees and costs) resulting from or arising out of, whether directly or indirectly, the use, storage, treatment, transportation, presence, release, or disposal of Hazardous Substances in, on under, or about the Premises to the extent resulting from the activities of Lessee or its principals, employees, agents, clients and invitees. Lessee's indemnification obligations provided in this Section 5 (h) will survive the expiration or termination of this Lease.

6. ALTERATIONS.

- a. Lessee acknowledges that Lessor is not required to make any improvements, modifications, or renovations to the Premises, and that Lessee is taking the Premises "AS IS" in its present condition subject to all patent and latent defects whether known or unknown. Lessor warrants that it has no knowledge of any defect which would impact the safe use of the Premises.
- b. Lessee shall not make improvements, alterations, or modifications on or to the Premises of any kind of nature whatsoever without first obtaining Lessor's written consent, which shall not be unreasonably withheld or delayed. All alternations shall be made in a good and workmanlike manner, and in compliance with applicable laws and building codes.
- c. 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 sole cost and expense. Lessee may be required to remove such items at the end of the Lease term as determined by Lessor.
- d. ADA Compliance. Lessor and Lessee agree and acknowledge that the provisions of the Americans with Disabilities Act of 1990 ("ADA") allow allocation of responsibility for compliance with the terms and conditions of the ADA in this Lease. Lessor and Lessee agree that the responsibility for compliance with the ADA will be allocated exclusively to Lessee for the Premises, but not for the Property. Lessee will be responsible for compliance with the ADA with respect to all improvements on or in the Premises and the provisions of Title III of the ADA with respect to Lessee's proportionate share of any parking areas, sidewalks, and any walkways. Lessor will have no obligation to supervise, monitor, or otherwise review the compliance activities of Lessee, nor shall Lessee have any obligation to supervise, monitor or review compliance activities of Lessor or any other lessee of space in the Property.

7. LESSEE'S OBLIGATIONS. The following shall be the responsibility of the Lessee:

- a. After the execution of the Lease, if applicable, Lessee shall apply within fifteen (15) days for a property tax exemption status based on Lessee's government or nonprofit status. If the property tax exemption application is denied and the taxing authority assesses real property tax and assessments for the Property and Premises, Lessee shall pay before delinquency, the pro-rata share of property taxes, assessments, special assessments, and levies against the portion of the Property or Premises, which are due and payable during the term of this Lease or any extension hereof.
- b. Prior to delinquency, Lessee shall pay all personal property taxes on Lessee's alterations and utility installations, trade fixtures, furnishings, equipment, inventory and all other personal property in or about the portion of the Property subject to taxation.
- c. On the prior written approval of Lessor, which shall not be unreasonably withheld, conditioned, or delayed, Lessee may install signage on the front door

to the Premises and on the monument sign, at Lessee's sole cost and expense, which must comply with all local rules, regulations, and ordinances.

8. REPAIRS, MAINTENANCE AND REPLACEMENT.

- a. Lessor's Obligations. The following shall be the responsibility of Lessor. Lessor will repair, maintain in hazard free condition, and replace the following, as needed, on the Premises and Property.
 - i. Structure, foundation, exterior walls, roof, gutters, doors and windows, elevators, emergency lighting, flooring, and Lessor-provided fire extinguishers, fire systems; and
 - ii. Sidewalks, curbs, driveways, parking area, and maintaining the grounds and landscaping which are located on or serve the Premises and Property, and outside areas used in common by Lessee and Lessor or tenants of other portions of the same Property; and
 - iii. Interior and exterior paint, heating, air conditioning, plumbing, electrical, and lighting systems including ceiling fixture light bulbs in the Premises and Property and outside areas used in common by Lessee and Lessor or tenants of other portions of the same Property; and
 - ii. Should Lessor fail to maintain the Premises and Property 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 and Property within those requirements and may deduct reasonable and necessary costs from future rent payments.
- b. Lessee's Obligations. Lessee shall repair and maintain Premises in good working order. Lessee will timely repair and maintain the following as needed.
 - i. Interior walls, ceilings, doors and windows and related hardware, electrical including wiring, light fixtures and switches (including replacement bulbs), outlets, and plumbing from the point of entry to the Premises.
 - ii. Carpet and other flooring, and hard surfaces including countertops and casework.
 - iii. Lessee shall be responsible for any repairs necessitated by the negligence of Lessee, its principals, agents, employees, clients, volunteers and invitees, regardless of any other provision in this Lease.
 - iv. Any repairs or alterations required under Lessee's obligation as set forth in "Restrictions on Use" above must comply with all laws and regulations.

- c. Lessor's Interference with Lessee. In performing any repairs, maintenance, replacements, alterations, or other work performed on or around the Premises, Lessor shall not cause unreasonable interference with use of the Premises by Lessee.
 - i. Lessee shall have no right to an abatement of Base Rent or other associated charges nor any claim against Lessor for any reasonable inconvenience or disturbance resulting from Lessor's activities performed in conformance with this provision.
- d. Inspection of Premises. Except in the case of an emergency, Lessor shall provide 24 hours' notice to Lessee to inspect the Premises to determine the necessity of repair or maintenance of Premises or a portion of the Property or replacement of such, which affects the Premises.

9. UTILITIES AND SERVICES.

- a. Lessor shall provide adequate heat, electricity, water, air conditioning, trash removal service, and sewage disposal service for the Premises and janitorial services for the common areas of the building.
- b. Lessee shall pay to Lessor its proportionate share of the overall Building utility costs, electricity, water, sewer, natural gas, and trash, without offset, the initial sum of Three Hundred Fifty Nine Dollars and Thirty Five Cents (\$359.35) per month or Four Thousand Three Hundred Twelve Dollars and Twenty Cents (\$4,312.20) for annual payment of the Initial Term Year One, upon the Effective Date specified in Section 1.
- c. The utility payment shall be payable, in advance, on the first day of each month or without notice or demand, by USPS to Lessor to the address specified in Section 17.
- d. The utility payment for each successive year shall increase by four percent (4%) each year, annually, as outlined in the chart below.

Utility Payment Schedule				
Lease Year	Lease Term	Percentage Increase	Rate per Month	Rate per Year
July 1, 2025 - June 30, 2026	Initial Term Year One	N/A	\$359.35	\$4,312.20
July 1, 2026 - June 30, 2027	Initial Term Year Two	4%	\$373.73	\$4,484.69

- e. Lessee shall provide its own janitorial services for the Premises. Lessee is solely responsible for any janitorial services for hazardous waste disposal and

emergency clean-up resulting directly from Lessee's use of Premises. Lessee shall have access to Room 139, janitorial closet.

- f. Lessee shall be responsible for providing all communications services and amenities necessary to operate the Clinic, including but not limited to: telephone, internet, TV, and all wireless communications. Access to the data closet for maintenance and installations shall be allowed only as authorized by Deschutes County Information Technology Department (DCIT). Any County provided internet, phone, or other services will have additional monthly charges for installation, hardware, and service charges and may not be available.
 - i. Lessee will select information technology technicians to 1) complete a basic background check by the Deschutes County Sheriff's Office and 2) complete the Criminal Justice Information Services (CJIS) certification. Upon passing the background check and CJIS certification, DCIT will provide 24/7 access to the data closet by issuing keycards to the certified technicians.
 - ii. As per individual CJIS training, acknowledgement, and certification data closet keycards cannot be shared with individuals who have not completed the CJIS certification.
 - iii. As per individual CJIS training, acknowledgement, and certification data closets can only be accessed with a CJIS certified technician always present.
 - iv. If keycards are lost or stolen, Lessee must contact Lessor immediately to deactivate the card and to request a new keycard.
 - v. It is Lessee's responsibility to contact Lessor to request a new keycard for all new technicians that will have access to the data closet, at which time Lessor will require a background check and CJIS certification as outlined herein.
 - vi. Lessee is responsible for promptly notifying Lessor of changes in employment status regarding any staff in possession of Lessor's data closet keycards.
- g. Security equipment (cameras, recording devices, wiring, and like equipment), including the installation and maintenance thereof, shall be the sole responsibility of Lessee. Prior to installing such equipment to external portions of the Premises or common areas, Lessee shall request permission in writing to Lessor and Lessor agrees not to unreasonably withhold.

10. LIENS.

- a. Except with respect to activities for which Lessor is responsible, 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.

11. INSURANCE.

- a. It is expressly understood that Lessor shall not be responsible for carrying insurance on any personal property owned by Lessee.
- b. Lessee will be required to carry fire and casualty insurance on Lessee's personal property on the Premises. Neither Party shall be liable to the other (or to the other's successors or assigns) for any loss or damage caused by fire or any of the risks enumerated in a standard fire insurance policy.
- c. Lessee shall provide to Lessor proof of workers' compensation insurance, upon request.
- d. Lessor is self-insured under ORS 30.282 and has established a self-insurance fund for liability arising out of any tort claim or property damage against any of its programs, officers, agents, employees and volunteers acting within the scope of their employment. This coverage is applicable under any Deschutes County agreement. A certificate of insurance will be provided upon request.
- e. Lessee shall carry commercial general liability insurance, with a combined single limit of not less than \$1,000,000 for each occurrence, with an annual aggregate limit of \$2,000,000. The policy shall include an additional insured endorsement, naming Deschutes County, its officers, agents, employees, and volunteers as an additional insured. The policy shall be written on an occurrence basis unless approved and authorized by Lessor. There shall be no cancellation, termination, material change, or reduction of limits of the insurance coverage during the term of this Lease. Lessee can meet the requirements of this section through a state-approved, self-insurance program so long as the program provides adequate levels of coverage to comply with this agreement.
 - i. Claims Made Policies/Tail Coverage: If any of the required insurance policies is on a "claims made" basis, Lessee shall maintain either "tail"

coverage or continuous "claims made" liability coverage, provided the effective date of this continuous "claims made" coverage is on or before the effective date of this Lease, for a minimum of twenty-four (24) months following the end of the lease agreement. Notwithstanding the foregoing twenty-four (24) month requirement, if Lessee elects to maintain "tail" coverage and if the maximum time period "tail" coverage reasonably available in the marketplace is less than the twenty-four (24) month period described above, then Lessee may request and be granted approval of the maximum "tail" coverage period reasonably available in the marketplace. If approval is granted, Lessee shall maintain "tail" coverage for the maximum time period that "tail" coverage is reasonably available in the marketplace. Claims Made Policy (completed by County Risk Management)

☐ Approved ☐ Not Approved

- f. Lessee shall furnish a current Certificate of Insurance to Lessor. The Certificate shall state the deductible or, if applicable, the self-insured retention level. Lessee shall be responsible for any deductible or self-insured retention. Lessee shall notify the County in writing at least 30 days in advance of any cancellation, termination, material change, or reduction of limits of the insurance coverage.

12. INDEMNIFICATION. Lessee shall be responsible for any and all injury to any and all persons or property caused directly or indirectly by reason of any and all activities by Lessee on or in connection with the leased property; Lessee further agrees to indemnify, defend, and save harmless Lessor, its officers, agents, employees, and volunteers (collectively, "Lessor's Agents") from and against all claims, suits or action, damages, costs, losses and expenses in any manner resulting from, arising out of, or connected with any such injury. Lessor shall be responsible for the negligent and wrongful acts of its officers, agents, employees and invitees. Provided however, consistent with its status as a public body, Lessor enjoys certain privileges and immunities under the Oregon State Constitution, Article XI, and Oregon Revised Statutes 30.260 through 30.300, the Oregon Tort Claims Act, and thus its liability exposure is restricted.

13. 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 terminate 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 terminate this Lease. Following damage, and including any period of repair, Lessee's lease obligation shall be reduced to the extent the Premises cannot reasonably be used by Lessee.

14. 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, 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.

15. NON-WAIVER. 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.
16. 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 thirty (30) days notice 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.
17. NOTICES. Notices between the parties shall be in writing, effective when personally delivered to the address specified herein, or if mailed, effective forty-eight (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
Attn: Kristie Bollinger
14 NW Kearney Avenue
Bend, Oregon 97703
Phone: 541-385-1414
Email: Kristie.Bollinger@deschutes.org
Mailing: PO Box 6005
Bend, OR 97708-6005

Administrative Contact:
Deschutes County Health Services
Attn: Arielle Samuel
Phone: 541-322-7531
Email: Arielle.Samuel@deschutes.org

Lessee. Mosaic Community Health
Steve Strang, CFO
600 SW Columbia Street, Suite 6210
Bend, Oregon 97702
Email: Steve.Strang@mosaicmedical.org

18. ASSIGNMENT. Lessee shall not assign or sublease the Premises without the prior written consent of Lessor, which shall not be unreasonably withheld or delayed.
19. 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.
20. AUTHORITY. The signatories to this Lease covenant that they possess the legal authority to bind their respective principals to the terms, provisions and obligations contained within this Lease.
21. COUNTERPARTS. This Lease may be signed in counterparts, each of which will be considered an original and together shall constitute one (1) instrument. Copies of this Lease shall be treated as original signatures.
22. SEVERABILITY/SURVIVAL. If any of the provisions contained in this Agreement are held illegal, invalid or unenforceable, the enforceability of the remaining provisions shall not be impaired. All provisions concerning the limitation of liability, indemnity and conflicts of interest shall survive the termination or expiration of this Agreement for any cause.
23. GOVERNING LAW. This Lease is governed by the laws of the State of Oregon, without giving effect to any conflict-of-law principle that would result in the laws of any other jurisdiction governing this Lease.
24. VENUE. Any action or proceeding arising out of this Lease will be litigated in the courts located in Deschutes County, Oregon. Each Party consents and submits to the jurisdiction of any local, state, or federal court located in Deschutes County, Oregon.
25. ENTIRE LEASE.
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.

[SIGNATURE PAGES FOLLOW]

LESSOR:

DATED this ____ of _____, 2025

BOARD OF COUNTY COMMISSIONERS
OF DESCHUTES COUNTY, OREGON

ANTHONY DEBONE, Chair

PATTI ADAIR, Vice Chair

ATTEST:

Recording Secretary

PHIL CHANG, Commissioner

[SIGNATURE PAGE FOLLOWS]

LESSEE:

DATED this ____ of _____, 2025

MOSAIC COMMUNITY HEALTH, an Oregon
Domestic Non-Profit Corporation

Megan Haase, CEO

EXHIBIT A

Health Services Building First Floor

