**BIANNUAL COMMERCIAL LEASE**

This Biannual Commercial Lease (this “Lease”) is made and entered into effective on January \_\_\_, 2021

(the “Effective Date”) between Charles S. Officer (“Landlord”), whose address is 542 NE Front St, Prairie City, OR 97869, and the City of John Day dba Grant County Digital,(“Tenant”), whose address is 450 E. Main Street, John Day, Oregon 97845.

RECITAL:

Landlord is the owner of a certain commercial building located at 119 SW Front St, Prairie City, OR 97869 (the “Building”). Subject to the terms and conditions contained in this Lease, Landlord leases to Tenant and

Tenant leases from Landlord the Building, as shown in Exhibit A.

AGREEMENT:

NOW, THEREFORE, in consideration of the mutual covenants and obligations contained in this Lease, and

other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties

do hereby agree as follows:

1. OCCUPANCY

1.1 Initial Term. The term of this Lease, Tenant’s right to possession of the Premises, and Tenant’s

obligation to pay Rent (as defined below) will commence on the Effective Date and will continue, subject to the

terms and conditions contained in this Lease, on a biannual basis thereafter (the “Lease Term”), unless sooner

terminated as provided in this Lease. For purposes of this Lease, the term “Building” means the Premises,

Building, Parking Area (as defined below), all units or spaces located within the Building, and all other pieces or

parcels of real property (and any improvements located thereon) surrounding the Building at any time, and from

time to time hereafter, designated by Landlord as part of the Building. Tenant will be bound in accordance with

the terms of this Lease from and after the Effective Date.

1.2 Parking Area. The Building has a parking area consisting of certain unassigned/unmarked

parking spaces located on SW Front St. and off of S. Main St. (the “Parking Area”) for use by Building tenants.

Tenant will have an exclusive license to use the Parking Area off of S. Main St.. Landlord will not be liable for any damage or destruction of any nature to, or any theft of, vehicles, or contents therein, in or about the Parking Area, and will not be obligated to enforce parking restrictions against other users of the Parking Area.

1.3 **Due Diligence; Building Condition AS-IS. Tenant has inspected Premises before the Effective Date. Tenant represents and warrants that Tenant has entered into this Lease on the basis of its own examination and personal knowledge of the Building (including, without limitation, the physical condition of the Premises). Tenant has had the opportunity to ask questions and receive answers concerning the Building and this Lease. Tenant has obtained all the information Tenant desires in connection with the Building and this Lease. Tenant knowingly and unconditionally accepts the Building in its AS IS, WITH ALL FAULTS condition as of**

**the Effective Date. Landlord has made no promise or agreement to repair, alter, construct, and/or improve the Building, or any part thereof. Landlord makes no representations or warranties, whether express or implied, including, without limitation, warranties of habitability, merchantability, or fitness for a particular purpose, or any warranties regarding consumer products as defined in the Magnusson-Moss Warranty Act or the Uniform Commercial Code, with respect to the Building.**

Tenant’s Initials:\_\_\_\_\_

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1. RENT

2.1 Base Rent. During the Lease Term, Tenant will pay Landlord guaranteed minimum monthly rent,

without offset, in the amount of Six Hundred Twenty-Five Dollars ($625.00) (“Base Rent”). Rent (as defined below), plus the sum of $625 for last months rent, is due and payable to Landlord commencing on April 1, 2021. All other payments of Rent will be due and payable on or before the first day of each subsequent month, in advance, at such place as may be designated by Landlord. Base Rent for any period that is for less than one full month will be prorated on a per diem basis. Payments will be made to Landlord, in U.S. dollars, at the address first set forth above or such place as Landlord may from time to time designate in writing. Tenant will pay its the Security Deposit on the Effective Date.

2.2 Additional Rent. Tenant will pay when due all costs, expenses, and charges concerning Tenant’s

use, occupancy, operation, and/or maintenance of the Premises, including, without limitation, charges for

utilities, telephone, Internet, and janitorial services. Tenant will pay before delinquency all taxes upon Tenant’s

personal property located in the Premises. The charges and expenses identified in this Section 2.2 and all other

sums Tenant is required to pay Landlord or any third-party will be deemed “Additional Rent.” For purposes of this

Lease, “Rent” means both Base Rent and Additional Rent.

2.3 Security Deposit; Late Fees; Charges. Upon execution of this Lease, Tenant will deposit with

Landlord the sum of $625 as security for Tenant’s timely payment of Rent and full and faithful performance of each

Tenant obligation under this Lease (the “Security Deposit”). Landlord will have the right to offset against the Security Deposit any sums owing from Tenant to Landlord 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/or the cost of performing any repair or cleanup that is Tenant’s obligation under this Lease. Offset against the Security Deposit will not be Landlord’s exclusive remedy 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 breach or nonperformance of any term or condition contained in this Lease. Landlord will give written notice to Tenant each time an offset is claimed against the Security Deposit and, unless this Lease is terminated, Tenant will, within 10 days following Tenant’s receipt of such notice, deposit with Landlord a sum equal to the amount of the offset so that the balance of the Security Deposit, net of offset, will remain constant throughout the term of this Lease.

1. FINANCIAL CAPABILITY

Tenant represents, warrants, and covenants the following to Landlord: (a) Tenant has full power and

authority to sign and deliver this Lease and to perform all Tenant’s obligations under this Lease; and (b) this Lease

is the legal, valid, and binding obligation of Tenant, enforceable against Tenant in accordance with its terms.

Tenant represents and warrants to Landlord that Tenant has sufficient assets and net worth to ensure Tenant’s

performance of this Lease and the payment of its obligations under this Lease as and when they become due.

 4. PERMITTED USE

4.1 Permitted Use. Tenant will use the Premises for general office use for the purpose of conducting

business related to shared coworking space and community internet access (the “Business”) and for no other

purpose without Landlord’s prior written consent. Operation of the Business is subject to all Laws (as defined

below). Tenant acknowledges and agrees that neither Landlord or Landlord’s Agents have made any

representations and/or warranties, whether expressed or implied, concerning the permitted use that may be

made of the Premises under the Laws.

4.2 Restrictions on Use. In connection with Tenant’s use of the Premises, Tenant will:

4.2.1 Conform and comply with all Laws. Tenant will correct, at Tenant’s expense, any failure

of compliance created through Tenant’s fault or by reason of Tenant’s use of the Premises. For purposes of this

Lease, the term “Law(s)” means all leases, covenants, conditions, restrictions, easements, declarations, laws,

statutes, restrictions, liens, ordinances, orders, codes, rules, and regulations directly or indirectly affecting the

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Building (including, without limitation, the Premises) and/or Business, including, without limitation, the Americans

with Disabilities Act of 1990 (and the rules and regulations promulgated thereunder), the Rules and Regulations,

and any environmental laws, all as now in force and/or which may hereafter be amended, modified, enacted, or

promulgated;

4.2.2 Tenant will refrain from (a) any use which would be reasonably offensive to Landlord,

other tenants of the Building, and/or neighboring property, or which would tend to create a nuisance or damage

the reputation of the Building, (b) 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 Building (including, without limitation, the

Premises) without the prior written consent of Landlord, and/or (c) causing or permitting any hazardous

substances to be used, stored, sold, handled, spilled, leaked, disposed of, and/or released on or under the Building;

and

4.2.3 Tenant will comply with all Building rules and regulations (the “Rules and Regulations”)

Landlord may adopt from time to time and will not perform any act or carry on any practice prohibited by the

Rules and Regulations. Tenant acknowledges and agrees that Landlord is permitted to adopt new rules and

regulations or amend the Rules and Regulations from time to time as Landlord determines necessary or appropriate.

1. MAINTENANCE AND REPAIRS; ALTERATIONS

5.1 Tenant’s Repair and Maintenance Obligations. Tenant will maintain, at Tenant’s cost and

expense, the Premises (including all interior and exterior glass in the Premises) in good order and repair and will

preserve the Premises, normal wear and tear excepted, and will not commit nor permit waste. To this end, Tenant

will have the following nonexclusive repair and maintenance obligations, which Tenant will complete at Tenant’s

cost and expense: (a) all repairs or maintenance necessitated by the negligence of Tenant and/or Tenant’s Agents

(as defined below); and (b) all repairs or alterations required under Tenant’s obligation to comply with the Laws.

5.2 Tenant Reimbursement. If Tenant fails or refuses to complete any repair and/or perform any

maintenance that is required under Section 5.1, Landlord may make the repair or perform the maintenance and

charge the actual costs of repair or maintenance to Tenant. Landlord will diclose cost of repairs to Tenant in

advance of making repairs. Tenant will reimburse such expenditures, together with interest at the rate of 12%

per annum from the date of expenditure if reimbursement is not paid upon completion of repairs. Except in the

case of an emergency, any repairs, replacements, alterations, and/or other work to be performed by Landlord

on, in, and/or around the Premises will be completed so as to interfere with Tenant’s use of the Premises as little

as reasonably possible. Tenant will 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 this Section

5.2. Except in the case of an emergency, upon 24 hours’ prior notice to Tenant, Landlord will have the right to

enter and inspect the Premises to determine the condition of the Premises.

5.3 Alterations Prohibited. Tenant will make no additions, improvements, modifications, and/or

alterations in or to the Building (including, without limitation, the Premises) of any kind or nature whatsoever,

including, without limitation, the installation of any improvements, fixtures, and/or other devices on the roof of

the Building or the installation of computer and telecommunications wiring, cables, and conduit (collectively,

“Alterations”) without first obtaining Landlord’s written consent. Alterations completed in or to the Premises will

be the property of Landlord. Except with respect to activities for which Landlord is responsible, Tenant will pay as

and when due all claims for work done on and for services rendered or material furnished to the Premises and will

keep the Building free from any and all liens. No signs, awnings, and/or other apparatus will be painted on or

attached to the Building or anything placed on any glass or woodwork of the Premises or positioned so as to be

visible from outside the Premises without Landlord’s prior written consent (and Landlord’s approval of design, size,

location, and color).

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1. INSURANCE; INDEMNIFICATION

6.1 Insurance Required. Tenant will maintain, at Tenant’s cost and expense, a policy of fire,

extended coverage, vandalism, and malicious mischief insurance insuring the personal property, furniture,

furnishings, and fixtures belonging to Tenant located in or on the Premises. Tenant will procure, and thereafter

will continue to carry, comprehensive general liability insurance (occurrence version) with a responsible company

against personal injury claims arising directly or indirectly out of Tenant’s activities on, or any condition of, the

Premises, whether or not related to an occurrence caused, or contributed to, by Landlord’s negligence, and will

insure the performance by Tenant of Tenant’s indemnification obligations under this Lease. Landlord and

Landlord’s officers, employees, and agents will be named as additional insureds on Tenant’s liability insurance

policy. Tenant’s insurance will be the primary insurance and any insurance maintained by Landlord will be excess

and noncontributing. Tenant’s liability insurance required to be carried pursuant to this Section 6.1 will have a

general aggregate limit of not less than $2,000,000.00 and a per occurrence limit of not less $1,000,000.00.

6.2 Tenant’s Indemnification. Tenant releases and will defend, indemnify, and hold Landlord and

Landlord’s Agents (as defined below) harmless for, from, and against all claims, losses, charges, damages,

expenses, and/or liabilities, including, without limitation, attorney fees and costs, arising out of or related to,

whether directly or indirectly, the following: (a) any activity of Tenant and/or Tenant’s Agents on or at the Building;

(b) any condition of the Premises; and/or (c) Tenant’s breach and/or failure to perform any Tenant representation,

warranty, covenant, and/or obligation under this Lease. Tenant releases Landlord for, from, and against all claims,

damages, liabilities, and/or demands of whatever nature arising out of or related to, whether directly or indirectly,

any damage, loss, and/or injury to Tenant’s property in, on, and/or about the Building. For purposes of this Lease,

the term “Agents” means the officers, directors, members, managers, shareholders, employees, affiliates, agents,

contractors, and invitees of the identified party.

1. EVENT OF DEFAULT; REMEDIES

7.1 Event of Default. The occurrence of any one or more of the following events constitutes a

default by Tenant under this Lease (each an “Event of Default”): (a) Tenant’s failure to pay Rent or any other

charge, cost, and/or expense by the applicable due date; (b) Tenant’s failure to comply with any term or condition

or perform any Tenant obligation under this Lease (other than the payment of Rent or other charge, cost, or

expense) within 10 days after written notice by Landlord specifying the nature of the default; and/or (c) Tenant’s

failure for 30 days or more to occupy the Premises for the purpose permitted under this Lease.

7.2 Remedies. Upon the happening of an Event of a Default, Landlord may (a) terminate this Lease

and, if Landlord so elects, reenter, 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/or (b) pursue any

other rights and remedies Landlord may have under this Lease, at law, and/or in equity. If Landlord terminates the

Lease, Landlord will be entitled to recover immediately, without waiting until the due date of any future Rent or

until the date fixed for expiration of this Lease, and in addition to any other damages recoverable by Landlord, the

reasonable costs of reentry and reletting including, without limitation, the cost of any clean-up, refurbishing,

removal of Tenant’s property and fixtures, and/or any other expense occasioned by Tenant’s failure to quit the

Premises upon termination and to leave the Premises in the required condition, including, without limitation, any

remodeling costs, attorney fees, court costs, broker commissions, and advertising costs. Landlord will have all

rights and remedies available to Landlord under this Lease, at law, and in equity. If this Lease is terminated, Tenant’s liability for damages will survive such termination. Landlord may sue periodically to recover damages during the period corresponding to the remainder of the Lease Term, and no action for damages will bar a later action for damages subsequently accruing. The foregoing remedies will be in addition to and will not exclude any other remedy available to Landlord under applicable law.

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7.3 Condition; Holdover. Upon the termination of this Lease, Tenant will deliver all keys to Landlord

and surrender the Premises in good, broom-clean condition, reasonable wear and tear excepted. Alterations

constructed by Tenant with permission from Landlord will not be removed or restored to the original condition.

 8. MISCELLANEOUS

8.1 Term Extension; Options; The Term for the agreement shall be for twenty four (24) months with the Tenant having an option ("Lease Option") to extend the Agreement by an additional twenty four (24) months at a monthly rate of $650. Tenant shall notify Landlord within ninety (90) days of intent to execute the Lease Option.

8.2 Waiver; Assignment. Waiver by either party of strict performance of any provision of this Lease

will 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. The termination of this Lease will not relieve a party of any obligations that have

accrued before the termination. This Lease (or any memorandum of this Lease) will not be recorded. Tenant will

not sell, assign, mortgage, sublet, lien, convey, encumber, and/or otherwise transfer (whether directly, indirectly,

voluntarily, involuntarily, or by operation of law) all or any part of Tenant’s interest in this Lease and/or in the

Premises. Subject to the immediately preceding sentence, this Lease will be binding upon and inure to the

benefit of the parties, their respective successors and assigns.

8.3 Attorney Fees; Late Fees. If an Event of Default occurs, Tenant will pay to Landlord, within 10

days after Landlord’s demand, any and all attorney fees incurred by Landlord in attempting to enforce the terms

of this Lease. If any arbitration or litigation is instituted to interpret, enforce, and/or rescind this Lease, including,

without limitation, any proceeding brought under the United States Bankruptcy Code, the prevailing party on a

claim will be entitled to recover with respect to the claim, in addition to any other relief awarded, the prevailing

party’s attorney fees and other fees, costs, and expenses of every kind, including, without limitation, the costs and

disbursements specified in ORCP 68 A(2), incurred in connection with the arbitration, the litigation, any appeal or

petition for review, the collection of any award, or the enforcement of any order, as determined by the arbitrator

or court. If Rent (or other payment due from Tenant) is not received by Landlord within 10 days after it is due,

Tenant will pay a late fee equal to 5% of the payment or $50.00, whichever is greater (a “Late Fee”). In addition, a

charge of 1% per month on the amount past due (a “Late Charge”) will be charged beginning 10 days after the

due date for such payment until the past due amount is paid in full. Landlord may levy and collect a Late Fee and/

or a Late Charge in addition to all other remedies available for Tenant’s failure to pay Rent (or other payment due

from Tenant).

8.4 Notices; Counterparts. All notices or other communications required or permitted by this Lease

must be in writing, must be delivered to the parties at the addresses first set forth above, or at any other address

that a party may designate by notice to the other parties, and will be considered delivered upon actual receipt if

delivered personally, by facsimile or email transmission (with electronic confirmation of delivery), or an overnight

delivery service, or at the end of the third business day after the date deposited in the United States mail, postage

pre-paid, certified, return receipt requested. Except as otherwise provided in this Lease, any Rent or other

payment required to be paid by Tenant under this Lease will, if not paid within 10 days after it is due, bear

interest at the rate of 12% per annum from the due date until paid. This Lease may be signed in counterparts. A

fax transmission of a signature page will be considered an original signature page. At the request of a party, a party will confirm a fax-transmitted signature page by delivering an original signature page to the requesting party.

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8.5 Severability; Further Assurances. If a provision of this Lease is determined to be unenforceable in

any respect, the enforceability of the provision in any other respect, and of the remaining provisions of this Lease,

will not be impaired. The provisions of any and all exhibits, schedules, instruments, and other documents

referenced in this Lease are part of this Lease. The parties will sign such other documents and take such other

actions as are reasonably necessary to further effect and evidence this Lease. 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 the Lease. If any dispute arises regarding this Lease, the parties agree that the sole and

exclusive venue for resolution of such dispute will be in Grant County, Oregon. All parties submit to the

jurisdiction of courts located in Grant County, Oregon for any such disputes.

8.6 Entire Agreement; Landlord Default. This Lease contains the entire understanding of the parties

regarding the subject matter of this Lease and supersedes all prior and contemporaneous negotiations and

agreements, whether written or oral, between the parties with respect to the subject matter of this Lease. If the

date for performance of an obligation or delivery of any notice hereunder falls on a day other than a business day,

the date for such performance or delivery of such notice will be postponed until the next ensuing business day. All

pronouns contained herein and any variations thereof will be deemed to refer to the masculine, feminine, or

neutral, singular or plural, as the identity of the parties may require. The singular includes the plural and the plural

includes the singular. The word “or” is not exclusive. The words “include,” “includes,” and “including” are not

limiting. For purposes of this Lease, a “business day” means a normal working day (i.e., Monday through Friday of

each calendar week, exclusive of Federal and state holidays and one day following each of Thanksgiving, Christmas,

and New Year’s). No act or omission of Landlord will be considered a default under this Lease until Landlord has

received 30 days’ prior written notice from Tenant specifying the nature of the default with reasonable

particularity. Commencing from Landlord’s receipt of such default notice, Landlord will have 30 days to cure or

remedy the default before Landlord will be deemed in default of this Lease; provided, however, that if the default

is of such a nature that it cannot be completely remedied or cured within the thirty-day cure period, there will not

be a default by Landlord under this Lease if Landlord begins correction of the default within the thirty-day cure

period and thereafter proceeds with reasonable diligence to effect the remedy as soon as practical.

IN WITNESS WHEREOF, the undersigned have caused this Lease to be executed and effective for all

purposes as of the Effective Date.

**LANDLORD: TENANT:**

Charles S. Officer City of John Day dba Grant County Digital

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By: By:

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