

CITY OF PORTLAND – MULTNOMAH COUNTY

LEASE

This Lease is entered into on the _____ day of JULY, 2016 by and between the CITY OF PORTLAND, a municipal corporation of the State of Oregon, by and through its Office of Management and Finance (OMF) – Facilities Services, hereinafter “Landlord”, and Multnomah County, a political subdivision of the State of Oregon, hereinafter “Tenant”.

In 2009, the City adopted its Green Building Policy for design, construction, remodeling and operation of all City owned facilities and required tenant improvement and leased spaces to follow Portland’s Green Tenant Improvement Guide or LEED for Commercial Interiors at the Silver Level. The City requires its existing buildings and facilities to operate in compliance with LEED for Existing Buildings Operations and maintenance at the Silver Level. It is the Parties’ expectation that Tenant will cooperate with Landlord’s efforts and practices for operating and maintaining a green building. Tenant will incorporate active and passive sustainability practices in its operation and maintenance, purchase and use Energy-Star or similar energy efficiency rated appliances and equipment, reduce waste generation, minimize water usage and resource consumption, and undertake similar practices.

In consideration of the mutual covenants and upon the terms and condition set forth in this Commercial Lease, Landlord leases to Tenant and Tenant leases from Landlord **a portion of** the described property (the “Premises”). Tenant claims no prior interest in the Premises and acknowledges Landlord’s ownership interest and right to lease the identified portion of the Premises to Tenant.

1. Premises and Tenant Space

- a) The Premises are located at 4747 E. Burnside Street, Portland, Oregon, comprising of approximately 34,951 square feet, and as identified in Exhibit A - Location of the Premises, attached hereto. The Premises are located in the building more commonly known as the Kelly Building.
- b) **The Premises currently houses staff from the Portland Bureau of Police (the “PPB”). The Tenant Space is comprised of a portion of the Premises exclusively leased to the Tenant (the “Exclusive Area”) and a portion of the Premises shared with PPB (the “Shared Area and Common Area”). Tenant’s Exclusive Area comprises approximately 2,954 square feet, and the Tenant’s portion of the Shared Area comprises approximately 4,211 square feet, and as identified in Exhibit B – Location of Tenant Space, attached hereto. Common Area is further discussed in Section 10.**

- c) So long as Tenant is not in default and subject to the rules and regulations established by Landlord as amended from time to time, **Tenant may park ten (10) validly licensed, insured and operable vehicles in the Lower Level reserved parking spaces and two (2) validly licensed, insured and operable vehicles in the Upper Level reserved parking spaces during business hours, and as identified in Exhibit C – Location of Reserved Parking, attached hereto** Tenant must provide Landlord with the ownership information of Tenant's vehicle(s) including vehicle year, make and model. Tenant may not perform any car repair or maintenance in the parking lot. Tenant may not block the entry or access by other vehicles to the parking lot or permit any nuisance or disabled vehicles on the parking lot.

2. Term

This Lease commences on July 13, 2016, ("Commencement Date") and terminates on June 30, 2019, ("Expiration Date"), unless sooner terminated under the provisions of this Lease. **Beginning on or after the first day of the 30th month of the lease [January 1, 2019] the City may terminate this Lease for the sole convenience of the City, by giving the County 180 days prior written notice of the lease termination, which termination may occur no earlier than June 30, 2019.**

3. Option to Renew

Tenant has one (1) option(s) to renew this Lease ("Renewal Option"), with such Renewal Option to be for a period of one (1) year ("Renewal Term"). The Renewal Term is on the same terms and conditions set forth in the Lease, except there will be no further Renewal Option and except for the amount of Base Rent. The Renewal Term commences on the first day after expiration of the initial term or the current Renewal Term. **The amount of Base Rent for each Renewal Term will be at the same rental rate charged to the Portland Police Bureau by City of Portland. The amount of Base Rent for the Reserved Parking Spaces will increase by 3%, effective each July 1st.**

If Tenant elects to exercise the Renewal Option, Tenant must give Landlord written notice of Tenant's election at least six (6) months prior to the expiration of the current term. Tenant's right to exercise the Renewal Option is revoked and any allowable Renewal Option is void if: a) during the term of the Lease or any Renewal Term, Tenant defaulted in its performance of any terms and conditions of the Lease; b) Tenant is in default when it gives written notice of exercise of Renewal Option; or c) Tenant has been late in paying Rent more than three (3) times during the term of the Lease or any Renewal Term. If this Lease has been assigned or any portion of the Premises have been sublet, the Renewal Option shall be null and void, and neither Tenant nor any assignee or subtenant has the right to exercise the Renewal Option during the term of such assignment or sublease. In the event that a) Tenant fails to execute lease renewal documents within ten (10) calendar days of Tenant's receipt, or b) if Tenant becomes in default in the performance of any obligations under the terms and provision of the Lease on any day after executing Lease Renewal documents and up to the Expiration Date of

the current term, then Tenant's purported exercise of its Renewal Option shall be of no force or effect, any Lease Renewal document shall be null and void, and Tenant's right to the Premises shall terminate in accordance with the Lease.

4. Base Rent

- a) Tenant shall pay Base Rent in the amount of Ten Thousand Nine Hundred Eighty Four and 39/100th dollars (\$10,984.39), per month. Unless otherwise noted, the obligation to pay Base Rent and other monies commences on the Commencement Date. **Per the following rent schedule:**

\$ 4,182.32 per month for 2,954 sf of **Exclusive Area** in the Building @ \$16.99/sf

\$ 5,962.07 per month for Tenant's % of 8,422 sf of **Shared & Common Area** in the Building @ 50% share of \$16.99/sf

\$ 840.00 per month for **10 parking spaces in garage lower level and 2 reserved spaces on upper level** @ \$70/space

The amount of Base Rent will increase, effective each July 1st at the same rental rate charged to the Portland Police Bureau by City of Portland.

The amount of Base Rent for the Reserved Parking Spaces will increase by 3%, effective each July 1st.

- b) Base Rent shall be paid in advance of the first day of each calendar month throughout the term of this Lease, except the first month's Base Rent shall be paid upon the execution of this Lease. If a partial month exists at the commencement of the term of this Lease, Tenant shall pay upon the execution of this Lease one full month's Base Rent plus the prorated amount for the partial month, as determined by Landlord. All other fees, charges, taxes, or monies required to be paid to Landlord arising from the Lease (collectively "Additional Rent") shall be payable as they become due, or as demanded by Landlord or as otherwise required by the Lease. Base Rent and Additional Rent may be referenced hereinafter collectively as "Rent", unless specificity is required. No monthly billing statement will be provided by Landlord.
- c) Rent shall be paid in lawful money of the United States of America, without deduction or offset, prior notice or demand, and payable to the "City of Portland" and delivered to: the Office of Management & Finance – Facilities Services, 1120 SW Fifth Avenue, Room 1204, Portland, Oregon 97204-1985, or such other place Landlord may designate from time to time. 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.

- d) All Rent not paid by Tenant when due or demanded shall bear interest at the rate of one percent (1%) per month. The interest rate of one percent (1%) on overdue accounts is subject to periodic adjustment in writing to reflect Landlord's then current interest rate charged on overdue accounts.
- e) In the event that any check, draft or other instrument of payment given by Tenant is dishonored for any reason, Tenant agrees to pay Landlord the sum of \$35 in addition to any late fee, and Landlord may, at its option, require Tenant to pay all future Rent by cashier's or certified checks, or other methods.

5. Property Taxes

Tenant is exempt from taxation generally. However, if property tax is assessed due to Tenant's Lease, Tenant shall be responsible for and pay before delinquent all such taxes or fees assessed during the term of this Lease against any leasehold or personal property of any kind owned by or placed upon or about the Premises by Tenant.

6. Utilities; Conservation and Sustainability

- a) Landlord will furnish and pay for reasonable water and sewage disposal service to the Premises.
- b) In accordance with the City's sustainability practices, Landlord will provide janitorial service to all offices, shared areas and the common areas during normal business hours. Tenant's janitorial and cleaning services shall use cleaning methods and products that have less environmentally harmful attributes (e.g., biodegradability, low toxicity, low volatile organic compound (VOC) content, reduced packages, low life-cycle energy use).
- c) **Landlord agrees that Tenant may connect certain MCSO equipment to the City's generator located at the Premises. The Parties understand that currently the City utilizes about 19% of the generator's power capacity but may have additional uses for the generator. The use by MCSO is not anticipated to significantly increase to the overall power capacity. The City reserves the right to request the County disconnect its power equipment from the City's generator if the City finds that it requires greater utilization of the generator.**

7. Security Deposit

Intentionally deleted

8. Late Fee

In addition to other remedies, if any Rent is not received by Landlord within ten (10) days after it is due or demanded, Landlord may impose a late fee equal to five percent (5%) of the amount of the delinquent Rent for the month in which the Rent is delinquent or a minimum of \$50.00, whichever is greater. Tenant shall pay any late fee immediately upon request by Landlord. The imposition by Landlord and/or the payment by Tenant of any late fee shall not waive or cure Tenant's default. Failure to impose a late fee on one occasion does not effect a waiver of Landlord's right to impose a late fee on subsequent delinquencies.

9. Uses

- a) Tenant shall use and occupy the relevant portions of the Premises to which Tenant has any rights, in accordance with the provisions of this Lease, for the following exclusive purpose(s) and no other(s): **Multnomah County Sheriff's Office (MCSO) operations. Tenant's use of the Shared Area and Common Area which are not sole MCSO occupancy will be undertaken in a reasonable manner with respect to PPB's operations and uses at the Kelly Building.** Tenant understands that the City may institute formal or informal process to schedule uses of the Shared Area and Common Areas, and that it may be necessary to schedule reservations for use or establish priority in uses to avoid undue conflict between the needs of PPB and MCSO. No other use may be made of the Premises without the prior written consent of Landlord. Tenant shall do business on the Premises under the name of **Multnomah County Sheriff**. At Tenant's own expense, Tenant shall comply with all orders, notices, regulations or requirements of any governmental authority respecting the use of the Premises. Tenant shall not use the Premises in any manner that will cause the building or Property to not conform with the City's Green Building Policy and/or sustainability practices or the certification issued by any third party sustainability standard (such as LEED for Existing Building at Silver Level) applicable to the building or Property.
- b) The Premises are in a "no smoking" building, pursuant to ORS 433.835 et. seq., and/or Portland City Code 8.65.010 et seq. Tenant shall not permit smoking of cigars, cigarettes, pipes, or other smoking instruments within the Premises. If the Premises may be accessed directly from exterior doors, no smoking shall be permitted within at least ten (10) feet from entrances, exits, windows that open and ventilation intakes that served the enclosed area, or fifty (50) feet of such openings if public employees utilize the building as their workplace. This prohibition applies to electronic smoking devices, electronic cigarettes, e-cigarettes and any other similar instruments that mimic the act of smoking a cigarette while inhaling nicotine. Tenant shall ensure that its agents, invitees and permittees comply with all provision of the State's and City's smoking prohibition.
- c) In addition to any other prohibitions or limitations on Tenant's use of the Premises contained in the Lease, Tenant shall not: i) use or permit the Premises

to be used in any illegal manner; ii) create or permit to be created any damage, nuisance or waste to the Premises or the building, including any objectionable noise, vibration or odor to be emitted or escape from the Premises, or cause defacement or injury of the building, including impairment of its strength or durability; iii) disturb, interfere or obstruct the rights of Landlord or other tenants, users, or occupants of the building; iv) cause damage or injury to nearby properties or property owners; v) create or permit to be created any condition which would constitute a fire or environmental hazard, or be dangerous to persons or property; vi) injure the reputation of the building; vii) permit the Premises to be used for lodging or sleeping purposes; viii) sell or permit to be sold any alcoholic beverages or alcoholic liquors on the Premises excepting upon Landlord's prior written consent and pursuant to the limitations of state issued permit(s) or license(s); ix) sell or permit to be sold any controlled substances on or about the Premises; x) install, affix or attach any trade fixtures on the Premises except with the prior written consent of Landlord; xi) store gasoline or other highly combustible materials on the Premises; xii) permit the sale of any pornographic material on the Premises; xiii) permit any cash, credit card, or coin-operated vending, novelty or gaming machines or equipment on the Premises without the prior written consent of Landlord, or permit any gambling or social gaming; xiv) permit the use of the Premises for a second-hand store, pawnshop, or for conducting auction, distress or fire sale, or bankruptcy or going-out-of-business sale or the like; or xv) make use of roller skates, roller blades, skateboards, bicycles, unicycles or other similar devices or apparatus.

- d) Nothing in this Lease prohibits law enforcement and emergency service providers, meter readers, and property inspectors, and other governmental agents to reasonable and lawful access to the Premises during the term of this Lease to perform their emergency service, community caretaking, regulatory and governmental functions.

10. Common Area Use

The common areas shall be all areas or facilities outside the **Exclusive and Shared Areas** and within the exterior boundary of the Premises, as designated by Landlord from time to time for general nonexclusive use of any tenants or authorized users of the Premises, for ingress and egress, subject to the rights, powers and privileges reserved in Landlord and in accordance with building rules and regulations. Portions of the Premises restricted to solely City access or PPB access are not common areas and are identified on the attached Exhibit "B". Landlord reserves the right to change entrances, exits, traffic lanes, boundaries and locations of the common areas or otherwise set aside portions of the common areas for special uses. No storing or placing of property, temporarily or permanently, in the common areas without Landlord's written authorization is permitted. Tenant property stored or placed without authorization in the common areas shall be deemed abandoned and removed without notice to Tenant. Tenant shall be liable for expenses that Landlord incurs, including Landlord's overhead charges, for removal and disposal of Tenant property improperly stored in the common

areas or Tenant's or its invitees' misuse or damage to the common areas.

- a) If Tenant fails to fulfill any duty imposed under this Section, Landlord may do so; and in such case, Tenant shall cooperate with Landlord in order to prepare all documents Landlord deems necessary or appropriate to determine the compliance therewith; and Tenant shall execute all documents promptly upon Landlord's request. No such action by Landlord and no attempt made by Landlord to mitigate damages under any applicable law shall constitute a waiver of any of Tenant's obligations under this Section.
- b) On the expiration or termination of the Lease, Tenant shall, at Tenant's own expense, remove all Hazardous Substances from the Premises. Tenant's obligations and liabilities under this Section shall survive the expiration or termination of this Lease.

11. Fire Prevention

Tenant shall not use the Premises in any manner that causes the fire insurance rate on the building in which the Premises are located to be increased or that would prevent Landlord from taking advantage of any ruling of the Insurance Services Offices of Oregon, or its successors, which could allow Landlord to obtain reduced premium rates for long term fire insurance policies. Tenant shall prevent and control fire on the Premises and comply with any rules and regulations set forth by the Fire Marshal. Tenant shall promptly pay for any fire inspection or re-inspection fee assessed to the Premises and make all corrections as ordered by the Fire Marshal. All paints, oils and other flammable materials shall be stored in suitably protected outbuildings or compartments in accordance with rules and regulations as set forth by the Fire Marshal. Tenant shall comply with any building emergency or safety plan that may be implemented for tenant safety and cooperate in routine fire drills as periodically required by Landlord.

12. Overloading Floors

Tenant shall not overload the floors of the Premises so as to cause any undue or serious stress or strain to the building in which the Leased Area is located, or any part thereof. Landlord shall have the right, at any time, to call upon any competent engineer or architect whom Landlord may choose, to decide whether or not the floors of the Premises, or any part thereof, are being overloaded so as to cause any undue or serious stress or strain on the building, or any part thereof. The decision of the engineer or architect shall be final and binding upon Tenant. Tenant shall immediately relieve the overloading by lightening the load or reinforcing the Premises or building, and shall repair any damage resulting from the overloading.

13. Signs and Attachments

Tenant shall not place signage or attachment in or on the Premises, any common area

or the exterior of the building, including windows or doors, to advertise the nature of Tenant's business, without Landlord's consent. Landlord may refuse consent to any proposed signage or attachment that is in Landlord's sole opinion inconsistent with or inappropriate to the Premises or building, or the uses of any other tenants. If Landlord approves a sign or attachment, Tenant is required to comply with applicable laws regulating signs, including the Sign Code under Portland City Code Title 32. The City of Portland's Bureau of Development Services or other appropriate City bureaus shall be considered separate regulating or permitting bodies; the City's Office of Management and Finance shall be deemed Landlord. Tenant is solely responsible for costs for installation, maintenance, removal and repair of damage related to an authorized Tenant signage. Authorized signage shall be kept in good and safe condition by Tenant. Tenant shall seek Landlord consent prior to altering or substituting any authorized signage.

14. Acceptance of Areas

Tenant has examined the **Exclusive and Shared Areas** and accepts them in "AS IS" condition. No representations or warranties as to the condition of the **Exclusive and Shared Areas** have been made by Landlord or its officers, agents or employees. Tenant is responsible for determining whether Tenant's proposed use of **Exclusive and Shared Areas** conforms to applicable zoning or building codes. Landlord shall have no liability to Tenant for any damage or injury caused by the condition of the Premises or for any latent defect in the Premises except those latent defects known to Landlord. All furnishings, appliances, fixtures, improvements, surface coverings, decoration and other contents of the **Exclusive Area** shall be provided by Tenant at its own expense, except for the furniture provided by Landlord at the Tenant's request that will be identified and further addressed in a separate letter agreement. All furnishings, appliances, fixtures, improvements, surface coverings, decoration and other contents in the **Shared Area after Tenant move-in shall be for shared and not exclusive use by either Landlord or Tenant**. Tenant accepts the **Exclusive and Shared Areas** subject to any and all existing permits, licenses, leases, easements, railroad facilities, pipelines, telephone, telegraph, communication, power and signal lines or any other similar facilities, together with any future installations thereof.

15. Square Footage

Tenant's signature to this Lease verifies the approximate square footage of the Premises. The Base Rent and any other charges assessable under this Lease shall not be adjusted by reason of any claimed variation in square footage by either party unless by mutual agreement between the parties.

16. Alterations and Additions

Tenant shall not make or allow to be made any alterations, additions or improvements to or of the **Exclusive Area** or any part thereof or its contents without first obtaining the written consent of Landlord. All alterations, additions or improvements to or of the

Exclusive Area, including, but not limited to, wall covering, paneling, built-in cabinet work, but excepting movable furniture and trade fixtures shall at once become a part of the realty and belong to Landlord and shall be surrendered with the Premises. Any authorized alterations, additions or improvements to the **Exclusive Area** by Tenant shall be made by Tenant at Tenant's own expense. Upon expiration or termination of this Lease and at Tenant's own expense, Tenant shall remove all alterations, additions or improvements made by Tenant and designated by Landlord to be removed, and shall repair any damages caused by the removal. Landlord may condition its consent to installation of "a work of visual art", as defined in the Visual Artists Rights Act (VARA) (17 U.S.C. Sec. 106A et seq), in the Premises on Tenant tendering and Landlord accepting a written waiver of moral rights under the VARA executed by the artist acknowledging that the work may be subject to destruction or removal.

17. Tenant Improvements

- a) All work performed to the Premises shall be done in strict compliance with all applicable building, fire, sanitary and safety codes, and other applicable laws, statutes, regulations, and ordinances, including the City's Green Building Policies pertaining to construction, repair or building improvements to City properties. Tenant agrees to incorporate Green Building design, development and construction practices at the Premises. Such practices may include using green materials and paints; incorporating design strategies to reduce carbon footprint; employing renewable or alternative energy, conservation and heating/cooling options; recycling construction material; instituting stormwater management and sustainable landscaping techniques and features; using Energy Star or equivalent energy efficient appliances and products; and achieving/maintaining LEED certification. Prior to the commencement of any work, Tenant shall submit to Landlord's Property Manager and obtain Landlord's written consent to all of the following: Tenant's plans, specifications and work drawings detailing the alteration, construction or changes to the Premises proposed by Tenant; Tenant's estimated costs; and, the names of Tenant's general contractors and major subcontractors, along with copies of contractors/subcontractors' certificates of insurance and bonding. As required by law, Tenant shall apply for permits and submit permit plans to the City of Portland's Bureau of Development Services or other appropriate City bureaus, or government agency with permitting responsibility, within ten (10) days of obtaining Landlord's written consent to Tenant's plans and specifications. All Tenant Improvement plans for construction, alteration or changes to the Premises shall be signed and sealed by an architect or engineer licensed by the State of Oregon. Tenant shall provide Landlord with proof of valid permits prior to commencement of any work and proof of inspection approval after work completion. The City of Portland's Bureau of Development Services or other appropriate City bureaus shall be considered separate regulating or permitting bodies; the City's Office of Management and Finance shall be deemed Landlord.
- b) Landlord's written consent and approval of proposed or constructed Tenant

Improvement shall create no responsibility or liability on the part of Landlord for design completeness, sufficiency, or compliance with all laws, rules and regulations of governmental agencies or authorities, and shall not be construed as Landlord's warranty or approval of the adequacy, competence, experience, bonding or licensure of any contractors/subcontractors or the quality of the work that may be performed by these persons. Tenant remains liable to Landlord for non-compliance and defects in any work performed by Tenant's contractors/subcontractors.

- c) All work performed by Tenant shall be carried forward expeditiously and completed within the time agreed. Tenant's work shall not interfere with Landlord's work or any other authorized activities at the Premises or Property. All work shall be completed in a good workmanlike manner. Landlord or Landlord's employees or agents shall have the right at all times to inspect the quality and progress of the work. Tenant shall provide Landlord all construction drawings (inclusive of architectural, structural, mechanical, and electrical drawings) on computer disks in format readable by AutoCAD 2012 (or the appropriate format or version utilized by the City), at completion of Tenant's construction.
- d) Upon the expiration or termination of the Lease, Tenant shall remove from the Premises and building all of Tenant's property and any alterations or improvements installed by or on behalf of Tenant, unless Tenant has obtained written consent from Landlord to leave such alteration or improvement in place as Landlord's property. Such improvements may include, without limitation, any cabling, conduit or other equipment installed for telecommunications services. Tenant shall promptly repair any damage to Landlord's property caused by such removal, and restore the area to the condition the area was in prior to installation of the property in question. If Tenant fails to remove its property, alterations or improvements, Landlord may at its discretion keep or use some or all of the property as Landlord's own without any compensation due to Tenant, or elect to remove, store and sell some or all of the property in accordance with applicable law, and at Tenant's expense.
 - i) **Landlord has consented to the installation of certain County telecommunication equipment (switches, cabinets, cables/conduits) that provide for connectivity with the County's telecommunication network and which are linked with the City's telecommunication equipment. All County telecommunication equipment should be labelled as County property, and documentation of the equipment in place at Lease Commencement shall be provided to Landlord. Tenant shall coordinate with the City whenever the County desires to inspect, repair or maintain the County equipment; any such work must be done with utmost care to avoid damage, loss of operability or other negative impact to the City's telecommunication system or equipment. Tenant understands that if the County**

telecommunications system or equipment causes interference to the City's use of the City's telecommunication system or equipment, the County will take prompt corrective actions to correct or eliminate the interference. The City reserves the right to request Tenant remove County telecommunication equipment or cease operations of such equipment if the interference cannot be satisfactorily resolved.

- e) Tenant shall ensure that its contractors and subcontractors are licensed with the Oregon Construction Contractors Board and in compliance with Portland business license requirements. Prior to the commencement of any construction or alteration work, Tenant will provide the names of Tenant's general contractors and major subcontractors, along with copies of contractors/subcontractors' certificates of insurance and bonding to Landlord. Tenant's contractors and subcontractors must comply with the commercial general liability insurance coverage, including automobile insurance and workers compensation insurance, that is required of Tenant under the Lease, with the City of Portland named as additional insured. Tenant's contractors shall be required to have in place performance bonds or other provisions assuring the timely and diligent completion of any work.

18. Improvements by Landlord [Intentionally deleted]

19. Property/Building Alteration

In the event Landlord, during the term of this Lease, is mandated by order or decree of any court, or a governmental authority including but not limited to the Bureau of Development Services in exercise of its regulatory or zoning authority, to repair, alter, remove, reconstruct, or improve any part of the Property or building, then the work may be made by and at the expense of Landlord without any interference or claim for damages by Tenant. Tenant may be entitled to an abatement or adjustment of rent in proportion to the material interference with Tenant's occupancy of the Premises during the course of the mandated work, unless the need for the work was caused by Tenant's use of the Premises or Tenant's action in alteration, installation, maintenance, repair or other Tenant work at the Premises. Landlord reserves the right to make alterations to the Property as it deems desirable and necessary. Landlord will exercise its right in a manner which reasonably minimizes interference with Tenant's use of the Premises.

20. Maintenance and Repair

- a) Except for maintenance or repairs which are Landlord's responsibility, as identified in subsection b) of this Section, Tenant shall at all times maintain the **Exclusive Area** and all improvements of any kind, which may be erected, installed or made thereon by Landlord or Tenant in clean, safe and sanitary condition. All maintenance and repair made by Tenant must comply with Landlord's sustainability practices and in compliance with all applicable laws. Tenant's responsibility to the Premises shall include, without limitation, the

following:

- i) Performance of all necessary maintenance and repair upon the electrical fixtures, switches and wiring from the Tenant's service panel, doors, windows, hardware, exposed plumbing, indoor ceilings, walls and floors.
 - ii) Replacement of all broken or cracked glass with glass of quality equal to or exceeding that which existed on the Commencement Date. Landlord reserves the right to require Energy Star rated or similar energy efficient products be utilized when glass for exterior doors and windows must be replaced. Should Landlord exercise this right, Landlord agrees to pay for the differential in cost between replacement with similar quality to replacement with energy efficient standards.
- b) Where Landlord incurs additional expenses for janitorial service, maintenance, clean-up or repair of the Premises due to Tenant's employees, agents or visitors use, Tenant shall be liable for and promptly pay the additional expense upon demand by Landlord. PPB and MCSO will mutually discuss a process for documentation of these Tenant liable expenses and requesting the City's facilities services to provide appropriate additional services**
- c) The Tenant is responsible for expenses associated with any property damage in the Shared Area caused by the Tenant's employees, agents or visitors.**
- d) Subject to the limitations in subsection c) of this Section, Landlord will maintain in serviceable condition the sidewalks, roof, gutters and downspouts, exterior walls and concealed plumbing in the Premises and building, and elevators, if any, and will maintain, repair or make any major replacement of the mechanical equipment including any heating or air conditioning unit, unless such maintenance and repair are caused by Tenant's or its agent's, employee's or invitee's negligence, misuse or failure to comply with any provisions of this Lease, or by breaking and entering, in which case Tenant shall pay Landlord the actual cost of the maintenance and repairs. Tenant shall have no right to rent abatement or any claim against Landlord for any inconvenience or disturbance when maintenance, repairs or replacement of sidewalks, roof, exterior walls, gutters or downspouts, concealed plumbing, mechanical equipment including heating or air conditioning, or elevators are being performed by Landlord. Landlord may erect scaffolding and other necessary structures where reasonably required by the character of the work to be performed, and shall take care not to unreasonably block entrances to the Premises.
- e) Landlord, its agents and employees shall have the right from time to time during the term of this Lease to enter into and upon the Premises for the purpose of inspecting and maintaining the **Exclusive or Shared Areas** and making such

alterations and repairs and doing such other things to the Property, building or its equipment as may become necessary or advisable, without any interference from or claim for damages by Tenant. However, Landlord shall have no duty for maintenance or repair under this Lease until Tenant has given written notice to Landlord of the work to be performed or condition to be corrected. Landlord shall have no liability to Tenant for failure to make any maintenance or repair required of Landlord if the required work is completed timely following Tenant's notice. Tenant waives the right to make repairs or maintain at Landlord's expense under any law, statute or ordinance now or hereafter in effect. Notwithstanding any provisions in this Lease, Landlord shall not be required to make any repair which it deems to be uneconomic, provided that, in the event that the failure to make the repair significantly or materially impairs Tenant's use of the Premises, Landlord offers an alternative to repair that enables Tenant to continue all material use by Tenant of the Premises. In the event Landlord determines that a repair shall not be made and fails to offer an alternative to repair in accordance with this paragraph, Landlord shall so notify Tenant whose sole remedy for failure to make such repair or offer such alternative shall be Tenant's right to terminate this Lease on thirty (30) days written notice to Landlord if the failure to make repair significantly and materially impairs Tenant's use of the Premises.

21. Ice, Snow

Landlord is responsible for keeping parking areas and sidewalks in front of the premises free from ice and snow.

22. Observance of Landlord's Building Rules and Regulations

Tenant agrees to comply with Landlord's rules and regulations respecting use of the common areas and the building, including locker areas and conference rooms. Tenant shall permit Landlord to make inspection of the Premises from time to time to determine whether Tenant is complying with Landlord's rules and regulations and the provisions of this Lease. A copy of Landlord's current policies, rules and regulations is attached as Exhibit D. Landlord reserves the right to change its policies, rules and regulations in its sole discretion without prior notice to Tenant.

23. Security Measures

Landlord may, but shall have no obligation to, provide security service or to adopt security measures regarding the Property, Building or Premises. Any security measures or services provided to the Property, Building or the Premises by Landlord may be modified at any time without prior notice to Tenant. Tenant shall cooperate with all security measures adopted by Landlord. Landlord will provide access via its selectron system to all Tenant's authorized employees, and Tenant intends to utilize Landlord's existing security system.

24. Liens

- a) Tenant shall keep the Premises free from all liens, including mechanics liens, arising from any act or omission of Tenant or those claiming under Tenant. Tenant shall pay as due all claims for work done, for services rendered or material furnished to the Premises at its request. If Tenant fails to pay any claims or to discharge any lien, Landlord may discharge the lien and collect all costs of discharge, including its reasonable attorney's fees, as Additional Rent. Assessment of Additional Rent by Landlord shall not constitute a waiver of any right or remedy Landlord may have on account of Tenant's default. 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 notice of filing, provide Landlord with an executed copy of a discharge of the lien, or deposit with Landlord cash or a sufficient corporate surety bond or other security satisfactory to Landlord in an amount sufficient to discharge the lien plus any costs, attorney's fees or other charges that could accrue as a result of any action arising from the lien. This Lease shall be subject and subordinate to such liens and encumbrances as are on or as Landlord may hereafter impose on the land and building, and Tenant shall upon request of Landlord, execute and deliver agreements of subordination consistent with this Section.
- b) No tenant request for consent to liens or security interest covering tenant's inventory, fixtures, furniture or equipment in favor of bona fide third party lender providing financing to tenant or subordination of landlord's statutory or contractual landlord's lien shall be agreed to unless tenant provides additional security or guaranty as additional consideration. Tenant shall pay Landlord's administrative overhead expenses or the sum of \$500, whichever is greater, associated with review of any request for the consent in this Section.

25. No Subsurface or Air Rights

This Lease does not grant any rights of access to light or air over any part of the real property in which the Premises are located. Landlord has no liability for interference with light and air. This Lease is not a grant of mineral rights or any subsurface rights except where applicable and as necessary when excavation and installation of foundations and improvements under the Premises may be authorized by Landlord.

26. Eminent Domain

A party shall give prompt notice to the other party upon receipt of any notice from a condemning authority of a proposed action under eminent domain affecting the Premises or any portion thereof. If all or a portion of the Premises is taken by a condemning authority, by eminent domain or by sale or purchase in lieu of condemnation, Landlord shall be entitled to all of the proceeds of the taking and Tenant shall have no claim against Landlord as a result of the taking except for a return of prepaid Base Rent in proportion to the portion of Premises taken by condemnation. If

the Premises remaining after a partial taking are sufficient for practical operation of Tenant's business, Landlord shall proceed as soon as reasonably possible to make necessary repairs to cause the Premises to be comparable to that existing prior to the taking. Tenant's Base Rent shall be reduced to the extent of the reduction in the rental value of the Premises on account of the portion physically taken. Base Rent shall be abated to the extent that the Premises are untenable during such period of alteration and repair. If the portion of the Premises remaining is not sufficient for practical operation of Tenant's business, this Lease shall terminate as of the date title vested in the condemning authority.

27. Indemnification

- a) Tenant shall indemnify and hold harmless Landlord and Landlord's officers, agents and employees from any and all liability, damage, expenses, attorney's fees, causes of actions, suits, claims or judgments, arising out of or connected with (i) the use, occupancy, management or control of the Premises, (ii) any failure of Tenant to comply with the terms of this Lease or any violation of law or ordinance and (iii) the acts or omission of Tenant, its agents, officers, directors, employees or invitees. However, Tenant shall not be liable for claims caused by the sole negligence of Landlord, its officers, agents or employees. Tenant shall, at Tenant's cost and expense, defend any and all claims, demands, actions or suits which may be brought against Tenant or Landlord or Landlord's officers, agents or employees, either alone or in conjunction with others upon any such above mentioned cause or claim, and shall satisfy, pay and discharge any and all judgments, including attorney fees and costs, that may be recovered against Tenant or Landlord or Landlord's officers, agents, and employees, in any such action or actions in which they may be party defendants.
- b) Landlord and its officers, agents and employees shall not be liable for any injury to the goods, stock, merchandise or any other property of Tenant or to any person in or upon the Premises including, but not limited to, damage by fire, explosion, falling plaster, steam, gas, electricity, water or rain which may leak from any part of the building or from the pipes, appliances or plumbing works therein or from the roof, street or subsurface or from any other place resulting from dampness, or collapse of the building in which the Premises are located or any portion thereof, or any other cause, unless caused by or due to the sole negligence of Landlord or its officers, agents, and employees.
- c) Tenant shall give Landlord prompt written notice of casualty, crime, accident or other adverse incidents on the Premises. As a material part of the consideration to Landlord, Tenant assumes all risk of damage to property or injury to persons, in, upon or about the Premises from any cause other than Landlord's sole negligence, and Tenant waives all claims in respect thereof against Landlord.
- d) Tenant shall indemnify, defend and hold Landlord, its officers, employees and agents harmless from any claims, judgments, damages, penalties, fines, costs,

liabilities of losses (including without limitation, diminution in value of the Premises) which arise during or after the lease term as a result of environmental contamination resulting from the acts or omissions of Tenant, its employees or agents. This indemnification of Landlord by Tenant includes, without limitation, costs incurred in connection with any investigation of site conditions or any environmental cleanup, remedial, removal or restoration work in response to hazardous substances, hazardous materials, pollutants, toxics or regulated environmental contaminants of any kind as a direct or indirect result of Tenant's activities. Tenant shall promptly take all action at its sole expenses as are necessary to return the Premises to the condition existing prior to the release of contaminants. Except for immediate initial response actions necessary to protect human health and the environment from substantial imminent harm, Tenant shall obtain Landlord's approval of all such response action which approval shall not be unreasonably withheld.

- e) Tenant shall have control of the defense and settlement of any claims in this Section. However, Tenant and any attorney engaged by Tenant shall not defend the claim in the name of Landlord, nor purport to act as legal representative of Landlord, without first receiving from Landlord's attorney (City Attorney) the authority to act as legal counsel for Landlord, and shall not settle any claim on behalf of Landlord without the approval of Landlord's attorney. Notwithstanding Tenant's obligation to indemnify, defend and hold harmless Landlord, Landlord may at its election assume its own defense and settlement if Landlord determines that Tenant is prohibited from defending Landlord or is not adequately defending Landlord's interest, or determines that an important governmental principle is at issue and Landlord desires to assume its own defense. The covenants under this Indemnification Section shall survive the expiration or termination of the Lease.
- f) Tenant's obligations under this Section 27 are subject to the limitations and conditions of the Oregon Constitution, Article XI, Section 10, and the Oregon Tort Claims Act, ORS 30.260 through 30.300, 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.

28. Liability Insurance

Landlord acknowledges that Tenant is a self-insured entity. If Tenant should cease to become self-insured,

- a) Tenant shall maintain commercial general liability and property damage insurance, and a fire legal liability endorsement, that protects Tenant and Landlord and Landlord's officers, agents and employees as additional insureds from any and all risks, claims, demands, actions, and suits for damage to property including without limitation cracking or breaking of glass or personal injury, including death, arising directly or indirectly from Tenant's activities or any

condition of the Premises, whether or not related to an occurrence caused or contributed to by Landlord's negligence. The insurance 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. The insurance shall provide coverage for not less than \$2,000,000 per occurrence. The insurance shall be without prejudice to coverage otherwise existing and shall name as additional insureds Landlord and its officers, agents, and employees. Notwithstanding the naming of additional insureds, the insurance shall protect each insured in the same manner as though a separate policy had been issued to each, but nothing herein shall operate to increase the insurer's liability as set forth elsewhere in the policy beyond the amount or amounts for which the insurer would have been liable if only one person or interest had been named as insured. Tenant's coverage shall be primary and non-contributory with any other insurance and self-insurance. The coverage shall apply as to claims between insured on the policy. Tenant shall not terminate or cancel the insurance required in this Lease without thirty (30) days written notice first being given to Landlord. If the insurance is cancelled or terminated prior to termination of the Lease, Tenant shall provide a new policy with the same terms. Tenant agrees to maintain continuous, uninterrupted coverage for the duration of the Lease. Landlord reserves the right to require that Tenant obtain business auto insurance coverage if during the term of this Lease Tenant owns or uses automobile(s) or motor vehicles in the course of its business or activities at the Premises. In such case, the automobile insurance shall include coverage for any damages or injuries arising out of the use of automobiles or other motor vehicles by the Tenant at Premises and in its business and shall be in amount of not less than \$2,000,000 per accident. Tenant shall also obtain insurance coverage for business interruption and loss of profit in an amount sufficient to meet Tenant's full Lease obligations.

- b) Tenant shall maintain on file with Landlord a certificate of insurance, with relevant endorsements or policy covenants, certifying the coverage required by this Section. The adequacy of the insurance shall be subject to the approval of the City Attorney. Failure to maintain liability insurance and to maintain a current certificate of insurance on file with Landlord shall be cause for immediate termination of this Lease by Landlord. Landlord reserves the right to request a complete copy of Tenant's insurance policy
- c) Landlord reserves the right to modify the coverage amounts and requirements per statutory change and per any change in City policy and/or recommendations by City Attorney and/or Risk Management, during the term of the Agreement.

29. Waiver of Subrogation

- a) Landlord and Tenant each agree to waive claims arising in any manner arising in favor of either Landlord or Tenant and against the other for loss or damage to their property located within or constituting a part or all of the building in which

the Premises are located to the extent the loss or damage is covered by liability insurance the party is required to carry under this Lease. The waiver also applies to Tenant's directors, officers, employees, and agents and to Landlord's officers, agents and employees. The waiver does not apply to claims arising from the willful misconduct of Landlord or Tenant.

- b) Tenant acknowledges that Landlord is self-insured and that Landlord will not obtain any insurance policy under this Lease. If Tenant ceases to be self-insured and is unable, despite its best efforts, to find an insurance company that will issue a policy containing a waiver meeting the requirements of this Section at commercially available rates, then it shall give Landlord written notice within thirty (30) days after the commencement date of this Lease. Upon the date of issuance of such notice, both parties shall be released from their obligation of waiver of subrogation.

30. Workers' Compensation Insurance

Tenant shall comply with the workers' compensation law, ORS Chapter 656, and as it may be amended from time to time. Unless Tenant demonstrates to the satisfaction of Landlord that Tenant is exempted from workers' compensation insurance requirements, Tenant shall maintain coverage for all subject workers and provide to Landlord proof of valid workers' compensation insurance covering the entirety of the Lease term.

31. Damage or Destruction

- a) If the Premises are damaged or destroyed by fire, or by fire and water or by other casualty, then Landlord may elect either to reconstruct or not to reconstruct the Premises. If the election is not to reconstruct the Premises, then: i) this Lease shall terminate as of the date of casualty; ii) Landlord shall have the right to immediately take possession and occupy the Premises to the exclusion of Tenant; iii) Tenant agrees to promptly vacate the Premises no later than ten (10) days of Landlord's election not to reconstruct; and iv) Tenant shall be entitled to reimbursement of any prepaid Rent that may have been paid between the date of casualty and Landlord's election not to reconstruct. If the election is to reconstruct the Premises, Landlord shall proceed with due diligence to restore the Premises to substantially the same condition as prior to the casualty, subject to any delays caused by acts of God, labor strikes, materials shortage or other events beyond Landlord's control.
- b) If Landlord undertakes reconstruction or repair, Landlord shall have the right to take possession of and occupy, to the exclusion of Tenant, all of the Premises or any part thereof, for the purpose of the reconstruction or repair, and Tenant agrees to cooperate with Landlord in vacating from all or any part of the Premises reasonably required for repair purposes. For the period of time between the date of the casualty and until Landlord's repair work is substantially completed, Tenant is entitled to rent abatement in proportion to the portion of the

Premises not useable by Tenant due to the casualty or required by Landlord for repair. Any Rent already paid shall be held as a credit against future Tenant obligations. Tenant shall not be entitled to rent abatement during Landlord's repairs if the damages were the result of the negligence or intentional conduct of Tenant or Tenant's employees, agents or invitees. If the Premises are slightly injured and the damage does not cause any material interference of Tenant's occupancy of the Premises, then there shall be no abatement of rent during Landlord's repair. Except for abatement of rent as may be provided in this Section, Tenant shall have no claim against Landlord for any injury suffered by Tenant, including but not limited to claims for interference with or loss of Tenant's business, profits, property or occupancy arising from a casualty or by reason of any repairs to the Premises or the building necessitated by the casualty.

- c) Notwithstanding anything to the contrary contained in this Section, Landlord has no obligation to: i) restore any other space in the building; ii) repair or replace any Tenant leasehold improvements or alterations, furniture, fixtures, equipment or personal property; iii) to reconstruct the Premises or the building if Landlord deems uneconomic; or iv) to repair, reconstruct or restore the Premises or building when the damage resulting from any casualty occurs during the last twenty-four (24) months of the term of this Lease or any extension thereof. Landlord shall be entitled to all proceeds of insurance.

32. Assignment and Subletting

- a) Tenant shall not assign, mortgage, sublet, pledge or transfer this Lease or any interest therein or in any way part with possession of all or any part of the Premises, or permit or license the use or occupancy by any other person without Landlord's prior consent. Any assignment, subletting, transferring, occupation or use by any other person without the prior written consent of Landlord shall be void and shall be a material default.
- b) In addition to any other relevant conditions, Landlord may condition consent for assignment, sublet or transfer on the following: i) the rent paid by the assignee or subtenant to Tenant shall not be for Tenant's profit making, and must not exceed Tenant's Rent obligation to Landlord; ii) the assignee or subtenant establishes financial capability, operational experience and stability to the satisfaction of Landlord; iii) the assignee's or subtenant's uses are compatible with the permitted uses for the Premises; iv) the assignee or subtenant does not owe any debt to the City of Portland; and v) the assignee or subtenant does not have any legal dispute or claim or litigation against the City of Portland including notice of tort claim. Consent to one assignment, subletting, transfer, occupation or use by Landlord: i) shall not be deemed to be a consent to any subsequent assignment, subletting, transfer, occupation or use by any other person(s); ii) shall not release the original named Tenant from liability for the continued performance of the terms and provisions, unless Landlord specifically and in writing releases the original named Tenant from liability; and, iii) shall not be a release of Tenant's

guarantor, if any, under the terms of the Guaranty of this Lease and Landlord may request Tenant's guarantor to execute documents necessary to insure the continuation of its guaranty. If an assignment, subletting, transfer, occupation or use is permitted, all Rent due under the Lease received by Tenant as a result of such transaction shall be paid to Landlord promptly following its receipt by Tenant. Tenant shall pay any administrative costs incurred by Landlord in connection with a request for assignment, subletting, transfer, occupation or use including attorneys' fees or the sum of \$500.00, whichever is greater. Tenant shall pay costs within ten (10) days of billing by Landlord.

- c) This Lease shall not be assigned by operation of law unless: i) Tenant, its receiver or trustee or proposed assignee provides Landlord with notice of proposed assignment at least sixty (60) days prior to effective date of such assignment by operation of law; ii) Tenant, its receiver or trustee or proposed assignee demonstrates to Landlord that the proposed assignee has the same or better capability and stability than Tenant; and iii) Tenant, its receiver or trustee or proposed assignee cures all Lease defaults, or provides adequate assurances of prompt cure if such is permitted by law, prior to effective date of such assignment by operation of law.

- d) In the event of merger, acquisition or consolidation of Tenant with any parent, subsidiary, successor or affiliated corporation, limited liability company or partnership, the resulting corporate entity shall be deemed Tenant and not a third party requiring Landlord consent only if: Tenant and/or the resulting corporate entity notify Landlord of the change in corporate identity or status within five (5) business days; the resulting corporate entity agrees to assume of all Tenant liability and responsibilities under this Lease; the resulting corporate entity has the same or better financial capability and stability to assume Tenant liability and responsibilities; and the resulting corporate entity executes documents acknowledging the corporate change and assumption of responsibility as may be requested by Landlord. Change of Tenant's corporate status arising from administrative dissolution shall be deemed a transfer for the purposes of this Section. Nothing in this Section or this Lease requires Landlord to grant consent to assign or sublease premises to a person or entity with whom Landlord may be engaged in litigation or legal dispute with the City, or who may have tendered Tort Claims Notice to the City.

- e) The covenants and conditions contained in this Lease apply to and bind the heirs, successors, executors, administrators and assigns of the parties.

33. Sale by Landlord

In the event of sale of the Premises by Landlord, Landlord shall be entirely freed and relieved of all liability under any and all of its covenants and obligations contained in or derived from this Lease arising out of any act, occurrence or omission occurring after

the consummation of the sale, provided that under the terms of the sale the purchaser is obligated, without any further agreement between the Parties and any such purchaser, to have assumed and to have agreed to carry out any and all of the covenants and obligations of Landlord under this Lease.

34. Entry by Landlord

- a) Landlord shall have the right to enter the Premises upon notice to Tenant of at least 24 hours: i) to inspect its conditions; ii) to submit the Premises to prospective purchasers or tenants; iii) to post notices of non-responsibility; iv) during the ninety (90) days prior to Lease termination or upon default by Tenant, to post a sign notifying the public that Premises are available for leasing; and, v) to repair, make alterations or improvements to the Premises and any portion of the building of which the Premises are a part that Landlord may deem necessary or desirable, without abatement of rent. Notice of Landlord's intent to enter may be posted on the door to the Premises.
- b) If Tenant fails to maintain the Premises in a clean and orderly fashion consistent with the use and appearance of the building, then upon written notice and at Tenant's expense beyond any applicable cure period for Tenant to correct the condition cited as unacceptable, Landlord may enter the Premises to rectify the condition and to restore the Premises to the condition, use and appearance that existed at the time this Lease was executed.
- c) Landlord shall have the right to use any and all means which Landlord may deem proper to open the doors of the Premises in an emergency, in order to obtain entry to the Premises, without liability to Tenant, and Landlord shall notify Tenant's representative of the emergency entry as soon as practicable thereafter.
- d) Any entry to the Premises obtained by Landlord shall not under any circumstances be construed or deemed to be forcible or unlawful entry into, or a detainer of, the Premises, or an eviction of Tenant from the Premises or any portion thereof. Tenant hereby waives any claims for damages or for any injury or inconvenience to or interference with Tenant's business, any loss of occupancy or quiet enjoyment of the Premises, and any other loss occasioned thereby pursuant to this Section.
- e) In the event of Landlord's entry, Landlord shall not be liable for the consequences of admitting by passkey or refusing to admit Tenant or its agents, employees or other persons claiming the right of admittance. Tenant, its employees or those having business with Tenant may be required to identify themselves or show passes in order to gain access to the Premises or building. Landlord may regulate access to building elevators, rooftops, electrical or mechanical rooms.

35. Default by Tenant

- a) Any one or more of the following shall be an "Event of Default":
- i) Failure of Tenant to pay any Rent or monetary obligations required by this Lease within ten (10) days after it is due;
 - ii) Failure of Tenant to comply with any term or condition or to perform any obligations of this Lease, within ten (10) days after written notice by Landlord. If the failure is of such nature that it cannot be completely remedied within the ten (10) day period, then Tenant shall commence cure within the ten (10) day period, notify Landlord of Tenant's steps for cure and estimate time table for full correction of the failure, and proceed with due diligence and good faith to correct the failure as soon as practical and to completion. If Tenant fails to perform or comply with any obligation two (2) or more times in any twelve (12) month period, then notwithstanding that such default was cured by Tenant, any further similar failure to comply will be an Event of Default without the ability for cure.
 - iii) The abandonment of the Premises by Tenant for any duration, cessation of Tenant's business at Premises, or the failure of Tenant to occupy the Premises for fifteen (15) days or more unless Tenant's failure to occupy is excused by Landlord.
 - iv) An insolvency, receivership or bankruptcy proceeding is filed by or against Tenant or its guarantor to declare Tenant or its guarantor insolvent or bankrupt, or to seek a plan of reorganization or arrangement by Tenant or its guarantor with its creditors, unless such petition is withdrawn or dismissed within thirty (30) days after the date of its filing.
 - v) Appointment of receiver or trustee for the business or property of Tenant or its guarantor, unless such appointment is vacated within ten (10) days of its entry.
 - vi) Tenant or its guarantor makes an assignment of Tenant's or the guarantor's property for the benefit of its creditors, or if in any other manner Tenant's or guarantor's interest in this Lease is passed to another person by operation of law.
 - vii) If Tenant or its guarantor admits in writing of Tenant's or the guarantor's inability to meet Tenant debts as they mature.
- b) Upon filing of a petition under the Federal Bankruptcy Code (Title 11 United States Code, as may be amended or supplemented):
- i) Tenant or Tenant's trustee shall perform promptly and fully each and every

obligation of Tenant under this Lease until such time as this Lease is either rejected or assumed by order of the bankruptcy court or pursuant to the Bankruptcy Code. Acceptance of any performance does not constitute waiver or relinquishment of Landlord's rights under the Lease or the law.

- ii) In the event Tenant or Tenant's trustee elects to reject this Lease or where this Lease is deemed rejected pursuant to the Bankruptcy Code, then Landlord shall immediately be entitled to possession of the Premises without further obligation to Tenant or the trustee.
- iii) In the event Tenant or Tenant's trustee elects to assume and/or to assign this Lease pursuant to the Bankruptcy Code, in addition to any other requirement imposed upon Tenant, Tenant shall: within ten (10) days from the date of assumption, cure of all Lease defaults and compensate Landlord for any actual pecuniary loss that may have resulted from Tenant's defaults, or provide adequate assurances of cure and compensation; and adequate assurances of future performance of all Tenant obligations under the Lease. Landlord and Tenant acknowledge such conditions are commercially reasonable.
- iv) If Tenant or Tenant's trustee has assumed this Lease and elects to assign Tenant's interest under this Lease to any other person, such interest may be assigned only if the intended assignee has provided adequate assurance of future performance of all of Tenant's obligations under this Lease, and executes and delivers to Landlord an instrument by which the assignee assumes all obligations of the Lease from and after the date of assignment.
- v) "Adequate assurance of future performance" means that Landlord has ascertained that each of the following conditions has been satisfied: (1) the assignee and its guarantor document by current financial statements, certified by the chief financial officer(s), or similar financial documents showing a net worth and working capital in amounts at least equal to Tenant's and its guarantor's as of the time the Tenant became the lessee under the Lease so as to assure future performance by the assignee of all Lease obligations; (2) the assumption or assignment will not breach any use, confidentiality or exclusivity provisions in the Lease; and, (3) Landlord has obtained consents or waivers from any third parties that may be required under a lease, mortgage, financing arrangement or other agreement by which Landlord is bound, to enable Landlord to permit such assignment.
- vi) Landlord's acceptance of Rent or any other payment from any trustee, receiver, assignee, person or other entity will not be deemed to have waived nor waives the requirement of Landlord's consent, Landlord's right to terminate this Lease for any transfer of Tenant's interest under this Lease without such consent, or Landlord's claim for any amount of Rent due from Tenant.

36. Remedies on Default by Tenant

- a) Upon occurrence of an Event of Default, Landlord may: exercise any legal or equitable right or remedy it may have. Landlord's remedies in this Section shall not be exclusive but shall be in addition to all other remedies and rights provided under applicable law, and no election to pursue one remedy shall preclude resort to another consistent remedy. Tenant's liability to Landlord for default shall survive termination of this Lease. If termination of this Lease is stayed by the order of the bankruptcy court, then Landlord shall have the right to terminate this Lease and Tenant shall vacate the Premises following the expiration of such stay or the failure of Tenant or its bankruptcy trustee to assume this Lease within the time prescribed for assumption or as may be allowed by an order of the court.
- b) Following re-entry by Landlord due to termination, Landlord may re-let the Premises. Landlord may alter, refurbish or change the character or use of the Premises in connection with any re-letting. Re-letting by Landlord following Tenant's default shall not be construed as an acceptance or a surrender of the Premises. If base rent received upon re-letting exceeds the Base Rent received under this Lease, Tenant shall have no claim to the excess. If Landlord has other vacant space in the Building, prospective tenants may be placed in such other space without prejudice to Landlord's claim to damages or loss of Rent from Tenant. Landlord shall have a security interest in Tenant's property on the Premises at the time of re-entry to secure all sums owed or to become owing Landlord under this Lease. Perfection of such security interest shall be taking possession of the property or otherwise as provided by law.
- c) Landlord shall have the right to recover from Tenant the following charges: i) all unpaid Rent or other monetary obligations, plus interest and late charges as provided by this Lease; ii) any loss of Rent from default until new tenant is secured and paying Rent; iii) all costs incurred by Landlord by reason of Tenant's default, including, but not limited to, correcting or curing Tenant's default, recovering the Premises, re-letting or attempting to re-let the Premises, loss of expected rental income, cleaning and repairing Premises, preparing Premises for a new tenant, restoring any unauthorized alterations, paying real estate commissions or advertising Premises, and paying unamortized cost of any improvements installed at Landlord's expense to meet Tenant's special requirements; and, iv) reasonable attorney's fees incurred in connection with the default, whether or not any litigation has commenced.
- d) Landlord may institute actions periodically to recover damages as they accrue throughout the Lease, and no action for accrued damages shall be a bar to a later action for damages subsequently accruing. Nothing in this Lease shall be deemed to require Landlord to wait until the Lease terminates to institute action. Landlord may obtain a decree of specific performance requiring Tenant to pay damages as they accrue. Alternately, Landlord may elect in any one action to

recover accrued damages plus damages attributable to the remaining term of the Lease.

- e) In addition to any other remedies, Landlord shall have a lien pursuant to ORS 87.162 et seq for unpaid Rent against Tenant's property on the Premises, and may remove Tenant's property (trade fixtures as defined under Oregon law, equipment, furnishings, chattels and furniture) from the Premises and store and retain such property until all damages are paid, or until foreclosure of Landlord's lien. Tenant waives all rights or claims against Landlord as to the failure or difficulty of mitigation of damages by reason of removal of Tenant's property from the Premises, and Tenant may not assert that the Premises cannot be leased to a third party due to the removal of the items.

37. Surrender Upon Termination

- a) Upon expiration or termination of the Lease, Tenant shall deliver all keys to Landlord and surrender the Premises to Landlord in good and clean condition. Tenant does not need to restore the Premises due to depreciation and wear from ordinary use for the purposes for which the Premises were let. Any repair that Tenant is required to make in the Lease shall be completed prior to surrender.
- b) Except for Tenant's movable trade fixtures, all fixtures placed upon the Premises shall become the property of Landlord. Landlord may elect to require Tenant to remove any fixtures which would otherwise remain the property of Landlord, and to repair any damage resulting from the removal. If Tenant fails to remove fixtures or make repairs, Landlord may do so and charge the cost to Tenant together with interest and late charges as provided by this Lease from the date of the expenditure.
- c) Tenant shall remove all furnishings, furniture and trade fixtures that remain the property of Tenant. Failure to remove all Tenant's property shall constitute a failure to vacate and surrender Premises. Property not removed shall be deemed abandoned property and of inconsequential value, and Tenant shall have no further rights therein except as provided below. Landlord may elect to: i) retain or dispose of the abandoned property as Landlord sees fit; or ii) perfect and foreclose Landlord's lien for damages, including expenses for removal and storage of Tenant's property, under ORS 87.162 et seq. If Tenant fails to vacate and surrender the Premises, Landlord may take legal action to eject Tenant from the Premises. Tenant shall be responsible for all consequential damages to Landlord as a result of Tenant's failure to surrender and vacate the Premises in accordance with the Lease. This clause shall survive the termination of the Lease.

38. Holding Over

a) Holdover tenant has no right to retain possession of the **Exclusive or Shared Areas** or any part thereof beyond the expiration or termination of this Lease. If Tenant fails to surrender and vacate the **Exclusive or Shared Areas** as required, Landlord has all the rights and remedies available to a Landlord against a holdover tenant in wrongful possession including ejectment and recovery of damage. Any security deposit in landlord's possession under the Lease shall become Landlord's property.

b) At Landlord's option, Landlord may impose on a holdover tenant a term of month-to-month. The month-to-month tenancy shall be at an adjusted monthly rental rate of one-hundred ten percent (110%) of the Base Rent for the month immediately preceding the expiration or termination, plus all other Additional Rent payable under the Lease, and shall be subject to all obligations and conditions required of Tenant in this Lease, except: Landlord shall not be required to perform any work, furnish any materials or make any repairs or maintenance within the Premises during the month-to-month tenancy; the month-to-month tenancy may be terminated by Landlord at will at any time; Tenant shall have no rights to rent abatement or offset; Landlord may begin to assess as Additional Rent charges for utilities or services during the month-to-month tenancy that may had been previously provided as Landlord's expense; Landlord shall have the right to further adjust Base Rent or Additional Rent upon ten (10) days written notice. In the event of the month-to-month tenancy goes beyond June 30th of any year, Tenant shall be responsible for payment of real property taxes for the entire year without proration. Tenant waives any notice that would otherwise be required by law with respect to a month-to-month tenancy.

39. Default by Landlord, Remedies

Landlord shall not be in default unless Landlord fails to perform obligations required of Landlord. Landlord agrees to perform its obligations within thirty (30) days after receiving written notice from Tenant specifying where and how Landlord has failed to perform its obligations. If the nature of Landlord's obligations is such that more than thirty (30) days are required for performance, then Landlord shall not be in default if Landlord commences performance within such thirty (30) day period and thereafter diligently prosecutes the same to completion. In no event shall Tenant have the right to terminate this Lease as a result of Landlord's default and Tenant's remedies shall be limited to damages and/or an injunction.

40. Landlord's Inability to Perform

Landlord shall not be deemed in default for the non-performance or for any interruption or delay in performance of any of the terms, covenants and conditions of this Lease if due to: Acts of God (natural disasters, earthquakes, floods and fires); war, riots, sabotage or terrorism; government restrictions, sanctions, embargos, or import/export regulations; labor disputes, strikes or lockouts;; inability to obtain labor, services or materials; or other similar causes beyond the reasonable control of Landlord, providing such cause is not due to the willful act or neglect of Landlord.

41. General Provisions

- a) Every covenant in this Lease will be construed to be material, whether or not the covenant expressly provides. No right or remedy or election provided by this Lease shall be deemed exclusive or limiting but shall, whenever possible, be cumulative with all other rights and remedies available at law or in equity. Landlord's acceptance of Rent or Landlord's forbearance or waiver of any breach or violation by Tenant shall not be construed as a continuing waiver or consent to any subsequent breach or violation by Tenant and shall not bar Landlord's right to demand strict compliance with the provision breached or violated or with any other provisions of the Lease. No course of dealing between Landlord and Tenant shall construe waiver of Landlord's right or Tenant's obligations under the Lease.
- b) Time is of the essence in this Lease.
- c) There are no oral agreements between Landlord and Tenant affecting this Lease, and this Lease supersedes and cancels any and all previous negotiations, arrangement, brochures, advertising, agreement and understandings, oral or written, if any, between Landlord and Tenant or displayed by Landlord or its agents to Tenant with respect to the subject matter of this Lease, the Premises or the building. There are no representations between Landlord and Tenant, or between any real estate broker and Tenant, other than those contained in the Lease, and all reliance with respect to any representations is solely upon representations contained in this Lease. This Lease shall not be amended or modified except by agreement in writing signed by the parties. This Lease or a Memorandum of Lease shall not be recorded without written consent of Landlord.
- d) If Tenant is a corporation, each individual executing this Lease on behalf of that corporation shall be duly authorized to execute and deliver this Lease on behalf of the corporation, in accordance with the bylaws of the corporation, and the corporation warrants and represents that this Lease is binding on the corporation. Tenant shall provide any corporate authorization documents as may be requested by Landlord.
- e) Upon Tenant paying the Rent and completely observing and fully performing all obligations required of Tenant, Tenant shall have quiet enjoyment of the Premises for the entire term hereof, subject to all terms and conditions of this Lease. This subsection and any Landlord obligations under the Lease are not applicable to a holdover tenant.
- f) If there be more than one Tenant, the obligations imposed hereunder shall be joint and several.
- g) Landlord and Tenant are the only parties to this Lease and are the only parties entitled to enforce its terms. Nothing in this Lease gives or shall be construed to

give or provide any benefit, direct, or indirect, or otherwise to third parties unless third persons are expressly described as intended to be beneficiaries of the Lease.

- h) Nothing in this Lease shall be construed to create the relationship of principal and agent, partnership, joint venturer or other association between Landlord and Tenant in connection with the business carried on by Tenant under this Lease, other than a non-residential landlord and tenant relationship. Landlord shall have no obligation with respect to Tenant's debts or other liabilities.
- i) 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 of the Lease, such clause shall be severable from the Lease and the Parties intend that the remainder of the Lease shall not be affected and, if the remainder of the 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.
- j) In addition to any specific covenant in the Lease and upon Tenant's sole expense, Tenant shall comply with all laws, rules, orders, ordinances, directions, regulations, and requirements of federal, state, county, and municipal authorities, now in force or which may hereafter be in force during the term of this Lease.
- k) This Lease shall be governed by the laws of the State of Oregon, without regard to the conflicts of law provisions therein. Any litigation arising under this Lease shall occur in the Multnomah County Circuit Court.
- l) This Lease will be construed with equal weight for the rights of both parties, the terms and conditions of this Lease having been determined by fair negotiation with due consideration of the rights and requirements of both parties, and any ambiguities shall not be construed for or against either party. Unless sole or arbitrary discretion is permitted herein, actions, consent or approval required of a Party shall not be unreasonably withheld, conditioned or delayed in the circumstances.
- m) Americans With Disabilities Compliance.
 - i) Tenant shall comply, at Tenant's sole expense, with the Americans With Disabilities Act (ADA), including any duty the ADA may impose on Landlord or Tenant as a result of Tenant's use, occupation or alteration of the Premises. Where tenant improvements can be accomplished under either 1991 or 2010 ADA design standards, Tenant shall elect the 2010 ADA design standards for accessibility.
 - ii) Within ten (10) days after receipt, Landlord and Tenant shall advise the other

party in writing, and provide the other party with copies (as applicable) of any notices alleging violation of or noncompliance with the ADA relating to the Premises or any portion of the building to which Tenant has a right to use due to this Lease, or any governmental or regulatory actions or investigations instituted or threatened regarding noncompliance with the ADA and relating to the Premises or any portion of the building to which Tenant has a right to use due to this Lease.

iii) In the event of any assignment or sublet of the Premises, Tenant and Tenant's assignee or subtenant shall agree to comply with the ADA, at their sole expense, and agree to be jointly liable under this Lease for any duty the ADA may impose upon Tenant or Tenant's assignee or subtenant as a result of their use, occupation or alteration of the Premises. Landlord reserves the right to withhold consent to a proposed assignment or sublet if the assignment or sublease fails to contain provisions required by this Lease to ensure ADA compliance at the expenses of Tenant, Tenant's assignee or subtenant. Landlord further reserves the right to withhold consent to a proposed assignment or sublet if the proposed use, occupation or alteration by the assignee or subtenant shall require alterations to the Premises to comply with the ADA which are inconsistent with Landlord's management interests.

n) This Lease may be executed in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute a single instrument. The Parties agree that they may conduct this transaction, including any amendments or extension, by electronic means including the use of electronic signatures and facsimiles.

42. Tenant's Statement

Within ten (10) business days of Tenant's actual receipt of request from Landlord, Tenant shall execute, acknowledge and deliver a written statement stating the date this Lease was executed, the Commencement Date, the expiration date, the date Tenant entered into occupancy of the Premises, the amount of Base Rent and the date to which Base Rent has been paid, and certifying that: i) the Lease is in full force and effect and has not been assigned, modified, supplemented or amended in any way (or specifying the date and terms of agreement so affecting this Lease); ii) the Lease represents the entire agreement between the parties as to the Premises; iii) that all conditions or obligations required to be performed by the Landlord have been satisfied; iv) that all required contributions by Landlord to Tenant on account of Tenant's improvements have been received; v) that there are no existing defenses or offsets which Tenant has against the enforcement of this Lease by Landlord; vi) that no Base Rent has been paid more than one month in advance; and, vii) that security deposit has or has not been deposited with Landlord as the case may be, and the amount if deposited. It is intended that Tenant's Statement delivered pursuant to this Section may be relied upon by a prospective purchaser of Landlord's interest or a mortgagee of Landlord's interest or

assignee of any mortgage upon Landlord's interest in the building in which the Premises are located, or by any entity reviewing the City for bond funding or other municipal financing.

43. Tenant's Representation

Notwithstanding the requirement for Tenant to observe and comply with all federal, state and local laws in general, Tenant represents to Landlord that, (i) neither Tenant nor any person or entity that directly or indirectly owns a 10% or greater equity interest in Tenant nor any of Tenant's officer, director or managing member or agent is a person or entity (each, a "Prohibited Person") with whom U.S. persons or entities are restricted from doing business under regulations of the Office of Foreign Asset Control ("OFAC") of the Department of the Treasury (including those named on OFAC's Specially Designated and Blocked Persons List) or under Executive Order 13224 (the "Executive Order"), signed on September 24, 2001, and entitled "Blocking Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit, or Support Terrorism" or other governmental action, (ii) that Tenant's activities do not violate the International Money Laundering Abatement and Financial Anti-Terrorism Act of 2001 or the regulations or orders promulgated thereunder (as amended from time to time), the Money Laundering Control Act of 1986 (18 U.S.C. Sec. 1956 et seq and as amended), the USA Patriot Act of 2001, or any other anti-money laundering laws that seek to limit the use of and/or seek the forfeiture of proceeds from illegal transactions or limit commercial transactions with designated countries or individuals believed to be terrorists, narcotic dealers or otherwise engaged in activities contrary to the interests of the United States, and (iii) the funds used for satisfaction of Lease obligations are not derived from activities contrary to the law. Prior to execution of this Lease, and as may be requested by Landlord from time to time, Tenant shall identify and provide contact information for: those persons who directly or indirectly own a 10% or greater equity interest in Tenant, and; Tenant's officers, directors or managing members or agents, and identifying their citizenship status if other than U.S. citizens or entities. Tenant shall have a continuing duty to maintain compliance with this Section and ensure Tenant's officers, directors, managing members or agents are in compliance. Tenant shall comply with any request or demand for information by any federal law enforcement agency with respect to any violation or suspected violation of the law. Tenant understands that violation of this Section will be basis for immediate termination of the Lease.

44. Notices

Unless another manner of notice is specified or required, notices provided for in this Lease shall be in writing and effective: (a) upon delivery, if delivered personally to the identified representative below; (b) if to Tenant, upon delivery to the manager or person in charge of the Premises during regular business hours; (c) upon mailing, if deposited in the United States mail, postage prepaid; or (d) upon deposit, if tendered to an overnight or commercial courier (such as Federal Express), and addressed to the person and address below, or to another designee or address as either party may

specify in writing from time to time. Notice sent by facsimile transmission or electronic mail (email) is deemed sufficient when received during regular business hours, except for notice related to default or termination.

To Landlord: CITY OF PORTLAND
Office of Management and Finance
Facilities Services Property Management
1120 SW Fifth Avenue, Room 1204
Portland, Oregon 97204
Phone: 503-823-6018
Facsimile: 503-823-6924
Email: Pauline.goble@portlandoregon.gov

To Tenant: MULTNOMAH COUNTY
Facilities Division
ATTN: Madeline Herrle
401 N. Dixon St.
Portland, OR 97227
Phone: 503-988-4128
Email: Madeline.herrle@multco.us

With a copy to: Multnomah County Attorney's Office
501 SE Hawthorne St., 5th Floor
Portland, OR 97214

Landlord and Tenant have executed this Lease on the day and year written, and the corporate signature of Tenant being by authority of the Board of Directors of the executing corporation.

MULTNOMAH COUNTY, TENANT

CITY OF PORTLAND, LANDLORD

Deborah Kafoury, Chair
Board of County Commissioners
Date _____

Bryant Enge, Director
Bureau of Internal Business Services
Office of Management and Finance
Date _____

REVIEWED:
JENNY MADKOUR, COUNTY ATTORNEY
FOR MULTNOMAH COUNTY

Assistant County Attorney

APPROVED AS TO FORM

City Attorney

EXHIBIT A

Location of The Premises
(attached)

EXHIBIT B

Location of The Leased Space
(attached)

EXHIBIT B(1)-LOCATION OF TENANT SPACES

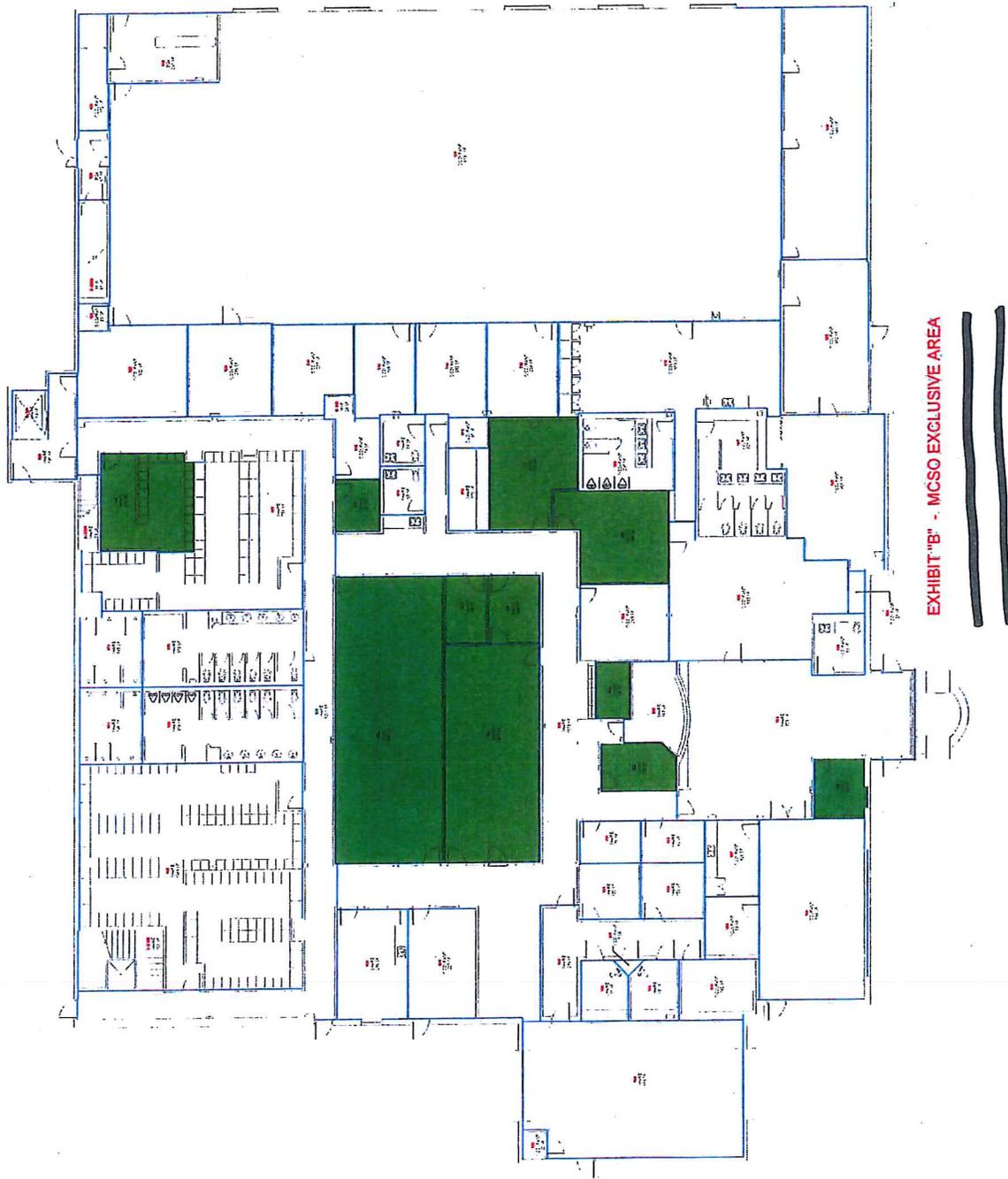


EXHIBIT B(2) - LOCATION OF TENANT SPACES

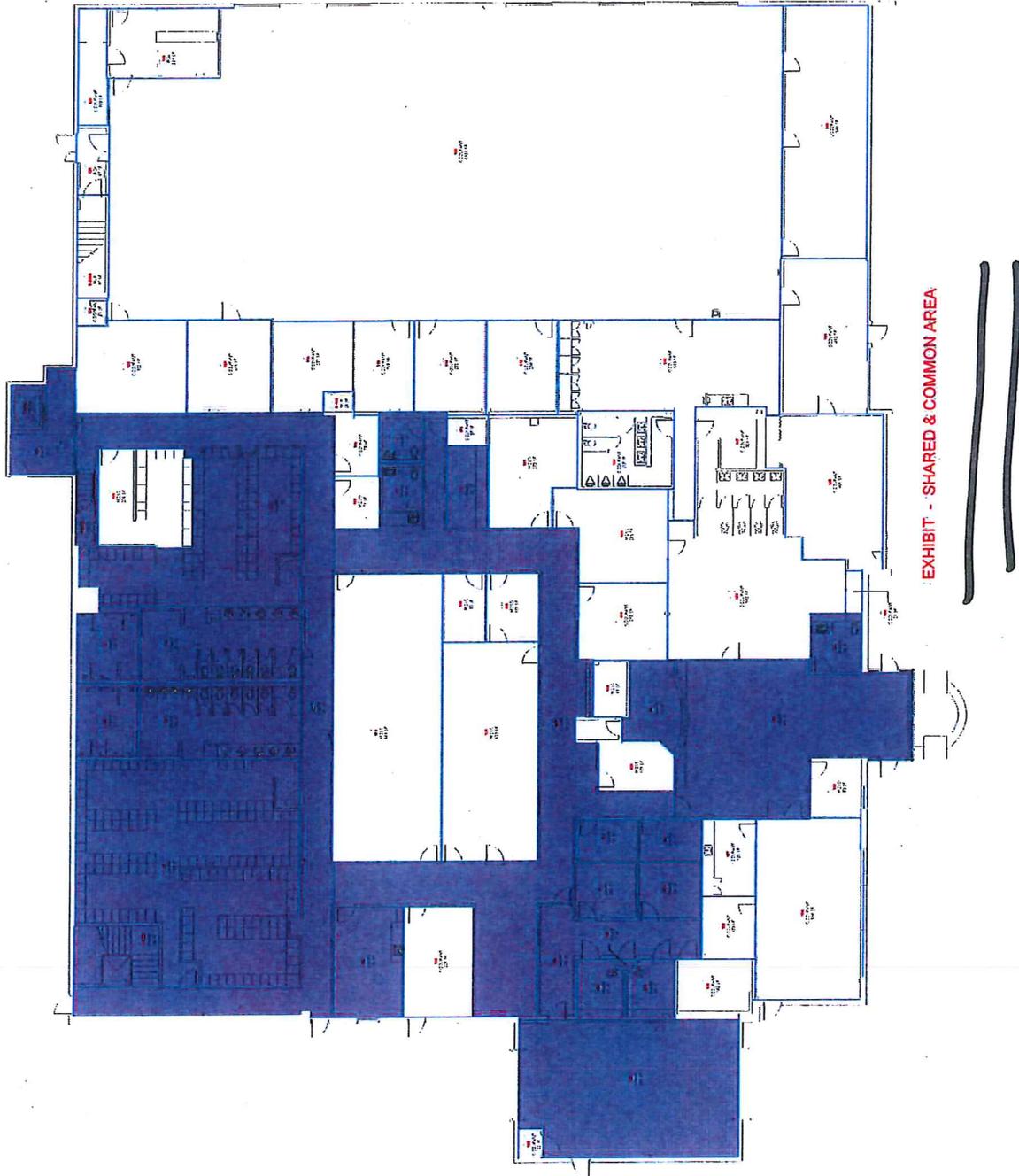
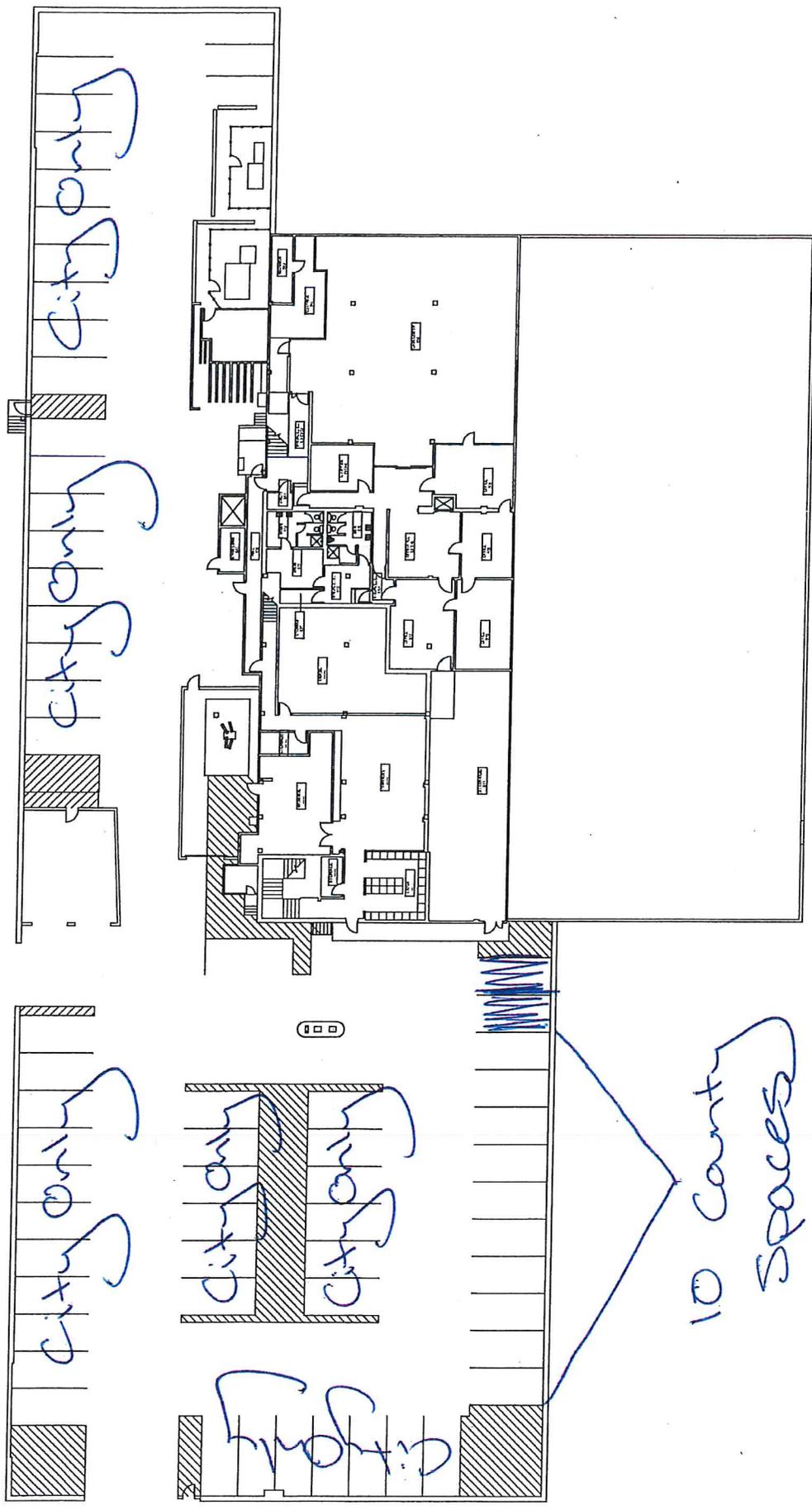


EXHIBIT C

Location of Reserved Parking
(attached)



327 - Penumbra Kelly Building
 BASEMENT FLOOR - BASE



EXHIBIT D

General Tenant Rules and Regulations

BUILDING REGULATIONS FOR KELLY BUILDING

IN CASE OF POLICE/FIRE EMERGENCY: CALL 9-1-1

State your name, your address and telephone number, and the type of emergency.

Notify Landlord's Property Manager of the emergency situation by phone and in writing – as soon as possible or within one business day. As appropriate, Tenant should communicate with on-site maintenance or security staff about the emergency situation.

In Case of Mechanical or Plumbing Emergency: (503) 823-5252

A. COMMON AREA

1. Tenants at the Portland City Hall, the Portland Building, the 1900 Building and Union Station must comply with the *Rules of Conduct for City of Portland Properties* issued by the Office of Management and Finance. Tenants leasing at other property locations will also comply with the *Rules of Conduct for City of Portland Properties* unless the City has adopted another set of rules of conduct specific to the leased property.
2. Corridor doors between leased premises and the common area are to be kept closed when not in use.
3. Tenant shall take extra care in delivery and move in/move out of heavy or bulky equipment, furniture, inventory, supplies, or other property to avoid damage to common area (such as damaging or leaving marks on walls or thresholds). Hand trucks, dollies, carts or baskets shall be equipped with rubber tires and adequate side guards and padding.
4. Canvassing, soliciting, peddling and distribution of handbills or other materials are not allowed from the Premises, building or property without Landlord's permission.
5. **Tenant will comply with any reasonable rules set up for use of shared spaces such as Conference Rooms, Locker Rooms and Lobby Reception desk.**

B. MECHANICAL EQUIPMENT

1. If applicable, identify and label electric circuit breakers to assist building maintenance staff.
2. In order to save costs and reduce consumption of natural resources:

- Turn off or unplug electronics, electrical equipment, appliances and machinery (such as computers, printers, copiers, coffee makers, ovens/toasters) when not in use and before leaving the Premises. Utilize 'sleep' or energy saving mode for printers and computers, during working hours if not in active use, or if needed for remote access. Energy Star rated surge protectors are recommended.
 - Make sure faucets are turned off (water not flowing or dripping) and repair or report any plumbing leaks to Facilities Dispatch at 503-823-5252.
 - Set thermostats to automatically control high and low settings.
 - Turn off lights when area is not in use and when leaving the Premises.
 - Maximize efficiency of heating and cooling systems by closing doors and windows and drawing or opening blinds as appropriate. Report drafty conditions around exterior windows and doors to Facilities Dispatch at 503-823-5252.
 - All equipment purchased by the Tenant for use on the Premise shall be UL certified and Energy Star Rated if applicable.
3. Tenant may not operate portable heaters, fans, air-conditioners or other climate control devices except where authorized by Landlord and in a manner which would not overload the electrical circuits or cause a fire hazard. Any authorized devices must be operated only for the minimal duration needed, and turned off before leaving the Premises or after business hours

C. TRASH, RECYCLING AND COMPOSTING

1. Trash, recycling and composting services and receptacles at designated collection property point(s) are only for on-Premises generated waste materials from Tenant's authorized activities. In order to divert materials from the landfills, Tenants are required to recycle and compost.
2. If Tenant has assigned receptacles, Tenant must routinely clean and sanitize receptacles as needed to maintain a healthy and nuisance-free environment, or as requested by Landlord. Receptacle lids must be kept closed.
3. Follow the instructions for trash, recycling and composting noted on the appropriate receptacles or from commercial waste hauler, such as appropriate sorting, bundling and rinsing. Do not include off-Premises waste material, residential/household waste, furniture, office equipment, electronics, automotive equipment or any other items not permitted by the commercial waste hauler. There are recycling centers and non-profit organizations available to accept items such as office equipment, electronics, furniture, etc. Contact Metro at 503-234-3000 for more information.
4. The Landlord has a dry waste policy, where by all non-toxic liquid waste such as coffee, soda, etc... should be emptied into the sink prior to placing the container in the landfill or recycling containers and all food should be placed in the appropriate compost container if available. Compostable liners must be placed in composting containers.
5. All waste material must be handled in a clean, sanitary and safe manner. Trash bags must be securely tied to prevent spillage. Keep the waste collection areas clean and clear of all debris so waste haulers can perform their services. As applicable, the door to the trash room or the gate to the trash enclosure is to be kept closed and locked at all times.
6. All Tenants must comply with Oregon's 2007 Electronic Recycling Law which prohibits any person from disposing of computers, monitors, televisions and other Covered

Electronic Devices (CEDs). These items must be recycled, reused or refurbished. Contact Metro at 503-234-3000 for information.

7. Do not dispose, flush or place into building plumbing fixtures: coffee grounds, sweepings, trash, paper towels, rags, feminine hygiene products, or any other substances or materials which are not intended or suitable for disposal in the public sewer system. Those items suitable for disposal in the public sewer system are bathroom tissue and human waste only.
8. Tenant will incur additional charges for excessive or inappropriate trash, or clean up caused by Tenant's action or non-action.
9. For Union Station: Waste collection point is located outside the building at the northwest corner of the building, and may be changed or relocated at Landlord's option. Tenant is responsible for taking out office trash for timely collection.

D. **EXTRA CHARGES**

1. Security or utility expense or liability to Landlord due to Tenant's activities or omissions.

E. **RESTRICTED AREAS**

1. Tenant shall report any break-ins, suspicious activities or visible damage to restricted or secured areas to Landlord and/or police.

F. **WATER FEATURES & VERMIN**

1. Tenant shall obtain Landlord's permission before installing any aquarium, or water fountain or related displays.
2. Tenant shall notify Landlord if Premises becomes infested with insects or vermin. If the infestation was caused by Tenant's action or lack of action, the cost of extermination shall be Tenant's responsibility.

G. **FLOOR, COVERING CARE [FOR FLOOR COVERING PROVIDED BY OR BELONGING TO LANDLORD]**

1. Tenant shall use carpet protectors or chair mats under all desk chairs to protect any floor covering. Tenant will be responsible for replacement of carpet or floor covering if chair protectors or chair mats are not used.
2. **Landlord shall, at Landlord's expense, professionally shampoo and clean the carpet or floor covering in the common area and shared areas at least every two years, to help maintain and extend the useful life and aesthetics of the floor covering.**

H. **CONSTRUCTION PRECAUTIONS**

1. Take precaution and due care around any construction areas in or around the building. Comply with all construction barriers and signage. Tenant shall not walk through or interfere with construction areas, or impede or interfere with the work of construction personnel.

These building regulations are in addition to, and shall not be construed to in any way to modify, alter or amend, in whole or in part, the terms, covenants, agreements and conditions of the Lease. Landlord reserves the right to make such other and rules and regulations as in its sole judgment from time to time as may be needed for safety and security, for care and cleanliness of the building and for the preservation of the good order at the building. Tenant agrees to abide by all rules and regulations adopted by Landlord.

LEASE
CITY OF PORTLAND – MULTNOMAH COUNTY
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