

REAL PROPERTY LEASE

COUNTY TRACKING NO. R-_____

THIS REAL PROPERTY LEASE, COUNTY TRACKING NO. R-_____ (“Lease”), effective February 1, 2018 (“Effective Date”), is made and entered into by and between KAIVAL, LLC, an Oregon limited liability company (“Landlord”), and MULTNOMAH COUNTY, a political subdivision of the State of Oregon (“Tenant” or “County”) (each a “Party” to this Lease and collectively the “Parties” to this Lease), who, intending to be legally bound, DO HEREBY AGREE AS FOLLOWS:

1. LEASED PROPERTY.

a. Landlord represents and warrants to Tenant that Landlord is the sole owner of the land (consisting of approximately 31,600 square feet), and all improvements, fixtures, machinery, equipment, and appurtenances, located at 8715 SW Barbur Boulevard, Portland, Oregon, Madison Villa Subdivision, Lot 18, as further described in Exhibit A to this Lease (“Property”).

b. Landlord further represents and warrants to Tenant that, as of the Commencement Date, the Property complies with all applicable laws, statutes, ordinances, rules, regulations, and other legal requirements of any public authority and that Landlord does not have actual knowledge of any toxic or hazardous material contamination, including, but not limited to, (i) releases of hazardous materials from any underground improvements, including treatment or storage tanks, or underground piping associated with such tanks, used currently or in the past at the Property, (ii) any dump or landfill or other unit for the treatment or disposal of hazardous materials, (iii) polychlorinated biphenyls (“PCBs”), (iv) toxic mold; or (v) asbestos-containing materials, but has not conducted an investigation into such matters.

c. Landlord hereby leases the Property to Tenant and Tenant hereby leases the Property from Landlord.

2. **TERM; EXTENSION TERM.** The Term of this Lease shall be for a period of five (5) years (“Term”), commencing on February 1, 2018 (“Commencement Date”). So long Tenant is not in default under this Lease and this Lease remains in full force and effect at the time of exercise of this option, Tenant shall have one (1) option to extend the term of this Lease for an additional period of five (5) years (“Renewal Term”) by giving written notice to the Landlord not later than one hundred twenty (120) days prior to expiration of the Term. The terms of agreement for the Renewal Term shall be the same as the terms of agreement for this Lease, except that the monthly Base Rent during the Renewal Term shall be as set forth in Section 4 of this Lease.

3. **DELIVERY; ACCEPTANCE OF POSSESSION.** On the Commencement Date, Landlord will deliver the Property to Tenant in the condition and repair witnessed by Tenant during its on-site inspections of the Property and by providing Tenant with two (2) copies of keys or key cards for each and every lock on the Property, or the written combination or access code for each and every combination or access code lock on the Property (“Delivery of Possession”). Landlord shall deliver the Property free of any of Landlord’s personal property, provided that Landlord shall have leave to remove its personal property stored in the storage area on or before February 28, 2018.

By acceptance of Delivery of Possession of the Property, Tenant confirms that it has inspected the condition of the Property and Tenant accepts the Property "AS IS," "WHERE IS," AND "WITH ALL FAULTS," without any representations or warranties by Landlord other than those expressly stated in this Lease, and, subject to the terms of this Lease, Tenant is responsible for all changes to the Property, of whatever nature, necessary for the Permitted Use.

4. RENT.

a. Base Rent. Beginning on the Commencement Date and continuing during the entire Term, Tenant shall pay to Landlord rent in the amount of fifteen thousand dollars (\$15,000.00) per month ("Base Rent"). If Tenant exercises its Renewal Term option, then, beginning on the commencement date of the Renewal term and continuing during the entire Renewal Term, Tenant shall pay to Landlord Base Rent in the amount of sixteen thousand five-hundred dollars (\$16,500.00) per month. Base Rent shall be paid in advance, without demand, reduction or offset, on the first day of each calendar month throughout the Term, and Renewal Term if any, except the first month of Base Rent shall be paid upon Delivery of Possession.

b. Renovation Allowance. Tenant intends certain renovations to the Property to facilitate the Permitted Use and Landlord desires to contribute funds to that project. Landlord shall contribute \$5,000.00 to the project in the form of a \$1,000.00 per month credit to the Base Rent for the first five months of the Term ("Renovation Allowance"). In no event shall the Renovation Allowance exceed actual renovation project costs.

c. Additional Rent. All other sums payable by Tenant to Landlord under this Lease other than Base Rent shall be deemed "Additional Rent." Base Rent and Additional Rent may be referred to collectively as "Rent." Additional Rent shall be payable as such sums become due or as demanded by Landlord, provided such demand provides for payment within thirty (30) days of such demand, or as otherwise required under this Lease.

d. Payment of Rent. Rent shall be paid by Tenant to Landlord by check payable to "Kaival, LLC" delivered to the address provided by Landlord for notices under this Lease. Payment by Tenant or receipt by Landlord of a lesser amount than Rent due shall not be deemed full payment on the account. No endorsement or statement on any check or payment shall be deemed an accord and satisfaction. Landlord may accept such check or payment without prejudice to Landlord's right to recover the balance of Rent due, or pursue any other remedies available to Landlord. Payments received shall be credited to the oldest outstanding amount due.

e. Late Payment Charges. Should Tenant fail to make any payment of Rent within ten (10) days of the date when such payment first becomes due, or should any check tendered to the Landlord by the Tenant be returned to the Landlord by the Tenant's bank for insufficient funds, then Tenant shall pay to the Landlord, in addition to such payment, a late charge in the amount of two and one-half percent (2.5%) of the rent or other payment due.

f. Proration of Rent. In the event of commencement or termination of this Lease at a time other than the beginning or end of one of the specified rental periods, then Base Rent, and other Rent where applicable, shall be prorated, based on a thirty (30) day month, as of the date of

commencement or termination and, in the event of termination for reasons other than default, all prepaid Rent shall be refunded to Tenant or paid on its account.

5. USE OF THE PROPERTY.

a. Permitted Use. The Property may be used and occupied only as homeless shelter, transitional housing, or other uses in furtherance of Multnomah County's housing permanency goals, together with all regular appurtenances thereto, subject to the terms of agreement of this Lease ("Permitted Use"). Tenant may use the Property for the Permitted Use and for no other purpose without Landlord's written consent.

b. Equipment. Tenant will install only such equipment in the Property as is customary for the Permitted Use and will not change any wiring or plumbing without first securing all necessary permits. All such equipment shall be installed, maintained, and operated at Tenant's sole expense, in accordance with Tenant's requirements.

c. Legal Compliance. Tenant shall at all times and in all respects conduct the Permitted Use and use and occupy the Property in compliance with all applicable legal requirements.

d. Waste; Nuisance. Tenant shall not commit, or suffer to be committed, any waste of the Property, or any nuisance.

6. ASSIGNMENT AND SUBLETTING. Except as provided in this paragraph, Tenant shall not assign, sublet, or otherwise transfer any of its interest in this Lease without Landlord's prior written consent, which consent shall not be unreasonably withheld. Tenant may assign this Lease to another public entity or to a nonprofit corporation for conduct of the Permitted Use on the Property without further approval from Landlord, but with written notice to Landlord of such assignment. Tenant may sublet all or any portion of the Property to another public entity or to a nonprofit corporation for conduct of the Permitted Use on the Property, subject to all terms of agreement in this Lease, without further approval from Landlord, but with written notice to Landlord of such sublet.

7. UTILITIES; SERVICES. Tenant shall pay for all water, gas, heat, light, power, telephone, sewer, sprinkler system charges, trash removal, janitorial services, and other utilities and services used on or from the Premises, together with any taxes, penalties, and surcharges or the like pertaining thereto and any maintenance charges for utilities. Tenant shall furnish all electric light bulbs, tubes and ballasts, battery packs for emergency lighting and fire extinguishers. Landlord shall in no event be liable for any interruption or failure of utility services on or to the Premises.

8. PROPERTY TAXES AND ASSESSMENTS. Tenant is responsible for and shall pay as such sums become due all real property taxes, assessments, special assessments fees, and other charges charged against the property or on the basis of ownership of property ("Real Property Charges"). Landlord acknowledges that Tenant is entitled to claim exemption from some or all of such Real Property Charges and Tenant may, at Tenant's sole cost, expense and responsibility, take those steps necessary to obtain such exemption, provided that Landlord will provide reasonable assistance to obtaining such exemption when reasonably requested by Tenant. Any savings realized by Landlord or the Property due to the tax exempt status of the Tenant will be

passed on to the Tenant such that the total compensation paid by Tenant under this Lease shall reflect the savings of below market rent resulting from the exemption from taxation.

9. MAINTENANCE, REPAIR, AND REPLACEMENT.

a. Except as otherwise provided in this Lease, Landlord shall, at its sole cost and expense, maintain, repair and replace in good condition and repair throughout the Term all structural and mechanical components of the Property, including without limitation: the foundation; roof, including without limitation roof drains, penetrations (unless such penetrations are caused by Tenant's improvement work), access doors, and parapet; exterior walls; interior structural walls; structural floor and ceiling components. For each occurrence giving rise to Landlord's obligation to maintain, repair or replace a structural or mechanical component of the Property under this paragraph, Tenant shall be responsible for the first \$1,000.00 in costs of such maintenance, repair or replacement. Landlord shall have no obligation under this paragraph for any maintenance, repair or replacement arising from damage caused by Tenant or Tenant's guests or invitees. In performing any repairs, replacements, alterations, or other work performed on or around the Premises, Landlord shall not cause unreasonable interference with Tenant's Permitted Use of the Premises.

b. Except as otherwise provided in this Lease, Tenant shall, at its sole cost and expense maintain, repair and replace in good condition and repair, including without limitation free from debris, ice and snow in the manner consistent with Tenant's practices at its own facilities, throughout the Term all nonstructural components of the Property, including without limitation the exterior of the Property, windows, glass, landscaping, driveways, parking spaces, walkways, fences, doors, signs, other markers, car stops, and lighting of the Property, ordinary wear and tear excepted, and all personal property of Tenant situated in or upon the Premises. Tenant shall keep the Property clean and neat at all times. Tenant shall be responsible for any repairs necessitated by the negligence of Tenant, its agents, employees, and invitees, except as provided in Section 11 (waiver, subrogation, and other provisions).

c. Tenant shall notify Landlord promptly of any damage to the Property resulting from or attributable to the acts or omissions of the Tenant, its invitees or its authorized representatives, or any other party and thereafter to promptly repair all such damage.

10. ALTERATIONS AND IMPROVEMENTS.

a. Except as otherwise provided in this Lease, Landlord is under no obligation to make any alterations or improvements to the Property, but may make alterations or improvements to the Property provided such alterations or improvements do not materially interfere with the operation by Tenant of its business in the Property. In performing any maintenance, repair, replacement, alteration, improvement, restoration, or other work performed on or around the Property, Landlord shall not cause unreasonable interference with Tenant's Permitted Use of the Property; this provision is a general term of agreement of this Lease and shall not be construed as limited in any respect by its placement in this Section 10.a. of this lease.

b. Tenant shall make no alterations or improvements to the Property without Landlord's prior written consent, which consent shall not be unreasonably withheld.

Notwithstanding Landlord's consent to alterations or improvements by Tenant, all such alterations, improvements, or other work to be performed by Tenant shall be at the sole cost and expense of Tenant. Prior to the commencement of any work by Tenant, Tenant shall first submit the following to Landlord and obtain Landlord's written consent to all of the following, which consent shall not be unreasonably withheld and shall be confirmed or denied within ten (10) days following delivery thereof, and the same shall be deemed approved if notice of disapproval is not given within said ten (10) day period: Tenant's plans and specifications; Tenant's estimated costs; and the names of all of Tenant's contractors and subcontractors. All work performed by Tenant shall be done in strict compliance with all applicable building, fire, sanitary, and safety codes, and other Laws, and Tenant shall secure all necessary permits for the same. Tenant shall keep the Property free from all liens in connection with any such work. Landlord or Landlord's agents shall have the right at all reasonable times to inspect the quality and progress of such work. Notwithstanding Landlord's consent to alterations or improvements by Tenant, all such alterations, improvements, or other work to be performed by Tenant shall be at the sole cost and expense of Tenant.

c. No Liens. Tenant shall keep the Property free from all liens, including mechanic's liens, arising from any act or omission of Tenant or those claiming under Tenant. Landlord shall have the right to post and maintain on the Property such notices of non-responsibility as are provided for by law.

11. INSURANCE.

a. Property Insurance.

i. Landlord shall obtain and keep in force during the Term a policy or policies of insurance covering loss or damage to the improvements to the Property, including any insurable alterations or improvements made by Tenant, from fire and other risks covered by a standard fire insurance policy with an endorsement for extended coverage (i.e., "all risk"), an endorsement naming Tenant as an additional insured, vandalism and malicious mischief endorsements, building ordinance coverage, and any other reasonable coverage or endorsements selected by Landlord, in an amount of not less than One Hundred Percent (100%) of the actual costs of full replacement or restoration of the such improvements (i.e., the cost to replace without deduction for depreciation). All such insurance shall be payable jointly to the Tenant and to the Landlord and the holder of any trust deed on the Property as their interests may appear. The reasonable cost of such insurance shall be chargeable to the Tenant as Additional Rent.

ii. Tenant shall obtain and keep in force during the term of this lease a policy or policies of insurance covering loss or damage to Tenant's own property, inventory, trade fixtures and furniture, and personal property of others, from fire and other risks covered by a standard fire insurance policy with an endorsement for extended coverage (i.e., "all risk") in an amount of not less than One Hundred Percent (100%) of the actual costs of full replacement or restoration of the such property (i.e., the cost to replace without deduction for depreciation). Landlord is not responsible for Tenant's property, inventory, trade fixtures and furniture, and personal property of others within the Tenant's care, custody or control. County is self-insured for the risks for which insurance is required under this paragraph; so long as County remains self-insured, County shall not be required to provide the insurance required by this paragraph; upon request, County shall provide to Landlord a certificate of self-insurance.

iii. Notwithstanding any other provision of this Lease to the contrary, neither Party or its officers, directors, partners, members, managers, employees, agents, contractors, licensees and invitees shall be liable to the other for loss or damage caused by any risk covered by insurance required to be carried under this lease, and each party to this lease hereby waives any rights of recovery against the other and its officers, directors, partners, members, managers, employees, agents, contractors, licensees and invitees for injury or loss on account of such covered risks.

iv. All policies of property insurance required to be carried by either Party under this Section 11, except for self-insurance policies, shall include a clause or endorsement whereby such Party's insurer waives all right of subrogation, and all rights based upon an assignment from its insured, against the other Party, its officers, directors, partners, members, managers, employees, agents, contractors, licensees and invitees, and in the case of Tenant, its subtenants and assigns and their officers, directors, partners, members, managers, employees, agents, contractors, licensees and invitees, in connection with any loss or damage thereby insured against. If any policy of insurance requires the agreement of a Party's insurer as a condition to the effectiveness of this mutual waiver of subrogation, such party agrees to make a commercially reasonable effort to obtain such agreement.

b. Liability Insurance. Tenant, at its expense, shall maintain at all times during the Term:

i. Workers' Compensation insurance in compliance with ORS 656.017.

ii. Commercial General Liability insurance on an occurrence basis, with a combined single limit of not less than \$1,000,000 each occurrence for Bodily Injury and Property Damage, with an annual aggregate limit of \$2,000,000. Coverage may be written in combination with Automobile Liability Insurance (with separate limits). The aggregate limit can be met with Excess/Umbrella Liability coverage.

iii. Commercial Automobile Liability covering all owned, non-owned, or hired vehicles. This coverage may be written in combination with the Commercial General Liability Insurance (with separate limits). Combined single limit per occurrence shall not be less than \$1,000,000.

iv. County Self-Insurance. County is self-insured for the risks for which insurance is required under Section 11.b. of this Lease; so long as County remains self-insured, County shall not be required to provide the insurance required therein; upon request, County shall provide to Landlord a certificate of self-insurance.

12. INDEMNIFICATION. To the fullest extent permitted by law, each Party will indemnify, defend, and hold harmless the other Party and its officers, directors, partners, members, managers, employees, agents, contractors, licensees and invitees from and against any and all third-party claims for liability, injury, damage, loss arising from or in connection with any act or omission by the indemnifying Party or its officers, directors, partners, members, managers, employees, agents, contractors, licensees and invitees together with all costs, expenses, and liabilities incurred or in

connection with each such claim, or action or proceeding brought thereon, including, without limitation, all attorney fees and expenses at trial and on appeal.

a. Statutory Limit on Indemnity Obligation. County's obligations under this Section 12 are subject to and limited under the Oregon Constitution, including but not limited to Article XI, Section 10 therein, as well as the Oregon Tort Claims Act (ORS 30.260 to 30.300), including but not limited to being specifically subject to and within the financial limits and conditions set forth at ORS 30.272 for local public bodies and at ORS 30.273 for public bodies.

13. DAMAGE AND DESTRUCTION

a. Restoration. Tenant shall promptly notify Landlord of any damage to the Property by fire or other casualty. If the Property shall be damaged by fire or other casualty, Landlord shall use available insurance proceeds to restore the same. Such restoration shall be to substantially the same condition prior to the casualty, except for modifications required by zoning and building codes and other laws or by any lender, any other modifications deemed desirable by Landlord (provided such modifications do not materially interfere with the operation by Tenant of its business in the Property), and except that Landlord shall not be required to repair or replace any of Tenant's furniture, furnishings, fixtures or equipment. Landlord shall not be liable for any inconvenience or annoyance to Tenant or its visitors, or injury to Tenant's business resulting in any way from such damage or the repair thereof. Promptly following completion of Landlord's restoration work, Tenant shall repair and replace Tenant's furniture, furnishings, fixtures, equipment, and any alterations or improvements made by Tenant in excess of those provided or paid for by Landlord, subject to and in compliance with the other provisions of this Lease.

b. Abatement of Rent. Landlord shall allow Tenant a proportionate abatement of Base Rent from the date of the casualty through the date that Landlord substantially completes Landlord's repair obligations hereunder (or the date that Landlord would have substantially completed such repairs, but for delays by Tenant or any other occupant of the Property, or any of their officers, directors, partners, members, managers, employees, agents, contractors, licensees and invitees), provided such abatement: (i) shall apply only to the extent the Property is untenantable for the purposes permitted under this Lease and not used by Tenant as a result thereof, based proportionately on the square footage of the Property so affected and not used, and (ii) shall not apply if Tenant or any other occupant of the Property, or any of their officers, directors, partners, members, managers, employees, agents, contractors, licensees or invitees caused the damage.

c. Termination of Lease. Notwithstanding the foregoing to the contrary, in lieu of performing the restoration work, Landlord or Tenant may elect to terminate this Lease by notifying the other party in writing of such termination within sixty (60) days after the date of damage (such termination notice to include a termination date providing at least thirty (30) days for Tenant to vacate the Property), if the Property shall be materially damaged by Tenant or any other occupant of the Property, or any of their officers, directors, partners, members, managers, employees, agents, contractors, licensees or invitees, or if the Property shall be damaged by fire or other casualty or cause such that: (a) repairs to the Property and access thereto cannot reasonably be completed within 120 days after the casualty without the payment of overtime or other premiums, (b) more than twenty-five percent (25%) of the Property is affected by the damage and fewer than twenty-

four (24) months remain in the Term, or any material damage occurs to the Property during the last twelve (12) months of the Term. Tenant agrees that the abatement of Rent provided herein shall be Tenant's sole recourse in the event of such damage, and waives any other rights Tenant may have under any applicable law to perform repairs to the Property, unless such casualty damage is caused by negligence of the Landlord.

14. EMINENT DOMAIN.

a. Total Taking. If a condemning authority takes all of the Property or a portion sufficient to render the remaining Property reasonably unsuitable for the use that Tenant was then making of the Property, this Lease shall terminate as of the date the condemnor takes possession. The parties shall be entitled to share in the condemnation proceeds in proportion to the values of their respective interests in the Premises. For purposes of this paragraph, sale of all or part of the Property 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 as a taking by condemnation.

b. Less Than Total Taking. If a condemning authority takes only a portion of the Property and Section 14.a. of this Lease does not apply and Tenant remains in possession of the remainder of the Property under this Lease, then the Lease shall continue on the following terms:

i. Landlord shall be entitled to all of the proceeds of condemnation, and Tenant shall have no claim against Landlord as a result of the condemnation.

ii. Landlord shall proceed as soon as reasonably possible to make such repairs and alterations to the Property as are necessary to restore the remaining Property to a condition as comparable as reasonably practicable to that existing at the time of the condemnation.

iii. After the date on which title vests in the condemning authority or an earlier date on which alterations or repairs are commenced by Landlord to restore the balance of the property in anticipation of taking, Base Rent and other Rent shall be reduced in proportion to the reduction in value of the Property as an economic unit on account of the partial taking. Further this Lease shall be amended to reflect the new rental rates and other charges and the new description of the Property post condemnation.

15. DEFAULT.

a. The following are events of default:

i. Default in Rent. Failure of Tenant to pay rent within twenty (20) days after written notice that it is due.

ii. Default in Other Covenants. Failure of Tenant to comply with any term of agreement of this Lease other than the payment of rent within thirty (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 the thirty (30)-day period, this provision shall be complied with if Tenant begins correction of the default within the thirty (30)-day period and thereafter proceeds with reasonable diligence and in good faith to effect the remedy as soon as practicable.

b. Remedies on Tenant's Default. In the event of default by Tenant, this Lease may be terminated at the option of Landlord by written notice to Tenant. Whether or not this Lease is terminated by the election of Landlord, Landlord shall be entitled to pursue any remedies available to Landlord under applicable law.

c. Landlord's Default; Remedies. Landlord will not be deemed to be in default of the performance of any obligation required to be performed by Landlord hereunder unless and until Landlord fails to perform the obligation within thirty (30) days after written notice by Tenant to Landlord specifying the nature of Landlord's alleged default; however, if the nature of Landlord's alleged default is such that more than thirty (30) days are required for its cure, then Landlord will not be deemed to be in default if Landlord commences performance within the thirty (30)-day period and thereafter diligently prosecutes the same to completion. In the event of any default by Landlord, Tenant may exercise any and all rights and remedies available at law or in equity.

16. SURRENDER AT TERMINATION OF LEASE

a. Condition of Premises. Upon termination of this Lease, Tenant shall deliver all keys to Landlord and surrender the Property in clean and neat condition, excepting wear and tear.

b. Removal of Property. Upon termination of this Lease for any reason, Tenant shall remove all of its trade fixtures, equipment, and personal property from the Property. Tenant shall have the right but not the obligation to remove improvements, alterations and other work performed on the Property by Tenant. Tenant shall promptly repair, to good useable condition, any damage to the Property caused by such removal, if any, but shall not be obligated to restore the Property to the condition it was in prior to the improvement, alteration, attachment, or other work. Tenant shall have a commercially reasonable time to remove its property from the Property.

17. SUBORDINATION; ESTOPPEL CERTIFICATES; LANDLORD WAIVERS.

a. Subordination Agreement. This Lease, and all rights of Tenant, are subject and subordinate to all real property mortgages that may now or hereafter affect the real property of the Property, to each and every advance under such mortgages, and to all renewals, modifications, replacements, and extensions of such mortgages; provided, however, that in each case the mortgagee or beneficiary named in any such mortgage or trust deed shall agree in writing that, as long as Tenant performs its obligations under this Lease, no foreclosure or deed in lieu of foreclosure, or sale under the encumbrance or other procedures to enforce the rights incident thereto, shall affect Tenant's rights under this Lease. This Section 17.a. is self-operative, and no further instrument of subordination will be required. In confirmation of the subordination, Tenant will promptly execute, acknowledge, and deliver any instrument that Landlord or any Superior Mortgagee may reasonably request to evidence the subordination..

b. Attornment. If the Property is sold or otherwise transferred by Landlord or any successor, Tenant shall attorn to the purchaser or transferee and recognize it as the landlord under this Lease, provided the purchaser or transferee assumes all pf Landlord's obligations hereunder.

c. Estoppel Certificate. Within ten (10) days after receipt of a written request therefor, Tenant shall deliver in recordable form a written statement certifying (if such be the case) that this

Lease is in full force and effect and that there are no defenses or offsets thereto, or stating those claimed to exist and such other information as Landlord may reasonably request be included in such statement. The failure of the Tenant to deliver such certificate within said ten (10) day period shall be conclusive upon the Tenant for the benefit of Landlord, its lender, mortgagee or assignee, and their respective successors in interest, that this Lease is in full force and effect and has not been modified except as may be represented by Landlord in its written request for such statement.

18. **RIGHT OF FIRST OFFER TO PURCHASE.** Provided that Tenant is not in default at the time of exercise, Tenant shall have the right of first offer to purchase the Property on the following terms and conditions:

a. If at any time during the Term or Renewal Term of this Lease Landlord elects to sell the Property, or any portion thereof, Landlord shall notify Tenant of the terms and conditions upon which Landlord would be willing to sell the Property, or such portion, with such terms and conditions being those upon which a bona fide purchaser would reasonably be willing to purchase the Property, or such portion (Landlord's Notice). Tenant shall have thirty (30) days after receipt of Landlord's Notice to notify Landlord in writing of Tenant's desire to purchase the Property, or such portion, on the terms stated in Landlord's Notice. If Tenant notifies Landlord within such 30-day period of Tenant's desire to purchase the Property, or such portion, on such terms, Landlord and Tenant shall enter into a purchase and sale agreement for the Property, or such portion, on the terms and conditions stated in Landlord's Notice. Landlord agrees to bargain in good faith on any terms not stated in Landlord's Notice.

b. If, however, Tenant fails to notify Landlord of Tenant's election to purchase the Property, or such portion, within such 30-day period or, if Landlord and Tenant, through no fault of Landlord, fail to execute a purchase and sale agreement within sixty (60) days after the date of Tenant's notice to Landlord, then subject to Tenant's right of reoffer as set forth below, Tenant shall be deemed to have waived its right to purchase the Property, or such portion, and Landlord shall have the right thereafter to offer the Property, or such portion, for sale and to sell the Property, or such portion, subject to this Lease, to any third party on substantially the terms stated in Landlord's Notice without further notice to Tenant.

c. If, however, within one hundred eighty (180) days after the date Tenant waived (or is deemed to have waived) its right to purchase the Property, or such portion, Landlord offers the Property, or such portion, to a third party for a purchase price that is five percent (5%) or more less than the purchase price that was offered to Tenant in Landlord's Notice, Landlord shall reoffer the Property, or such portion, to Tenant on the terms offered to such third party ("Landlord's Revised Notice") and the same procedures shall apply with respect to Landlord's Revised Notice as are set forth above with respect to Landlord's Notice.

d. In any case where, pursuant to this Section 18, Tenant has waived or is deemed to have waived its right to purchase the Property, or such portion, following delivery of Landlord's Notice or Landlord's Revised Notice, if Landlord fails to enter into an agreement with a third party for the purchase and sale of the Property, or such portion, within one hundred eighty (180) days from the date Tenant waived (or is deemed to have waived) its right to purchase the Property, or such portion, with respect to Landlord's Notice, or Landlord's Revised Notice, if applicable, then

Landlord shall re-offer the Property, or such portion, to Tenant and the same procedures shall apply with respect to such re-offer as are set forth above.

19. MISCELLANEOUS

a. Nonwaiver. 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. Severability. If any clause or provision of this Lease is or becomes illegal, invalid, impossible to perform or unenforceable under present or future laws effective during the Term, such clause shall be severable from this Lease and the Parties intend that the remainder of this Lease shall not be affected and, if the remainder of this Lease results in an invalid or incomplete agreement, the Parties intend that in lieu of the severed clause, there be added a clause or provision as similar in terms possible and which is legal, enforceable and equitable to complete the agreement.

c. Landlord Entry for Inspection, Repair or Showing. Landlord shall have the right upon the provision of notice to Tenant, to enter upon the Premises at any reasonable time to determine Tenant's compliance with this Lease or to make necessary maintenance, repairs or replacement to the Property as provided in this Lease. Subject to Landlord's prior compliance with the notice and negotiation obligations in Section 18 of this Lease and Tenant's waiver of its Right of First Offer, Landlord may show the Premises to any prospective tenant or purchaser, and, in addition, Landlord 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 sale of the Premises. Excluding routine facilities maintenance access, Landlord shall provide Tenant no less than seventy-two (72) hours' notice of its intent to enter the Premises for all non-emergency circumstances.

d. Succession. This Lease shall be binding on and inure to the benefit of the Parties and their respective successors and assigns.

e. No Recordation. This Lease shall not be recorded without the written consent of Landlord. Upon Tenant's request, the parties shall execute and acknowledge a memorandum of this Lease in a form suitable for recording, and Tenant may record the memorandum.

f. Time of Essence. Time is of the essence of each and every provision of this Lease. If the final date of any period of time set forth herein occurs on a Saturday, Sunday, or legal holiday, then the expiration of the period of time will be postponed to the next day that is not a Saturday, Sunday, or legal holiday.

g. Complete Agreement; Amendment. This Lease constitutes the entire agreement between the Parties and may not be altered, amended, modified or extended, except by an instrument in writing signed by all Parties. The Parties respectively acknowledge and agree that neither has made any representations or warranties to the other not expressly set forth herein.

h. Broker. In connection with the consummation of this Lease, Landlord was represented by its broker, Todd DeNeffe, Cascade Commercial Real Estate LLC (“Landlord’s Agent”), and Tenant represents and warrants to Landlord that it has not dealt with any broker or finder or other agent in connection with this Lease. Landlord will pay a commission to Landlord’s Agent pursuant to a separate written agreement and Tenant shall have no obligation to pay such commission or any part thereof. Except as provided in this paragraph, Landlord and Tenant hereby warrant to each other that they have had no dealings with any broker or finder or other agent in connection with the negotiation of this Lease, and that they know of no other broker or finder or other agent who is entitled to a commission in connection with this Lease. Each Party agrees to indemnify and defend the other Party against, and hold the other Party harmless from, any and all claims, demands, losses, liabilities, lawsuits, judgments, and costs and expenses (including without limitation reasonable attorneys’ fees) claimed by or awarded to any broker or finder or other agent.

i. Construction of Lease. The language in all parts of this Lease shall in all cases be construed as a whole according to its fair meaning and not strictly for nor against Landlord or Tenant, regardless of whether such Party was the drafter of this instrument. Further, each Party has had an adequate opportunity to review each and every provision of this Agreement and to submit the same to legal counsel for review and advice; accordingly, the rule of construction, if any, that a contract be construed against the drafter shall not apply to interpretation or construction of this Lease.

j. Holding Over. Should Tenant hold over after termination, such holding over shall be deemed to alter this Lease to a “month to month” tenancy, subject to all the terms and conditions of this Lease, except that either party may terminate the month-to-month tenancy upon sixty (60) days' prior written notice to the other.

k. Notices. Any written notice required or permitted under this Lease shall be given when actually delivered or 48 hours after deposit in United States mail as certified mail/return receipt requested, addressed to the following address or to such other address as may be specified from time to time by either of the parties in writing:

i. For notice or delivery to Landlord:

Kaival, LLC
2265 NW Jessamine Way
Portland, OR 97229

ii. For notice or delivery to Tenant:

Multnomah County
Attn: Facilities and Property Management
401 N Dixon
Portland, OR 97227

[Signatures to follow]

IN WITNESS WHEREOF, the duly authorized representatives of the Parties have executed this Lease effective as of the Effective Date first written above.

FOR LANDLORD:

Kaival, LLC, an Oregon limited liability company

By: _____
Jaya R. Patel, Member

Date: _____

By: _____
Ravindra M. Patel, Member

Date: _____

FOR TENANT:

Multnomah County, a political subdivision of the State of Oregon

By: _____
Deborah Kafoury, Chair

Date: _____

Reviewed:
JENNY M. MADKOUR, COUNTY
ATTORNEY FOR MULTNOMAH COUNTY

By: _____
Jed Tomkins, Assistant County Attorney

Date: _____

EXHIBIT A

PROPERTY DESCRIPTION

