

REVIEWED

LEGAL COUNSEL

LEASE

This Lease ("Lease") is made by and between **DESCHUTES COUNTY**, a political subdivision of the State of Oregon ("Lessor"), and **CENTRAL OREGON INTERGOVERNMENTAL COUNCIL** ("Lessee"). Lessor and Lessee are referred to herein as "Party" or "Parties."

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

Use of office space consisting of approximately one hundred seventy-five (175) square feet and shared restroom/shower area, in the Shop Building located at the South County Services location at 51340 S. Highway 97, La Pine, Oregon 97739 ("Premises"), as shown on Exhibit A, and with use of four (4) parking spaces as specified in Section 4, herein.

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, 2028. 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, as outlined in Section 16 of this Lease.

i. If Lessee is unable to obtain funding to sustain its operations, Lessee may negotiate with Lessor for continued occupancy in a portion of the Premises at a reduced rate. If Parties are unable to agree 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. OPTION TO RENEW. If the Lessee is not then in default, as further described and provided in Section 15, and the Lease has not been terminated in accordance hereof, the Parties shall have the Option to Renew ("Renewal") for additional two (2) year terms under the same terms and conditions set forth herein except for any modifications agreed to in writing by amendment. The Renewal terms will be memorialized by a letter signed by both Parties, the Lessor (Deschutes County Property Manager or County Administrator) and Lessee.

c. POSSESSION. Lessor shall provide Lessee with a security badge or keyed access to the Premises during the term of the Lease as may be applicable.

2. RENT. Lessee shall pay to Lessor as base rent, the sum of Two Hundred and Eleven Dollars (\$211) per month upon the Effective Date specified in Section 1.

a. Rent shall be payable, in advance, on the first day of each month without notice or demand, by USPS to Lessor to the address specified in Section 16.

- b. Beginning on July 1, 2026, the rent for each successive year of the Initial Term and each year thereafter shall increase by three percent (3.0%) annually, as outlined in the chart below.

Lease Year	Lease Term	Percentage Increase	Rate
July 1, 2025 - June 30, 2026	Initial Term	N/A	\$211/mo.
July 1, 2026 - June 30, 2027	Initial Term	3%	\$218/mo.
July 1, 2027 - June 30, 2028	Initial Term	3%	\$225/mo.
July 1, 2028 - June 30, 2029	Renewal Term – Year 1	3%	\$232/mo.
July 1, 2029 - June 30, 2030	Renewal Term – Year 2	3%	\$239/mo.
	Renewal each year thereafter until renegotiated	3% each annum	

3. **USE OF PREMISES.** Lessee shall use the Premises for office space for the operation of Cascades East Transit, a program of Central Oregon Intergovernmental Council, in southern Deschutes County, including the parking of no more than 4 buses, unless written permission for additional buses is obtained from Lessor. 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, its employees, and clientele shall have the right to access and utilize vehicle parking spaces in the Premise's parking lot, including Cascade East Transit Buses in the designated areas. Lessee's employees shall be required to adhere to the County Parking Policy and Regulations, which Lessor in its sole discretion may amend from time to time.
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 the 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, parking, 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 License).

- 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 5 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 (g) will survive the expiration or termination of this Lease.

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

- a. Lessee shall not be required to make structural repairs that would place the Premises in a better condition than at the commencement of this lease.
- b. 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.
- c. Any repairs or alterations required under Lessee's obligation as set forth in "Restrictions on Use" above must comply with all laws and regulations.
- d. 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.

7. LESSOR'S OBLIGATIONS.

- a. Lessor shall perform all necessary maintenance and repairs to the structure, foundation, exterior walls, roof, doors and windows, elevators, emergency lighting,

- flooring, and Lessor-provided fire extinguishers, sidewalks, and parking area which are located on or serve the Premises. Lessor shall maintain the premises in a hazard free condition and 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 Premises, improvements, grounds and landscaping in good repair and appearance replacing dead, damaged or diseased plant materials when necessary. Lessor shall replace ceiling fixture light bulbs.
- b. 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.

8. UTILITIES, SERVICES, AND PROPERTY TAX.

- a. Lessee's Obligations. The following shall be the responsibility of the Lessee.
- i. Lessee shall be responsible for providing all communication services and amenities necessary for Lessee's use, including but not limited to maintaining all telephone, internet services, and all wireless communications to the area where the Premises are located for Lessee's use.
 - ii. Lessee is solely responsible for garbage services, janitorial services, janitorial supplies (including recycling charges), biological hazardous waste, and emergency cleanup resulting directly from Lessee's use of Premises.
 - iii. Lessee will provide Building Security (if applicable).
 - iv. Lessee agrees to pay when due all property taxes, real estate taxes and other taxes and/or assessments levied on or incurred by the Premises during the term of this Lease or any extension thereof, regardless of whether payment is due during or after the lease term or any extension thereof. If Lessee has non-profit status, as provided in ORS 307.112 and 307.166, such status requires Lessee to apply for exemption in accordance with Oregon law. Lessor agrees to cooperate with and aid Lessee in all reasonable respects with such application for exemption.
- b. Lessor's Obligations. The following services shall be the responsibility of the Lessor.
- i. Lessor shall maintain building systems and pay for all services to provide adequate water, sewer, electricity, gas for the building or Premises.
 - ii. Lessor will provide window washing and snow and ice removal.

9. 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.

10. 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, the 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, the 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.
11. 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 the 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.
12. 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.
13. 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.
14. 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.
15. 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.

16. 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:

<u>Lessor.</u>	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
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<u>Lessee.</u>	Cascades East Transit / Central Oregon Intergovernmental Council Tammy Baney, Executive Director 334 NE Hawthorne Avenue Bend, Oregon 97701 Email: tbaney@coic.org Phone: 541-548-8163
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17. ASSIGNMENT. Lessee shall not assign or sublease the Premises without the prior written consent of the Lessor, which shall not be unreasonably withheld or delayed.
18. HOLDOVER. If Lessee holds over after the end of the term, a tenancy from month to month shall be created at the same rental rate, and the holdover shall not be construed as an exercise of any renewal option contained herein.
19. AUDIT. Lessee reserves the right to audit, at Lessee's expense, Lessor's access records pertinent to this Lease.
20. 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.
21. 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.
22. 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.
23. 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.

24. 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.
25. 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.
26. 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 6 of June, 2025

CENTRAL OREGON INTERGOVERNMENTAL
COUNCIL



Tammy Baney, Executive Director

EXHIBIT A

51340 S. Highway 97, La Pine, Oregon 97739



Date: 5/2/2025

