



AMERICAN PROPERTY MANAGEMENT CORP.

2154 N.E. Broadway Portland, Oregon 97232

Mailing Address: P.O. Box 12127, Portland, Oregon 97212

Phone 503-281-7779 Fax 503-460-2616

INDUSTRIAL/WAREHOUSE LEASE AGREEMENT

This Lease, ("LEASE"), dated for reference purposes only,

January 14, 2010

is made by and between

AMERICAN PROPERTY MANAGEMENT CORP. as agent for and on behalf of

WESTON INVESTMENT CO. LLC, ("LESSOR"), and

Multnomah County, Oregon, ("LESSEE").

AMERICAN PROPERTY MANAGEMENT CORP. Account #C-349-5240-03

LESSOR hereby leases to LESSEE the following:

2955 NE 172nd Place

consisting of approximately **7,000** square feet of office space and approximately **11,150** square feet

of warehouse space for a total of **18,150** square feet ("Premises")

(as measured from the center of the tenant demising walls)

(This measurement includes a load factor for the building of **0%**)

in **Columbia Gorge Corporate Center, Building "E"** ("Building")

at **2955-2989 NE 172nd Place, Gresham, OR 97230**

for a term commencing **July 1, 2010** ("Commencement Date")

and continuing through **June 30, 2017**; ("Expiration Date")

at an initial Base Rental of **\$10,176.50 NNN (U.S.)** per month ("Base Rent") (see Section 27.1)

payable in advance on the first day of each month at

2154 N.E. Broadway, Suite #200, Portland, Oregon 97232-1561

commencing **July 1, 2010**.

01/22/09

(1)

LESSOR INITIAL _____ LESSEE INITIAL _____

LESSOR and LESSEE covenant and agree as follows:

1.1 ACCEPTANCE OF LEASED PREMISES

Except as may be provided for in any exhibit, appendix or rider hereto, occupancy shall be construed to mean that LESSEE expressly acknowledges that it has fully inspected the Premises and accepts the Premises in their present condition. LESSEE further acknowledges LESSOR shall not be responsible for any alterations, improvements or repairs unless by written agreement of the parties, attached to and made a part of this Lease. The Premises square footage is an approximation only and may vary from the actual square footage. Prior to occupancy LESSEE may inspect and measure the Premises to confirm the square footage. Pursuant to the above, however, as of occupancy LESSEE shall be deemed to have accepted the Premises, and will be deemed to have waived any objection to the square footage approximations set forth herein.

The Premises will be field measured after the demising walls are in place (prior to Lease Commencement Date) using the NAIOP Standard of Measurement and the LEASE will be amended if necessary to reflect the adjusted square feet.

1.2 EARLY POSSESSION

If LESSEE occupies the Premises prior to said Commencement Date, such occupancy shall be subject to all provisions of this LEASE, such occupancy shall not advance the Expiration Date, and **if LESSEE is open for business**, LESSEE shall pay rent for such period at the initial monthly rates set forth above.

1.3 TENDER OF POSSESSION

Lessor will use commercially reasonable efforts to achieve Substantial Completion and tender possession of the Premises to LESSEE on or before the Commencement Date. If LESSOR is unable to achieve Substantial Completion on or before the Commencement Date for any reason, this Lease remains in full force and effect and LESSOR is not liable to LESSEE for any resulting loss or damage; provided, however, that LESSOR will appropriately adjust the Commencement Date and, unless the delay is caused by LESSEE Delay, the Rent Commencement Date.

1.4 COMMENCEMENT DATE MEMORANDUM

Promptly after the Commencement Date, LESSOR will deliver to LESSEE the Commencement Date Memorandum with all blanks properly completed. Within ten (10) days after receipt, LESSEE will execute and deliver the Commencement Date Memorandum to LESSOR. If LESSEE does not timely execute and deliver to LESSOR the Commencement Date Memorandum, LESSOR and any prospective purchaser or encumbrancer may conclusively rely on the information contained in the unexecuted Commencement Date Memorandum LESSOR delivered to LESSEE.

1.5 ACCESS PRIOR TO SUBSTANTIAL COMPLETION

If LESSEE so requests, LESSOR will allow LESSEE limited access to the Premises prior to Substantial Completion to begin installing equipment, fixtures, and cabling. Any such access will be subject to LESSOR'S prior consent in each instance, which consent will not be unreasonably withheld but may be conditioned on LESSEE'S work not interfering with the construction of Tenant's Improvements. Any such use of the Premises is also subject to, and LESSEE must comply with and observe, all applicable Laws and all other terms and conditions of this LEASE. In no event may LESSEE conduct business in the Premises during such early access period. It is expressly understood and agreed that the limited license granted by LESSOR to LESSEE hereunder shall not be deemed to be a grant of possession of the Premises and LESSEE'S obligation to pay Rent shall not commence until the Commencement Date of the LEASE.

1.6 DELAYED SUBSTANTIAL COMPLETION

LESSOR agrees to use commercially reasonable efforts to Substantially Complete the Premises by the Commencement Date, subject to delays resulting from Force Majeure and LESSEE Delay. If, despite said efforts, LESSOR is unable to Substantially Complete by such date, LESSOR shall not be subject to liability therefore, nor shall such failure affect the validity of this LEASE. LESSEE shall not, however, be obligated to pay Rent or perform its other obligations until the Commencement Date. If Substantial Completion does not occur within ninety (90) days after the Commencement Date ("Late Delivery Date"), LESSEE may, at its option, by notice in writing given any time after the Late Delivery Date but prior to occurrence of Substantial Completion, state its intention to terminate this LEASE, in which event unless LESSOR achieves Substantial Completion within thirty (30) days after the date of such LESSEE notice, this LEASE shall terminate and the parties to this LEASE shall be discharged from further obligations hereunder. If such written notice is not received by LESSOR within said period, LESSEE'S right to terminate this LEASE shall terminate. Except as otherwise provided, if possession is not tendered to LESSEE by the Late Delivery Date and LESSEE does not terminate this LEASE, any period of rent abatement that LESSEE would otherwise have enjoyed shall continue for a period equal to what LESSEE would otherwise have enjoyed under the terms of this LEASE, but minus any days of delay caused by the acts or omissions of LESSEE. If LESSEE receives any such continuation of rent abatement, then the Term will be extended by the number of days of such continuation. The Late Delivery Date will be extended day for day for delays by reason of LESSEE Delay or Force Majeure. LESSEE'S rights under this section will be LESSEE'S sole and exclusive rights and remedies against LESSOR for any delay in achieving Substantial Completion of the Premises.

2.1 RENT PAYMENT

Upon LESSEE'S execution of the LEASE, LESSEE shall pay the Base Rent for the first calendar month of the LEASE term for which rent is payable. LESSEE shall pay the Base Rent for the Premises and any additional charges provided herein without deduction or offset. Rent for any partial month during the lease term shall be prorated to reflect the number of days during the month that LESSEE occupies the Premises based on a thirty (30) day month/360 day year. Rent or any additional charges not paid when due shall bear interest at the rate of one-and-one-half percent (1 1/2%) per month until paid in full. LESSOR may at its option impose a late charge of .10 for each \$1 due or \$50.00, whichever is greater, for rent or other additional charges paid made more than 10 days after its due date in lieu of interest for the first month of delinquency, without waiving any other remedies available for default.

2.2 INITIAL MONTHLY RENT BREAKDOWN

| | |
|--|-----------------|
| Warehouse: | |
| \$.31 per useable sq. ft. per month (x) 18,150 useable sq. ft. of warehouse = | \$5,626.50 NNN |
| Office Surcharge: | |
| \$.65 NNN per useable sq. ft. per month (x) 7,000 useable sq. ft. of office = | \$4,550.00 NNN |
| INITIAL MONTHLY RENT = | \$10,176.50 NNN |

2.3 ADDITIONAL RENT

Section 27 of this LEASE requires LESSEE to pay LESSEE'S Share of Property Expenses as Additional Rent pursuant to estimates LESSOR delivers to LESSEE. LESSEE will make all such payments in accordance with Section 27.4 without deduction or offset and without LESSOR'S previous demand, invoice or notice for payment. LESSEE will pay all other Additional Rent described in this LEASE within ten (10) days after receiving LESSOR'S invoice for such Additional Rent. LESSEE will make all Additional Rent payments to the same location and in the same manner as LESSEE'S Basic Rent payments.

3.1 SECURITY DEPOSIT

Deleted in its entirety.

(3)

LESSOR INITIAL _____ LESSEE INITIAL _____

4.1 USE OF PREMISES

LESSEE shall use said demised Premises during the term of this LEASE for the conduct of the following business: **Sheriff's Office warehouse and training facility and related office use of Multnomah County** and for no other purpose whatsoever without LESSOR'S written consent.

The LESSEE will not make any unlawful, improper or offensive use of said Premises; LESSEE will not suffer any strip or waste thereof; LESSEE will not create or permit any objectionable fumes, noise, vibration or odor to escape or to be emitted from said Premises or do anything or permit anything to be done upon or about said Premises in any way tending to create a nuisance; LESSEE will not sell or permit to be sold any spirituous, vinous or malt liquors on said Premises, excepting such as LESSEE may be licensed by law to sell and as may be herein expressly permitted; nor will LESSEE sell or permit to be sold any controlled substance on or about said Premises.

The LESSEE will not allow the leased Premises at any time to fall into such a state of repair or disorder as to increase the fire hazard thereon; LESSEE shall not install any power machinery on said Premises except under the supervision and with the written consent of the LESSOR; LESSEE shall not store gasoline or other highly combustible materials on said Premises at any time; LESSEE will not use said Premises in such a way or for such a purpose that the fire and liability insurance rates for the Building in which said Premises are located is thereby increased or that would prevent the LESSOR to obtain reduced premium rates for long term fire and liability insurance policies. LESSEE shall not conduct any activities that will in any manner degrade or damage the reputation of the Building.

If the Premises herein LEASED are located at street level, then at all times LESSEE shall keep the sidewalks in front of the demised Premises free and clear of ice, snow, rubbish, debris and obstruction; and if the LESSEE occupies the entire Building, LESSEE will not permit rubbish, debris, ice or snow to accumulate on the roof of said Building so as to stop up or obstruct gutters or downspouts or cause damage to said roof, and will hold harmless and protect the LESSOR against any injury whether to LESSOR or to LESSOR'S property or to any other person or property caused by LESSEE'S failure in that regard.

The LESSEE will not overload the floors of said Premises in such a way as to cause any undue or serious stress or strain upon the Building in which said demised Premises are located, or any part thereof, and the LESSOR shall have the right, at any time, to call upon any competent engineer or architect whom the LESSOR may choose, to decide whether or not the floors of said Premises, or any part thereof, are being overloaded so as to cause any undue or serious stress or strain is such as to endanger or injure said Building, or any part thereof, then and in that event the LESSEE agrees immediately to relieve said stress or strain either by reinforcing the Building or by lightening the load which causes such stress or strain in a manner satisfactory to the LESSOR. LESSEE agrees that all activities in the Premises be conducted in a safe manner to comply with all life, fire and safety codes of the City Fire Bureau, and the insurance carrier. LESSEE agrees to maintain the LEASED space in a clean manner at all times, and to perform any cleaning tasks and record keeping of same as requested by any City Fire Bureau, Building owner, or insurance carrier. LESSEE agrees that they will maintain at their expense, all required fire preventions, fire suppressant equipment other than the Building sprinkler systems, as requested or required by the City or the insurance carrier. LESSEE is not allowed to use the space for any spray painting unless they have complied with all City Codes allowing such use and written evidence of compliance has been supplied to the LESSOR, and LESSOR has issued a written authorization to the LESSEE permitting such use. Any hand wood finishing allowed by the City Fire Bureau is to be done in a safe manner and all material stored in approved receptacles. LESSEE agrees that if practical, that upon leaving Premises each day, they will shut off the entire electrical source at the main disconnect in their area.

If the LESSOR is required by City Code or the insurance carrier to add additional fire prevention device of any kind, the LESSEE agrees to pay their proportionate costs based on the square footage amortized over the remaining term of the LEASE, or to vacate the space.

LESSEE shall comply at LESSEE'S own expense with all laws and regulations of any Municipal, County, State, Federal or other public authority, including the Americans with Disabilities Act (ADA), respecting the use of said Premises.

The LESSEE shall regularly occupy and use the demised Premises for the conduct of LESSEE'S business, and shall not abandon or vacate the Premises for more than ten (10) days without written approval of LESSOR.

4.2 EQUIPMENT

LESSEE shall install in the Premises only such equipment as is customary for LESSEE'S use and shall not overload the weight capacity of the floors or the capacity of the electrical circuits of the Premises or Building or alter the plumbing or wiring of the Premises or Building. LESSOR must approve, in advance, the location and manner of installing any electrical, heat generating or communication equipment or exceptionally heavy articles. Any additional air conditioning required because of heat generating equipment or special lighting installed by the LESSEE shall be installed and maintained at LESSEE'S expense. LESSOR shall have no obligation to permit the installation of equipment by any telecommunications provider whose equipment is not then servicing the Building.

4.3 SIGNS

No signs, banners, awnings, antennas, or other apparatus shall be painted on or attached to the Building or anything placed on any glass or woodwork of the Premises or positioned so as to be visible from outside the Premises without LESSOR'S written approval as to design, size, location and color. All signs installed by LESSEE shall comply with LESSOR'S standards for signs and all applicable codes and ordinances and all signs and sign hardware shall be removed upon termination of this LEASE with the sign location restored to its former state unless LESSOR elects to retain all or any portion thereof. If the Building has a designated sign area and such area has space available then LESSEE may request to have LESSEE'S business name placed on said space at a set rate determined by LESSOR for the set-up and installation.

In the event local codes place an overall sign size restriction on the Building, LESSEE'S Building sign shall not exceed such overall size limit multiplied by the ratio of the area of the Premises divided by the overall area of the Building.

4.4 LAWS/PROPERTY RULES

This LEASE is subject and subordinate to all Laws. A copy of the current Property Rules is attached to this LEASE as Exhibit "E". LESSOR may revise the Property Rules from time to time in LESSOR'S reasonable discretion. Relative to the terms of this LEASE dealing with Rules and Regulations, if any LESSOR shall give LESSEE thirty (30) days prior written notice of the adoption of rules and regulations or any changes or additions to existing rules and regulations. All rules and regulations shall be applied to LESSEE'S in a non-discriminatory manner.

4.5 COMMON AREA

LESSOR grants LESSEE the non-exclusive right, together with all other occupants of the Property and their agents, employees and invitees, to use the Common Area during the Term, subject to all Laws. LESSOR may, at LESSOR'S sole and exclusive discretion, make changes to the Common Area. LESSOR'S rights regarding the Common Area include, but are not limited to, the right to (a) restrain unauthorized persons from using the Common Area; (b) temporarily close any portion of the Common Area (i) for repairs, improvements or Alterations, (ii) to discourage unauthorized use, (iii) to prevent dedication or prescriptive rights, or (iv) for any other reason LESSOR deems sufficient in LESSOR'S judgment; (c) change the shape and size of the Common Area; (d) add, eliminate or change the location of any improvements located in the Common Area and construct buildings or other structures in the Common Area; and (e) impose and revise Property Rules concerning use of the Common Area, including without limitation any parking facilities comprising a portion of the Common Area, provided LESSOR'S exercise of such rights do not materially impair LESSOR access to or use of the Premises.

5.1 UTILITIES AND SERVICES

LESSEE shall be solely responsible for and pay for all charges for all heat, light, water, air conditioning, electricity, gas, telecommunications, cable, garbage service, janitorial service and any other utilities used or consumed in or on the Premises during the existence of this LEASE unless otherwise agreed between LESSOR and LESSEE. LESSEE shall comply with all government laws or regulations regarding the use or reduction of

use of utilities on the Premises. Interruption of services or utilities shall not be deemed an eviction or disturbance of LESSEE'S use and possession of the Premises, render LESSOR liable to LESSEE for damages, or relieve LESSEE from performance of LESSEE'S obligations under this LEASE, but LESSOR shall take all reasonable steps to correct any interruptions in service. Electrical service furnished will be 110 volts unless different service already exists in the Premises. LESSEE shall provide its own surge protection for power furnished to the Premises.

LESSEE shall be solely responsible for and promptly pay for the removal of all debris, cardboard, all and any other refuse generated in LESSEE'S moving into Premises including the replacement of office furniture and equipment during tenancy and in vacating the Premises. Upon request, LESSOR shall supply LESSEE the name of a recycling company to remove recyclable items. LESSEE shall pay such additional charge in full upon receipt of statement.

6.1 LESSOR'S OBLIGATIONS

LESSOR will keep and maintain in good order, condition and repair, reasonable wear and tear excepted, the (a) exterior surfaces of the exterior walls (excluding windows and plate glass) and roof of Building, (b) structural integrity of the footings, foundations, exterior walls and roof of the Building, (c) Common Area (including all landscaping and parking areas adjacent to the Building), and (d) common utility systems up to boundary of the Premises. LESSEE shall promptly notify LESSOR of the necessity of repairs which LESSEE may have knowledge and for which LESSOR may be responsible under the provisions of this LEASE. LESSOR will also perform any repairs or replacements to the Premises or Property necessitated by Casualty, subject to the provisions of Section 8.1 (Fire or Casualty). Neither Base Rent nor Additional Rent will be reduced, nor will LESSOR be liable, for loss or injury to or interference with LESSEE'S property, profits or business arising from or in connection with LESSOR'S **reasonable** performance of its obligations under this Section 6.1.

6.2 LESSEE'S OBLIGATIONS

6.2.1 Maintenance of Premises

Except for LESSOR'S obligations described in Section 6.1, LESSEE, at its sole cost and expense, will keep and maintain the Premises in good, clean, sanitary, neat and fully operative condition and repair, reasonable wear and tear excepted. LESSEE'S obligations under this section include, without limitation, maintenance and repair (including replacements) of all: (a) non-structural interior portions, systems and equipment; (b) interior surfaces of exterior walls; (c) interior moldings, partitions and ceilings; (d) slabs, floors and structural columns; (e) windows, plate glass, and doors; and (f) electrical, lighting, mechanical, plumbing, heating and air conditioning systems, facilities, fixtures and components serving the Premises. Any repairs or replacements performed by LESSEE must be at least equal in quality and workmanship to the original work and be in accordance with all Laws. LESSEE will at all times and at LESSEE'S sole cost and expense keep a preventative maintenance and repair contract in force and effect for the heating, air conditioning and ventilation system ("HVAC") serving the Premises. **If LESSEE elects, LESSOR will oversee the preventative maintenance and repair of the HVAC by LESSOR or an outside vendor and bill back the LESSEE. LESSOR is responsible for replacing HVAC unit(s), however, if replacement is due to LESSEE'S negligence or misuse, LESSEE will be responsible for the replacement.** Such contract (including without limitation the schedule and scope of services provided and the identity and capabilities of the contractor) must be acceptable to LESSOR in LESSOR'S reasonable discretion. LESSEE will not commit any nuisance or waste in, on or about the Premises or the Property.

6.2.2 LESSEE Damage

Notwithstanding anything to the contrary in Section 6.1 or elsewhere in this LEASE, if any LESSEE Damage occurs LESSOR may, at LESSOR'S option and in LESSOR'S reasonable discretion, require LESSEE to (a) pay to or reimburse LESSOR for the actual reasonable cost of any repairs or replacements necessitated by such LESSEE Damage which are performed by LESSOR, and/or (b) perform, at LESSEE'S sole cost and expense, any repairs or replacements necessitated by such LESSEE Damage which are not performed by LESSOR. LESSEE is liable to LESSOR for all Claims arising from LESSEE Damage. "LESSEE Damage" means any loss, destruction or damage to the Premises, Property or LESSOR'S Personal Property caused by (a) any

misuse, abuse, neglect, improper maintenance, or unauthorized modifications or Alterations caused or permitted by LESSEE; (b) any negligent, careless, reckless or intentionally wrongful acts, omissions or conduct of LESSEE; or (c) any waste or excessive or unreasonable wear and tear caused or permitted by LESSEE.

6.2.3 Alterations Required by Laws

If any governmental authority requires any Alteration to the Property or the Premises as a result of LESSEE'S particular use of the Premises or as a result of any Alteration to the Premises made by or on behalf of LESSEE or if LESSEE'S particular use of the Premises subjects LESSOR or the Property to any obligation under any Laws, LESSEE will pay the cost of all such Alterations or the cost of compliance, as the case may be. If any such Alterations are Structural, LESSOR will make structural alterations, provided that LESSOR may first require LESSEE to deposit with LESSOR an amount sufficient to pay the cost of the Structural Alterations (including, without limitation, reasonable overhead and administrative cost). If the Alterations are not Structural Alterations, LESSEE will make the Alterations at LESSEE'S sole cost and expense in accordance with Section 35.1.

6.2.4 Notice to LESSOR

If LESSEE believes any maintenance or repair LESSOR is obligated under Section 6.1 to perform is needed at the Property, LESSEE will promptly provide written notice to LESSOR specifying in detail the nature and extent of any condition requiring maintenance or repair. LESSOR will not be deemed to have failed to perform its obligations under Section 6.1 with respect to any maintenance or repair unless LESSEE has provided such timely written notice and LESSOR has had a commercially reasonable time within which to respond to such notice and effect the needed maintenance or repair.

6.3 LOCK ALTERATIONS

The LESSEE shall not alter any lock or install a new or additional lock or bolt on any door of the Premises without prior written consent of the LESSOR. IN the event LESSEE desires to change or modify door locks on the Premises, LESSEE shall notify LESSOR in advance and shall use LESSOR'S authorized locksmith and LESSEE shall bear such cost.

7.1 INDEMNITY

LESSEE shall not allow any liens to attach to the Building or LESSEE'S interest in the Premises as a result of its activities. LESSEE shall indemnify and defend LESSOR from any claim, liability, damage, or loss occurring on the Premises, arising out of any activity by LESSEE, its agents, or invitees or resulting from LESSEE'S failure to comply with any term or condition of this LEASE. LESSOR shall have no liability to LESSEE because of loss or damage caused by the acts or omissions of other tenants of the Building, or by third parties.

Any covenant or obligation herein by LESSEE under this section or any other section of this LEASE (including Section 22.4 "INDEMNIFICATION"); to defend, indemnify or hold harmless the LESSOR shall be subject to provisions of the Oregon Tort Claims Act (OTCA), ORS 30-2600-30.300 and specifically within the financial limits set therein; and required notice of claim shall be subject to the applicable provisions of the OTCA.

7.2 INSURANCE

LESSEE shall carry liability insurance in the amount of no less than \$1,000,000.00 and which insurance shall have an endorsement naming LESSOR and LESSOR'S agent, if any, as an additional insured and covering the liability insured under Paragraph 7.1 of this LEASE. LESSEE shall furnish to LESSOR a certificate evidencing such insurance, which shall state that the coverage shall not be canceled or materially changed without ten (10) days advance written notice to LESSOR and LESSOR'S agent, if any, and a renewal certificate shall be furnished at least ten (10) days prior to expiration of any policy. LESSEE is responsible for their own fire insurance, see Section 8.1.

LESSEE is self insured for the risks for which insurance is required under this paragraph. So long as LESSEE remains self insured, LESSEE shall not be required to provide the insurance required by this paragraph. If requested, LESSEE shall provide to LESSOR a certificate of self-insurance.

8.1 FIRE OR CASUALTY

"Major Damage" means damage by fire or other casualty to the Building or the Premises which causes the Premises or any substantial portion of the Building to be unusable, or which will cost more than 25 percent (25%) of pre-damage value of the Building to repair, or which is not covered by insurance. In case of Major Damage, LESSOR may elect to terminate this LEASE by notice in writing to LESSEE within 60 days after such date. If this LEASE is not terminated following Major Damage, or if damage occurs which is not Major Damage, LESSOR shall promptly restore the Premises to the condition existing just prior to the damage. LESSEE shall promptly restore all damage to tenant improvements or alterations installed or paid by LESSEE or pay the cost of such restoration to LESSOR if LESSOR elects to do the restoration of such improvements. Rent shall be reduced from the date of damage until the date restoration work being performed by LESSOR is substantially complete, with the reduction to be in proportion to the area of the Premises not useable by LESSEE.

8.2 WAIVER OF SUBROGATION

LESSEE shall be responsible for insuring its personal property and trade fixtures located on the Premises. Neither LESSOR nor LESSEE shall be liable to the other for any loss or damage caused by fire, water damage, sprinkler leakage, or any of the risks that are or could be covered by a standard all risk insurance policy with an extended coverage endorsement, 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 Building or a portion sufficient to render the Premises unsuitable for LESSEE'S use, then either party may elect to terminate this LEASE effective on the date that possession is taken by the condemning authority. Rent shall be reduced for the remainder of the term in an amount proportionate to the reduction in the area of the Premises caused by the taking. All condemnation proceeds shall belong to LESSOR, and LESSEE shall have no claim against LESSOR or the condemnation award because of the taking. **Provided the Lessee as a tenant is entitled to any Relocation Assistance as defined under applicable laws and regulations offered and awarded to Lessee in any eminent domain proceeding.**

10.1 ASSIGNMENT AND SUBLETTING

This LEASE shall bind and inure to the benefit of the parties, their respective heirs, successors, and assigns, provided that LESSEE shall not assign its interest under this LEASE or sublet all or any portion of the Premises without first obtaining LESSOR'S consent in writing. This provision shall apply to all transfers by operation of law including but not limited to mergers and changes in control of LESSEE. No assignment or subletting shall relieve LESSEE of its obligation to pay rent or perform other obligations required by this LEASE, and no consent to one assignment or subletting shall be a consent to any further assignment or subletting. LESSOR shall not unreasonably withhold its consent to any assignment, or to subletting provided the subrental rate or effective rental paid by the assignee is not less than the current scheduled rental rate of the Building for comparable space and the proposed LESSEE is compatible with LESSOR'S normal standards for the Building. If LESSEE proposes a subletting or assignment to which LESSOR is required to consent under this paragraph, LESSOR shall have the option of terminating this LEASE and dealing directly with the proposed sublessee or assignee, or any third party. If an assignment or subletting is permitted, any cash profit, or the net value of any other consideration received by LESSEE as a result of such transaction shall be paid to LESSOR promptly following its receipt by LESSEE. LESSEE shall pay any costs incurred by LESSOR in connection with a request for assignment or subletting, including reasonable attorneys' fees.

11.1 DEFAULT

Any of the following shall constitute a default by LESSEE under this LEASE:

- (a) LESSEE'S failure to pay rent or any other charge under this LEASE within 10 days after it is due.
- (b) LESSEE'S failure to comply with any other term or condition within 10 days following written notice from LESSOR specifying the noncompliance. If such noncompliance cannot be cured within the 10 day period, this provision shall be satisfied if LESSEE commences correction within such period and thereafter proceeds in good faith and with reasonable diligence to effect compliance as soon as possible. Time is of the essence in the performance of this LEASE.
- (c) The making by LESSEE of any general assignment or general arrangement for the benefit of creditors; or the filing by or against LESSEE of a petition to have LESSEE adjudged a bankrupt, or a petition or reorganization or arrangement under any law relating to bankruptcy (unless, in the case of a petition filed against LESSEE, the same is dismissed within sixty (60) days); or the appointment of a trustee or a receiver to take possession of substantially of all LESSEE'S assets located at the Premises or of LESSEE'S interest in this LEASE, where possession is not restored to LESSEE within thirty (30) days; or the attachment, execution, or other judicial seizure of substantially all of LESSEE'S assets located at the Premises or of LESSEE'S interest in this LEASE, where such seizure is not discharged within thirty (30) days.
- (d) Assignment or subletting by LESSEE in violation of Paragraph 10.1.
- (e) Vacation or abandonment of the Premises without the written consent of LESSOR.

11.2 REMEDIES FOR DEFAULT

In case of default as described in Paragraph 11.1, LESSOR shall have the right to the following remedies, which are intended to be cumulative and in addition to any other remedies provided under applicable law:

- (a) LESSOR may terminate the LEASE and retake possession of the Premises. Following such retaking of possession, efforts by LESSOR to relet the Premises shall be sufficient if LESSOR follows its usual procedures for finding tenants for the space at rates not less than the current rates for other comparable space in the Building. If LESSOR has other vacant space in the Building, prospective tenants may be placed in such other space without prejudice to LESSOR'S claim to damages or loss of rental from LESSEE.
- (b) LESSOR may recover all damages caused by LESSEE'S default which shall include an amount equal to rentals lost because of the default, lease commissions paid for this LEASE, the unamortized cost of any tenant improvements installed by LESSOR to meet LESSEE'S special requirements and the cost of any clean up, refurbishing, lock changes and removal of the LESSEE'S property and fixtures. LESSOR may sue periodically to recover damages as they occur throughout the lease term, and no action for accrued damages shall bar a later action for damages subsequently accruing. LESSOR may elect in any one action to recover accrued damages plus damages attributable to the remaining term of the lease. Such damages shall be measured based upon the rent due under this LEASE for the remainder of the term, discounted to the time of judgment at the prevailing interest rate on judgments.
- (c) LESSOR may make any payment or perform any obligation which LESSEE has failed to perform, in which case LESSOR shall be entitled to recover from LESSEE upon demand all amounts so expended, plus interest from the date of the expenditure at the rate of one-and-one-half percent (1 1/2%) per month. Any such payment or performance by LESSOR shall not waive LESSEE'S default.

12.1 SURRENDER

On expiration or early termination of this LEASE, LESSEE shall deliver all keys to LESSOR to avoid a minimum lock change charge of \$150.00 per lock and surrender the Premises broom clean and in the same condition as at the commencement date of the term subject only to reasonable wear from ordinary use.

LESSEE shall remove all of its furnishings and trade fixtures that remain its property and restore all damage resulting from such removal. Failure to remove shall be an abandonment of the property and LESSOR may dispose of it in any manner without liability and LESSEE shall pay a reasonable charge for such removal and disposal. If LESSEE fails to vacate the Premises when required, including failure to remove all its personal property, LESSOR may elect either: (1) to treat LESSEE as a tenant from month to month, subject to all the provisions of this LEASE except that rent shall be one-and-one-half (1 1/2) times the total rent being charged when the lease term expired; or (2) to eject LESSEE from the Premises and recover damages caused by wrongful holdover. During the period of sixty (60) days prior to the Expiration Date of this LEASE, the LESSOR may post on said Premises or in the windows thereof signs of appropriate size notifying the public that the Premises are "For Lease."

13.1 REGULATIONS

LESSOR shall have the right (but shall not be obligated) to make, revise and enforce regulations or policies consistent with this LEASE for the purpose of moving, use of common areas, prohibiting smoking or promoting safety, health, order, economy, cleanliness, and good service to all tenants of the Building. All such regulations and policies shall be complied with as if part of this LEASE.

14.1 ACCESS

During times other than normal Building hours LESSEE'S officers and employees or those having business with LESSEE may be required to identify themselves or show passes in order to gain access to the Building. LESSOR shall have no liability for permitting or refusing to permit access by anyone. LESSOR shall have the right to enter upon the Premises at any time by passkey or otherwise to determine LESSEE'S compliance with this LEASE, to perform necessary services, maintenance and repairs to the Building or the Premises, examine the condition of the Premises, to show the Premises to any prospective tenant or purchasers or for any other lawful purpose. Except in the case of emergency, such entry shall be at such times and in such manner as to minimize interference with the reasonable business use of the Premises by LESSEE.

14.2 FURNITURE AND BULKY ARTICLES

LESSEE shall move furniture and bulky articles in and out of the Building or make independent use of the elevators only at times approved by LESSOR following at least 24 hours' advance written notice to LESSOR of the intended move. Items of 1,000 pounds or greater shall require LESSOR'S approval.

15.1 NOTICES

Notices between the parties relating to this LEASE shall be in writing, effective when delivered, or facsimile, or if mailed, effective on the second day following mailing, postage prepaid, to the address for the party stated in this LEASE or to such other address as either party may specify by written notice to the other. Notice to LESSEE may always be delivered to the Premises. Rent shall be payable to LESSOR at the LESSOR'S address and in the same manner, but shall be considered paid only when received.

16.1 SUBORDINATION

This LEASE shall be subject and subordinate to any mortgages, deeds of trust, or land sale contracts (hereafter collectively referred to as encumbrances) now existing against the Building. At LESSOR'S option this LEASE shall be subject and subordinate to any future encumbrance hereafter placed against the Building (including the underlying land) or any modifications of existing encumbrances, and LESSEE shall execute such documents as may reasonably be requested by LESSOR or the holder of the encumbrance to evidence this subordination.

16.2 TRANSFER OF BUILDING

If the Building is sold or otherwise transferred by LESSOR or any successor, LESSEE shall attorn to the purchaser or transferee and recognize it as the LESSOR under this LEASE, and, provided the purchaser assumes all LESSOR obligations hereunder, the transferor shall have no further liability hereunder.

16.3 ESTOPPELS

Either party will within 20 days after written 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 any other party; the dates to which rent has been paid in advance, and the amount of any security deposit, LEASE CONSIDERATION, 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 ground lessor, LESSEE will agree to give such holder or LESSOR notice of and an opportunity to cure any default by LESSOR under this LEASE.

17.1 ATTORNEYS FEES

Deleted in its entirety.

18.1 QUIET ENJOYMENT

LESSOR warrants that so long as LESSEE complies with all terms of this LEASE, it shall be entitled to peaceable and undisturbed possession of the Premises free from any eviction or disturbance by LESSOR. Neither LESSOR nor its managing agent shall have any liability to LESSEE for loss or damages arising out of the acts, including criminal acts of other tenants of the Building or third parties nor any liability for any reason, which exceeds the value of its interest in the Building.

19.1 COMPLETE AGREEMENT

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

20.1 CHAIR MATS

LESSEE shall provide, at LESSEE'S expense, chair mats for all desk rolling chairs within the office portion of the Premises and will be responsible for carpet wear caused by chairs, which could have been avoided by the use of chair mats.

21.1 PARKING

With the exception of the fenced area described below, the LESSEE is aware that no assigned parking has been guaranteed and no employee parking rights are hereby granted. LESSOR has sole control of parking and may designate areas for patrons of the property/building and assign LESSEE and employees of the LESSEE to designated parking areas. LESSEE and employees shall park their cars only in these areas designated for the purpose by the LESSOR. LESSEE shall furnish to LESSOR license numbers of vehicles used by the LESSEE and the employees of the LESSEE, and notify LESSOR of any changes within five (5) days. If LESSEE or its employees fail to park their vehicles in designated parking areas, then LESSOR may charge LESSEE twenty dollars (\$20.00) per day per vehicle for each or partial day, in any area other than those designated, or if the area is signed as a towing area, to have the vehicle(s) towed at the LESSOR'S option and at the expense of the LESSEE and its employees. LESSEE agrees that no trucks and/or oversized vehicles will be parked long-term

in front of the Premises. LESSEE agrees to maintain the parking area in front of the Premises clear and free of debris at all times. LESSEE acknowledges and agrees that LESSOR shall not be responsible for the enforcement of any parking rules or regulations in connection with reserved parking spaces contained in this LEASE and/or in the Building rules.

With the exception of the fenced area described below, there shall be no overnight storage of vehicles or trailers in the parking areas or outside of premises. LESSOR may remove vehicle from property and LESSEE shall bear the cost of such removal.

LESSEE will be allowed to fence the parking area to the west of the building where shown on Exhibit "G" at LESSEE'S expense. Fencing will be black chain link fence with black slats at industry standard height and will comply with all applicable city/county codes and regulations. Fencing will not have security wire at the top.

LESSEE may park in their loading areas behind unused loading doors.

22.1 COMPLIANCE WITH HAZARDOUS MATERIALS LAWS

LESSEE will not cause any Hazardous Materials to be brought upon, kept or used on the Property in a manner or for a purpose prohibited by or that could result in liability to LESSOR under any Hazardous Materials Law.

LESSEE, at its sole cost and expense, will comply with all Hazardous Materials Laws relating to LESSEE'S use of the Premises. On or before the expiration or earlier termination of this LEASE, LESSEE, at its sole cost and expense, will completely remove from the Property (regardless whether any Hazardous Materials Law requires removal), in compliance with all Hazardous Materials Laws, all Hazardous Materials LESSEE causes to be present in, on, under or about the Property. Upon LESSOR'S written request, LESSEE will promptly deliver to LESSOR documentation acceptable to LESSOR disclosing the nature and quantity of any Hazardous Materials located at the Premises and evidencing the legal and proper handling, storage and disposal of all Hazardous Materials kept at or removed or to be removed from the Premises and/or the Property. So long as such Hazardous Material is introduced by LESSEE or its agent, all such documentation will list LESSEE or its agent as the responsible party and will not attribute responsibility for any such Hazardous Materials to LESSOR or Property Manager.

22.2 NOTICE OF ACTIONS

LESSEE will notify LESSOR of any of the following actions affecting LESSOR, LESSEE or the Property that result from or in any way relate to LESSEE'S use of the Property immediately after receiving notice of the same: (a) any enforcement, clean-up, removal or other governmental or regulatory action instituted, completed or threatened under any Hazardous Materials Law; (b) any Claims made or threatened by any person relating to damage, contribution, liability, cost recovery, compensation, loss or injury resulting from or claimed to result from any Hazardous Material; and (c) any reports, records, letters of inquiry and responses, manifests or other documents made by any person, including LESSEE, to or from any environmental agency relating to any Hazardous Material, including any complaints, notices, warnings or asserted violations. LESSEE will also deliver to LESSOR, as promptly as possible and in any event within five (5) Business Days after LESSEE first receives or sends the same, copies of all Claims, reports, complaints, notices, warnings or asserted violations relating in any way to the Premises or LESSEE'S use of the Premises and/or the Property. LESSEE will not take any remedial action in response to the presence of any Hazardous Materials in on, under or about the Property, nor enter into any settlement agreement, consent decree or other compromise with respect to any Claims, relating to or in any way connected with Hazardous Materials in, on, under or about the Property, without first notifying LESSOR of LESSEE'S intention to do so and affording LESSOR reasonable opportunity to investigate, appear, intervene and otherwise assert and protect LESSOR'S interest in the Property.

22.3 DISCLOSURE AND WARNING OBLIGATIONS

LESSEE acknowledges and agrees that all reporting and warning obligations required under Hazardous Materials Laws arising from LESSEE'S use or occupancy of the Premises or Property are LESSEE'S sole responsibility, regardless whether the Hazardous Materials Laws permit or require LESSOR to report or warn.

22.4 INDEMNIFICATION

LESSEE releases and will indemnify, protect, defend (with counsel reasonably acceptable to LESSOR) and hold harmless the LESSOR parties from and against any and all Claims whatsoever arising or resulting, in whole or in part, directly or indirectly, from the presence, treatment, storage, transportation, disposal, release or management of Hazardous Materials in, on, under, upon or from the Property (including water tables and atmosphere) arising from LESSEE'S use or occupancy of the Premises or Property. LESSEE'S obligations under this section include, without limitation and whether foreseeable or unforeseeable, (a) the costs of any required or necessary repair, compliance, investigations, clean-up, monitoring response, detoxification or decontamination of the Property; (b) the costs of implementing any closure, remediation or other required action in connection therewith as stated above; (c) the value of any loss of use and any diminution in value of the Property and adjacent and nearby properties, including groundwater; and (d) consultants' fees, experts' fees and response costs. The obligations of LESSEE under this Article survive the expiration or earlier termination of the LEASE.

22.5 LESSOR PROVISIONS

22.5.1 LESSOR represents and warrants to LESSEE that, to LESSOR'S actual knowledge without independent inquiry, and except as otherwise may be disclosed in any Level One environmental report previously delivered to LESSEE:

1. The Premises, the Building, and the Property are not the subject of any liens, actions, or proceedings relating to Hazardous Substances (as hereinafter defined) or Environmental Laws (as hereinafter defined) and the LESSOR is not a party to any such action or proceeding and the LESSOR has received no notice of any such lien, action or proceeding that is pending or threatened. LESSOR shall use reasonable efforts to notify LESSEE of any subsequent lien, action or proceeding, which may hereinafter be pending or threatened.
2. No Hazardous Substances are or have been located, stored, or disposed on or released or discharged from (including groundwater contamination) the Premises, Building, or Property except in compliance with applicable Environmental Laws;
3. The Premises, Building, and Property and their use and operation currently comply with all federal, state, and local requirements relating to the protection of health and all Environmental Laws, and all necessary permits have been obtained under Environmental Laws;
4. There is no part or ongoing leakage or spillage of Hazardous Substance from gasoline tanks used or owned by other tenants, which are located in the lower levels of the Property or any migration of Hazardous Substance onto neighboring property.

22.5.2 LESSOR shall take or require the taking of all actions necessary to comply with all Environmental Laws affecting the Premises, the Building or the Property, including, without limitation, removal, containment and remedial actions required by any Environmental Laws or any governmental agencies in the enforcement of Environmental Law affecting the Premises, Building, or Property, if both (i) noncompliance with such Environmental Laws would materially adversely affect LESSEE'S use and operation of the Premises and (ii) such compliance is not LESSEE'S responsibility under this Section 22.5. The provisions of this Section 22.5 will not operate to exclude from Operating Expenses any item properly includable therein.

22.5.3 Indemnification

LESSOR shall indemnify LESSEE from and against any and all Claims arising from the presence of Hazardous Materials in, on, under, upon or from the Property caused solely by LESSOR after the Effective Date, or by LESSOR'S failure to comply with Environmental Laws.

23.1 MODIFICATION

This LEASE may not be modified except by endorsement in writing attached to this LEASE, dated and signed by all the parties hereto, and LESSOR shall not be bound by any oral or written statement of any servant, agent, or employee modifying this LEASE.

24.1 PARTIES AFFECTED

The rights, liabilities and remedies provided for herein shall extend to the heirs, legal representatives, successors and, so far as the terms of this LEASE permit, assigns of the parties hereto, and the words "LESSOR" and "LESSEE" and their accompanying verbs or pronouns, wherever used in this LEASE, shall apply equally to all persons, firms, or corporations which may be or become parties hereto.

25.1 SECURITY

LESSEE and not LESSOR, is responsible for security of the Premises. Any breach in security of the Premises, common areas, common access doors, and/or elevators shall not constitute an eviction of the LESSEE or relieve LESSEE from any of LESSEE'S obligations under this LEASE. All tenants shall have the responsibility for maintaining the security to common access. LESSOR may modify the type or amount of security measures or services provided to the Building or the Premises at any time without notice.

26.1 RIGHT TO RELOCATE

Deleted in its entirety.

27.1 BASE RENTAL SCHEDULE

The LESSEE agrees to pay Base Rent per below Schedule:

| <u>Base Rental Period</u> | <u>Base Rental Per Month</u> |
|------------------------------------|------------------------------|
| July 1, 2010 through June 30, 2011 | \$10,176.50 |
| July 1, 2011 through June 30, 2012 | \$10,481.80 |
| July 1, 2012 through June 30, 2013 | \$10,796.25 |
| July 1, 2013 through June 30, 2014 | \$11,120.14 |
| July 1, 2014 through June 30, 2015 | \$11,453.74 |
| July 1, 2015 through June 30, 2016 | \$11,797.35 |
| July 1, 2016 through June 30, 2017 | \$12,151.27 |

27.2 PAYMENT OF PROPERTY EXPENSES

LESSEE will pay, as Additional Rent and in the manner this Section 27.2 describes, LESSEE'S Share of Property Expenses for each calendar year of the Term. LESSOR will prorate LESSEE'S Share of Property Expenses for the calendar year in which this LEASE commences or terminates as of the Rent Commencement Date or termination date, as applicable, on a per diem basis based on the number of days of the Term within such calendar year. The Building size is **36,000** square feet. The LESSEE'S prorata share is **50.4%**. **These charges shall be initially fixed at \$.14 per square foot per month or \$2,541.00 per month and shall be subject to a fixed five percent (5%) increase per year.**

27.3 PERSONAL PROPERTY TAXES

LESSEE will pay, prior to delinquency, all taxes charged against LESSEE'S Personal Property. LESSEE will use all reasonable efforts to have LESSEE'S Personal Property taxed separately from the Property. If any of LESSEE'S Personal Property is taxed with the Property, LESSEE will pay the taxes attributable to LESSEE'S Personal Property to LESSOR as Additional Rent.

28.1 SMOKING – ENTIRE NON-SMOKING BUILDING

The Building in which the Premises is located has been designated as an entire NON-SMOKING Building. This includes all areas of the Building, both common areas as well as individual tenant spaces. Thus, smoking in the leased area or common areas within the Building is not permitted.

29.1 LIGHT AND AIR

This LEASE does not grant any rights of access to light and air over the property.

30.1 COMMON AREA RESTROOMS

Deleted in its entirety.

31.1 WAIVER

Any waiver by the LESSOR of any breach of any covenant herein contained to be kept and performed by the LESSEE shall not be deemed or considered as a continuing waiver, and shall not operate to bar or prevent the LESSOR from declaring a forfeiture for any succeeding breach, either of the same condition or covenant or otherwise.

32.1 PERSONAL GUARANTEE

None Required

33.1 INTERIOR DESIGN & MODIFICATION

See Exhibit "B" Space Plan

34.1 LESSOR AGREED TENANT IMPROVEMENTS

See Exhibit "C-1" and "C-2" Interior Space Work Agreement

If any provisions contained in this Exhibit "C-1" and "C-2" Interior Space Work Agreement are inconsistent with any other provisions contained in this LEASE (ie: Exhibit "B" Space Plan), the provisions contained in this Exhibit "C-1" and "C-2" Interior Space Work Agreement shall control.

35.1 LESSEE TENANT IMPROVEMENTS OR ALTERATIONS

- (a) LESSEE shall not make any alterations, additions, or improvements to the Premises, change the color or character of the interior, or install any wall or floor covering without LESSOR'S prior written consent. Any such additions, alterations, or improvements, except for removable machinery and unattached moveable trade fixtures shall at once become part of the realty and belong to LESSOR. LESSOR may at its option require that LESSEE remove any alterations and restore the Premises to the original condition upon termination of this LEASE. LESSOR shall have the right to approve the contractor used by LESSEE for any work in the Premises, and to post notices of nonresponsibility in connection with any work being performed by LESSEE in

the Premises. LESSEE agrees that any Building or fixture modifications within the LESSEE'S Premises that is required to accommodate the LESSEE, employees or invitees of the LESSEE, as required by the Americans with Disabilities Act (ADA), will be at the expense of the LESSEE.

- (b) The LESSOR must review and approve in writing any LESSEE Tenant Improvements or Alterations to the Premises. The LESSOR requests a walk-through with LESSEE and LESSEE'S contractor prior to commencement of any improvements by LESSEE to the Premises.
- (c) The LESSEE shall be responsible for all Tenant Improvements or Alterations to the Premises not performed by the LESSOR and all costs associated with said LESSEE Tenant Improvements or Alterations. Said Tenant Improvements or Alterations are to comply with applicable building (including Americans With Disabilities Act, or ADA) and fire codes and are to be performed by licensed and bonded contractor with a building permit from the City of Portland or the appropriate governmental agency. Prior to the commencement of work, LESSEE'S general contractor shall provide LESSOR proof of insurance indemnifying LESSOR for claims that may arise during the course of Tenant Improvements or Alterations. All tenant improvements performed by LESSEE shall have prior written approval by LESSOR using materials of quality satisfactory to LESSOR. LESSEE shall provide construction drawings, which will be attached to the LEASE as Exhibit "D" and approved by LESSOR in writing prior to commencement of LESSEE tenant improvements.
- (d) The LESSEE will be responsible for all costs associated with LESSEE Tenant Improvements or Alterations.
- (e) LESSEE to appoint one (1) person as a LESSEE representative project manager regarding all LESSEE Tenant Improvement or Alterations coordination. LESSOR will only interface with that person.
- (f) Before commencing any Tenant Improvements or Alterations using LESSEE outside contractors, LESSEE shall notify LESSOR of the expected commencement and completion dates of the LESSEE tenant improvement work. LESSEE shall not permit any mechanics' or materials' liens to be levied against the Premises or the Building for any labor or materials furnished to LESSEE or its agents or contractors; provided, however, that LESSEE shall not be required to pay or otherwise satisfy any claims or discharge such liens so long as LESSEE, in good faith and at its own expense, contests the same or the validity thereof by appropriated proceedings and posts a bond or takes other steps acceptable to LESSOR that stay enforcement of such lien.
- (g) LESSEE agrees that there shall be no occupancy of the Premises by LESSEE until any/all notices of mechanics' liens are removed from the property and LESSOR is in receipt of lien waivers from all trades for LESSEE Tenant Improvements or Alterations.
- (h) Prior to commencement of any LESSEE Tenant Improvements or Alterations to the Premises, LESSOR shall require LESSEE to have their General Contractor provide LESSOR with proof of Performance and Payment bond acceptable to the LESSOR listing LESSOR as an Obligee.
- (i) LESSOR also requires LESSEE'S construction agreement with LESSEE'S general contractor for the Premises to include a waiver of any right to lien against the LESSOR'S property and a statement that the General Contractor's only resource is the LESSEE and not the LESSOR for any payments related to the improvements of the Premises.
- (j) Upon completion of LESSEE'S Tenant Improvements or Alterations per the construction documents (to be attached to LEASE prior to construction start) approved by LESSOR, LESSOR'S inspection of the completed said Tenant Improvements or Alterations, and LESSEE supplying a full set of lien releases.
- (k) All materials shall be installed in a good workmanship manner, and quality.
- (l) All LESSEE Tenant Improvements or Alterations will need to be routed through the Facilities Permit Program with the City of Portland if the Building is located within the city limits of Portland. All associated charges will be billed to the LESSOR and passed through to the LESSEE for payment upon receipt. LESSEE is aware all inspections and associated fees generated by LESSEE or LESSEE'S contractor will be paid by the LESSEE. All reinspections associated with LESSEE'S Tenant Improvements or Alterations will be paid by LESSEE.
- (m) The LESSEE may not occupy the Premises until LESSOR is in receipt of a copy of a Certificate of Occupancy. (This only applies to initial Tenant Improvements).

36.1 SITE PLAN

See Exhibit "E" Site Plan

37.1 TELEPHONES

LESSEE agrees, at its expense, to provide voice and data wiring to the Premises and appropriate common areas. LESSEE agrees to put any equipment associated with LESSEE'S voice and data system in the Premises. LESSEE agrees that LESSOR shall not be liable for any damages or other liability incurred by LESSEE or any other parties as a result of LESSEE'S wiring the Premises for voice and data or the existing condition of any voice and data wiring or system. LESSEE further agrees to indemnify and hold harmless LESSOR from any and all liability or claims of LESSEE or others arising or resulting from LESSEE'S wiring of the Premises for voice and data communications. The LESSEE agrees to have LESSEE'S voice/data vendor obtain a low voltage permit and coordinate Building access and installation with the LESSOR.

If LESSEE decides to use any of the existing voice and data lines/wiring, the LESSOR will not be responsible for removing any existing voice and data lines/wiring.

38.1 CONTINGENCY

- 1) This LEASE is contingent upon the LESSEE obtaining approval from the City of Gresham for their intended use on or before February 28, 2010.
- 2) This LEASE is contingent upon the LESSOR agreeing to the System Development Fees and Traffic Impact Fees associated with the building permit.
- 3) In the event the above contingencies are not removed, the LESSEE agrees to pay LESSOR for the construction drawings prepared in advance by Group Mackenzie, which shall not exceed \$10,000.00

39.1 OPTION TO EXTEND

LESSEE shall be entitled to one (1) option to extend this LEASE for a term of five (5) years commencing after the initial lease term expiration at the then prevailing market terms and conditions. LESSEE to provide LESSOR with no less than one hundred eighty (180) days written notice evidencing LESSEE'S exercising of said option to extend prior to the expiration of the initial Lease term. If LESSOR and LESSEE have not fully executed an extension agreement thirty (30) days prior to the expiration of the initial Lease term, this option to extend shall be null and void.

- (a.) LESSEE shall have no right to exercise said Option, notwithstanding any provision in the granting of Option to the contrary; (i) during the period commencing with the giving of any notice of Default under Paragraph 11.1 and continuing until the notice Default is cured or; (ii) during the period of time any monetary obligation due LESSOR from LESSEE is unpaid (without regard to whether notice thereof is given to LESSEE), or (iii) during the time LESSEE is in breach of this LEASE, or (iv) in the event the LESSOR has given to LESSEE three (3) or more notices of separate Defaults during the twelve (12) month period immediately preceding the exercise of said Option, whether or not the Defaults are cured.
- (b.) The Option granted to LESSEE in the LEASE is personal to the original LESSEE named on Page 1 hereof and cannot be voluntarily assigned or exercised by any person or entity other than said original LESSEE while the original LESSEE is in full and actual possession of the Premises and without the intention of thereafter assigning or subletting. The Option herein granted to LESSEE is not assignable, either as part of an assignment of this LEASE or separately or apart therefrom, and no Option may be separated from this LEASE in any manner, by reservation or otherwise.

40.1 TAX CLAUSE

Under the provisions of ORS 307.112, certain real property tax savings resulting from exemption of the property leased herein may accrue to the building. The tax savings resulting from the exemption under such statute shall accrue to the benefit of the LESSEE by a reduction in the rent equal to the annual savings caused by the exemption. The amount of the rental offset shall be determined annually in November by multiplying the exemption value to the correct tax rate; this rental offset shall be divided by the number of lease months remaining from November through the next following month of June and applying the reduction to the rental payments due in each of the said lease months.

41.1 EXPIRATION OF OFFER

This offer to lease shall be null and void at the sole option of the LESSOR if not returned to LESSOR signed by LESSEE in an acceptable form to LESSOR and accompanied by appropriate funds by **January 25, 2010**.

In construing of this LEASE, it is understood that the LESSOR or the LESSEE may be more than one person; that if the context so requires, the singular pronoun shall be taken to mean and include the plural, the masculine, the feminine, and the neuter, and that generally all grammatical changes shall be made, assumed and implied to make the provisions hereof apply equally to corporations and to individuals.

IN WITNESS WHEREOF, the respective parties have executed this instrument in duplicate on this, the day, the month, and year first hereinbelow written, any corporation signature being by authority of its Board of Directors.

LESSOR:
AMERICAN PROPERTY MANAGEMENT CORP.
as agent for and on behalf of WESTON INVESTMENT CO. LLC

(Federal Tax ID# 93-1173413*)

*Lessee need not supply Lessor a Federal 1099 Form

Address for Notices:

P.O. Box 12127
Portland, Oregon 97212-0127

By:_____

Name: Douglas D. Lindholm

Title: Senior Vice President of Commercial Property

DATE:_____

LESSEE: **Multnomah County, Oregon**

By:_____

Name: _____

Title: _____

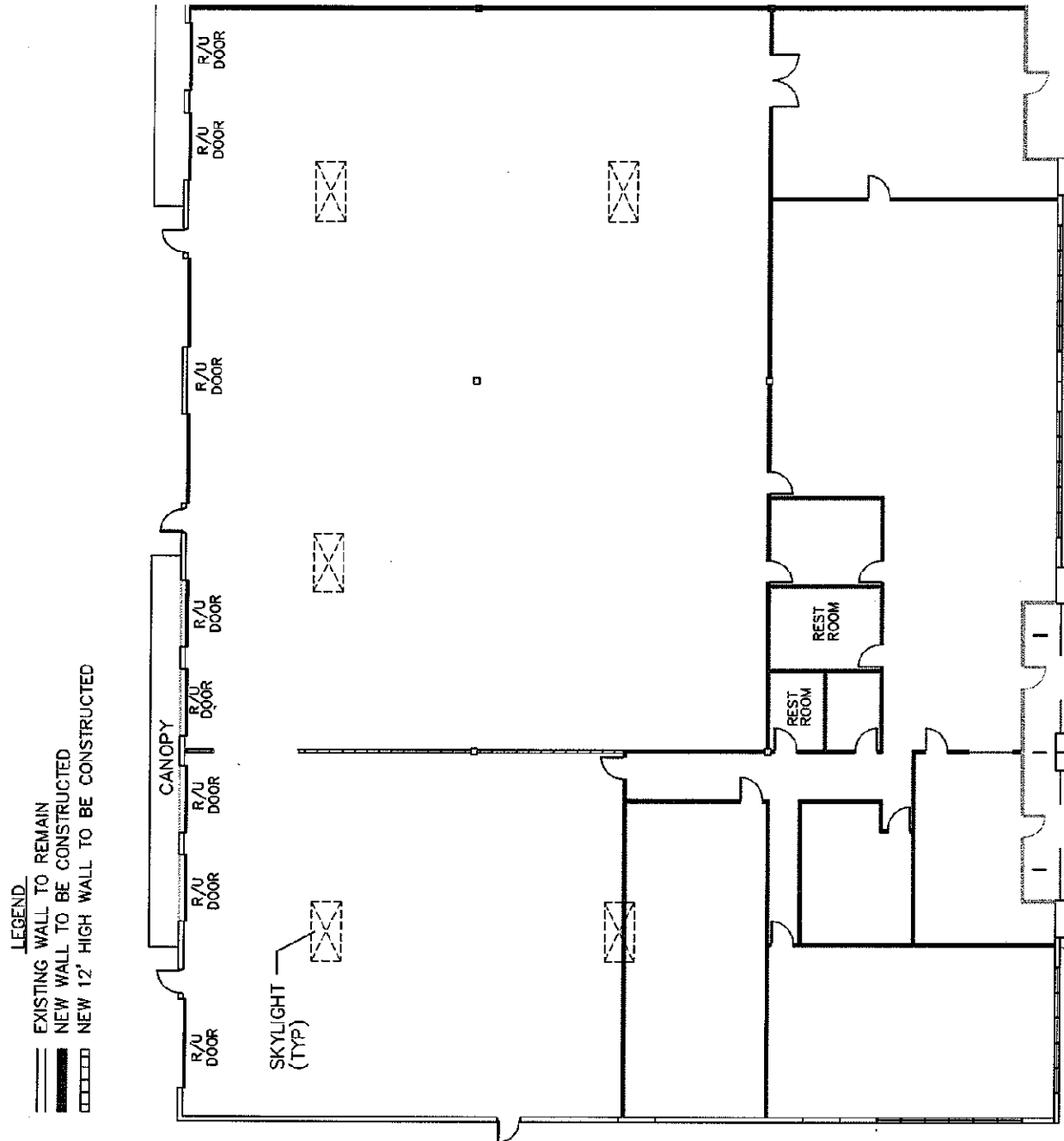
DATE:_____

Address for Notices:

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EXHIBIT "B" SPACE PLAN

Multnomah County, Oregon
2955 NE 172nd Place
Gresham, OR 97230
Account #C-349-5420-03



Any changes to this Exhibit "B" Space Plan are subject to LESSOR'S approval. Any changes to this plan shall be at LESSEE'S sole cost and expense, shall not delay Commencement Date, and may delay LESSEE'S occupancy.

If any provision contained in Exhibit "C-1" and "C-2" Interior Space Work Agreement is inconsistent with any other provision contained in this LEASE (ie: Exhibit "B" Space Plan), the provisions contained in Exhibit "C-1" and "C-2" Interior Space Work Agreement shall control.

EXHIBIT "C-1" INTERIOR SPACE WORK AGREEMENT FOR THE OFFICE PORTION OF THE PREMISES

LESSEE: Multnomah County, Oregon
ACCOUNT #C-349-5240-03 BUILDING/SUITE #: Columbia Gorge Corporate Center, Building "E"

| <u>ITEM</u> | <u>ACCEPTED AS-IS</u> | <u>AGREED IMPROVEMENTS</u> | <u>LESSOR EXPENSE</u> | <u>LESSEE EXPENSE</u> |
|---|---------------------------|---|---------------------------|---------------------------|
| PAINTING: (Building Standard Color) | _____ | Paint walls in the office portion of Premises only. Color to be: _____ | <u> X </u> | _____ |
| FLOORCOVERING: (Building Standard Direct Glue Down Carpet, Color/Cove Base Color) | _____ | Carpet office area only. Color to be: _____ Cove base to be: _____ | <u> X </u> | _____ |
| VINYL FLOORCOVERING: (Building Standard Vinyl) | _____ | Install VCT in kitchen and restrooms only. Color to be: _____ Cove base to be: _____ | <u> X </u> | _____ |
| LIGHTING: (Building Standard Fixtures and Distribution) | _____ | Install building standard lighting in office build out only. | <u> X </u> | _____ |
| ELECTRICAL: (Building Standard 110 Volt) | _____ | Install one (1) duplex outlet for every 12 lineal feet of new construction in office build out only. | <u> X </u> | _____ |
| CEILING: (Building Standard Acoustical Tile) | _____ | Install building standard ceiling grid and tiles in office build out only. | <u> X </u> | _____ |
| PARTITIONS: (Building Standard Sheetrock) | _____ | Build out office area per Exhibit "B" Space Plan. | <u> X </u> | _____ |
| DOORS/FRAMES: (Building Standard Quality) | _____ | Install building standard doors and doorframes per Exhibit "B" Space Plan. | <u> X </u> | _____ |
| LOCKS/HARDWARE: (Building Standard Quality) | _____ | Install building standard doors per Exhibit "B" Space Plan. | <u> X </u> | _____ |
| RELIGHTS: (Building Standard Interior) | _____ | Install building standard relights per Exhibit "B" Space Plan. | <u> X </u> | _____ |
| WINDOWCOVERING: (Building Standard Exterior) | <u> X </u> | NONE | _____ | _____ |
| RESTROOMS: | _____ | LESSOR to provide two (2) restrooms using building standard materials based on a layout approved by LESSOR. LESSOR reserves the right to change the location of the restrooms in order to achieve the lowest plumbing cost and highest residual value. | <u> X </u> | _____ |
| TELEPHONE: (Building Standard Mud Rings) | <u> X </u> | Install one (1) mud ring for every 12 lineal feet of new construction in office build out only. | _____ | _____ |

If LESSEE is modifying the existing space layout, or expanding their Premises, it is understood and agreed that all Lessor Agreed Tenant Improvement work may be performed during normal business hours and will not be deemed as an interruption of LESSEE'S business and that AMERICAN PROPERTY MANAGEMENT CORP. assumes no liability for damage to any existing hidden electrical located in the walls, ceiling and/or floors (i.e., electrical for phones, fax, computers, office equipment, etc.) that is not indicated on this agreement and brought to the attention of AMERICAN PROPERTY MANAGEMENT CORP. prior to the office remodel or is not equipped with an appropriate power surge protection device. If any provisions contained in this Exhibit "C-1" Interior Space Work Agreement are inconsistent with any other provisions contained in this LEASE (ie: Exhibit "B" Space Plan), the provisions contained in this Exhibit "C-1" Interior Space Work Agreement shall control.

EXHIBIT "C-2" INTERIOR SPACE WORK AGREEMENT FOR THE WAREHOUSE PORTION OF THE PREMISES

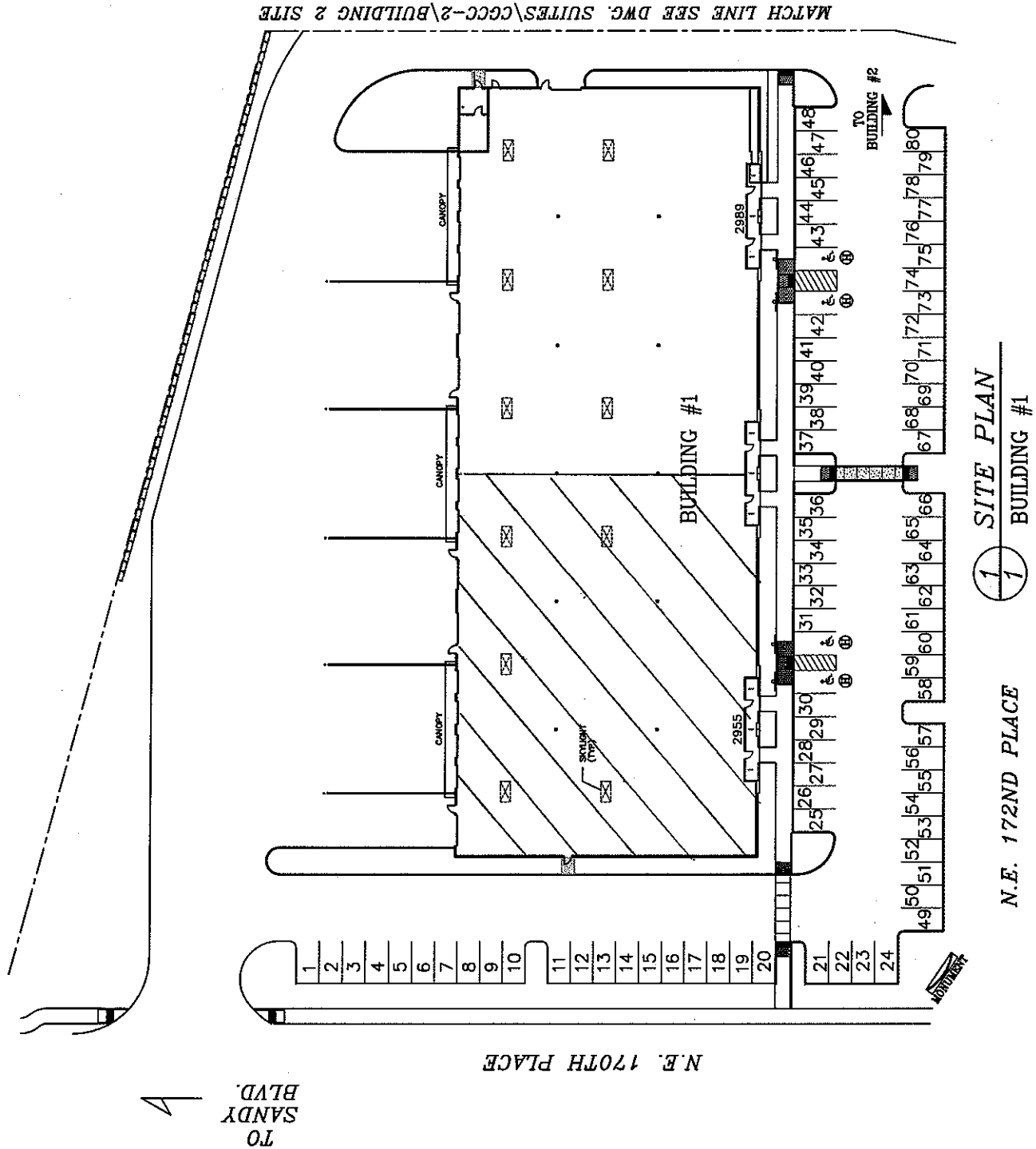
LESSEE: Multnomah County, Oregon
ACCOUNT #C-349-5240-03 BUILDING/SUITE #: Columbia Gorge Corporate Center, Building "E"

| <u>ITEM</u> | <u>ACCEPTED AS-IS</u> | <u>AGREED IMPROVEMENTS</u> | <u>LESSOR EXPENSE</u> | <u>LESSEE EXPENSE</u> |
|---|---------------------------|---|---------------------------|---------------------------|
| PAINTING: (Building Standard Color) | <u> X </u> | NONE | _____ | _____ |
| FLOORCOVERING: (Building Standard Direct Glue Down Carpet, Color/Cove Base Color) | <u> X </u> | NONE | _____ | _____ |
| VINYL FLOORCOVERING: (Building Standard Vinyl) | <u> X </u> | NONE | _____ | _____ |
| LIGHTING: (Building Standard Fixtures and Distribution) | _____ | LESSOR to provide industrial hanging fluorescent light fixtures based on a mutually agreed layout. | <u> X </u> | _____ |
| ELECTRICAL: (Building Standard 110 Volt) | _____ | LESSOR to provide a 200-amp electrical service of 277-480 volt. LESSOR shall not be responsible for any distribution of electrical throughout the warehouse. | <u> X </u> | _____ |
| CEILING: (Building Standard Acoustical Tile) | <u> X </u> | NONE | _____ | _____ |
| PARTITIONS: (Building Standard Sheetrock) | <u> X </u> | NONE | _____ | _____ |
| DOORS/FRAMES: (Building Standard Quality) | <u> X </u> | NONE | _____ | _____ |
| LOCKS/HARDWARE: (Building Standard Quality) | _____ | LESSOR to provide 10 entry door keys. | <u> X </u> | _____ |
| RELIGHTS: (Building Standard Interior) | <u> X </u> | NONE | _____ | _____ |
| WINDOWCOVERING: (Building Standard Exterior) | <u> X </u> | NONE | _____ | _____ |
| TELEPHONE: | <u> X </u> | NONE | _____ | _____ |
| REZNOR HEATER: | _____ | LESSOR to provide reznor heaters to the warehouse for freeze protection only. | <u> X </u> | _____ |
| EXISTING VOICE AND DATA LINES: | <u> X </u> | Remove all existing voice and data lines/wiring. <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | _____ | _____ |

If LESSEE is modifying the existing space layout, or expanding their Premises, it is understood and agreed that all Lessor Agreed Tenant Improvement work may be performed during normal business hours and will not be deemed as an interruption of LESSEE'S business and that AMERICAN PROPERTY MANAGEMENT CORP. assumes no liability for damage to any existing hidden electrical located in the walls, ceiling and/or floors (i.e., electrical for phones, fax, computers, office equipment, etc.) that is not indicated on this agreement and brought to the attention of AMERICAN PROPERTY MANAGEMENT CORP. prior to the office remodel or is not equipped with an appropriate power surge protection device. If any provisions contained in this Exhibit "C-2" Interior Space Work Agreement are inconsistent with any other provisions contained in this LEASE (ie: Exhibit "B" Space Plan), the provisions contained in this Exhibit "C-2" Interior Space Work Agreement shall control.

EXHIBIT "E" SITE PLAN

Multnomah County, Oregon
2955 NE 172nd Place
Gresham, OR 97230
Account #C-349-5420-03



The above Floor Plan is meant to show the approximate location of the Premises in relation to the rest of the floor only. It may not show an accurate as-built drawing and is not meant for tenant improvement purposes.

EXHIBIT "F" PROPERTY RULES

Multnomah County, Oregon
2955 NE 172nd Place
Gresham, OR 97230
Account #C-349-5420-03

The following Property Rules apply to and govern Tenant's use of the Premises and Property. Capitalized terms have the meanings given in the Lease, of which these Property Rules are a part. Tenant is responsible for all Claims arising from any violation of the Property Rules by Tenant.

1. No awning or other projection may be attached to the outside walls of the Premises or Property. No curtains, blinds, shades or screens visible from the exterior of the Premises may be attached to or hung in, or used in connection with, any window or door of the Premises without the prior written consent of Landlord. Such curtains, blinds, shades, screens or other fixtures must be of a quality, type, design and color, and attached in a manner, approved by Landlord in writing.
2. No sign, lettering, picture, notice or advertisement which is visible from the exterior of the Premises or Property may be installed on or in the Premises without Landlord's prior written consent, and then only in such manner, character and style as Landlord may have approved in writing.
3. Tenant will not obstruct sidewalks, driveways, parking areas or any other Common Area in and about the Property used in common with other tenants.
4. Tenant will not create or allow obnoxious or harmful fumes, odors, smoke or other discharges which may be offensive to the other occupants of the Property or neighboring properties, or otherwise create any nuisance.
5. The Premises may not be used for cooking (as opposed to heating of food), lodging, sleeping or for any immoral or illegal purpose.
6. Tenant will not make excessive noises, cause disturbances or vibrations or use or operate any electrical or mechanical devices or other equipment that emit excessive sound or other waves or disturbances or which may be offensive to the other occupants of the Property, or that may unreasonably interfere with the operation of any device, equipment, computer, video, radio, television broadcasting or reception from or within the Property or elsewhere.
7. Tenant assumes full responsibility for protecting its space from theft, robbery and pilferage, which includes keeping valuable items locked up and doors locked and other means of entry to the Premises closed and secured after business hours and at other times the Premises is not in use.
8. Unless, expressly permitted by Landlord, no additional locks or similar devices may be attached to any door or window and no keys other than those provided by Landlord may be made for any door. If more than two keys for one lock are desired by the Tenant, Landlord will provide the same upon payment by the Tenant. Upon termination of this Lease or of Tenant's possession, Tenant will surrender all keys of the Premises and will explain to Landlord all combination locks on safes, cabinets and vaults.
9. If Tenant installs satellite dishes, antennae or similar equipment, Tenant will first obtain Landlord's written approval, and comply with Landlord's instructions in their installation.
10. The water and wash closets, drinking fountains and other plumbing fixtures will not be used for any purpose other than those for which they were constructed, and no sweepings, rubbish, rags, coffee grounds or other substances may be thrown therein.
11. Tenant will not overload any utilities serving the Premises.
12. All loading, unloading, receiving or delivery of goods, supplies, furniture or other items will be made only through entryways provided for such purposes. No deliveries may be made which unreasonably impede or interfere with other tenants or the operation of the Property.
13. Canvassing, soliciting, and peddling in or about the Property is prohibited and Tenant will cooperate to prevent the same.
14. Tenant will store all its trash and garbage in proper receptacles or other facilities for such purpose located in the areas designated therefor by Landlord.
15. Tenant will comply with all safety, fire protection and evacuation procedures and regulations established by Landlord or any governmental agency.
16. Tenant will not park or permit parking in any areas designated by Landlord for parking by visitors to the Property or for the exclusive use of tenants or other occupants of the Property.
17. Parking stickers or any other device or form of identification supplied by Landlord as a condition of use of the parking facilities will remain the property of Landlord. Such parking identification device must be displayed as requested and may not be mutilated or obstructed in any manner.

EXHIBIT "F" PROPERTY RULES (continued)

Multnomah County, Oregon

2955 NE 172nd Place

Gresham, OR 97230

Account #C-349-5420-03

Such devices are not transferable and any device in the possession of an unauthorized holder will be void. Landlord may charge a fee for parking stickers, cards or other parking control devices supplied by Landlord.

18. Parking is prohibited (a) in areas not striped for parking; (b) in aisles; (c) where "no parking" signs are posted; (d) on ramps; (e) in cross-hatched areas; (f) in loading areas; and (g) in such other areas as may be designated by Landlord.
19. All responsibility for damage, loss or theft to vehicles and the contents thereof is assumed by the person parking their vehicle.
20. Landlord reserves the right to refuse parking identification devices and parking rights to Tenant or any other person who fails to comply with the Property Rules applicable to the parking areas. Any violation of such rule will subject the vehicle to removal, at such person's expense.
21. Tenant will be responsible for the observance of all of the Property Rules by Tenant (including, without limitation, all employees, agents, clients, customers, invitees and guests).
22. Landlord may, from time to time, waive any one or more of these Property Rules for the benefit of Tenant or any other tenant, but no such waiver by Landlord shall be construed as a continuing waiver of such Building Rule(s) in favor of Tenant or any other tenant, nor prevent Landlord from thereafter enforcing any such Building Rule(s) against Tenant or any or all of the tenants of the Property.
23. These Property Rules are in addition to, and shall not be construed to in any way modify or amend, in whole or in part, the other terms, covenants, agreements and conditions of the Lease. In the event of any conflict between these Property Rules and any express term or provision otherwise set forth in the Lease, such other express term or provision of the Lease is controlling.

*Tenant = LESSEE

Landlord = LESSOR

EXHIBIT "G" PARKING

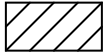
Multnomah County, Oregon

2955 NE 172nd Place

Gresham, OR 97230

Account #C-349-5420-03

MATCH LINE SEE DWG. SUITES\CGCC-2\BUILDING 2 SITE



= LESSEE Fenced Area

