

COMMERCIAL LEASE

DATED: _____

BETWEEN: Kenneth Gosling LANDLORD OF THE FIRST PART

AND: Shana Huseby and Sarah DeMulder TENANTS OF THE SECOND PART

ADDRESS: 993 Siskiyou Blvd, Suite 4
Ashland, Oregon 97520

Landlord leases to Tenant the following described property on the terms, covenants, and conditions stated below:

I. OCCUPANCY

a) Term: The term of this Lease is Five (5) years, and shall commence August 1st 2019 and end on July 31st 2024

b) Possession: Tenant's right to possession and obligations under this Lease shall commence on August 1st, 2019, upon full execution of this lease, payment of all monies due under lease and issuance of insurance certificate pursuant to the lease. Tenant is entitled to early possession of the Premises (on July 4th 2019) to move in equipment during construction of tenant improvements. Tenant is entitled to suite access upon signing of this lease to facilitate tenant improvements as delineated in Exhibit "A"

c) Renewal Option: If Tenant has not been in default at any time during the term hereof, Tenant shall have the right to renew this Lease for Three (3) one (1) year terms as follows:

The option may be exercised by written notice to Landlord given not less than ninety (90) days prior to the last day of the expiring term. The giving of such notice shall be sufficient to make the Lease binding for the renewal term without further act of the parties who shall then be bound by monthly rents as specified below (3).

(4) The terms and conditions of the Lease for the renewal term shall be identical with this term (unless modifications to the Lease are agreed upon by both parties).

IIA. RENT

a) Basic Rent: Tenant shall pay to Landlord as rent the sum of \$1458.00 per month from commencement of Lease until July 31st, 2020. Base Rent will increase 3% per year including option periods as exercises by tenant. Rent shall be payable on the first (1st) day of each month in advance at such place as may be designated by Landlord. Monthly rent is considered late if not received by landlord by the 5th of each month.

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b) Late Charge: For any payment of Rent or Additional Rent that is received after the due date, Tenant may be charged an additional amount as follows: at Landlord's discretion, rent delinquent ten (10) days after the 5th day of the month will have a surcharge of 10%, and if still delinquent after 20 days, a surcharge of 18%.

Acceptance of such late charges by the Landlord shall in no event constitute a waiver of Tenant's default with respect to such overdue amount, nor prevent Landlord from exercising any of the other rights and remedies granted hereunder.

c) Advance First/Last-Month's Rent: Upon execution of this Lease, Tenant will pay Landlord first months advance Rent of \$1458.00.

d) Additional Rent: All maintenance/interior repair costs and utility charges, which Tenant is required to pay to Landlord by this Lease, and any other sum which Tenant is required to pay to Landlord or third parties shall be considered Additional Rent.

e) Security and Cleaning Deposit: Upon execution of this Lease and to secure Tenant's compliance with all terms of this Lease, Tenant shall pay Landlord the sum of \$1,500.00 as a deposit. The deposit shall be a debt from Landlord to Tenant, refundable within thirty (30) days following expiration of the Lease term or other termination not caused by Tenant's default. Landlord shall have the right to offset against the deposit any sums owing from Tenant to Landlord, including rent not paid when due, any damages caused by Tenant's default, the cost of curing any default by Tenant should Landlord elect to do so, and the cost of performing any repair or cleanup that is Tenant's responsibility under this Lease. Offset against the deposit shall not be an exclusive remedy in any of the above cases, but may be invoked by Landlord, at Landlord's option, in addition to any other remedy provided by law or this Lease for Tenant's nonperformance. Landlord shall give notice to Tenant each time an offset is claimed against the Security and Cleaning Deposit, and unless the Lease is terminated, Tenant shall within ten (10) days following such notice deposit with Landlord a sum equal to the amount of the offset so that the total Security and Cleaning Deposit amount, net of offset, shall remain constant throughout the Lease term.

IIB. UTILITIES AND SERVICES

a) Tenant shall pay all charges for electricity, water, gas, telephone, data and other utility services furnished to the premises during the lease term and for all inspections, governmental fees and other like charges associated with any utility change requested by tenant. Landlord makes no representation or warranty whatsoever as to the types, quantities, availability or costs of any and all utility services for the building. Tenant acknowledges that there is one common electrical and water meter for Suites 4 & Suite 5 with the landlord acting as utility biller to said suites. Landlord will bill for said utilities on a quarterly basis 50/50 with suite 5. Tenant to be responsible for utilities from date of possession to initiate tenant modifications.

b) Tenant shall comply with all laws concerning the use or reduction of use of utilities in the premises. Unless caused by the sole, active negligence of Landlord, interruption of any service or utility shall not render Landlord liable to Tenant for damages, relieve Tenant from performance

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of Tenant's obligations under this lease or be deemed an eviction or disturbance of Tenant's use and possession of the premises. Tenant shall install surge protection systems for power provided to the premises, and Tenant releases Landlord from all liability for any damage caused by any electrical surge.

III. USE OF THE PREMISES

a) Permitted Use: The premises shall be used to operate the business as a Mental Health Counseling Practice with a business license in the City of Ashland, Oregon, and for no other purposes without the written consent of Landlord, which shall not be unreasonably withheld.

b) 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 shall correct at Tenant's own expense any failure of compliance related through Tenant's fault or by reason of Tenant's use or as otherwise required from Tenant by the terms of this lease.

(2) Refrain from any activity which would make it impossible to insure the premises against casualty, would increase the insurance rate, or would prevent Landlord from taking advantage of any ruling of the Oregon Insurance Rating Bureau or its successor allowing Landlord to obtain reduced premium rates for long-term fire insurance policies, unless Tenant pays the additional cost of the insurance.

(3) Refrain from any use which would be reasonably offensive to other tenants or owners or users of adjacent suites of the complex and of neighboring premises or which would tend to create a nuisance or damage the reputation of the premises.

(4) Refrain from loading the floors beyond the point considered safe by a competent engineer or architect selected by Landlord.

(5) Refrain from making any marks on or attaching any sign, insignia, antenna, aerial, or other device to the exterior or interior walls, windows, or roof of the premises without the written consent of Landlord, which shall not unreasonably withheld. Tenant can install any sign, insignia and such as above to the exterior of the building following the design and placement currently utilized by other tenants.

(6) Refrain from causing or permitting any hazardous substance, as that term is defined by federal or state law from time to time, or other toxic substances or controlled substances, to be generated, manufactured, refined, stored, disposed, processed, produced, or released on the leased premises except in compliance with all applicable federal, state and local laws and regulations.

IV. REPAIRS AND MAINTENANCE

a) Landlord's Obligations: The following shall be the responsibility of Landlord:

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(1) Repair and maintenance of the roof and gutters, exterior walls (including painting), bearing walls, structural members and foundation.

(2) Repair and maintenance of sidewalks, driveways, curbs, parking areas, repaving of parking lot, if needed and areas used in common by Tenant and Landlord or tenants of other portions of the same building. Tenant acknowledges that the ownership of the premises is tenancy-in-common form of ownership.

(3) Repair and maintenance of exterior water, sewage, gas, Gas furnace and electrical air conditioner units and electrical services up to the point of entry to the leased premises.

b) Tenant's Obligations: The following shall be the responsibility of Tenant:

(1) Maintenance and repair of interior walls, ceilings, interior and exterior doors, interior and exterior windows, related hardware, light fixtures and light bulbs and plumbing fixtures, switches, HVAC quarterly maintenance (filters and cleaning), and wiring and plumbing from the point of entry (interior surface of drywall and floors) to the premises.

(2) Tenant responsible for routine maintenance but not for any system replacements.

(3) Any repairs necessitated by the negligence of Tenant, Tenant's agents, employees, and invitees.

(4) All other maintenance and repairs to the premises which Landlord is not required to make.

(5) Maintain the subject premises in a clean and orderly condition.

(6) Have any landlord accepted interior or exterior modifications (if required) be done by Oregon licensed contractors with permits from the City of Ashland.

c) Landlord's Interference with Tenant: Any repairs, replacements, alterations, or other work performed on or around the leased premises by Landlord shall be done so as to interfere as little as reasonably possible with use of the premises by Tenant. Tenant shall have no right to an abatement of rent nor any claims against Landlord for any inconvenience or disturbance resulting from Landlord's activities performed in conformance with the requirement of this provision.

d) Reimbursement for Repairs Assumed: If either party fails or refuses to make repairs which are required by this Lease, the other party may make the repairs and charge the actual costs of repairs to the first party. Such expenditures by Landlord shall be reimbursed by Tenant on demand together with interest at the rate of 12 % per annum from the date of notification by Landlord. Such expenditures by Tenant may be deducted from rent and other payments subsequently becoming due or, at Landlord's election, collected directly from Landlord. Except in an emergency creating an immediate risk of personal injury or property damage, neither party may perform repairs which are the obligation of the other party and charge the other party for the

resulting expenses unless at least thirty (30) days before work is commenced the defaulting party is given notice, in writing, outlining with reasonable particularity the repairs required, and such party fails within that time to initiate such repairs in good faith.

e) Inspection of Premises: Landlord shall have the right to inspect the premises at any reasonable time or times to determine the necessity of repair. Whether or not such inspection is made, the duty of Landlord to make repairs shall not mature until a reasonable time after Landlord has received from Tenant notice in writing of the repairs that are required.

V. ALTERATIONS

a) Ownership of Alterations: All improvements and alterations performed on the leased premises by either Landlord or Tenant shall be the property of Landlord when installed unless the applicable Landlord's consent specifically provides otherwise.

VI. INSURANCE

a) Personal Property: Tenant is hereby advised and understands that the personal property of Tenant is not insured by Landlord for damage or loss, and Landlord assumes no liability for such loss. Tenant shall bear the expense of any insurance insuring the property of Tenant on the premises against such risks but shall not be required to insure.

b) Waiver of Subrogation: 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 all-risk fire insurance policy with an extended coverage endorsement, and in the event of insured loss neither party's insurance company shall have a subrogated claim against the other.

VII. TAXES

a) Property Taxes: Tenant shall pay as due all taxes on Tenant's personal property located on the leased premises. Landlord shall pay as due all real property taxes or as prorated and special assessments levied against the leased premises.

b) Special Assessments: If an assessment for a public improvement is made against the leased premises, Landlord shall be responsible for payment.

VIII. DAMAGE AND DESTRUCTION

a) Partial Damage: If the leased premises are partly damaged and the following subsection does not apply, the property shall be repaired by Landlord at Landlord's expense if insurance proceeds are available. Repairs shall be accomplished with all reasonable dispatch subject to interruptions and delays from labor disputes and matters beyond the control of Landlord.

b) Destruction: If the leased premises are destroyed or damaged such that the cost of repair exceeds the available insurance proceeds, either party may elect to terminate the Lease as of the date of the damage or destruction by notice given to the other in writing not more than forty-five

(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, and Tenant shall be entitled to the reimbursement of any prepaid amounts paid by Tenant and attributable to the anticipated term. If neither party elects to terminate, Landlord shall proceed to restore the leased 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 interruption except for work stoppages on account of labor disputes and matters not under control of Landlord.

c) 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 as the result of the fault of Tenant.

d) Damage Late in Term: If damage or destruction referred to within Subsection (b) would apply occurs within ninety days prior to the end of the then current Lease term, Landlord may elect to terminate the Lease by notice in writing to Tenant given within thirty (30) days after the date of the damage.

IX. EMINENT DOMAIN

a) Partial Taking: If a portion of the leased premises is condemned, and Subsection (b) does not apply, the Lease shall continue on the following terms: Landlord shall proceed as soon as reasonably possible to make such repairs and alterations to the premises as are necessary to restore the remaining premises to a condition as comparable as reasonably practicable to that existing at the time of the condemnation.

b) Total Taking: If a condemning authority takes all of the leased premises or a portion sufficient to render the remaining premises reasonably unsuitable for the use which Tenant was then making of the premises, the Lease shall terminate as of the date the title vests in the condemning authorities. Landlord shall receive all condemnation proceeds.

c) Sale in Lieu of Condemnation: Sale of all or part of the leased premises to a purchaser with the power of eminent domain in the face of a threat or probability of the exercise of the power shall be treated for the purposes of this Section as a taking by condemnation.

X. LIABILITY AND INDEMNITY

a) 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 leased 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 do so and collect the cost as additional rent. Any amount so added shall bear interest at the rate of 12% per annum 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 which Landlord may have on account of Tenant's default.

(2) Tenant may withhold payment of any claim in connection with a good-faith dispute over the obligation to pay, so long as Landlord's property interests are not jeopardized. If a lien is filed as a result of nonpayment, Tenant shall, within ten (10) days after knowledge of the filing, secure the discharge of the lien or deposit with Landlord cash or sufficient corporate surety bond or other surety satisfactory to Landlord 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 the lien.

b) Indemnification: Tenant shall indemnify and defend Landlord from any claim, loss, or liability arising out of or related to any activity of Tenant on the leased premises or any condition of the leased premises in the possession or under the control of Tenant. Landlord shall have no liability to Tenant for any loss or damage caused by third parties or by any condition of the premises.

c) Liability 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: public liability and property damage insurance in a responsible company with limits of not less than \$500,000.00 for injury to one person, \$3,000,000.00 for injury to two or more persons in one occurrence, and \$100,000.00 for damage to property. Such insurance shall cover all risks arising directly or indirectly out of Tenant's activities on or any condition of the leased premises whether or not related to an occurrence caused or contributed to by Landlord's negligence, shall protect Tenant against the claims of Landlord on account of the obligations assumed by Tenant under this Lease; and shall protect Landlord and Tenant against claims of third persons. Landlord to be listed as Additional Insured in tenant's liability policy. Certificates evidencing such insurance and bearing endorsements requiring ten (10) days' written notice to Landlord prior to any change or cancellation shall be furnished to Landlord prior to Tenant's occupancy of the property.

XI. ASSIGNMENT AND SUBLEASE

No part of the leased property may be assigned, hypothecated, or subleased, 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, which shall not be unreasonably withheld. Tenant shall provide landlord with a draft of any proposed sublease or assignment for approval, and then a final copy upon approval. No consent in one instance shall prevent the provision from applying to a subsequent instance. consent in one instance shall prevent the provision from applying to a subsequent instance. Landlord acknowledges and approves the subletting of space to other mental health practitioners.

XII. DEFAULT

The following shall be events of default:

- a) Default in Rent: Failure of Tenant to pay any rent or other charge within Five (5) days following the date rent is due.
- b) Default in Other Covenants: Failure of Tenant to comply with any other term or condition of the Lease within 30 days after written notice by Landlord specifying the nature of the default with reasonable particularity. If the default is of such a nature that it cannot be completely remedied within said period, this provision shall be complied with if Tenant begins correction of the default within said period and thereafter proceeds with reasonable diligence and in good faith to effect the remedy as soon as practicable.
- c) Abandonment: Failure of Tenant for 30 days or more to occupy the property for one or more of the purposes permitted under this Lease, unless such failure is excused under other provisions of this Lease, shall be an abandonment of the property.
- d) Insolvency: The insolvency of Tenant, assignment for the benefit of creditors, the attachment of, or levying of execution by creditors, or the appointment of a receiver for Tenant, or the initiation of any bankruptcy proceedings.

XIII. REMEDIES ON DEFAULT

Upon the termination of this Lease, at its expiration by lapse of time or otherwise, the Tenant shall yield up immediate possession to the Landlord. It is mutually agreed as a condition of this Lease, and the Tenant covenants, that if there shall be a default as defined above, then and in each and every case, the term hereby granted shall, at the election of the Landlord, immediately thereupon cease, terminate and come to an end, without further formality and without prejudice to Landlord's right to rents due or to become due; and the Landlord may recover and resume possession of the demised premises by any legal means; and in such case, the Landlord shall have the right to re-enter upon said premises and resume possession of same and without prejudice to any remedies which might otherwise be available to Landlord. It is understood and agreed that in the event of default of Tenant's obligations as defined in this Agreement, so that Landlord resumes possession of the subject real property and improvements thereon, the Tenant's obligations for monthly installment payments shall not terminate; that each month's unpaid installment shall constitute a separate cause of action for which the Landlord may litigate independently. Any action or suit to recover possession of said real property and improvements shall not terminate rent obligations due from Tenant. The written notice of Landlord's intention to terminate this Lease hereinabove provided for shall be deemed a re-entry under the law, as to all rights between Landlord and Tenant herein, and upon any such resumption of possession by the Landlord in any manner, Landlord may remove all persons and property from the demised premises. Landlord may thereafter be entitled to hold the Tenant liable for expenses incurred by the Landlord for necessary repairs to the demised premises, so far as incumbent upon the Tenant to keep same in repair, or by reason of the breach of any of the terms, conditions, or covenants of

this Lease, and all expenses incurred in recovering possession of the premises and in reletting same to mitigate Landlord's loss.

XIV. SURRENDER AT EXPIRATION

a) Condition of Premises: Upon expiration of the Lease term, or earlier termination on account of default, Tenant shall deliver all keys to Landlord and surrender the leased premises in first-class condition. 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. Depreciation and wear from ordinary use for the purpose for which Tenant is responsible shall not be charged against Tenant. Excess use and damage shall be promptly remedied by Tenant, to be completed by the latest practical date prior to surrender.

b) Fixtures:

(1) All fixtures placed upon the leased 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 which 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 termination of the Lease term Tenant shall remove all furnishings, furniture, and trade fixtures which remain Tenant's property. If Tenant fails to do so, this shall be an abandonment of the property.

(3) Tenant acknowledges that there are existing fixtures at the Premises, and such fixtures shall remain landlord's property and be used by tenant at tenant's election with tenant to maintain such fixtures in proper order, normal wear and tear excepted.

c) Holdover:

(1) If Tenant does not vacate the leased premises at the time required, Landlord shall have the option to treat Tenant as a tenant from month-to-month, subject to all of the provisions of this Lease, except the provisions for term and renewal, and at a rental rate equal to two (2) times of the rent last paid by Tenant during the original term or renewal term, as the case may be. Failure of Tenant to remove fixtures, furniture, furnishings, or trade fixtures which Tenant is required to remove under this Lease, shall constitute a failure to vacate to which this paragraph shall apply if the property not removed will substantially interfere with occupancy of the premises by another tenant or with occupancy by Landlord for any purpose, including preparation for a new tenant.

(2) If a month-to-month tenancy results from a holdover by Tenant under this Subsection, the tenancy shall be terminable at the end of any monthly rental period on written notice from Landlord given not less than 30 days prior to the termination date which shall be specified in the notice. Tenant waives any notice which would otherwise be provided by law with respect to a month-to-month tenancy.

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XV. MISCELLANEOUS

a) No 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.

b) Resolution: Prior to legal action being initiated by any party to this Lease, both parties agree submit any disagreements to a mutually acceptable mediator. Cost of the mediation shall be borne equally by the parties. If suit or action is instituted in connection with any controversy arising out of this Lease, the prevailing party shall be entitled to recover, in addition to costs, such sum as the Court may adjudge reasonable as attorney fees at trial and on appeal.

c) Notices: Notices shall be deemed given when actually delivered, or forty-eight (48) hours after deposited in the US mail as Certified Mail addressed to last known address of the recipient, or to such other address as may be specified by either of the parties in writing.

d) Succession: Subject to the above-stated limitations on transfer of Tenant's interest, this Lease shall be binding upon and inure to the benefit of the parties, their respective heirs, executors, administrators, successors or assigns, subject to the above restrictions on assignment.

e) Estoppels: Either party will within twenty (20) days after notice from the other execute, acknowledge and deliver to the other party a certificate certifying whether or not this Lease had been modified and is in full force and effect; whether there are any modifications or alleged reaches by the other party; the dates to which rent has been paid in advance; and any other facts that may reasonably be requested. Failure to deliver the certificate within the specified time shall be conclusive upon the party of whom the certificate was requested that the Lease is in full force and effect and has not been modified except as may be represented by the party requesting the certificate. If requested by the holder of any encumbrance, Tenant will agree to give such holder or landlord notice of and an opportunity to cure any default by Landlord under this Lease within a reasonable time frame.

f) Pets: No pets or animals are allowed to be kept in or about the Premises or in any common areas of the building and property, without written permission of Landlord. Upon thirty (30) days notice, Landlord may revoke any consent previously given under this clause.

g) Parking: There are seven (7) certain exclusive on-site parking spaces. Tenant is required to park only in allotted spaces. Tenant shall adhere to such rules for the mutual benefits of other tenants and its customers. Tenant is advised to mark parking spaces with tenants business name.

h) Inspection Report: Landlord and Tenant will complete, sign, and date an Inspection Report at the beginning and end of this tenancy.

i) Tenant will not engage in any illegal trade or activity on or about the Premises.

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k) Subordination, Attornment and Non-Disturbance. Without further documentation, this Lease shall be subject and subordinate to any deeds of trust, mortgages and any amendment or modification thereof, now existing or hereafter recorded against the Premises (collectively, the "Encumbrances"). Tenant shall execute all documents reasonably requested by Landlord or the holder of an Encumbrance to confirm such subordination; provided, however, that this Lease shall only be subordinate to any future Encumbrance, or modification thereof, if the holder of that Encumbrance executes a non-disturbance agreement reasonably satisfactory to Tenant by which the holder of such Encumbrance recognizes Tenant's rights under this Lease unless Tenant is in default beyond any applicable cure period. If any Encumbrance is foreclosed, so long as the buyer at the foreclosure sale delivers to Tenant a written agreement recognizing Tenant's interest in this Lease, Tenant shall attorn to such buyer, and this Lease shall continue in full force and effect.

TENANT:

By: _____
Shana Huseby: As Individual

Date

By: _____
Sarah DeMulder: As Individual

Date

LANDLORD:

Kenneth Gosling

Date