

BEFORE THE BOARD OF COUNTY COMMISSIONERS  
FOR MULTNOMAH COUNTY, OREGON

RESOLUTION NO. 2019-029

Approving a Lease of the Property Located at 7740 SE Powell Blvd., Portland, Oregon.

**The Multnomah County Board of Commissioners Finds:**

- a. The master-lease agreement of the property at 7740 SE Powell Blvd., Portland, Oregon ("Property"), will allow the Joint Office of Homeless Services, through its selected contractor, to provide 40 secure and separate rooms to shelter some of the most vulnerable families in our community. This new model of family shelter, which provides separate sleeping quarters, bathrooms and showers, while also offering community space, on-site support services, and activities for children, is more trauma-informed and effective than large congregate shelters, particularly when families may need several months in our current market to find housing they can afford.
- b. The Property is walking distance from relevant amenities and is well-served by public transit. Shelter residents can access a nearby park, SE 82nd Avenue's many retail outlets (including a grocery store several blocks away), Portland Community College's SE Campus, and WorkSource Inc., an excellent service for job seekers. The site also includes 30 parking spaces at no additional cost. Because of its size, on-site amenities, condition, suitability for shelter programming, cost, and location, the motel emerged as the preferred choice among responses to a solicitation carried out in spring 2018.
- c. It is in the best interests of the County to lease the Property on terms substantially in conformance with the lease attached hereto as Exhibit 1.

**The Multnomah County Board of Commissioners Resolves:**

1. The County Chair is authorized to execute a lease substantially in conformance with the lease attached hereto as Exhibit 1.
2. The County Chair is authorized to execute renewals of the lease and execute amendments to the lease without further Board action.

**ADOPTED this 18th day of April, 2019.**



BOARD OF COUNTY COMMISSIONERS  
FOR MULTNOMAH COUNTY, OREGON

*Deborah Kafoury*

Deborah Kafoury, Chair

REVIEWED:  
JENNY M. MADKOUR, COUNTY ATTORNEY  
FOR MULTNOMAH COUNTY, OREGON

By *Jed Tomkins*  
Jed Tomkins, Senior Assistant County Attorney

Submitted by: Bob Leek, Interim Director, DCA & Marc Jolin, Director, JOHS

# EXHIBIT 1

## REAL PROPERTY LEASE

Between:

**SHAKTI ENT. LLC**  
("Landlord")

And

**Multnomah County, an Oregon political subdivision**  
("Tenant")

**Reference Date: May 1, 2019**  
**(for reference purposes only)**

---

*Standard Form of OFFICE LEASE*

\* Users of this lease form are encouraged to show changes using a redlining or blacklining function. Users who receive this form completed by others are encouraged to compare the form received to the form published by BOMA Oregon to ensure the acceptability of any changes or variations from the published form.

**TABLE OF CONTENTS**

	<b><u>Page</u></b>
1.1 Basic Lease Terms.....	1
1.2 Lease of Property.....	3
1.3 Delivery of Possession and Commencement.....	4
2.1 Rent Payment.....	5
2.2 Prepaid Rent.....	5
3.1 Security Deposit.....	5
4.1 Use.....	5
4.2 Equipment.....	5
4.3 Signs and Other Installations.....	5
4.4 Parking.....	6
5.1 Utilities and Services.....	6
5.2 Security.....	6
6.1 Maintenance and Repair.....	6
6.2 Alterations.....	7
7.1 Indemnity.....	7
7.2 Insurance.....	7
8.1 Fire or Casualty.....	8
8.2 Waiver of Subrogation.....	9
9.1 Eminent Domain.....	9
10.1 Assignment and Subletting.....	9
11.1 Default.....	9
11.2 Remedies for Default.....	10
11.3 Right to Cure.....	10
12.1 Surrender; Holdover.....	11
13.1 Regulations.....	12
14.1 Access.....	12
14.2 Furniture and Bulky Articles.....	12
15.1 Notices.....	12
16.1 Subordination and Attornment.....	12
16.2 Transfer of Building.....	12
16.3 Estoppels.....	12
17.1 Attorney Fees.....	13
18.1 Quiet Enjoyment.....	14
18.2 Limitation on Liability.....	14
19.1 Additional Rent: Tax Adjustment.....	14
19.2 Additional Rent: Cost-of-Living Adjustment.....	14

Standard Form of OFFICE LEASE\*  
**© 2018 BOMA OREGON**

19.3 Additional Rent: Operating Expense Adjustment.....14  
19.4 Operating Expense Disputes.....14  
20.1 Hazardous Materials.....14  
21.1 Complete Agreement; No Implied Covenants.....15  
21.2 Space Leased AS IS.....15  
21.3 Captions.....15  
21.4 Nonwaiver.....15  
21.5 Consent.....15  
21.6 Force Majeure.....15  
21.7 Commissions.....15  
21.8 Successors.....16  
21.9 Financial Reports.....16  
21.10 Waiver of Jury Trial.....16  
21.11 OFAC Compliance.....16  
21.12 Representation; Preparation.....16  
21.13 Exhibits.....17



Standard Form of OFFICE LEASE\*  
**© 2018 BOMA OREGON**

THIS REAL PROPERTY LEASE (“Lease”) is made and entered into as of the last date of signature indicated below (“Effective Date”) by and between Landlord and Tenant (each a “Party” and collectively the “Parties”) who, intending to be legally bound, and in consideration of the mutual covenants and agreements herein contained the receipt of which is acknowledged by the Parties, DO HEREBY AGREE AS FOLLOWS:

**1.1 Basic Lease Terms.** The following terms, and their derivations, specified in in each of the following subsections of this Section 1.1 in bold and “all-caps,” together with any additional terms defined therein shall, for purposes of this Lease, have the meanings and definitions given in each respective subsection:

**A. REFERENCE DATE OF LEASE:** May 1, 2019. This date is for reference purposes only (i.e., to facilitate proper identification of this instrument) and may differ from the Effective Date.

**B. TENANT:**  
Address (Leased Property): Multnomah County, Oregon, a political subdivision  
7740 SE Powell Blvd.  
Portland, OR

Address (For Notices): Multnomah County  
Facilities & Property Management Division  
ATTN: Scott Churchill  
501 N. Dixon  
Portland, OR 97227  
scott.churchill@multco.us

Contact other than Notices:  
(i.e., Daily Contact) Joanna Tran Do, Property Manager  
503-407-0612  
joanna.tran.do@multco.us

**C. LANDLORD:**  
Address (For Notices  
and Rent payment): SHAKTI ENT. LLC  
ATTN: Ganesh Sonpatki  
415 SW Montgomery St  
Portland, OR 97201  
ganesh@phg-corp.com

Contact other than Notices:  
(i.e., Daily Contact) Ganesh Sonpatki  
503-888-8018  
ganesh@phg-corp.com

**D. PROPERTY:** This Lease is made with reference to the following real and personal property (collectively, “Property”):

D.1 That certain land located in the City of Portland, County of Multnomah, State of Oregon, commonly known as 7740 SE Powell Boulevard and more particularly described in Exhibit A hereto, together with all easements, rights and privileges appurtenant thereto (“Land”);

D.2 The building commonly known as the Briarwood Suites (“Building”), the entirety of the off-street parking area located on the Land and comprised of approximately thirty (30) parking spaces (“Parking

Standard Form of OFFICE LEASE\*

**© 2018 BOMA OREGON**

Lot”), and all other improvements on and to the Land(all such improvements being hereinafter collectively referred to as the “Improvements,” and the Land and the Improvements being hereinafter collectively referred to as the “Real Property”); and

D.3 All fixtures, equipment, furniture, furnishings, appliances, supplies and other personal property of every nature and description attached or pertaining to the Real Property that is located within and used exclusively for the Real Property (“Personal Property”).

E. **PROPERTY AREA:** 27,714 sq ft of Land and 16,908 rentable square feet within the Building. No recalculation of square footage of the Land or Building shall affect the amount of Base Rent payable by Tenant.

G. **TENANT’S PROPORTIONATE SHARE:** 100%. Tenant is leasing the entirety of the Property.

H. **PERMITTED USE:** Housing for displaced families and individuals.

I. **TERM OF LEASE:** The term of this Lease shall be eighty-four (84) full calendar months, subject to any adjustment under Section 1.3 of this Lease, commencing on the Commencement Date and expiring on the Expiration Date as follows (“Term”):

Commencement Date: May 1, 2019.

Expiration Date: April 30, 2026.

J. **INITIAL MONTHLY BASE RENT:** \$35,000.00

K. **BASE RENT ADJUSTMENT:**

Effective Date of Rent Increase:	New Monthly Base Rent:
May 1, 2020	\$36,050.00
May 1, 2021	\$37,131.50
May 1, 2022	\$38,245.45
May 1, 2023	\$39,392.81
May 1, 2024	\$40,574.59
May 1, 2025	\$41,791.83

*If the option to extend the Term is exercised, then:*

May 1, 2026	\$43,045.59
May 1, 2027	\$44,336.95
May 1, 2028	\$45,667.06
May 1, 2029	\$47,037.07
May 1, 2030	\$48,448.19

L. **BASE YEAR:** N/A.

M. **PARKING:** Exclusive use by Tenant of the Parking Lot at no additional cost.

N. **PREPAID RENT:** Upon execution of this Lease, Tenant shall deposit with Landlord \$35,000.00, subject to any proration adjustment under Section 2.1 of this Lease (the “Prepaid Rent”), which shall be Base Rent

Standard Form of OFFICE LEASE\*  
**© 2018 BOMA OREGON**

due for the first month, or part thereof in the event of any adjustment under Section 2.1 of this Lease ,of the Lease Term for which Base Rent is payable.

O. **SECURITY DEPOSIT:** None.

P. **BROKER(S):** Todd DeNeffe, Cascade Commercial Real Estate (Landlord), and Kristin Hammond and Ajay Malhotra, CBRE (Tenant).

Q. **GUARANTORS:** N/A.

**1.2 Lease of Property; Option to Renew.**

Landlord leases to Tenant, and Tenant leases from Landlord, the Property for the Term subject to the terms and conditions of this Lease.

1.2.1 Option to Renew. As long as Tenant is not in default under this Lease beyond the applicable cure period, if any, at the time of exercise, Landlord hereby grants Tenant one (1) option to extend the Term of this Lease for a period of sixty (60) full calendar months commencing on May 1, 2026 (“Extension Term”). Tenant shall exercise its option for the Extension Term, if at all, by not less than nine (9) months prior written notice to Landlord. All Lease terms shall remain the same during the Extension Term.

1.2.2 Condition Assessment; Personal Property Allocation. Not later than seven (7) days prior to the Commencement Date, each Party shall cause one or more authorized representatives thereof to jointly meet at the Property for a tour, inspection, assessment, and documentation (including but not limited to video documentation at either Party’s election) of the condition of the Property. After such tour, the Parties shall jointly compile the documentation and agree in writing to the accuracy thereof, which written agreement shall be deemed a part of the terms and conditions of this Lease (“Commencement Date Condition Agreement”). Each Party shall bear its own costs arising out of such tour, inspection, assessment, documentation, and compiling and execution of the Commencement Date Condition Agreement. The condition of the Property, and any part thereof, set forth in the Commencement Date Condition Agreement shall create a rebuttable presumption of the condition of the Property as of the Commencement Date. Further, as part of the Commencement Date Condition Agreement, tenant shall identify any Personal Property to be excluded from the Property leased under this Lease and thereby available to Landlord for removal from the Property by Landlord at its sole election and expense (“Excluded Personal Property”). Any Excluded Personal Property not removed from the Property by Landlord within seven (7) days after the Commencement Date may be, at Tenant’s sole election, used by Tenant for the Permitted Use or removed from the Property by Tenant and, if removed, then Landlord shall reimburse Tenant for all actual and reasonable costs of such removal within fifteen (15) days after written invoice therefore to Landlord. Tenant shall have no obligation to store the Excluded Personal Property.

1.2.3 Landlord’s Holdovers. In the event any person allowed on the Property by Landlord or otherwise occupying the Property, or any part thereof, prior to the Commencement Date, fails to vacate the Property prior to the Commencement Date (“Landlord’s Holdover”), Base Rent shall be abated in proportion to the number of bedrooms occupied by such Landlord’s Holdovers, with such proportion being that percentage represented by the ratio of the number of bedroom units on the Property (including Landlord’s on-site property manager’s unit) occupied by such Landlord’s Holdovers (including Landlord’s on-site property manager) over the total number of all such units which shall be deemed to be forty-one (41). Further, in addition to the abatement of Base Rent authorized in this Section, Base Rent shall be further abated in the amount of \$100 per bedroom occupied by one or more Landlord’s Holdovers per each day of such occupation after May 31, 2019. Further, notwithstanding any other provision of this Lease to the contrary, during the period, if any, of such occupation by one or more Landlord’s Holdovers (“Landlord’s Holdover Period”), the Parties agree as follows:

1.2.3.1 Landlord shall manage and operate the Property in accordance with Landlord’s usual management and operation standards, practices, and procedures for the Property as implemented prior to the Commencement Date;

1.2.3.2 Tenant shall reimburse Landlord for its prorata share of Property operating and maintenance costs during the Holdover period, with such prorata share being that percentage of costs represented by the ratio having a numerator equal to the number of bedrooms not occupied by a Landlord's Holdover and having forty (4) as the denominator. The reimbursement described in this paragraph shall be payable within thirty (30) days after delivery by Landlord to Tenant of written invoice therefore detailing with specificity the nature, extent and basis of each charge set forth therein; and

1.2.3.3 Tenant shall have all rights of access to, and possession and use of, the Property in the manner authorized under this Lease, including the right to begin preparing the Property (including making alterations to the Property) for Tenant's use, but shall provide such accommodations to Landlord as reasonably necessary to perform Landlord's obligations under this Section 1.2.3.

**1.3 Delivery of Possession and Commencement.**

Notwithstanding Section 1.1.I of this Lease, the Term shall be the number of full calendar months stated in the Basic Lease Terms plus the remaining portion of the calendar month in which the Commencement Date occurs if the Commencement Date does not occur on the first day of a calendar month. Should Landlord be unable to deliver possession of the Property on the Commencement Date stated in the Basic Lease Terms, and no delay is caused by a "Tenant Delay" as defined in Exhibit B of this Lease, the Commencement Date will be deferred and Tenant shall owe no rent until notice from Landlord tendering possession to Tenant. If possession is not so tendered within ninety (90) days following the Commencement Date set forth in the Basic Lease Terms, and no delay is caused by a Tenant Delay, then Tenant may elect to terminate this Lease by notice to Landlord within ten (10) days following expiration of the ninety (90)-day period. The expiration date of this Lease shall be the date stated in the Basic Lease Terms or, if later, the last day of the calendar month that is the number of full calendar months, following the Commencement Date, specified in the Basic Lease Terms as the Term. Upon determination of the Commencement Date, Landlord and Tenant will execute the Commencement Date Lease Certificate in the form attached as Exhibit C, which, upon such execution, shall become a part of the terms and conditions of this Lease.

**1.4 Landlord's Representations, Covenants, and Warranties.** Landlord represents, covenants and warrants the following to Tenant:

1.4.1 As of the Commencement Date, the Property is free from all conditions arising from or relating to mold, carbon dioxide, radon, rodent or vermin infestation, and all other similar conditions posing or having the potential to pose a health risk when such conditions are noncompliant with applicable law or are of such nature and extent as to pose a health risk as determined by a consultant with expertise in the matter ("Adverse Health Conditions").

1.4.2 In the event that mold is discovered in, on or about the Property at any time within twelve (12) months after the Commencement date, or that rodent or vermin infestation is discovered at any time within three (3) months after the Commencement date, Landlord shall (regardless of whether such Adverse Health Condition affects, arises from, or relates to a component of the Property that would otherwise fall within the maintenance and repair responsibility of Tenant under this Lease), at Landlord's sole cost and expense, remove and/or remediate such Adverse Health Condition to an extent such that the Adverse Health Condition no longer poses any actual or potential health risk (meaning the Adverse Health Condition is rendered compliant with law and is so reduced in nature and extent as to no longer pose a health risk as determined by a consultant with expertise in the matter). Landlord's obligations under this section to remove and/or remediate Adverse Health Conditions shall be performed at Landlord's sole cost and expense, provided that Tenant shall reimburse Landlord for any portion of such reasonable and actual costs or expenses attributable to the creation or exacerbation of an Adverse Health Condition as a result of the intentional act or omission of Tenant or its officers, subtenants, agents, invitees, or employees. Such reimbursement amount shall be payable within thirty (30) days after delivery by Landlord to Tenant of written invoice therefore detailing with specificity the nature, extent and basis of each charge set forth therein.

**2.1 Rent Payment.**

Tenant shall pay to Landlord the Base Rent for the Property and any Additional Rent provided herein, without deduction or offset. "Additional Rent" means amounts determined under Section 19 of this Lease and any other sums payable by Tenant to Landlord under this Lease. For the purposes of this Lease, Base Rent and Additional Rent are herein referred to collectively as "Rent." Base Rent is payable in advance on the first day of each month commencing on the Commencement Date of this Lease; Additional Rent is payable thirty (30) days after the effective date of Landlord's notice of invoice therefor to Buyer. Rent for any partial month during the Lease term shall be prorated to reflect the number of days during the month that the Lease Term is in effect and shall be due on the first day of any such partial month in which the Lease Term is in effect. Rent not paid when due shall bear interest at the rate of one and one-half percent (1 ½%) per month, or if less, the maximum applicable rate of interest permitted by law, until paid. For Rent payments made more than ten (10) days late, Landlord may at its option impose a late charge of the greater of five percent (5%) of the Rent past due or fifty dollars (\$50) in lieu of interest for the first month of delinquency. Tenant acknowledges that late payment by Tenant to Landlord of any Rent will cause Landlord to incur costs not contemplated by this Lease, the exact amount of such costs being extremely difficult and impracticable to ascertain, and that such late charge represents a fair and reasonable estimate of the costs that Landlord will incur by reason of any such late payment and is not a penalty. Neither imposition or collection nor failure to impose or collect such late charge shall be considered a waiver of any other remedies available for default. In addition to such late charge, an additional charge of seventy-five (\$75) shall be recoverable by Landlord for any returned checks.

**2.2 Prepaid Rent.**

Upon the execution of this Lease, Tenant shall pay to Landlord the Prepaid Rent. Landlord's obligations with respect to the Prepaid Rent are those of a debtor and not of a trustee, and Landlord shall be entitled to commingle the Prepaid Rent with Landlord's general funds. Landlord shall not be required to pay Tenant interest on the Prepaid Rent. Landlord shall be entitled to immediately endorse and cash Tenant's Prepaid Rent; however, such endorsement and cashing shall not constitute Landlord's acceptance of this Lease. In the event Landlord does not accept this Lease, Landlord shall promptly return the Prepaid Rent to Tenant.

**3.1 Security Deposit. None.**

**4.1 Use.**

Tenant shall use the Property for the Permitted Use and for no other purpose without Landlord's written consent. In connection with its use, Tenant shall at its expense promptly comply and cause the Property to comply with all applicable laws, ordinances, rules and regulations of any public authority ("Laws"). Tenant shall pay before delinquency all taxes, assessments, license fees and public charges levied, assessed or imposed upon its business operations as well as upon all trade fixtures, leasehold improvements, merchandise, and other personal property in or about the Property.

**4.2 Equipment.**

Tenant may install in or on the Property such equipment (including without limitation telecommunications equipment, conduit, cables, wiring, additional dedicated circuits and any additional air conditioning required because of heat generating equipment, and special lighting) as is customary for the Permitted Use ("Equipment") and shall not overload the floors or electrical circuits of the Property. All Equipment installed by Tenant shall be installed and operated at Tenant's expense and in accordance with law and, upon termination or expiration of this Lease and at Landlord's written request, all such Equipment shall be removed from the Property by Tenant at Tenant's expense.

**4.3 Signs and Other Installations.**

Tenant may install in or on the Property such signage, awnings, or other installations or apparatus ("Signage and Installations") as is customary for the Permitted Use. All such Signage and Installations installed by Tenant shall be installed, maintained, and operated at Tenant's expense and in a good workmanlike manner and condition and in accordance with law and, upon termination or expiration of this Lease, all such Signage and Installations shall be removed from the Property by Tenant at Tenant's expense if Landlord demands the same in writing. Tenant may remove and dispose of all or any of Landlord's Signage and Installations

(whether referencing Briarwood Suites or otherwise) located on the Property as of the sixteenth (16<sup>th</sup>) day after the Commencement date; provided that: (a) Landlord shall remove from the Property, at its sole expense and within fifteen (15) days after the Commencement Date, any signage (but not awnings or other installations) located on the Property as of the day prior to the Commencement Date that Landlord may desire to re-use (or for any other reason) after expiration or early termination of this Lease or that Landlord desires to remove for any other reason or no reason (Landlord shall repair the Property to good condition in the event of any damage to the Property as a result of such removal); and (b) Tenant shall comply any written requirements issued by Landlord to Tenant on or before the fifteenth (15<sup>th</sup>) day after the Commencement Date reasonably necessary to maintain Landlord's "grandfathering rights" to maintain any nonconforming Signage or Installation.

**4.4 Parking.**

Landlord grants Tenant exclusive use of the Parking Lot as further set forth in Section 1 of this Agreement.

**5.1 Utilities and Services.**

Tenant will arrange with the applicable utility providers to furnish water and electricity to the Building at all times and will furnish heat and air conditioning (if the Building is air conditioned), at Building standard levels, during the normal Building hours as established by Tenant. Tenant shall comply with all government laws or regulations regarding the use or reduction of use of utilities on the Property. Interruption of services or utilities shall not be deemed an eviction or disturbance of Tenant's use and possession of the Property, render Landlord liable to Tenant for damages, or relieve Tenant from performance of Tenant's obligations under this Lease. Landlord shall take all reasonable steps to correct any interruptions in service caused by defects in utility systems within Landlord's reasonable control. Electrical service furnished will be 110 volts unless different service already exists in the Property. Tenant shall provide its own surge protection for power furnished to the Property. Tenant shall cooperate with Landlord and the utility service providers at all times as reasonably necessary, and shall allow Landlord and utility service providers reasonable access to the pipes, lines, feeders, risers, wiring, and any other machinery within the Property.

**5.2 Security.**

Landlord shall not install or implement security measures on the Property. Tenant may, at its expense, install or implement such security measures in or on the Property as Tenant deems appropriate. With respect to instances of entry on the Property by Landlord as authorized under this Lease, Landlord may obtain from the individual staffing the front desk established at the Property by Tenant access through any security measures installed or implemented by Tenant in or on the Property as necessary to allow Landlord to fulfill the purpose of Landlord's authorized entry.

**6.1 Maintenance and Repair.**

6.1.1 Landlord's Responsibilities. Except as otherwise provided in this Lease, Landlord shall, at its sole cost and expense, maintain and repair (for purposes of this Lease, the term "repair" shall be deemed to include replacement) in good condition throughout the Term: (a) all structural components of the Building, including without limitation the Building structure, foundation, roof structure and membrane (including without limitation roof drains, gutters, penetrations, access doors and panels (including without limitation associated framing and sealing), and parapet), exterior walls and doors, exterior windows (including without limitation associated framing and sealing, and glazing; but excluding glass), interior structural walls, and all structural floor and ceiling components; and (b) all Building systems and mechanical components, including without limitation electrical (excluding non-concealed (e.g., readily accessible) fixtures, which shall be Tenant's responsibility), mechanical, plumbing (excluding non-concealed (e.g., readily accessible) fixtures such as sinks, toilets, showers and visible plumbing pipes connected to the fixture, which shall be Tenant's responsibility), and fire protection systems (but not heating and air conditioning systems, which shall be Tenant's responsibility). Landlord shall not be required to maintain and repair in good condition any damage to or destruction of the Property, or any portion thereof, caused by any casualty not required to be repaired under Section 8.1 of this Lease, or caused by any condemnation or taking of the Property, or any portion thereof or interest therein, not required to be repaired under Section 9.1 of this Lease.

Landlord shall have the right to erect scaffolding and other apparatus necessary for the purpose of making repairs to the Property, and Landlord shall have no liability for interference with Tenant's use because of such work (which may be conducted during normal business hours), provided Landlord conducts such work in a commercially reasonable manner. Provided Landlord conducts all maintenance, repair, and other work in a commercially reasonable manner, Tenant shall have no claim against Landlord for any interruption or reduction of services or interference with Tenant's occupancy caused by Landlord's maintenance, repair, or other work, and no such interruption or reduction shall be construed as a constructive or other eviction of Tenant.

6.1.2 Tenant's Responsibilities. Except as otherwise provided in this Lease, Tenant shall, at its sole cost and expense, maintain and repair in good condition throughout the Term all components of the Property that are not the maintenance and repair responsibility of Landlord, and, notwithstanding Landlord's maintenance and repair responsibilities under this Lease, Tenant shall maintain and repair all damage to the Property caused by Tenant, its agents, employees, contractors or invitees (regardless of whether such damage is to a component of the Property that would otherwise fall within the maintenance and repair responsibility of Landlord under this Lease), provided that nothing in this Section 6.1.2 shall limit Landlord's obligations under Section 1.4.2 of this Lease or otherwise obligate Tenant to remove or remediate an Adverse Health Condition. Further, notwithstanding Landlord's maintenance and repair responsibilities under this Lease, Tenant shall maintain and repair in good condition throughout the Term the Tenant Alterations.

## 6.2 Alterations.

6.2.1 Alterations by Tenant. Tenant may make, at its sole cost and expense, any alterations, additions, or improvements ("Tenant Alterations") to the Property reasonably, in Tenant's sole discretion, in support of the Permitted Use, provided all such Tenant Alterations are made in compliance with all applicable laws (including obtaining all required permits and other approvals) and are completed in a good workmanlike manner, and provided that Tenant shall not permit any liens to attach to the Property or Tenant's interest in the Property as a result of any Tenant Alterations or any other work performed by or on behalf of Tenant. Except for removable machinery and unattached movable trade fixtures, all Tenant Alterations (including all wiring, cables or conduit installed by or on behalf of Tenant) shall immediately become part of the Property with title vested in Landlord; provided that, upon expiration or early termination of this Lease, Tenant shall remove any such Tenant Alterations (including any wiring, cables or conduit installed by or on behalf of Tenant), or portion thereof, upon Landlord's written demand. Landlord acknowledges that time is of the essence in the establishment of Tenant Alterations on the Property and, therefore, Landlord will within ten (10) days after notice from Tenant execute, acknowledge, and deliver to Tenant any and all government or financial approval applications or other instruments requiring Landlord's signature, whether in capacity as Landlord or owner of the Property, in order to establish such Tenant Alterations.

6.2.2 Alterations by Landlord. Landlord shall not make any alterations, additions, or improvements ("Landlord Alterations") to the Property without first having obtained Tenant's prior written consent, which consent shall not be unreasonably withheld; provided that Landlord may make any Landlord Alterations necessary to full performance of Landlord's maintenance and repair obligations under this Lease or imposed by Law on Landlord as owner of the Property. With respect to any Landlord Alteration requiring Tenant's consent, if Tenant consents in writing to any such Landlord Alteration, Landlord shall cause such Landlord Alteration to be completed promptly and in compliance with Tenant-approved plans and specifications with all due diligence in a good and workmanlike manner and in compliance with all laws, and Landlord shall not permit any liens to attach to the Property or Tenant's interest in the Property as a result of any work performed by or on behalf of Landlord.

## 7.1 Indemnity.

7.1.1 Tenant's Indemnity. Tenant shall indemnify and hold Landlord, its officers, agents, invitees, and employees harmless against any and all claims and demands arising from the negligence of Tenant, Tenant's officers, agents, invitees and/or employees as well as those arising from Tenant's failure to comply with any covenant of this Lease on Tenant's part to be performed and shall, at Tenant's own expense, defend Landlord against any and all suits or actions arising out of such negligence, and all appeals therefrom and shall satisfy and discharge any judgment which may be awarded against Landlord in any such suit or action. Tenant's

Standard Form of OFFICE LEASE\*  
**© 2018 BOMA OREGON**

obligations under this Section 7.1.1 and under this Lease are subject to and limited under the Oregon Constitution, including but not limited to Article XI, Section 10 therein, as well as the Oregon Tort Claims Act (ORS 30.260 to 30.300), including but not limited to being specifically subject to and within the financial limits and conditions set forth at ORS 30.272 for local public bodies and at ORS 30.273 for public bodies. The provisions of this Section 10.3 shall survive the termination or expiration of this Lease. The terms of this Section shall survive any expiration or early termination of this Lease.

**7.1.2. Landlord's Indemnity.**

Landlord shall indemnify, defend, and hold harmless Tenant and its officers, subtenants, agents, invitees, and employees from any claim, liability, damage, or loss, or any cost or expense in connection therewith (including reasonable attorney fees), arising out of (a) any damage to any person or property occurring in, on or about the Property as the result of the negligence or willful misconduct of Landlord, its officers, employees, contractors, agents or invitees, and/or (b) Landlord's breach or violation of any term or condition of this Lease. The provisions of this Section 7.1.2 shall survive the termination or expiration of this Lease. The terms of this Section shall survive any expiration or early termination of this Lease.

**7.2 Insurance.**

**7.2.1 Tenant's Insurance.** Tenant is self-insured for liability and worker's compensation as substantially set forth in the documentation provided by Tenant to Landlord, which Landlord hereby acknowledges the receipt thereof, and Tenant shall be responsible for insuring its personal property and trade fixtures located on the Property and any alterations or improvements Tenant makes to the Property (together, "Tenant's Insurance Program"). During the Term, and at Tenant's expense, Tenant shall maintain Tenant's Insurance Program (including any necessary renewals) and shall provide to Landlord documentation demonstrating the same reasonably requested by Landlord. Tenant shall notify Landlord at least thirty (30) days in advance of any material change to Tenant's Insurance Program.

At all times during the Lease Term and any extensions or renewals, Tenant agrees to cause Tenant's agents, contractors, or subcontractors to keep and maintain workers' compensation insurance and other forms of insurance as may from time to time be required by law or may otherwise be necessary to protect Landlord and the Property from claims of any person who may at any time work on the Property, whether as a servant, agent, or employee of Tenant or otherwise. This insurance shall be maintained at the expense of Tenant or Tenant's agents, contractors, or subcontractors and not at the expense of Landlord.

**7.2.2 Landlord's Insurance.**

During the Term, Landlord shall maintain in full force and effect a policy or policies of insurance covering the Property, which shall provide coverage against such risks as are commonly covered under a "special form/all-risk" policy (including earthquake and/or flood coverage, at Landlord's sole election), together with loss of rents and secondary liability insurance and other insurance as Landlord deems reasonably necessary and all reasonable deductibles paid under all such policies of insurance. Such insurance shall contain such policy limits and deductibles, shall be obtained through such insurance company or companies, and shall be in such form as Landlord deems appropriate, and shall provide coverage for one hundred percent (100%) of the replacement value of the Property. All insurance proceeds payable under Landlord's casualty insurance carried hereunder shall be payable solely to Landlord, and Tenant shall have no interest therein. The actual and commercially reasonable costs of Landlord's property and liability insurance, including any increase in such costs over the base year of March, 2019, shall be deemed "Additional Rent" under this Lease and reimbursed by Tenant to Landlord to the extent provided in this Lease.

**8.1 Fire or Casualty.**

In case of Major Damage to the Property, Landlord or Tenant may elect to terminate this Lease by notice in writing to the other Party within thirty (30) days after such date. "Major Damage" shall mean damage to the Property by fire or other casualty (i) which causes any material or substantial portion of the Property to be unusable, or (ii) the repair of which will cost more than twenty-five percent (25%) of the replacement value of the Property, or (iii) which is not required under this Lease to be covered by insurance. If neither Landlord nor Tenant terminates this Lease after any Major Damage, or if damage occurs to the Property which is not Major Damage: (a) Landlord shall promptly restore the Property to the condition existing immediately prior

to such damage, and this Lease shall continue in full force and effect, provided that Tenant shall promptly repair and restore all Tenant Alterations, and (b) Rent shall be reduced in proportion to the reduction as a result of such damage (whether directly or indirectly (including administrative limitations)) in the number of useable bed units as compared to the number of useable bed units existing immediately prior to such damage, with such Rent reduction continuing until the date restoration work to the Property is substantially complete.

**8.2 Waiver of Subrogation.**

Tenant shall be responsible for insuring its personal property and trade fixtures located on the Property and any alterations or tenant improvements it has made to the Property. Neither Landlord, its managing agent, nor Tenant shall be liable to the other for any loss or damage caused by water damage, sprinkler leakage, or any of the risks that are covered by property insurance or could be covered by a customary broad form of property insurance policy, or for any business interruption, and there shall be no subrogated claim by one party's insurance carrier against the other party arising out of any such loss.

**9.1 Eminent Domain.**

If a condemning authority takes title by eminent domain or by agreement in lieu thereof to the entire Property or a portion sufficient to render the Property unsuitable for Tenant's use, then either Party may elect to terminate this Lease effective on the date that possession is taken by the condemning authority. If this Lease is not terminated, then this Lease shall continue in full force and effect, provided that: (a) Landlord shall promptly repair (including replacement as necessary) any damage to the Property in a manner that renders the portion of the Property not taken useable by Tenant for the Permitted use, provided that Tenant shall promptly repair all Tenant Alterations damaged by the taking; and (b) Rent shall be reduced for the remainder of the Term in an amount proportionate to the reduction in area of the Property caused by the taking. All condemnation proceeds shall belong to Landlord, and Tenant shall have no claim against Landlord or the condemnation award because of the taking, provided that nothing contained herein shall prevent Tenant from prosecuting a separate claim or claims against the condemning authority, including without limitation any claim under ORS 35.500 through 35.530, so long as any award arising from or otherwise pertaining to such claim or claims does not diminish the award that Landlord would otherwise be entitled to as a result of the Taking.

**10.1 Assignment and Subletting.**

Tenant shall not assign or encumber its interest under this Lease or sublet all or any portion of the Property without first obtaining Landlord's consent in writing, which shall not be unreasonably withheld, provided that Tenant may contract for operating as well as property management services without requiring any further consent from, or notice to, Landlord. No assignment shall relieve Tenant of its obligation to pay Rent or perform other obligations required by this Lease, and no consent to one assignment or subletting shall be as consent to any further assignment or subletting. If an assignment or subletting is permitted, fifty percent (50%) of any net profit, or the net value of any other consideration received by Tenant as a result of such transaction, shall be paid to Landlord promptly following its receipt by Tenant.

**11.1 Tenant Default.** Any of the following shall constitute an event of default by Tenant of its covenants or obligations under this Lease ("Event of Default by Tenant") (time of performance being of the essence of this Lease):

11.1.1 Tenant's failure to pay Rent or any other charge under this Lease within ten (10) days after it is due.

11.1.2 Tenant's failure to comply with any other term or condition within twenty (20) days following written notice from Landlord specifying the noncompliance. If such noncompliance cannot be cured within the twenty (20)-day period, this provision shall be satisfied if Tenant commences correction within such period and thereafter proceeds in good faith and with reasonable diligence to complete correction as soon as possible but not later than ninety (90) days after the date of Landlord's notice.

11.1.3 Failure of Tenant to execute the documents described in Section 16.1 or 16.3 within the time required under such Sections; failure of Tenant to provide or maintain the insurance required of of Tenant

Standard Form of OFFICE LEASE\*  
**© 2018 BOMA OREGON**

under this Lease; or failure of Landlord or Tenant to comply with any Laws as required pursuant hereto within twenty-four (24) hours after written demand by either party.

11.1.4 Tenant's insolvency, business failure or assignment for the benefit of its creditors. Tenant's commencement of proceedings under any provision of any bankruptcy or insolvency law or failure to obtain dismissal of any petition filed against it under such laws within the time required to answer; or the appointment of a receiver for all or any portion of Tenant's properties or financial records.

11.1.5 Assignment or subletting by Tenant in violation of Section 10.1.

11.1.6 Vacation or abandonment of the Property without the written consent of Landlord or failure to occupy the Property within twenty (20) days after notice from Landlord tendering possession.

**11.2 Remedies for Tenant Default.** Upon occurrence of an Event of Default by Tenant, Landlord shall have the right to the following remedies, which are intended to be alternative remedies and the sole remedies available to Landlord under this Lease exclusive of any other remedies provided under applicable law:

11.2.1 Landlord may at its option, and as its sole remedy therefore, terminate this Lease by written notice to Tenant and collect from Tenant, as liquidated damages (and not as a penalty) in lieu of and as full compensation for all other rights or claims of Landlord against Tenant by reason of such default: (a) an amount equal to any Rent due and owing or payable at the time of termination; (b) the Restoration Fee; (c) an amount equal to the costs actually and reasonably incurred by Landlord in the removal of any Tenant Alterations for which Landlord is otherwise authorized under this Lease to demand removal thereof by Tenant; (d) an amount equal to the costs actually and reasonably incurred by Landlord in performing the patching otherwise described as Tenant's responsibility in Section 12.1 of this Lease; (e) an amount equal to the costs, expenses, and fees authorized for reimbursement or collection from Tenant in Section 17.1 of this Lease actually and reasonably incurred by Landlord; and (f) future rent for remainder of lease but not to exceed twelve (12) months' rent. Landlord may sue periodically to recover the amounts described in this paragraph as they occur, and no action for accrued amounts shall bar a later action for amounts subsequently accruing; or Landlord may elect in any one action to recover accrued amounts. Upon Landlord's exercise of the option set forth in this paragraph, this Lease shall terminate and the Parties shall be relieved of all further obligations and liabilities hereunder, except as expressly set forth herein. Tenant and Landlord acknowledge that the damages to Landlord resulting from Tenant's breach would be difficult, if not impossible, to ascertain with any accuracy, and that the liquidated damages amount set forth in this paragraph represent both Parties' best efforts to approximate such potential damages.

11.2.2 In the alternative to the remedy provided in Section 11.2.1 of this Lease, Landlord may at its option, and as its sole remedy therefore but without waiving any right to subsequent alternative enforcement of this Lease, allow this Lease to continue and: (a) collect any Rent due and owing; and (b) make any payment or perform any obligation that Tenant has failed to perform as and when required under this Lease. All of Landlord's expenditures incurred to correct the failure to perform shall be reimbursed by Tenant upon demand with interest from the date of expenditure at the rate of one and one-half percent (1 ½%) per month. Landlord's right to correct Tenant's failure to perform is for the sole protection of Landlord and the existence of this right shall not release Tenant from the obligation to perform all the covenants herein required to be performed by Tenant.

**11.3 Landlord's Right to Cure.** N/A.

**11.4 Landlord's Default; Tenant's Remedies; Tenant's Right to Cure.**

11.4.1 Any failure by Landlord to perform any obligation on the part of Landlord under this Lease as and when required under this Lease as well as any other breach of or noncompliance with any other covenant or obligation of Landlord under this Lease shall be deemed a default of this Lease by Landlord, provided that Landlord shall not be deemed to be in default of this Lease unless and until Landlord fails to perform such

obligation or otherwise cure such breach or noncompliance within ten (10) days after written notice by Tenant to Landlord specifying the nature of Landlord's alleged default, provided, however, that if the nature of Landlord's alleged default is such that more than ten (10) days are required for its cure, then Landlord shall not be deemed to be in default if Landlord shall commence such performance within such ten-day (10-day) period and thereafter diligently prosecute the same to completion.

11.4.2 If Landlord is in default of this Lease, Landlord shall be liable to Tenant for all damages caused by Landlord's default, including, but not limited to recovery of Rent paid by Tenant in proportion to any portion of the Property rendered unusable to Tenant by Landlord's default, the unamortized cost of all improvements to the Premises installed or paid for by Tenant, and Tenant's actual costs and expenses arising from providing lodging to individuals at alternative locations that, in the absence of Landlord's default, would have been provided with lodging at the Property; further, Tenant shall be entitled to all rights and remedies available at law or in equity, including but not limited to early termination of this Lease on the basis of default (and thereby breach) by Landlord. Tenant may periodically sue Landlord to recover damages as they accrue, and no action therefore shall bar a later action for damages accruing thereafter. Tenant may elect in any one action to recover both accrued damages as well as damages attributable to the remaining Term of the Lease.

11.4.3 Tenant may, but shall not be obligated to, make any payment or perform any obligation that Landlord has failed to perform as and when required under this Lease. All of Tenant's expenditures incurred to correct the failure to perform shall be reimbursed by Landlord upon demand with interest from the date of expenditure at the rate of one and one-half percent (1 ½%) per month. Tenant's right to correct Landlord's failure to perform is for the sole protection of Tenant and the existence of this right shall not release Landlord from the obligation to perform all the covenants herein required to be performed by Landlord, or deprive Tenant of any other right Tenant may have by reason of default of this Lease by Landlord, whether or not Tenant exercises its right under this Section 11.

## **12.1 Surrender; Holdover.**

On expiration or early termination of this Lease ("surrender"), Tenant shall deliver all keys to Landlord and surrender the Property free of debris and the interior hallways and rooms of the Building vacuumed and/or swept. With respect to any damage to the Property that is the repair responsibility of Tenant under this Lease and that occurs during the last three months prior to expiration or early termination of this Lease or results from removal of any Tenant Alterations, Tenant's repair responsibility shall, notwithstanding any other provision of this Lease, be limited to patching such damage (i.e., patching holes and cracks) and Tenant shall not be required to do any finish work as part of such repairs. Upon surrender, Tenant shall not be required to return the Property to "good condition," and shall not be required to mend any carpet tears or replace any carpet, provided that Tenant shall replace any broken glass. Tenant may, in its sole discretion but subject to any right of Landlord under this lease to demand removal of property by Tenant, remove or leave any personal property located on the Property as of the date of expiration or early termination of the Lease, provided that Tenant shall remove any unattached personal property that is not normally used in the hotel industry unless the Parties mutually agree in writing to leave the same at the Property; Tenant shall have fifteen (15) days after expiration or early termination of this Lease within which to complete any removal of property authorized or required under this Lease. The Parties acknowledge that in lieu of any obligation on Tenant's part to surrender the Property in good condition less wear and tear (including in lieu of any obligation on Tenant's part to do any finish work during or after the last three months prior to expiration or early termination of this Lease), and in lieu of any obligation on Tenant's part to surrender all or any part of the Property "furnished" for hotel use or otherwise, and in lieu of any obligation on Tenant's part to restore all or any part of the Property to any pre-Lease, Commencement Date, or other condition or to reconfigure the Property back to any pre-Lease, Commencement Date, or other reconfiguration, Tenant shall, on expiration or early termination of this Lease, pay to Landlord a restoration fee in the amount of \$156,000.00 ("Restoration Fee") to be applied: (a) towards any finish work needed to return the Property to good condition, (b) towards the re-furnishing of the Property, (c) towards the removal of any property left by Tenant in accordance with this Lease, or (d) in any other manner determined by Landlord in its sole discretion; provided that, if Tenant exercises Tenant's Termination Right, the Restoration Fee shall be reduced to \$100,000. If Tenant fails to vacate the Property when and in the manner required Landlord may elect either: (i) to treat Tenant as a tenant from month-to-month, subject to the provisions of this Lease,

provided that Base Rent for the month-to-month tenancy shall be the Base Rent for the month prior to commencement of the month-to-month tenancy increased by five percent (5%), and provided that any option or other rights regarding extension of the Term shall no longer apply; or (ii) to eject Tenant from the Property (using self-help or otherwise) and recover damages caused by wrongful holdover. The terms of this Section shall survive any expiration or early termination of this Lease.

**13.1 Regulations.** N.A.

**14.1 Access.**

Landlord shall have the right to enter upon the Property to determine Tenant's compliance with this Lease, to perform necessary services, maintenance, and repairs to the Building or the Property, to post notices of nonresponsibility, or to show the Property to any prospective tenant or purchaser. With respect to instances of entry by Landlord requiring access through any security measures installed or implemented by Tenant in or on the Property, Landlord may obtain such access from the individual staffing the front desk established at the Property by Tenant and, at Tenant's discretion, Landlord's access may be subject to escort by Tenant or its employees or agents; further, Landlord acknowledges that the Permitted Use includes private lodging and that Landlord's access to such areas of the Property shall be subject to escort by Tenant and any other conditions reasonably imposed by Tenant; further, except in case of emergency, entry by Landlord shall occur only after twenty-four (24) hours advance notice and shall be at such times and in such manner as to minimize interference with the reasonable use of the Property by Tenant and its employees, agents, and invitees.

**14.2 Furniture and Bulky Articles.** N.A.

**15.1 Notices.**

All notices and communications in connection with this Lease shall be given in writing and shall be transmitted by certified or registered mail, return receipt requested, to the appropriate Party at the address set forth above in this Lease. Any notice so transmitted shall be deemed effective on the day following the date such notice is placed in the United States mail, postage prepaid. Either Party, by written notice, may designate a different address for purposes of this Lease. If Buyer and Seller both agree, notices and communications in connection with this Lease may be given via email or facsimile transmission or by commercial courier, in which case such notice shall be deemed effective on the day following the date of sending such email or facsimile transmission or of deposit with the commercial carrier, or by personal delivery in which case such notice shall be deemed effective at the date and time of receipt by the non-delivering Party.

**16.1 Subordination and Attornment.**

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

**16.2 Transfer of Building.**

If the Building is sold or otherwise transferred by Landlord or any successor, Tenant shall attorn to the purchaser or transferee and recognize it as the landlord under this Lease, and, provided the purchaser or transferee assumes all obligations under this Lease thereafter accruing, the transferor shall have no further liability hereunder.

**16.3 Estoppels.**

Either party will within ten (10) days after notice from the other execute, acknowledge, and deliver to the other party a certificate certifying whether or not this Lease has been modified and is in full force and effect;

whether there are any modifications or alleged breaches by the other party; the dates to which Rent has been paid in advance, and the amount of any security deposit or prepaid Rent; and any other facts that may reasonably be requested. Failure to deliver the certificate within the specified time shall be conclusive upon the party of whom the certificate was requested that the Lease is in full force and effect and has not been modified except as may be represented by the party requesting the certificate. If requested by the holder of any encumbrance, or any underlying lessor, Tenant will agree to give such holder or lessor notice of and an opportunity to cure any default by Landlord under this Lease.

**16.4 Right of First Refusal.** Tenant, as part of the consideration herein, is hereby granted the exclusive right, option, and privilege of first refusal to purchase the Property at any time (and all times) during the Term or Extension Term (for purposes of this Section 16.4, collectively, the “Term”) on the following terms and conditions (“Right of First Refusal” or “ROFR”):

If at any time during the Term of this Lease Landlord receives a bona fide offer to purchase the Property, or part thereof, that is acceptable to Landlord, or enters into any arrangement whatsoever for the transfer of ownership to the Property (collectively, the bona fide offer or other arrangement for transfer of ownership may be referred to as the “Offer”), Landlord shall deliver to Tenant a written notice (i) stating Landlord’s intention to transfer such Property, and (ii) including a copy of the Offer (“Landlord’s ROFR Notice”). Tenant shall have the right and option for a period of thirty (30) days after the effective date of such notice to elect to purchase or take ownership the Property, or part thereof, upon the same price and other terms and conditions as those set forth in the Offer by delivering written notice to Landlord of such election (“Tenant’s ROFR Notice”).

If Tenant timely issues Tenant’s ROFR Notice, Landlord and Tenant shall enter into a purchase and sale agreement for the Property, or part thereof, upon the same price and other terms and conditions as those set forth in the Offer. Landlord agrees to bargain in good faith on any terms not stated in Landlord’s ROFR Notice.

If, however, Tenant fails to timely issue Tenant’s ROFR Notice, or if Landlord and Tenant, through no fault of Landlord, fail to execute a purchase and sale agreement within sixty (60) days after the effective date of Tenant’s ROFR Notice, then Tenant shall be deemed to have waived its right to purchase the Property, or part thereof, and Landlord shall have the right thereafter to offer the Property, or part thereof, for sale and to sell the Property, or part thereof, subject to this Lease, to any third party on substantially the terms stated in Landlord’s ROFR Notice without further notice to Tenant.

If, however, within one hundred eighty (180) days after the date Tenant waived (or is deemed to have waived) its right to first refusal to purchase the Property, or part thereof, Landlord offers the Property, or part thereof, to a third party for a purchase price that is five percent (5%) or more less than the purchase price that was offered to Tenant in Landlord’s ROFR Notice, Landlord shall re-offer the Property, or part thereof, to Tenant on the terms offered to such third party (“Landlord’s Revised ROFR Notice”) and the same procedures shall apply with respect to Landlord’s Revised ROFR Notice as are set forth above with respect to Landlord’s ROFR Notice.

In any case where, pursuant to this Section 16.4, Tenant has waived or is deemed to have waived its right to purchase the Property, or part thereof, following delivery of Landlord’s ROFR Notice or Landlord’s Revised ROFR Notice, if Landlord fails to enter into an agreement with a third party for the purchase and sale of the Property, or part thereof, within one hundred eighty (180) days from the date Tenant waived (or is deemed to have waived) its right to purchase the Property, or part thereof, with respect to Landlord’s ROFR Notice, or Landlord’s Revised ROFR Notice, if applicable, then Landlord shall re-offer the Property, or part thereof, to Tenant and the same procedures shall apply with respect to such re-offer as are set forth above.

**16.5 Purchase Option.** N/A.

**17.1 Costs and Expenses Fees.** In any litigation, arbitration, or other proceeding arising out of this Lease, including any bankruptcy proceeding, the prevailing party shall be entitled to recover its reasonable and

actual costs and expenses (including attorneys' and experts' fees) ("Costs and Expenses") incurred at trial, in arbitration, and on any appeal or petition for review for any such proceedings. If either Party incurs Costs and Expenses because of a breach or default by the other Party, the breaching or defaulting Party shall pay all such Costs and Expenses, whether or not litigation is filed. If either Party employs a collection agency to recover delinquent Costs and Expenses, the breaching or defaulting Party shall pay all collection agency costs, fees, and expenses. Nothing in this Lease shall entitle either Party to reimbursement or recovery of attorney fees or any other cost or expense incurred in the negotiation or execution of this Lease; and no Party may claim or collect punitive or consequential damages from the other Party. The terms of this Section shall survive any expiration or early termination of this Lease.

**18.1 Quiet Enjoyment.**

Landlord warrants that as long as Tenant complies with all terms of this Lease it shall be entitled to possession of the Property free from any eviction or disturbance by Landlord or parties claiming through Landlord.

**18.2 Limitation on Liability.**

Notwithstanding any provision in this Lease to the contrary, neither Landlord nor its managing agent or employees shall have any liability to Tenant for loss or damage to Tenant's property from any cause, nor shall Landlord or its managing agent have any liability arising out of the acts, including criminal acts, of other tenants of the Building or third parties, nor any liability for consequential or punitive damages, nor liability for any reason that exceeds the value of its interest in the Property. Notwithstanding any provision in this Lease to the contrary, in no case shall Tenant be liable to Landlord for consequential or punitive damages. The terms of this Section shall survive any expiration or early termination of this Lease.

**19.1 Additional Rent: Real Property Taxes and Personal Property Taxes.**

Upon invoice from Landlord, Tenant shall reimburse Landlord for all Real Property Taxes and personal property taxes levied against the Property as a consequence of Tenant's use of the Property and/or as a consequence of any interest in the Property held by Tenant under this Lease. For purposes of this Lease, the term "Real Property Taxes" means all taxes and assessments of any public authority against the Property, the cost of contesting any such tax or assessment, and any form of fee or charge imposed on Landlord as a direct consequence of owning or leasing the Property, including but not limited to Rent taxes, gross receipt taxes, leasing taxes, or any fee or charge wholly or partially in lieu of or in substitution for or to supplement ad valorem real property taxes or assessments, whether now existing or hereafter enacted.

Tenant, at its sole cost and expense, may apply for, and is solely responsible for applying for, exemption from Real Property Taxes and personal property taxes as provided by law. At Tenant's request, Landlord will provide information reasonably required for Tenant to apply for such exemption. Any exemption granted as a result of any such application shall accrue for the sole benefit of Tenant, such that the total compensation paid by Tenant under this Lease has been established to reflect the savings of below market rent resulting from the exemption from taxation.

If, on the Commencement Date, the Property is presently subject to Real Property Taxes, Tenant shall only be responsible for a pro rata share of such Real Property Taxes that reflects the Lease Term in proportion to the whole of the term of the Real Property Taxes.

**19.2 Additional Rent: Cost-of-Living Adjustment. N/A.**

**19.3 Additional Rent: Operating Expense Adjustment. N/A.**

**19.4 Operating Expense Disputes. N/A.**

**20.1 Hazardous Materials.**

Neither Tenant nor Tenant's agents or employees shall cause or permit any Hazardous Material, as hereinafter defined, to be brought upon, stored, used, generated, released into the environment, or disposed of on, in, under, or about the Property, except reasonable quantities of cleaning supplies and office supplies necessary to or required as part of Tenant's business that are generated, used, kept, stored, or disposed of in a manner that complies with all laws regulating any such Hazardous Materials and with good business practices.

Tenant covenants to remove from the Property (or the Building, if applicable), upon the expiration or sooner termination of this Lease and at Tenant's sole cost and expense, any and all Hazardous Materials brought upon, stored, used, generated, or released into the environment during the term of this Lease. To the fullest extent permitted by law, Tenant hereby agrees to indemnify, defend, protect, and hold harmless Landlord, Landlord's managing agent, and their respective agents and employees, and their respective successors and assigns, from any and all claims, judgments, damages, penalties, fines, costs, liabilities, and losses that arise during or after the term directly or indirectly from the use, storage, disposal, release or presence of Hazardous Materials on, in, or about the Property that occurs during the term of this Lease. Tenant shall promptly notify Landlord of any release of Hazardous Materials in, on, or about the Property that Tenant or Tenant's agents or employees become aware of during the Term of this Lease, whether caused by Tenant, Tenant's agents or employees, or any other persons or entities. As used herein, the term "Hazardous Material" means any hazardous or toxic substance, material, or waste that is or becomes regulated by any local governmental authority, the state of Oregon, or the United States government. The term "Hazardous Material" includes, without limitation, any material or substance that is (i) defined as a "hazardous waste," "extremely hazardous waste," "restricted hazardous waste," "hazardous substance," "hazardous material," or "waste" under any federal, state, or local law, (ii) petroleum, and (iii) asbestos. The provisions of this Section 20, including, without limitation, the indemnification provisions set forth herein, shall survive any termination of this Lease.

**21.1 Complete Agreement; No Implied Covenants.**

This Lease and the attached Exhibits and Schedules, if any, constitute the entire agreement of the parties and supersede all prior written and oral agreements and representations and there are no implied covenants or other agreements between the parties, except as expressly set forth in this Lease. Neither Landlord nor Tenant is relying on any representations other than those expressly set forth herein.

**21.2 Space Leased AS IS.**

Except as otherwise stated in this Lease, the Property is leased AS IS in the condition existing as of the Commencement Date with no alterations or other work to be performed by Landlord except as otherwise required under this Lease.

**21.3 Captions.**

The titles to the Sections of this Lease are descriptive only and are not intended to change or influence the meaning of any Section or to be part of this Lease, provided that the defined terms in Section 1.1 of this Lease are a material part of the terms and conditions of this Lease whether or not listed as a section title.

**21.4 Nonwaiver.**

Failure by either Party to promptly enforce any regulation, remedy, or right of any kind under this Lease shall not constitute a waiver of the same and such right or remedy may be asserted at any time after a Party becomes entitled to the benefit thereof, notwithstanding delay in enforcement.

**21.5 Consent.**

Except as otherwise provided in this Lease, either Party may withhold its consent for any reason or for no reason whenever that Party's consent is required under this Lease.

**21.6 Force Majeure.**

If performance by either Party of any portion of this Lease is made impossible or impracticable by any prevention, delay, or stoppage caused by governmental approvals or denials; war; acts of terrorism; strikes; lockouts; labor disputes; acts of God; inability to obtain services, labor, or materials, or reasonable substitutes for those items; governmental actions; civil commotions; fire or other casualty; or other causes beyond the reasonable control of the Party experiencing the prevention, delay or stoppage, such Party shall be excused from such performance for a period equal to the period of that prevention, delay, or stoppage.

**21.7 Commissions.**

Each party represents that it has not had dealings with any real estate broker, finder or other person with respect to this Lease in any manner, except for the broker(s) identified in the Basic Lease Terms. Landlord shall pay a leasing commission in accordance with a separate agreement between Landlord and the

Landlord's Broker, if applicable; and Tenant shall pay a leasing commission in accordance with a separate agreement between Landlord and the Tenant's Broker, if applicable. Each Party agrees to indemnify, defend and hold harmless the other Party and its officers, directors, agents and employees from and against any and all liens, claims, actions, damages, judgments, liabilities, costs, and expenses (including reasonable attorneys' fees and experts' fees) caused by, arising out of, relating to, or in connection with any claims or demands of any broker, agent, or finder, other than those identified in this Lease, with whom the indemnifying Party has dealt for any commission or fee alleged to be due in connection with its participation in the leasing of the Property. The terms of this Section shall survive any expiration or early termination of this Lease.

**21.8 Successors.**

This Lease shall bind and inure to the benefit of the Parties, their respective heirs, successors, and permitted assigns.

**21.9 Financial Reports.** N/A.

**21.10 Waiver of Jury Trial; Venue.**

TO THE MAXIMUM EXTENT PERMITTED BY LAW, LANDLORD AND TENANT EACH WAIVE RIGHT TO TRIAL BY JURY IN ANY LITIGATION ARISING OUT OF OR WITH RESPECT TO THIS LEASE.

Each and every claim, demand, action or other form of proceeding of any kind (including but not limited to any appeal, petition for review, or bankruptcy proceeding) instituted in connection with any controversy arising out of this Lease ("Claim") shall be brought and conducted SOLELY AND EXCLUSIVELY BY BENCH TRIAL within the Circuit Court of Multnomah County for the State of Oregon; provided, however, if a Claim must be brought in a federal forum, then it shall be brought and conducted solely and exclusively by bench trial within the United States District Court for the District of Oregon. In no event shall this Section be construed as a waiver by either Party of any form of defense or immunity, whether sovereign immunity, governmental immunity, immunity based on the Eleventh Amendment to the Constitution of the United States or otherwise, from any Claim or from the jurisdiction of any court.

**21.11 OFAC Compliance.**

Tenant represents and warrants that Tenant is in compliance with all laws, statutes, rules and regulations or any federal, state or local governmental authority in the United States of America applicable to Tenant and all beneficial owners of Tenant, including, without limitation, the requirements of Executive Order No. 133224, 66 Fed Reg. 49079 (September 25, 2001) (the "Order") and other similar requirements contained in the rules and regulations of the Office of Foreign Asset Control of the Department of the Treasury ("OFAC") and in any enabling legislation or other Executive Orders in respect thereof (the Order and such other rules, regulations, legislation, or orders are collectively called the "Orders"). Tenant agrees to make its policies, procedures and practices regarding compliance with the Orders available to Landlord for its review and inspection during normal business hours and upon reasonable prior notice. Tenant further represents and warrants that neither Tenant nor any beneficial owner of Tenant: (a) is listed on the Specially Designated Nationals and Blocked Persons List maintained by OFAC pursuant to the Order and/or on any other list of terrorists or terrorist organizations maintained pursuant to any of the rules and regulations of OFAC or pursuant to any other applicable Orders (such lists are collectively referred to as the "Lists"); (b) has been determined by competent authority to be subject to the prohibitions contained in the Orders; (c) is owned or controlled by, nor acts for or on behalf of, any person or entity on the Lists or any other person or entity who has been determined by competent authority to be subject to the prohibitions contained in the Orders; or (d) shall transfer or permit the transfer of any interest in Tenant or any beneficial owner in Tenant to any person who is or whose beneficial owners are listed on the Lists.

**21.12 Representation; Preparation.**

THIS LEASE, ATTACHMENTS AND AMENDMENTS WERE PREPARED AT THE DIRECTION OF LANDLORD AND TENANT AND BOTH HAVE BEEN ADVISED AND HAD AN OPPORTUNITY TO

SEEK INDEPENDENT COUNSEL TO REVIEW THIS LEASE, ATTACHMENTS, AND AMENDMENTS. THE RULE OF CONSTRUCTION THAT A WRITTEN AGREEMENT IS CONSTRUED AGAINST THE PARTY PREPARING OR DRAFTING SUCH AGREEMENT SHALL SPECIFICALLY NOT BE APPLICABLE TO THE INTERPRETATION OR ENFORCEMENT OF THIS LEASE, ATTACHMENTS, AND AMENDMENTS. NO REPRESENTATION OR RECOMMENDATION IS MADE BY BOMA PORTLAND OR THE REAL ESTATE BROKERS INVOLVED IN THIS TRANSACTION CONCERNING THE LEGAL SUFFICIENCY OR TAX OR LEGAL CONSEQUENCES ARISING FROM THIS LEASE.

**21.13 Exhibits.**

The following Exhibits are attached hereto and incorporated as a part of this Lease:

Exhibit A Description of Land  
Exhibit B Commencement Date Lease Certificate

IN WITNESS WHEREOF, the duly authorized representatives of the parties have executed this Lease as of the day and year first written above.

LANDLORD: SHAKTI ENT. LLC

By: \_\_\_\_\_

Ganesh Sonpatki, Member

Date: \_\_\_\_\_

TENANT: MULTNOMAH COUNTY, an Oregon political subdivision

By: \_\_\_\_\_

Deborah Kafoury, Chair

Date: \_\_\_\_\_

Standard Form of OFFICE LEASE\*

**© 2018 BOMA OREGON**

**EXHIBIT A**

**DESCRIPTION OF LAND**

The North 75 feet of Lot 31, EXCEPT that portion lying within S.E. 77th Avenue; ALSO Lot 32, EXCEPTING the North 77 feet of Lot 32 acquired by the State of Oregon, by and through its Department of Transportation by Suit Nos. A8208-04959 and A8208-04848, in the Circuit Court of the State of Oregon, County of Multnomah, ALSO EXCEPTING those portions lying within S.E. 77th Avenue and S.E. 79th Avenue; all in the plat of KENT, in the City of Portland, County of Multnomah, and State of Oregon.



{00621934;3}

*Standard Form of OFFICE LEASE*

Exhibit A

Standard Form of OFFICE LEASE\*  
© 2018 BOMA OREGON

**Exhibit B**  
**Commencement Date Lease Certificate**

This Commencement Date Lease Certificate is made as of this \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_ (“Certificate Date”) with reference to that certain Office Lease dated \_\_\_\_\_, 20\_\_\_\_, by and between \_\_\_\_\_, a(n) \_\_\_\_\_ (“Landlord”, and \_\_\_\_\_, a(n) \_\_\_\_\_ (“Tenant”), for the Property referred to as Suite \_\_\_\_\_, located in a Building located at \_\_\_\_\_. The undersigned hereby affirm and acknowledge the following information as true and correct.

Lease Execution Date: \_\_\_\_\_  
Commencement Date: \_\_\_\_\_  
Term Expiration Date: \_\_\_\_\_

Base Rent Schedule:

<u>Time Period</u>	<u>Monthly Base Rent</u>
_____, 20____	\$ _____
_____, 20____	\$ _____
_____, 20____	\$ _____
_____, 20____	\$ _____
_____, 20____	\$ _____

IN WITNESS WHEREOF, the parties have executed this Commencement Date Lease Certificate as of the Certificate Date.

**Tenant:**

Multnomah County,  
a(n) Oregon political subdivision

**Landlord:**

Ganesh Sonpatki / SHAKI ENT, LLC,

By: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

By: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

