



LEASE AGREEMENT

Effective Date: _____

Landlord: CROOK COUNTY, a political subdivision of the State of Oregon, through its Health Department, 375 NW Beaver St., Suite 100, Prineville, OR 97754.

Tenant: HIGH DESERT EDUCATION SERVICE DISTRICT, an Oregon education service district created under ORS 334.010, 2125 Daggett Road, Bend, OR 97701.

The subject property is owned by Crook County.

Landlord leases to Tenant and Tenant leases from Landlord the following portion of the described property (hereinafter "the Premises") on the terms and conditions stated below:

One lockable office of the building located at 422 NE Beaver Street, Prineville, OR 97754. The office space will have auditory privacy, with Landlord-provided desk and office chair(s).

Section 1. Occupancy

1.1 Original Term. The term of this lease shall commence on the Effective Date, and shall continue through June 30, 2023 unless sooner terminated as hereinafter provided.

1.2 Possession. Tenant's right to possession and obligations under the lease shall commence on the Effective Date.

Section 2. Rent

2.1 Base Rent. The rent due from Tenant to Landlord consists of performing the following services in Crook County, Oregon, for the benefit of the general public:

Tenant will hire a home visitor to serve Crook County in compliance with applicable grant requirements and available funding. County will provide input for the evaluation of the home visitor serving Crook County, but the ESD shall otherwise be solely responsible for selecting, hiring, and managing employees who provide home visiting services in Crook County through the "Healthy Families of the High Desert" program operated by the ESD.

Section 3. Use of Premises

3.1 Permitted Use. The Premises shall be used for the services described in Section 2.1 above and general office purposes, and for no other purpose without the consent of Landlord, which consent shall not be unreasonably withheld.

3.2 Restrictions on Use. In connection with the use of the Premises, Tenant shall:

(1) Conform to all applicable laws and regulations of any public authority affecting the Premises and the use, and correct at Tenant's own expense any failure of compliance created through Tenant's fault or by reason of Tenant's use, but Tenant shall not be required to make any structural changes to effect such compliance unless such changes are required because of Tenant's specific actions.

(2) Refrain from making any marks on or attaching any sign, insignia, antenna, or other device to the exterior or interior walls, windows, or roof of the Premises without the prior written consent of Landlord.

Section 4. Repairs and Maintenance

4.1 Common Areas. Common areas under this lease are described as those areas shared by all tenants and Landlord. Tenant's share of the common area maintenance costs, if any, are described in Section 2.1 above.

4.2 Tenant's Obligations. The following shall be the responsibility of Tenant:

(1) Repair of interior walls, ceilings, floors, doors, windows, and related hardware, light fixtures, switches, and wiring and plumbing for the area leased.

(3) Any repairs necessitated by the negligence or intentional wrongdoing of Tenant, its agents, employees, and invitees, including repairs that would otherwise be the responsibility of Landlord under this agreement.

(4) Any repairs or alterations required under Tenant's obligation to comply with laws and regulations as set forth above.

4.3 Landlord's Interference with Tenant. In performing any repairs, replacements, alterations, or other work performed on or around the Premises, Landlord shall not cause unreasonable interference with use of the Premises by Tenant. Tenant shall have no right to an abatement of rent nor any claim against Landlord for any inconvenience or disturbance resulting from Landlord's activities performed in conformance with the requirements of this provision.

Section 5. Alterations

5.1 Alterations Prohibited. Tenant shall make no improvements or alterations on the Premises of any kind without first obtaining Landlord's written consent. All alterations shall be made in a good and workmanlike manner, and in compliance with applicable laws and building codes. As used herein, "alterations"

includes but is not limited to the installation of computer and telecommunications wiring, cables, and conduit.

5.2 Ownership and Removal of Alterations. All improvements and alterations performed on the Premises by either Landlord or Tenant shall be the property of Landlord when installed unless the applicable Landlord specifically provides otherwise in writing.

Section 6. Insurance. Before going into possession of the Premises, Tenant shall procure and thereafter during the term of the lease shall continue to carry the following insurance at Tenant's cost:

6.1 Insurance Required. Tenant shall bear the expense of any insurance insuring the property of Tenant on the Premises.

6.2 Liability Insurance. Comprehensive general liability insurance in a responsible company authorized to operate in Oregon with limits of not less than \$1,000,000 for injury to one person, \$2,000,000 for injury to two or more persons in one occurrence, and \$1,000,000 for damage to property with coverage for bodily injury and property damage liability. Such insurance shall cover all risks arising directly or indirectly out of Tenant's activities on or any condition of the Premises. Such insurance shall protect Tenant against the claims of Landlord on account of the obligations assumed by Tenant, and shall be furnished to Landlord prior to Tenant's occupancy of the property. Landlord shall be named as an additional insured on Tenant's policy, and a copy of the policy provided to the Landlord upon the execution of this lease.

6.3 Workers Compensation. Insurance in compliance with ORS 656.017, which requires all employers that employ subject workers, as defined in ORS 656.027, including not bit limited to the employees performing any services described in Section 2.1, to provide workers' compensation coverage for those workers, unless they meet the requirement for an exemption under ORS 656.126(2). Worker's Compensation Insurance to cover claims made under Worker's Compensation, disability benefit or any other employee benefit laws, including statutory limits in any state of operation with coverage B Employer's Liability coverage all at the statutory limits. In the absence of statutory limits the limits of said Employers liability coverage shall not be less than \$1,000,000 each accident, disease and each employee.

Section 7. Utilities

7.1 Payment of Utilities Charges. Tenant's portion of utility costs, including snow-removal and janitorial expenses, if any, are as described in Section 2.1 above.

Section 8. Damage & Destruction

8.1 Destruction. If the Premises are destroyed or damaged such that the cost of repair exceeds fifty percent (50%) of the value of the structure before the damage, either party may elect to terminate this lease as of the date of the damage or

destruction by notice given to the other in writing not more than 45 days following the date of damage. In such event all rights and obligations of the parties shall cease as of the date of termination. If neither party elects to terminate, Landlord shall proceed to restore the Premises to substantially the same form as prior to the damage or destruction. Work shall be commenced as soon as reasonably possible and thereafter shall proceed without undue interruption except for work stoppages on account of labor disputes and matters beyond Landlord's reasonable control.

8.2 Rent Abatement. Rent shall be abated during the repair of any damage to the extent the Premises are untenantable, except that there shall be no rent abatement where the damage occurred is the result of the fault of Tenant.

Section 9. Liability and Indemnity

9.1 Liens.

(1) Except with respect to activities for which Landlord is responsible, Tenant shall pay as due all claims for work done on and for services rendered or material furnished to the Premises, and shall keep the Premises free from any liens. If Tenant fails to pay any such claims or to discharge any lien, Landlord may, but is not required, to do so and collect the cost as additional rent. Any amount so added shall bear interest at the rate of one and one-half percent (1.5%) per month from the date expended by Landlord and shall be payable on demand. Such action by Landlord shall not constitute a waiver of any right or remedy that Landlord may have due to Tenant's default.

(2) Tenant may withhold payment of any claim in connection with a good-faith dispute over the obligation to pay, as long as Landlord's property interests are not jeopardized.

9.2 Indemnification. Tenant shall indemnify and defend Landlord from any claim, loss, or liability arising out of or related to any negligent or intentional wrongful activity of Tenant, its agents, employees, or offices, on the Premises or any condition of the Premises in the possession or under the control of Tenant. Landlord shall have no liability to Tenant for any injury, loss, or damage caused by third parties, or by any condition of the Premises except to the extent caused by Landlord's negligence, intentional wrongful activity, or breach of duty under this lease. Landlord shall indemnify and defend Tenant from any claim, loss, or liability arising out of or related to any negligent or intentional wrongful activity of Landlord, its agents, employees, or offices, on the Premises or any condition of the Premises in the possession or under the control of Landlord.

9.3 [RESERVED]

Section 10. Quiet Enjoyment

10.1 Landlord's Warranty. Landlord warrants that it is the lessor of the Premises and has the right to lease them free of all encumbrances. Landlord will defend

Tenant's right to quiet enjoyment of the Premises from the lawful claims of all persons during the lease term.

Section 11. Assignment and Subletting

No part of the Premises may be assigned, mortgaged, or leased, nor may a right of use of any portion of the property be conferred on any third person by any other means, without the prior written consent of Landlord. It is understood that the building at which the Premises are located is intended to be used as public health services office and will therefore be occupied by several public service organizations.

Section 12. Default

The following shall be events of default:

12.1 Default in Rent. Failure of Tenant to pay any rent or other charge within 30 days after it is due.

12.2 Default in Other Covenants. Failure of a party to comply with any term or condition or fulfill any obligation of the lease (other than the payment of rent or other charges) within thirty (30) days after written notice by the non-breaching party to the other party specifying the nature of the default with reasonable particularity.

Section 13. Remedies on Default

13.1 Termination. In the event of a default, this lease may be terminated at the option of the non-breaching party by written notice to the other party. Whether or not the lease is terminated by the election of the non-breaching party or otherwise, the non-breaching party shall be entitled to recover damages from the breaching party for the default, and Landlord may re-enter, take possession of the Premises, and remove any persons or property by legal action or by self-help with the use of reasonable force and without liability for damages and without having accepted a surrender.

13.2 Right to Terminate/Cancellation Clause. It is understood and agreed that either party may cancel this lease agreement by giving the other not less than thirty (30) days prior written notice of such cancellation.

13.3 Re-letting. Following re-entry or abandonment, Landlord may re-let the Premises and in that connection may make any suitable alterations, or refurbish the Premises, or both, or change the character or use of the Premises, but Landlord shall not be required to re-let for any use or purpose other than that specified in the lease or which Landlord may reasonably consider injurious to the Premises, or to any tenant that Landlord may reasonably consider objectionable. Landlord may re-let all or part of the Premises, alone or in conjunction with other properties, for a term longer or shorter than the term of this lease.

13.4 Damages. In the event of termination or retaking of possession following default, Landlord shall be entitled to recover immediately, without waiting until the due

date of any future rent or until the date fixed for expiration of the lease term, the following amounts as damages:

(1) The loss of rental from the date of default until a new tenant is, or with the exercise of reasonable efforts could have been, secured and paying rent.

(2) The reasonable costs of re-entry and re-letting, including without limitation the cost of any cleanup, refurbishing, removal of Tenant's property and fixtures, or any other expense occasioned by Tenant's default including but not limited to, any remodeling or repair costs, attorney fees, court costs, broker commissions, and advertising costs.

(3) Any excess of the value of the rent and all of Tenant's other obligations under this lease over the reasonable expected return from the Premises for the period commencing on the earlier of the date of trial or the date the Premises are re-let, and continuing through the end of the term. The present value of future amounts will be computed using a discount rate equal to the prime loan rate of major Oregon banks in effect on the date of trial.

13.5 Right to Sue More than Once. Each party may sue periodically to recover damages during the period corresponding to the remainder of the lease term, and no action for damages shall bar a later action for damages subsequently accruing.

13.6 Remedies Cumulative. The foregoing remedies shall be in addition to and shall not exclude any other remedy available to each party under applicable law.

Section 14. Surrender at Expiration

14.1 Condition of Premises. Upon expiration of the lease term or earlier termination, Tenant shall deliver all keys to Landlord and surrender the Premises in first class condition and broom clean. Alterations constructed by Tenant with permission from Landlord shall not be removed or restored to the original condition unless the terms of permission for the alteration so require or permit. Depreciation and wear from ordinary use for the purpose for which Tenant is responsible shall be completed to the latest practical date prior to such surrender. Tenant's obligations under this section shall be subordinate to the provisions of Section 8 relating to destruction.

14.2 Fixtures.

(1) All fixtures placed upon the Premises during the term, other than Tenant's trade fixtures, shall, at Landlord's option, become the property of Landlord. If Landlord so elects, Tenant shall remove any or all fixtures that would otherwise remain the property of Landlord, and shall repair any physical damage resulting from the removal. If Tenant fails to remove such fixtures, Landlord may do so and charge the cost to Tenant with interest at the legal rate from the date of expenditure.

(2) Prior to expiration or other termination of the lease term Tenant shall remove all furnishings, furniture, and trade fixtures that remain its property. If Tenant fails to do so, this shall be an abandonment of the property, and Landlord may retain the property and all rights of Tenant with respect to it shall cease or, by notice in writing given to Tenant within 20 days after removal was required, Landlord may elect to hold Tenant to its obligation of removal. If Landlord elects to require Tenant to remove, Landlord may effect a removal and place the property in public storage for Tenant's account. Tenant shall be liable to Landlord for the cost of removal, transportation to storage, and storage, with interest at the legal rate on all such expenses from the date of expenditure by Landlord.

Section 15. Miscellaneous

15.1 Non-Waiver. Waiver by either party of strict performance of any provision of this lease shall not be a waiver of or prejudice the party's right to require strict performance of the same provision in the future or of any other provision.

15.2 Attorney Fees. In the event an action, lawsuit or proceeding, including appeal therefrom, is brought for failure to observe any of the terms of this agreement, each party shall bear its own attorney fees, expenses, costs and disbursements for said action, lawsuit, proceeding or appeal.

15.3 Notices. Any notice required or permitted under this lease shall be given when actually delivered or 48 hours after deposited in United States mail as certified mail addressed to the address first given in this lease or to such other address as may be specified from time to time by either of the parties in writing.

15.4 Succession. Subject to the above stated limitations on transfer of Tenant's interest, this lease shall be binding on and inure to the benefit of the parties and their respective successors and assigns.

15.5 Recordation. This lease shall not be recorded without the written consent of Landlord.

15.6 Entry for Inspection. Landlord shall have the right to enter upon the Premises at any time to determine Tenant's compliance with this lease, to make necessary repairs to the building or to the Premises, or to show the Premises to any prospective tenant or purchaser, and in addition shall have the right, at any time during the last two months of the term of this lease, to place and maintain upon the Premises notices for leasing or selling of the Premises.

15.7 Interest on Rent and Other Charges. Any rent or other payment required of Tenant by this lease shall, if not paid within 30 days after it is due, bear interest at the rate of one and one-half percent (1.5%) per month from the due date until paid.

Section 16. Taxes

During the lease term, Tenant shall pay before delinquency all real and personal property taxes levied against the Premises or improvements or personal property located on the Premises.

Section 17. HIPAA Compliance

If the services provided by Tenant are covered by the Health Insurance Portability and Accountability Act or the federal regulations implementing the Act (collectively referred to as HIPAA), Tenant agrees to deliver the services in compliance with HIPAA including but not limited to:

- (1) Privacy and Security of Individually Identifiable Health Information;
- (2) Data Transactions Systems; and
- (3) Consultation and Testing.

Section 18. Counterparts

This Lease Agreement may be executed in one or more counterparts, including electronically transmitted counterparts, which when taken together shall constitute one in the same instrument. Facsimiles and electronic transmittals of the signed document shall be binding as though they were an original of such signed document.

DATED this _____ day of _____, 2022.

Landlord:

CROOK COUNTY COURT

Seth Crawford, County Judge

Jerry Brummer, County Commissioner

Brian Barney, County Commissioner

Tenant:

High Desert Education Service District

By: _____


Signature

Paul Andrews

Printed Name

Title: Superintendent

Date: July 27, 2022