

**BEFORE THE BOARD OF COUNTY COMMISSIONERS  
FOR MULTNOMAH COUNTY, OREGON**

**RESOLUTION NO. 2017-055**

Approving a Lease of the Real Property Located at 1001 SW Fifth Avenue, Portland, Oregon for Use by District Attorney Divisions.

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

- a. The District Attorney Support Enforcement Division and IT Division must vacate their current premises, 15<sup>th</sup> floor of the Portland Building, by November 1, 2017.
- b. To perform their work, these Divisions require close proximity to the Multnomah County Circuit Court and it is anticipated that they will be located in the new Multnomah County Central Courthouse after completion of construction.
- c. During the interim, space within the building located at 1001 SW Fifth Avenue, Portland, Oregon (Property), has been identified as appropriate for the Divisions and the lease attached hereto as Exhibit 1 has been negotiated.
- d. It is in the best interests of the County to lease the Property on the terms and conditions set forth in the attached lease.

**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 22nd day of June, 2017.**



**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, Assistant County Attorney

Submitted by: Sherry Swackhamer, Director, Department of County Assets.

**OFFICE LEASE (NET)**

**BETWEEN**

**ASVRF UNICO PORTLAND I, LLC,**

**a Delaware limited liability company,**

**AS LANDLORD,**

**AND**

**MULTNOMAH COUNTY,**

**a political subdivision of the State of Oregon.**

**AS TENANT,**

**FOR**

**CONGRESS CENTER**

### **SUMMARY OF BASIC LEASE INFORMATION**

This Summary of Basic Lease Information (the "Lease Summary") is hereby incorporated into and made a part of the attached Office Lease (Net) (this Lease Summary and the Office Lease (Net) to be known collectively as the "Lease"). In the event of a conflict between the terms of this Lease Summary and the Office Lease (Net), the terms of the Office Lease (Net) shall prevail. Any capitalized terms used herein and not otherwise defined herein shall have the meaning as set forth in the Office Lease (Net).

1. **Date:** June [ ], 2017.
2. **Landlord:** ASVRF UNICO PORTLAND I, LLC, a Delaware limited liability company.
3. **Address of Landlord:** c/o Unico Investment Group  
1215 Fourth Avenue, Ste. 600  
Seattle, WA 98161  
Attn: Asset Manager – Congress Center  
  
With a copy to:  
  
Prior to June 19, 2017:  
  
c/o American Realty Advisors  
801 North Brand Blvd., Suite 800  
Glendale, California 91203  
Attention: Stanley Iezman  
  
From and after June 19, 2017:  
  
c/o American Realty Advisors  
515 South Flower Street, 49<sup>th</sup> Floor  
Los Angeles, California 90071  
Attn: Stanley L. Iezman
4. **Tenant:** MULTNOMAH COUNTY, a political subdivision of the State of Oregon.
5. **Address of Tenant:** Facilities & Property Management – Leasing  
401 N. Dixon St.  
Portland, Oregon 97227  
Attention: Madeline Herrle, Senior Property Specialist  
Phone: 503.988.4128
6. **Intentionally Omitted.**
7. **Premises:** Suite Nos. 2110 (containing 6,536 rentable square feet), 2160 (containing 2,031 rentable square feet) and 2175 (containing 1,925 rentable square feet), which the parties agree contains a total of 10,492 rentable square feet, on the twenty-first (21<sup>st</sup>) floor of the Building. The Premises are outlined on the plan attached to the Lease as Exhibit A.
8. **Building:** The building of which the Premises are a part is located at 1001 SW 5<sup>th</sup> Avenue, Portland, Oregon, as shown on Exhibit B (the "Building") and is located on the real property described on Exhibit C (the "Property"). The Building is known as "Congress Center." The parties agree that the

Building contains 361,363 rentable square feet as of the date hereof.

9. **Term.**

- (a) Lease Term: Approximately two (2) years and ten (10) months.
- (b) Commencement Date: The earlier of (a) the date on which Tenant occupies any portion of the Premises and begins conducting business therein; or (b) August 1, 2017.
- (c) Expiration Date: May 31, 2020.

10. **Base Rent:**

<u>Lease Period</u>	<u>Annual Base Rent</u>	<u>Monthly Installment of Base Rent</u>
Commencement Date	\$21.00	\$18,361.00
– Month 12		
Month 13-24	\$22.00	\$19,235.33
Month 25 – 5/31/20	\$23.00	\$20,109.67

\*Provided that Tenant has faithfully performed all of the terms and conditions of this Lease, Landlord agrees to abate the obligation of the Tenant named in this Lease Summary (“Named Tenant”) to pay Base Rent for the first two (2) complete calendar month(s) of the initial Term (the “Conditional Rent”). Notwithstanding the foregoing, however, during such abatement period, Tenant shall still be responsible for the payment of all Additional Rent payable under this Lease. In the event of a Default at any time during the Term, in addition to any other remedies to which Landlord may be entitled, Landlord shall be entitled to recover the Conditional Rent (i.e., the amount of the Conditional Rent shall not be deemed to have been abated, but shall become immediately due and payable as unpaid Rent earned, but due at the time of such Default). The right to the abatement set forth above shall be personal to Named Tenant and shall not be transferable to any assignee, sub-lessee or other transferee of Named Tenant’s interest in this Lease.

11. **Additional Rent.**

- (a) Tenant’s Proportionate Share of Project Operating Costs: 2.9035%.

12. **Construction:**

- (a) Allowance: None.
- (b) Landlord Supervision Fee: 5% of Total Construction Costs.

13. **Initial Payments:**

- (a) Security Deposit: None.
- (b) Prepaid Rent: \$27,908.72.

14. **Permitted Use:** General office use consistent with the character of a Class "A" office building. Notwithstanding anything else herein to the contrary: (a) the Permitted Use shall exclude the Competing Uses (defined below); and (b) Tenant shall neither use, nor permit (pursuant to a sublease or otherwise) any other party to use, any portion of the Premises for the Competing Uses. As used herein "Competing Uses" means (i) operation of an executive suite business (i.e., a flexible workplace center for the operation of the business of providing office suites or shared office space, other than any shared office suite for doctors, dentists, or medical-related professionals and practitioners), or (ii) sale of deli-style sandwiches made with "sub" or "hoagie" rolls. Notwithstanding anything else herein to the contrary: (a) Tenant represents and warrants to Landlord that Tenant is not a Competitor (defined below), and (b) Tenant covenants that (i) Tenant shall not be a Competitor at any time during the term of this Lease; and (ii) Tenant shall not permit (pursuant to a sublease or otherwise) any Competitor to occupy any portion of the Premises. As used herein, "Competitor" means a party (x) whose primary business is that of operating an executive suite business (i.e., a flexible workplace center for the operation of the business of providing office suites or shared office space, other than any shared office suite for doctors, dentists, or medical-related professionals and practitioners), or (y) who uses or features the word "sandwiches" in its name (or trade name) or marketing materials.
15. **Intentionally Omitted**
16. **Brokers:**
- (a) Tenant's Broker: Cushman & Wakefield/Leland Consulting  
200 SW Market Street, Suite 200  
Portland, Oregon 97201  
Attention: Matthew C. Johnson and Doug Deurwaarder
- (b) Landlord's Broker: Jones Lang LaSalle  
1120 NW Couch Street, Suite 500  
Portland, Oregon 97209  
Attention: Sean Turley and Jake Lancaster
17. **Addenda and Exhibits:** The addenda and exhibits listed below are incorporated by reference in this Lease.
- |             |                                    |
|-------------|------------------------------------|
| Exhibit A   | Floor Plan of Premises             |
| Exhibit B   | Site Plan of Building              |
| Exhibit C   | Legal Description                  |
| Exhibit D   | Term Certification                 |
| Exhibit E   | Construction                       |
| Exhibit E-1 | Tenant Improvement Work            |
| Exhibit E-2 | Construction Rules and Regulations |
| Exhibit E-3 | Responsible Contractor Policy      |
| Exhibit F   | Building Services                  |
| Exhibit G   | Rules and Regulations              |

18.     **Contingency:**

This Lease is hereby made expressly contingent upon the approval of this Lease by the Board of County Commissioners for Multnomah County, Oregon ("Contingency"), which Tenant agrees to use diligent efforts to obtain as soon as reasonably possible. In the event the Contingency is not satisfied on or before July 1, 2017, Landlord shall have the ongoing right to terminate this Lease by delivery of written notice to Tenant at any time after July 1, 2017 but prior to the date the Contingency is satisfied. In the event Landlord terminates this Lease pursuant to the foregoing termination right, this Lease shall be null and void, Landlord will have no liability to Tenant on account of this Lease and Landlord will refund any Prepaid Rent previously paid to Tenant promptly after delivery of the termination notice.

Landlord and Tenant hereby agree to the foregoing terms of this Lease Summary.

LANDLORD:

ASVRF UNICO PORTLAND I, LLC,  
a Delaware limited liability company

By: ASVRF Unico Portland I Venture, LLC,  
a Delaware limited liability company,  
Sole Member

By: Unico Congress Center LLC,  
a Delaware limited liability company,  
Managing Member

By: Unico Investment Group LLC,  
a Delaware limited liability company,  
Manager

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

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

TENANT:

MULTNOMAH COUNTY,  
a political subdivision of the State of Oregon

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

Printed Name: Deborah Kafoury

Title: Board Chair

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

## **OFFICE LEASE (NET)**

THIS OFFICE LEASE (NET) (the "Lease") is made effective as of June [\_\_\_], 2017 by and between ASVRF UNICO PORTLAND I, LLC, a Delaware limited liability company ("Landlord"), and MULTNOMAH COUNTY, a political subdivision of the State of Oregon ("Tenant"), with reference to the following facts and circumstances:

- A. Landlord is the owner of the Project, as defined herein.
- B. The Premises covered by this Lease are defined on the Lease Summary and are located in the Building, as defined on the Lease Summary.
- C. American Realty Advisors (and its members, parents, subsidiaries, managers, partners, officers, directors, affiliates, representatives, employees, successors and agents; collectively, "Advisor") is the real estate investment manager for Landlord.
- D. The parties desire to enter into this Lease, all on the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the foregoing facts and circumstances, the mutual covenants and promises contained herein and other good and valuable consideration, the receipt and sufficiency of which are acknowledged by each of the parties, the parties do hereby agree to the following:

### **ARTICLE 1 LEASE OF PREMISES**

In consideration of the Rent and the provisions of this Lease, Landlord leases to Tenant and Tenant leases from Landlord the Premises. In addition, Tenant shall have the non-exclusive right (unless otherwise provided herein) in common with Landlord, other tenants, subtenants, and invitees to use the Common Areas.

### **ARTICLE 2 DEFINITIONS**

Except as otherwise defined in this Lease, capitalized terms shall have the meanings set forth on the Lease Summary. As used in this Lease, the following terms shall have the following definitions:

- 2.1. Additional Rent. All amounts, costs and expenses that Tenant assumes, agrees or is otherwise obligated to pay to Landlord under this Lease other than Base Rent.
- 2.2. Affiliate. An entity that is controlled by, controls, or is under common control with a party. "Control" shall mean the ownership, directly or indirectly, of at least fifty-one percent (51%) of the voting securities of, or possession of the right to vote, in the ordinary direction of its affairs, of at least fifty-one percent (51%) of the voting interest in any entity.
- 2.3. Bankruptcy Code. Title 11 of the United States Code, as amended from time to time.
- 2.4. Base Rent. As set forth on the Lease Summary.
- 2.5. Building Services. As set forth in Exhibit F.
- 2.6. Building Systems. Any plant, machinery, transformers, duct work, cable, wires, and other equipment and facilities, and any systems designed to supply heat, ventilation, air conditioning and humidity or any other services or utilities (other than any supplemental HVAC system exclusively serving any tenant's premises), or comprising or serving as any component or portion of the electrical, gas, steam, plumbing, sprinkler, communications, alarm, security, or fire/life safety systems or equipment, any Telecommunications System serving the Building generally (and excluding the Telecommunications Systems of the tenants of the Building) and any



other mechanical, electrical, electronic, computer or other systems or equipment that serves the Building in whole or in part..

2.7. Business Days. Days other than Saturdays, Sundays and Holidays. If any item must be accomplished or delivered hereunder on a day that is not a Business Day, it shall be timely to accomplish or deliver the same on the next following Business Day.

2.8. Business Hours. As set forth in Exhibit F.

2.9. Claims. Actions, causes of action, charges, claims, contribution costs, damages, demands, expenses (including, without limitation, attorneys' fees and fees and costs of consultants and other professionals), fines, liabilities, liens, losses, obligations, penalties, proceedings, response costs, or suits. All references in this Lease to Landlord's "attorneys' fees" shall mean and refer to all of Landlord's fees and costs for attorneys, including in-house attorneys.

2.10. Commencement Date. As set forth on the Lease Summary.

2.11. Common Areas. The building lobbies, common corridors, common restrooms (as opposed to restrooms for the exclusive use of any tenant), passageways, elevators, stairways, unrestricted parking areas, entrances, exits, driveways and walkways, loading facilities, freight elevators, terraces and landscaped areas in and around the Building, and other public or common areas in the Project designated as such by Landlord.

2.12. Environmental Laws. All Laws regulating or controlling Hazardous Materials, including, without limitation, the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended, 42 U.S.C. 9601, et seq.; the Hazardous Material Transportation Act, 49 U.S.C. 1801 et seq.; and the Resource Conservation and Recovery Act, 42 U.S.C. 6901 et seq.

2.13. Expiration Date. As set forth on the Lease Summary, unless otherwise sooner terminated in accordance with the provisions of this Lease.

2.14. Force Majeure. Strikes, labor disputes, lockouts, inability to obtain labor, materials, equipment, or reasonable substitutes therefor, acts of God, governmental restrictions, regulations, or controls, judicial orders, enemy or hostile government actions, civil commotion, war, terrorism (foreign or domestic), fire, accident, explosion, falling objects or other casualty, or other causes beyond the reasonable control of the party obligated to perform hereunder.

2.15. Intentionally Omitted.

2.16. Hazardous Materials. Any hazardous waste or hazardous substance as defined in any Laws applicable to the Project, including, without limitation, the Environmental Laws. "Hazardous Materials" shall also include asbestos or asbestos-containing materials, radon gas, petroleum or petroleum fractions, urea formaldehyde foam insulation, transformers containing levels of polychlorinated biphenyls greater than 50 parts per million, medical waste, biological materials (including without limitation blood and blood products), electromagnetic fields, mold and chemicals known to cause cancer or reproductive toxicity, whether or not defined as a hazardous waste or hazardous substance in any statute, ordinance, rule or regulation.

2.17. Holidays. All federally observed holidays, including New Year's Day, Martin Luther King, Jr. Day, President's Day, Memorial Day, Independence Day, Labor Day, Veteran's Day, Thanksgiving Day and Christmas Day.

2.18. Insurance. All costs incurred by Landlord for insurance with respect to the Project, including but not limited to the insurance required under Section 18.1 below.

2.19. Interest Rate. The average prime loan rate published by the board of governors of the Federal Reserve System of the United States, as the same may change from time to time, plus four percent (4%) per annum,

but not in excess of the maximum rate, if any, allowed by Law for the transaction on which interest is being calculated.

2.20. Landlord Related Parties. Landlord, Landlord's Affiliates, Advisor, and the members, principals, beneficiaries, partners, trustees, shareholders, directors, officers, employees, mortgagees, managers (including investment managers and property managers), representatives and brokers, contractors, attorneys, and agents of Landlord, Landlord's Affiliates and Advisor, and the successors of such parties.

2.21. Intentionally Omitted.

2.22. Law or Laws. All federal, state, county and local governmental and municipal laws, statutes, ordinances, rules, regulations, requirements, codes, decrees, orders, and decisions by courts and cases, when the decisions are considered binding precedent in the State, and decisions of federal courts applying the Law of the State; including but not limited to The Americans With Disabilities Act of 1990 (42 U.S.C. § 12101 *et seq.*), and any regulations and guidelines promulgated thereunder, as all of the same may be amended and supplemented from time to time.

2.23. Lease Year. Each twelve (12) month period or portion thereof during the Term, commencing with the Commencement Date, without regard to calendar years; provided, however, if the Commencement Date is not the first day of the month, then the first (1<sup>st</sup>) Lease Year shall commence on the first day of the first calendar month after the Commencement Date and be deemed to include the partial month at the beginning of the Term.

2.24. Mortgagee. The lessor under any present and future ground or underlying lease of the Property and the holder of any mortgage, deed to secure debt or trust deed now or hereafter in force against the Property or the Building.

2.25. Operating Costs. All costs incurred by Landlord or its agents in the ownership, management, maintenance, repair, replacement, improvement, alteration and operation of the Building and Project, which may include, without limitation, any or all of the following: (a) utilities; (b) supplies, tools, equipment and materials used in the operation, repair and maintenance of the Building or the Project; (c) landscaping; (d) alarm and security service provided to the Project or surrounding areas; (e) reasonable reserves for operation, maintenance and repair of the Project and for covering uninsured damage and liability claims relating to the Project, including, without limitation, deductible amounts (provided that if Landlord incurs an expense for which a reserve is held, Landlord shall apply the applicable reserves to the expense prior to including the balance of the expense in Operating Costs); (f) fees, charges and other costs, including, without limitation, reasonable consulting fees, legal fees and accounting fees, of all contractors engaged by Landlord or otherwise reasonably incurred by Landlord in connection with the management, operation, maintenance and repair of the Building or the Project; (g) compensation (including, without limitation, employment taxes and fringe benefits) of all persons who perform duties in connection with the operation, maintenance, repair, or overhaul of the Building or the Project, and equipment, improvements, and facilities located within the Project; (h) operation and maintenance of a room for delivery and distribution of mail to tenants of the Building or the Project as required by the U. S. Postal Service, along with any space Landlord provides for non-exclusive use by tenants, such as conference centers, exercise facilities and other building amenities (including, without limitation, an amount equal to the fair market rental value of the space used for such purposes); (i) payments under any easement, license, operating agreement, declaration, restrictive covenant, underlying or ground lease (excluding rent), or instrument pertaining to the sharing of costs by the Building or the Project; (j) operation, repair, maintenance and replacement (provided such replacement cost will be capitalized in accordance with subsection (u) below) of the Building's structure and all Building Systems, including, without limitation, the cost to replace or retrofit as required by Laws; (k) janitorial service, window cleaning, trash removal; (l) repair and replacement of building standard surfaces, including but not limited to wall and floor coverings, ceiling tiles, window coverings and fixtures; (m) maintenance and replacement of curbs and walkways; (n) repair to and replacement of (provided such replacement cost will be capitalized in accordance with subsection (u) below) the roof; (o) Building signage and directories; (p) management of the Building or the Project, whether by Landlord or an independent contractor (including, without limitation, an amount equal to the fair market value of any manager's office; provided, that if such manager's office is located off-site, the fair market value of such office shall be equitably allocated among all buildings managed by such office); (q) rental expenses for (or a reasonable depreciation allowance on) personal property used in maintenance, operation or repair of the Building or the Project;

(r) licenses, certificates, permits and inspections and the cost of contesting the validity or applicability of any governmental enactments that may affect Operating Costs; (s) the costs incurred in connection with the implementation and operation of any transportation system management program or similar program; (t) any costs, expenditures, or charges (whether capitalized or not) required by any governmental or quasi-governmental authority; and (u) amortization of capital expenses (including, without limitation, financing costs) (A) that are intended as a labor saving device or to effect other economies in the operation or maintenance of the Building or the Project, or any portion thereof, (B) that are required under any Law, or (C) that are in Landlord's opinion necessary to maintain the Building or the Project, or any portion thereof, in good condition and repair; provided that such cost shall be amortized (including interest on the unamortized cost) over its useful life or any other appropriate amortization period, as Landlord shall reasonably determine in accordance with Generally Accepted Accounting Principles. Notwithstanding the foregoing, for purposes of this Lease, "Operating Costs" shall not include:

2.25.1. Costs (including permit, license and inspection costs) incurred in renovating or otherwise improving, decorating or redecorating rentable space for other tenants or vacant rentable space;

2.25.2. Utilities or services sold to Tenant or others for which Landlord is entitled to and actually receives reimbursement (other than through any operating cost reimbursement provision similar to the provisions set forth in this Lease);

2.25.3. Except as otherwise specifically provided in this Section, alterations to the Building that are considered capital improvements or replacements of such capital improvements under sound real estate management principles;

2.25.4. Depreciation and amortization, except on materials, small tools and supplies purchased by Landlord to enable Landlord to supply services Landlord might otherwise contract for with a third party, where such depreciation and amortization would otherwise have been included in the charge for such third party services, all as determined in accordance with sound real estate management principles;

2.25.5. Services or other benefits that are not available to Tenant, but which are provided to other tenants of the Building;

2.25.6. Except as otherwise specifically provided in this Section, interest on debt or amortization on any mortgages, other charges, costs and expenses payable under any mortgage, if any, and costs for financing and refinancing the Project;

2.25.7. Ground rents;

2.25.8. Compensation and employee benefits paid to clerks, attendants or other persons in any commercial concession operated by Landlord;

2.25.9. Rentals and other related expenses incurred in leasing equipment, the cost of which would otherwise be excluded capital expenses hereunder, except equipment used (a) in performing repairs and replacements and/or in providing janitorial or similar services and which is not affixed to the Building, or (b) in case of emergency;

2.25.10. Electrical power for which Tenant directly contracts with and pays an electrical service company;

2.25.11. Marketing costs, including leasing commissions, attorneys' fees in connection with the negotiation and preparation of letters, deal memos, letters of intent, leases, subleases and/or assignments, space planning costs, and other costs and expenses incurred in connection with lease, sublease or assignment negotiations and transactions with present or prospective tenants or other occupants of the Building, including attorneys' fees and other costs and expenditures incurred in connection with disputes with present or prospective tenants or other occupants of the Building unless related to the operation or maintenance of the Common Areas;

2.25.12. Costs covered by insurance, to the extent of the insurance proceeds actually received by Landlord;

2.25.13. Costs covered by warranties, to the extent of the amount actually paid under the warranty;

2.25.14. Any service provided directly to and paid directly by any tenant; and

2.25.15. Wages and benefits of any employee who does not devote substantially all of his or her employed time to the Building unless such wages and benefits are prorated to reflect time spent on operating and managing the Building vis-à-vis time spent on matters unrelated to operating and managing the Building.

2.26. Permitted Use. As set forth on the Lease Summary.

2.27. Permitted Transfer. The day-to-day sale and exchange of ownership interests in a publicly traded entity on a recognized, domestic, national securities exchange or over-the-counter in the ordinary course of business or an assignment or subletting of all or a portion of the Premises to an Affiliate of Tenant, where (a) the transferee assumes, in full, the obligations of Tenant under this Lease; (b) Tenant remains fully liable under this Lease; (c) the use of the Premises remains unchanged; (d) after such transaction is effected, the tangible net worth of the tenant hereunder is equal to or greater than the tangible net worth of Tenant as of the date of this Lease; (e) Landlord shall have received an executed copy of all documentation effecting such transfer on or before its effective date; and (f) the same is not a subterfuge by Tenant to avoid its obligations under this Lease.

2.28. Permitted Transferee. The Transferee pursuant to a Permitted Transfer.

2.29. Intentionally Omitted.

2.30. Project. The Property, the Building and any other improvements on the Property.

2.31. Project Operating Costs. Operating Costs, Taxes and Insurance.

2.32. Rent. Base Rent and Additional Rent.

2.33. Rentable Area.

2.33.1. Rentable Area shall be the measurement of rentable area or rentable square feet as calculated by Landlord using the BOMA Standard Method for Measuring Floor Area in Office Buildings as a guideline, as the same may be modified and adopted by Landlord in its sole discretion from time to time.

2.33.2. Except as provided expressly to the contrary herein, Landlord reserves the right to alter the Project, and in such event, the Rentable Area of the Premises and the Project could likewise be revised. In addition, the Rentable Area of the Project may from time to time be subject to recalculation, as determined by Landlord. In the event of any change in the Rentable Area of the Premises, the Base Rent and other sums payable based on square footage shall be adjusted accordingly.

2.34. Rules and Regulations. As set forth in Exhibit G.

2.35. State. The state in which the Project is located.

2.36. Substantial Completion or Substantially Completed. As defined in Exhibit E.

2.37. Taxes. All taxes and assessments (whether special or general, ad valorem or non-ad valorem, voluntary or non-voluntary, and regardless of whether the same are deductible for Landlord's income tax purposes), water and sewer charges, and other similar government charges levied on or attributable to the Building or Project or their operation, including, without limitation (a) real property taxes or assessments levied or assessed against the

Building or Project; (b) assessments or charges levied or assessed against the Building or Project by any redevelopment agency, municipality or governmental or quasi-governmental agency, including but not limited to any assessments or the Project's contribution towards a governmental or private cost-sharing agreement for the purpose of augmenting or improving the quality of services and amenities normally provided by governmental agencies, any assessments resulting from Landlord's participation in a "PACE" program, and any charges or assessments levied by a Local Improvement District; (c) any tax, assessment, levy, license fee or charge measured by or based, in whole or in part, by Rent received from the leasing of the Premises, the Building, or the Project, or any portions thereof; (d) general or special, ad valorem, non-ad valorem or specific, excise, capital levy, or other tax, assessment, levy, or charge directly on the Rent received under this Lease or on the rent received under any other leases of space in the Building or Project; (e) any transfer, transaction, or similar tax, assessment, levy, or charge based directly or indirectly upon the transaction represented by this Lease or other leases in the Project; (f) any franchise or margin tax imposed by any governmental entity; (g) any possessory interest, occupancy, use, per capita, or other tax, assessment, levy, or charge based directly or indirectly upon the use or occupancy of the Premises or other premises within the Building or the Project; (h) interest on installments as charged by the taxing authority; and (i) the reasonable costs and expenses of any contest or protest of Taxes prosecuted by Landlord, including, without limitation, any appraisal fees and attorneys' fees. Taxes shall not include (i) any net income, capital stock, estate or inheritance taxes imposed by the State or Federal Government or their agencies, branches, or departments; and (ii) tax penalties, interest or late charges incurred as a result of Landlord's failure to make timely payment of Taxes. Notwithstanding the foregoing, if at any time during the Term, the present method of taxation or assessment shall be so changed that the whole or any part of the taxes, assessments, levies, impositions or charges now levied, assessed or imposed on the Project shall be discontinued or reduced and as a substitute therefor, or in lieu of or in addition thereto, taxes, assessments, levies, impositions or charges shall be levied, assessed or imposed, wholly or partially, as a capital levy or otherwise (a "Substitute Tax"), then such Substitute Tax shall be included within the definition of Taxes. If any portion of the Building is occupied by a tax-exempt tenant so that the Building has a partial tax exemption under ORS 307.112 or a similar statute, then real property taxes shall mean taxes computed as if such partial exemption did not exist. Tenant hereby waives, and assigns, transfers and conveys to Landlord, any and all rights to contest or protest any Taxes. At Landlord's option, Landlord shall pay assessments in installments over the longest period of time permitted by the applicable jurisdiction.

2.38. Telecommunications Systems. All telecommunications systems including but not limited to voice, video, data, and any other telecommunications services provided over wire, fiber optic, microwave, wireless, satellite and any other transmission systems, for part or all of any telecommunications within the Building or from the Building to any other location.

2.39. Intentionally Omitted.

2.40. Tenant Related Parties. Tenant, its Affiliates, agents, contractors, subcontractors, employees, invitees, subtenants, transferees, and any other party claiming by, through or under Tenant.

2.41. Tenant's Cost Allocation. The sum of the following: (a) Tenant's Proportionate Share of Operating Costs for the year in question; (b) Tenant's Proportionate Share of Taxes for the year in question; and (c) Tenant's Proportionate Share of Insurance for the year in question. If at any time during the Term Operating Costs, Taxes and/or Insurance are not based on a completed and fully assessed Project having at least ninety-five percent (95%) of the Rentable Area occupied, then Operating Costs, Taxes and/or Insurance shall be adjusted by Landlord in order reasonably to approximate the variable components of Operating Costs, Taxes and/or Insurance for such year or applicable portion thereof, employing sound accounting and management principles, that would have been payable if the Project were completed, fully assessed and at least ninety-five percent (95%) occupied.

2.42. Tenant's Property. All movable partitions, business and trade fixtures, machinery and equipment, communications equipment, entry access controls installed by Tenant, and office equipment located in the Premises and acquired by or for the account of Tenant, without expense to or reimbursement by Landlord, that can be removed without damage to the Building, and all furniture, furnishings, records, files and other articles of movable personal property owned by Tenant and located in the Premises; however, in no event shall Tenant's Property include any equipment or other property that Landlord reasonably determines is a leasehold improvement (e.g., rooftop or supplemental air conditioning units).

2.43. Tenant's Proportionate Share. As set forth on the Lease Summary. Such share is a fraction, the numerator of which is the Rentable Area of the Premises, and the denominator of which shall be the Rentable Area of the Project. Tenant's Proportionate Share is subject to recalculation in accordance with changes in the Rentable Area of the Premises, the Building or the Project. Landlord reserves the right to create pools of similarly situated tenants for the purpose of allocating certain Operating Costs that benefit only the tenants in such pool ("Specialized Operating Costs"). For the purpose of allocating Specialized Operating Costs for any pool of which Tenant is a member, Tenant's Proportionate Share shall be a fraction, the numerator of which shall be the Rentable Area of the Premises, and the denominator of which shall be the Rentable Area of the premises of all tenants in such pool.

2.44. Term. As set forth on the Lease Summary, as the same may be extended from time to time; however, the terms and provisions of this Lease shall be effective as of the date of the full execution and delivery of this Lease except for the provisions of this Lease relating to the payment of Rent.

2.45. Transfer. An assignment, mortgage, pledge, hypothecation, encumbrance, lien or other transfer of this Lease or any interest hereunder, a transfer by operation of law, a sublease or license of the Premises or any part thereof, or the use of the Premises by any party other than Tenant and its employees (including any assignment, mortgage, pledge, hypothecation, encumbrance, lien or other transfer of this Lease or any interest hereunder or a sublease of the Premises or any part thereof by Tenant's heirs and/or executors). "Transfer" shall also include (a) if Tenant is a partnership, limited liability company or any other non-corporate entity, the withdrawal or change, voluntary, involuntary or by operation of law, of twenty-five percent (25%) or more of the partners, members or owners, or transfer of twenty-five percent (25%) or more of partnership, membership or ownership interests, within a twelve (12)-month period, or the dissolution of the partnership or company without immediate reconstitution thereof, (b) if Tenant is a corporation, the dissolution, merger, consolidation or other reorganization of Tenant, the sale or other transfer of more than an aggregate of twenty-five percent (25%) of the voting shares of Tenant (other than to immediate family members by reason of gift or death), within a twelve (12)-month period; and (c) the sale, mortgage, hypothecation or pledge of more than an aggregate of twenty-five percent (25%) of the value of the unencumbered assets of Tenant within a twelve (12) month period.

2.46. Transferee. Any person or entity to whom or which any Transfer is made.

### **ARTICLE 3**

#### **PREMISES AND DELIVERY OF POSSESSION**

3.1. Delivery of Possession. Except as otherwise provided herein, Landlord shall use commercially reasonable efforts to deliver possession of the Premises on or before the anticipated Commencement Date, set forth on the Lease Summary. If for any reason, Landlord is delayed in delivering possession of the Premises to Tenant, Landlord shall not be subject to any liability for such failure, and the validity of this Lease shall not be impaired.

3.2. Commencement Date. If the Commencement Date is not fixed on the Lease Summary, once the Commencement Date is fixed, within fifteen (15) days following request by Landlord, Tenant will execute and deliver to Landlord a certificate substantially in the form of Exhibit D attached hereto and made a part hereof, indicating thereon any exceptions thereto that may exist at that time. Failure of Tenant to execute and deliver such certificate within fifteen (15) days following its request by Landlord shall constitute binding and conclusive acceptance of the Premises and acknowledgment by Tenant that the statements included in Exhibit D, as prepared by Landlord, are true and correct.

3.3. Early Access. Landlord shall allow Tenant access to the Premises prior to the Commencement Date, provided Tenant has delivered proof of insurance as required by this Lease and such entry will not disrupt or delay the completion of the Tenant Improvements, for the purpose of Tenant installing equipment or fixtures (including Tenant's data and telephone equipment) in the Premises. Prior to Tenant's entry into the Premises as permitted by the terms of this paragraph, Tenant shall submit a schedule to Landlord for its approval, which schedule shall detail the timing and purpose of Tenant's entry. All terms of this Lease, except for the payment of Base Rent and Tenant's Cost Allocation, shall apply during such early access.

## **ARTICLE 4**

### **RENT**

Tenant agrees to pay to Landlord all Rent payable hereunder, without set-off or deduction, in lawful money of the United States of America. Tenant shall pay the Rent as follows:

4.1. **Base Rent.** Tenant shall pay to Landlord the Base Rent without notice, demand or offset, in installments due and payable in advance on the first (1<sup>st</sup>) day of each calendar month during the Term. In the event of any fractional calendar month, Tenant shall pay for each day in such partial month a rental equal to 1/30 of the Base Rent. Concurrent with Tenant's execution of this Lease, Tenant will deliver to Landlord the prepaid rent set forth in Section 13 of the Lease Summary, which Landlord shall apply to the first month's Base Rent and Tenant's Cost Allocation.

4.2. **Tenant's Cost Allocation.** In addition to the Base Rent and all other payments due under this Lease, Tenant shall pay Tenant's Cost Allocation, as follows:

4.2.1. **Estimated Payments.** Tenant shall pay Landlord's reasonable estimate of Tenant's Cost Allocation for each calendar year of the Term (the "Estimated Payment") in advance, in monthly installments, commencing on the first (1<sup>st</sup>) day of the month following the month in which Landlord notifies Tenant of the amount it is to pay hereunder and continuing until the first (1<sup>st</sup>) day of the month following the month in which Landlord notifies Tenant of any revised Estimated Payment. Landlord shall estimate from time to time the amount of Tenant's Cost Allocation for each calendar year of the Term, make an adjustment to the Estimated Payment due for such calendar year and notify Tenant of the revised Estimated Payment in writing. Within thirty (30) days after Tenant's receipt of notice of such adjustment and the revised Estimated Payment, Tenant shall pay Landlord a fraction of such revised Estimated Payment for such calendar year (reduced by any amounts paid pursuant to the first sentence of this Section 4.2.1). Such fraction shall have as its numerator the number of months which have elapsed in such calendar year to the date of such payment, both months inclusive, and shall have twelve (12) as its denominator. All subsequent payments by Tenant for such calendar year shall be based upon such adjustment and the revised Estimated Payment. In the event of any fractional calendar month, Tenant shall pay for each day in such partial month a rental equal to 1/30 of the Estimated Payment.

4.2.2. **Reconciliation.** Within a reasonable period after the end of each calendar year, Landlord shall deliver to Tenant a statement (the "Statement") setting forth Tenant's Cost Allocation for such year. If Tenant's Cost Allocation for such year exceeds the total of the Estimated Payment made by Tenant for such year, Tenant shall pay Landlord the amount of the deficiency within thirty (30) days of the receipt of the Statement and any amount payable by Tenant that would not otherwise be due until after the termination of this Lease, shall, if the exact amount is uncertain at the time that this Lease terminates, be paid by Tenant to Landlord upon such termination in an amount to be estimated by Landlord with an adjustment to be made once the exact amount is known. If the Estimated Payment made by Tenant exceeds Tenant's Cost Allocation for such year, then Landlord shall credit against Tenant's next ensuing Estimated Payment(s) an amount equal to the difference until the credit is exhausted. If a credit is due from Landlord after the Expiration Date, Landlord shall pay Tenant the amount of the credit after deducting therefrom any amounts then owed by Tenant to Landlord. The obligations of Tenant and Landlord to make payments required under this Section shall survive the expiration or termination of this Lease, and Landlord's failure to deliver the Statement shall not be deemed a waiver of Landlord's right to make the adjustments set forth herein.

4.2.3. **Tax Reduction.** Landlord and Tenant acknowledge that Tenant is a governmental entity, and as such, may be entitled to pursue an exemption for certain Taxes which would otherwise be payable for the Premises. Tenant may, at Tenant's sole cost and expense, elect to apply for an exemption from any Taxes otherwise payable hereunder based upon Tenant's status as a governmental entity (a "Tax Exemption") directly from the applicable taxing authority. Landlord will not be required to incur any costs in connection with Tenant's application for any Tax Exemption. In the event Taxes are reduced as a result of a Tax Exemption, Tenant's Proportionate Share of Taxes otherwise payable by Tenant pursuant to this Lease will be decreased by the amount of the reduction or credit in Taxes actually received by or credited to Landlord as a result of Tenant's Tax Exemption. In the event Landlord receives a reimbursement of any Taxes previously paid by Tenant as a result of a Tax Exemption,

Landlord will reimburse Tenant for the amount of such reimbursement or credit, up to the amount of Taxes previously paid by Tenant for the applicable tax year.

4.3. Landlord's Records. Landlord shall maintain records respecting Project Operating Costs and determine the same in accordance with sound accounting and management practices, consistently applied. Provided Tenant is not in Default, Tenant or its representative experienced in auditing such records (which may not be an accountant or other consultant compensated on a contingency basis) shall have the right to examine such records (which shall in no event include any other tenants' leases or Landlord's tax returns or financial statements) upon reasonable prior notice (except that no such examination may occur during the months of December or April or during Landlord's fiscal year end, if other than December 31) specifying which records Tenant desires to examine, during normal business hours at a time mutually agreed upon by Landlord and Tenant and at the place or places where such records are normally kept, by sending such notice no later than sixty (60) days following the furnishing of the Statement. Notwithstanding the foregoing, Tenant shall only have the right to review Landlord's records one (1) time during any twelve (12) month period and may audit Landlord's records with respect to any given calendar year only once, with each such review being inclusive of follow-up questions by Tenant and requests by Tenant for additional records and information related to such review (provided all follow up is completed within the review period). Tenant may take exception to matters included in Project Operating Costs or Landlord's computation of Tenant's Proportionate Share by sending notice specifying such exception and the reasons therefor to Landlord (including any reports prepared by Tenant's representative and any accompanying data) no later than ninety (90) days after Landlord makes such records available for examination. If Tenant takes exception to any matter contained in the Statement as provided herein, Landlord shall refer the matter to an independent certified public accountant of Landlord's choice, subject to Tenant's reasonable approval, whose certification as to the proper amount shall be final and conclusive as between Landlord and Tenant. Tenant shall promptly pay the cost of such certification, including, without limitation, any reasonable attorneys' fees incurred by Landlord in connection therewith, unless such certification determines that Project Operating Costs were overstated by more than five percent (5%) in the aggregate for the applicable year, in which event Landlord shall pay the cost of such certification. Pending resolution of any such exceptions in the foregoing manner, Tenant shall continue paying Tenant's Cost Allocation in the amounts determined by Landlord, subject to adjustment after any such exceptions are so resolved. Tenant acknowledges that any information gathered through an audit is strictly confidential and shall not disclose such confidential information to any person or entity other than Tenant's financial and legal consultants. The Statement shall be considered final, except as to matters to which exception is taken in the manner and within the times specified herein.

4.4. Other Taxes Payable by Tenant. In addition to the Base Rent and any other charges to be paid by Tenant hereunder, Tenant shall, as an element of Rent, reimburse Landlord upon demand for any and all taxes payable by Landlord (other than net income taxes) that are not otherwise reimbursable under this Lease, whether or not now customary or within the contemplation of the parties, where such taxes are upon, measured by, or reasonably attributable to (a) the cost or value of Tenant's equipment, furniture, fixtures, and other personal property located at the Premises, or the cost or value of any leasehold improvements made in or to the Premises by or for Tenant, regardless of whether title to such improvements is held by Tenant or Landlord; or (b) this transaction or any document to which Tenant is a party creating or transferring an interest or an estate in the Premises. If it becomes unlawful for Tenant to reimburse Landlord for any taxes or other charges as required under this Lease, the Base Rent shall be revised to net Landlord the same net Rent after imposition of any tax or other charge upon Landlord as would have been payable to Landlord but for the reimbursement being unlawful. Landlord and Tenant acknowledge that Tenant is a governmental entity, and as such, may be entitled to pursue an exemption for certain taxes which would otherwise be payable for the Premises. Tenant may, at Tenant's sole cost and expense, elect to apply for an exemption from any taxes otherwise payable hereunder based upon Tenant's status as a governmental entity (a "Tax Exemption") directly from the applicable taxing authority. Landlord will not be required to incur any costs in connection with Tenant's application for any Tax Exemption. In the event any taxes otherwise payable by Tenant pursuant to this Section 4.4 are reduced or waived as a result of a Tax Exemption, Tenant's obligation to pay such taxes will be correspondingly reduced or waived.

4.5. Place of Payment. All Rent shall be paid at the address Landlord may from time to time designate in writing and in no event shall Landlord's acceptance of Rent from any party other than the Tenant named in the Lease Summary create a tenancy between Landlord and such party.



4.6. Interest and Late Charges. If Tenant fails to pay any Rent within five (5) days from when due, the unpaid amounts shall bear interest at the Interest Rate. Tenant acknowledges that the late payment of any Rent will cause Landlord to incur costs and expenses not contemplated under this Lease, including, without limitation, administrative and collection costs and processing and accounting expenses, the exact amount of which is extremely difficult to ascertain. Therefore, in addition to interest, if any such payment is not received by Landlord within five (5) days from when due, Tenant shall pay Landlord a late charge equal to five percent (5%) of such payment. Landlord and Tenant agree that this late charge represents a reasonable estimate of such costs and expenses and is fair compensation to Landlord for loss resulting from Tenant's nonpayment. The late charge shall be deemed Additional Rent and the right to require it shall be in addition to all of Landlord's other rights and remedies hereunder or at law and shall not be construed as liquidated damages for any default of Tenant or as limiting Landlord's remedies in any manner. In addition, any check returned by the bank for any reason will be considered late and will be subject to all late charges, plus a Fifty Dollar (\$50.00) fee. After two (2) returned checks in any twelve (12) month period, Landlord will have the right to receive payment by a cashier's check or money order. Nothing contained herein shall be construed as to compel Landlord to accept any payment of Rent in arrears or late charges should Landlord elect to apply its rights and remedies available under this Lease or at law or in equity in the event of a Default.

## **ARTICLE 5** **INTENTIONALLY OMITTED**

## **ARTICLE 6** **USE**

6.1. Permitted Use. Tenant shall use the Premises solely for the Permitted Use as shown on the Lease Summary, and for no other purpose without Landlord's consent (which consent may be withheld in Landlord's sole discretion). Tenant shall comply with all recorded covenants, conditions, and restrictions, and the provisions of all ground or underlying leases, now or hereafter affecting the Project. Tenant shall, at Tenant's expense, comply with all insurance company and/or Mortgagee requirements pertaining to the use of the Premises. Tenant shall not (a) do or permit anything to be done in or about the Premises that would in any way obstruct or interfere with the rights of other tenants or occupants of the Building or Project or violate any restrictions or exclusive uses set forth in any other tenants' leases; (b) injure, annoy or interfere with the business of any other tenants or occupants of the Project or any of their invitees; (c) cause, maintain or permit any nuisance arising out of Tenant's use or occupancy of the Premises; or (d) commit or suffer to be committed any waste in or upon the Premises, the Building or the Project. Tenant acknowledges that the Building and/or Project has, or in the future may seek, a USGBC or other "green agency" rating and, as a result, the Building and/or Project will be operated pursuant to Landlord's sustainable practices (as the same may be modified by Landlord from time to time) and, in connection therewith, Tenant (i) shall comply with such practices, and (ii) shall not do or permit anything to be done in or about the Premises that would in any way jeopardize any such rating.

6.2. Compliance with Law. Tenant acknowledges and agrees that, except as may otherwise be specifically provided in this Lease, Landlord has made no representation or warranty as to whether the Premises, the Building or the Project conforms to the requirements of Law. Tenant shall be responsible for compliance of the Premises with applicable Law and shall bear all costs necessary to maintain the Premises in compliance with Law (including, without limitation, any structural work) and any related inspections. Tenant shall also be responsible for the cost of any alterations to other portions of the Building or the Project necessitated by any Alterations or any change in use of the Premises. Tenant shall not use or occupy the Premises in violation of any Law or the certificate of occupancy issued for the Building or the Project and shall, upon notice from Landlord, immediately discontinue any use of the Premises that is declared by any governmental authority having jurisdiction to be a violation of Law or the certificate of occupancy. A judgment of any court of competent jurisdiction or the admission by Tenant in any action or proceeding against Tenant that Tenant has violated any such Laws in the use of the Premises shall be deemed to be a conclusive determination of that fact as between Landlord and Tenant. Should any obligation be imposed by Law, then Tenant agrees, at its sole cost and expense, to comply promptly with such obligations to the extent the same relate to the Premises or Tenant's use of the Premises, the Building or the Project.

6.3. Effect on Landlord's Insurance. Tenant shall not do or permit to be done anything that will invalidate or increase the cost of any property coverage, or other insurance policy covering the Building, the Project

or any property located therein. Tenant shall promptly, upon demand, reimburse Landlord for any additional premium charged for such policy by reason of Tenant's failure to comply with the provisions of this Section.

6.4. Intentionally Omitted.

6.5. Use of Common Areas. Use of all Common Areas by any Tenant Related Parties shall at all times be subject to the Rules and Regulations and the exclusive control and management of Landlord.

## **ARTICLE 7**

### **HAZARDOUS MATERIALS**

7.1. Indemnity. Tenant shall indemnify, defend and hold harmless all Landlord Related Parties from and against all Claims directly or indirectly arising out of the existence, use generation, migration, storage, transportation, release, threatened release, or disposal of Hazardous Materials (including, without limitation, the Permitted Materials (hereinafter defined)) in, on, or under the Premises, the Building or the Project or in the groundwater under the Project and the migration or transportation of Hazardous Materials to or from the Premises, the Building or the Project or the groundwater underlying the Project, to the extent that any of the foregoing is caused, or alleged to be caused, by any Tenant Related Parties. This indemnity extends to the costs incurred by any Landlord Related Party to investigate, remediate, monitor, treat, repair, clean-up, dispose of, or remove such Hazardous Materials in order to comply with the Environmental Laws; provided that if Tenant is not otherwise in Default, Landlord shall give Tenant not less than thirty (30) days' advance notice of Landlord's intention to incur such costs.

7.2. Restriction on Hazardous Materials. Tenant shall not permit any Tenant Related Parties to use, generate, manufacture, store, transport, release, threaten release, or dispose of Hazardous Materials in, on, or about the Premises, the Building or the Project or transport Hazardous Materials from the Premises, the Building or the Project unless Tenant shall have received Landlord's prior consent therefor, which Landlord may revoke at any time, and shall not cause or permit the release or disposal of Hazardous Materials from the Premises, the Building or the Project except in compliance with applicable Environmental Laws; provided, however, Tenant shall be permitted to use and store at the Premises de minimus amounts of customary office and cleaning supplies in compliance with applicable Environmental Laws (the "Permitted Materials"). Tenant shall promptly deliver notice to Landlord if Tenant obtains knowledge sufficient to infer that Hazardous Materials are located on the Premises, the Building or the Project that are not in compliance with applicable Environmental Laws or if any third party, including without limitation, any governmental agency, claims a significant disposal of Hazardous Materials occurred on the Premises, the Building or the Project or is being or has been released from the Premises, the Building or the Project.

7.3. Investigation of Contamination. Upon reasonable written request of Landlord, Tenant, through its appropriately qualified and licensed professional engineers, and at Tenant's cost, shall thoroughly investigate suspected Hazardous Materials contamination of the Premises, the Building or the Project that would arguably come within the scope of Tenant's indemnification and hold harmless obligations as set forth above. Tenant, using duly licensed and insured contractors approved by Landlord, shall promptly commence and diligently complete the removal, repair, clean-up, and detoxification of any Hazardous Materials from the Premises, the Building and the Project as may be required by applicable Environmental Laws that comes within the scope of Tenant's indemnification and hold harmless obligations as set forth above. The provisions of this Article shall survive the expiration or earlier termination of this Lease.

## **ARTICLE 8**

### **SERVICES AND UTILITIES**

8.1. Furnishing of Building Services. Provided that Tenant is not in Default, Landlord agrees to furnish the Building Services as set forth on Exhibit F. Within five (5) days of Landlord's request, Tenant shall provide to Landlord all requested information regarding Tenant's utility and energy usage at the Premises during the Term (which requested information may include number of computers used in the Premises, operating hours, number of employees per shift and other similar information). Tenant acknowledges that such information may be disclosed to third parties, including governmental agencies and current, potential or future Mortgagees and/or

prospective purchasers. Tenant's obligation to provide any of the foregoing with respect to any period of time during the Term shall survive the expiration or earlier termination of this Lease.

8.2. Interruption in Services. Landlord shall not be in default hereunder nor be liable for any damages directly or indirectly resulting from, nor shall the Rent be abated, for any interruption of or diminution in the quality or quantity of Building Services, including, without limitation, when the same is occasioned, in whole or in part, by (a) repairs, replacements, or improvements; (b) by inability to secure or limitation, curtailment, or rationing of, or restrictions on, use of electricity, gas, water, or other form of energy serving the Premises, the Building or the Project; (c) by any accident or casualty; (d) by act or Default by Tenant or other parties; or (e) by Force Majeure. No failure, delay or diminution in Building Services shall ever be deemed to constitute an eviction or disturbance of Tenant's use and possession of the Premises or relieve Tenant from paying Rent or performing any of its obligations under this Lease. Furthermore, Landlord shall not be liable under any circumstances for loss of, or injury to, property or for injury to, or interference with, Tenant's business, including, without limitation, loss of profits, however occurring, through or in connection with or incidental to a failure, delay or diminution of any Building Services.

8.3. Extraordinary Demand. If Landlord determines that Tenant's use of the Premises, Building and/or Project requires Landlord to provide increased levels of any Building Services (including security services), including but not limited to Tenant's use of heat generating machines or equipment in the Premises that affect the temperature otherwise maintained by the heating, ventilation and air-conditioning system, Landlord reserves the right to provide increased levels of such Building Services (including security services) as a result thereof, including the right to install supplementary air-conditioning units in the Premises; and the cost of any and all such increased Building Services (including, without limitation, the cost of installation, operation, and maintenance of any such supplementary air-conditioning units) shall be paid by Tenant upon demand by Landlord. Notwithstanding the foregoing, prior to charging Tenant for increased Building Services pursuant to this Section, Landlord shall notify tenant of any determination of the need for such increased services, including Landlord's bases therefore, and provide Tenant with an opportunity to reduce the uses that cause the need for such increased levels of Building Services (provided that Tenant will be responsible for paying for any increased Building Services from the date of Landlord's notice until the date Tenant's use is modified so as to obviate the need for such increased Building Services).

8.4. Customary Quantities. Tenant shall not consume water or electric current in excess of that usually furnished or supplied for the use of the Premises as general office space (as determined by Landlord) without first procuring the consent of Landlord, and in the event of consent, Landlord may install a water meter or electrical meter in the Premises to measure the amount of water or electric current consumed. Tenant shall bear the cost of any such meter and of its installation, maintenance, and repair, and Tenant agrees to pay to Landlord promptly, upon demand, for all water and electric current consumed as shown by said meters at the rates charged for such services by the local public utility plus any additional reasonable expense incurred in keeping account of the water and electric current so consumed. If a separate meter is not installed, the excess cost for water and electric current shall be established by an estimate made by a utility company or electrical engineer hired by Landlord at Tenant's expense. Tenant shall not use any apparatus or device in the Premises that uses in excess of 120 volts. Tenant shall not connect any apparatus with electric current except through existing electrical outlets in the Premises.

8.5. Separate Metering. Nothing in this Article shall restrict Landlord's right to require at any time separate metering of utilities furnished to the Premises at Tenant's sole cost. In the event utilities are separately metered, Tenant shall be responsible for the maintenance, repair and replacement of any such meters at its sole cost and expense.

8.6. Safety and Security Devices, Services, and Programs. The parties acknowledge that safety and security devices, services, and programs provided by Landlord, if any, while intended to deter crime and ensure safety, may not in given instances prevent theft or other criminal acts or ensure safety of persons or property. The risk that any safety or security device, service, or program may not be effective, or may malfunction, or be circumvented by a criminal, is assumed by Tenant with respect to Tenant's property and interests; and Tenant shall obtain insurance coverage to the extent Tenant desires protection against such criminal acts and other losses. Tenant agrees to cooperate in any reasonable safety or security program developed by Landlord or required by Law.

8.7. Utility Deregulation. If permitted by applicable Law at any time in the future, Landlord shall have the right at any time and from time to time during the Term to either contract for electricity service from different companies providing electricity service (each such company shall hereinafter be referred to as an “Alternate Service Provider”), and the costs, charges or expenses reasonably incurred by Landlord to change such service shall be an Operating Cost hereunder. Tenant agrees to cooperate with Landlord and any Alternate Service Provider at all times and, as reasonably necessary, to provide reasonable access to any electric facilities within the Premises. Tenant may not elect to use any electricity service provider other than the one designated by Landlord for the Building without the prior consent of Landlord, which consent may be withheld in Landlord’s sole discretion.

8.8. Government Energy or Utility Controls. In the event of imposition of any government controls, rules, regulations, or restrictions on the use or consumption of energy or other utilities during the Term, both Landlord and Tenant shall be bound thereby, and the same shall not constitute a constructive eviction of Tenant. In the event of a difference in interpretation by Landlord and Tenant of any such controls, Landlord’s interpretation shall prevail, and Landlord shall have the right to enforce compliance therewith, including, without limitation, the right of entry into the Premises to effect compliance.

8.9. Telecommunications. Tenant and Tenant’s telecommunications companies, including but not limited to local exchange telecommunications companies and alternative access vendor services companies (“Telecommunications Companies”), shall have no right of access to or within the Project for the installation and operation of Tenant’s Telecommunications System without Landlord’s prior consent. All work with respect to Tenant’s Telecommunications System shall be subject to the terms of Article 11 of this Lease and such work shall be deemed to be an Alteration.

## **ARTICLE 9**

### **CONDITION OF THE PREMISES**

Tenant acknowledges that Tenant is leasing the Premises on an “as is, where is” basis. Tenant’s taking possession of the Premises shall be deemed conclusive evidence that, as of the date of taking possession, the Premises were in good order and satisfactory condition. No promise of Landlord to alter, remodel, repair, or improve the Premises, the Building or the Project, and no representation, express or implied, respecting any matter or thing relating to the Premises, the Building, the Project or this Lease (including, without limitation, the condition thereof) have been made to Tenant by Landlord or its broker or sales agent, other than as may be expressly contained in this Lease. Promptly following the satisfaction of the Contingency, Landlord will proceed with the construction of the initial tenant improvements in the Premises as described in Exhibit E-1.

## **ARTICLE 10**

### **REPAIRS AND MAINTENANCE**

10.1. Landlord’s Obligations. Landlord shall maintain in good order, condition, and repair the portions of the Building, the Project and the Premises that are not the obligation of Tenant or any other tenant in the Building. Tenant shall give Landlord prompt notice of any damage to or defective condition in any part or appurtenance of the Building Systems serving, located in, or passing through the Premises or any other damage that Landlord is obligated to repair. Tenant hereby waives and relinquishes any right Tenant may have under any applicable Law now or hereafter in effect to make any repairs at Landlord’s expense.

10.2. Tenant’s Obligations. Tenant, at Tenant’s sole expense, shall maintain, repair and replace the Premises as needed to keep all interior, non-structural portions of the Premises in good order, condition, and repair, including, without limitation, the following: (a) all plumbing and sewage facilities, including but not limited to all plumbing fixtures, pipes, fittings, or other parts of the plumbing system that exclusively serve the Premises; (b) all fixtures, interior walls, floors, carpets, draperies, window coverings, and ceilings; (c) all interior windows, doors, entrances, and plate glass; (d) all electrical wiring, facilities and equipment, including, without limitation, any non-standard light fixtures, lamps, bulbs, tubes, fans, vents, exhaust equipment, and systems; and (e) any fire detection or extinguisher equipment that Landlord does not maintain.

10.3. Damage by Tenant. Except for ordinary wear and tear, Tenant shall promptly reimburse Landlord for any costs that Landlord may incur in making repairs and alterations in and to the Premises, the Building,

Building Systems, the Project or facilities, systems or equipment of the Project (and in no event shall the provisions of Section 18.7 apply to such reimbursement obligation), where the need for such repairs or alterations is caused by any of the following: (a) Tenant's use or occupancy of the Premises in a fashion that contravenes any provision of this Lease; (b) the installation, removal, use, or operation of Tenant's Property; (c) the moving of Tenant's Property into or out of the Building; or (d) any misuse, tortious act, omission, or negligence of any Tenant Related Parties.

10.4. Load and Equipment Limits. Tenant shall not place a load upon the Premises that exceeds the load per square foot that the structural portions of the Premises were designed to carry, as determined by Landlord or Landlord's structural engineer. If Landlord or Landlord's structural engineer determines that any improvement or load placed upon the Premises exceeds the load per square foot that the structural portions of the Premises were designed to carry, then Tenant shall remove such load or otherwise remedy such fact to Landlord's satisfaction. Upon demand, Tenant shall pay the cost of any such determination.

## **ARTICLE 11**

### **ALTERATIONS AND ADDITIONS**

11.1. Tenant's Alterations. Tenant shall not make any additions, alterations, or improvements (the "Alterations") to the Premises without the prior consent of Landlord, which consent shall be requested by Tenant at least thirty (30) days prior to the commencement of any work and such request for consent shall include (A) Tenant's proposed plans and specifications for the Alterations, (B) a detailed critical path construction schedule containing the major components of the Alterations and the time required for each, including the scheduled construction commencement date, milestone dates and the estimated completion date, (C) an itemized statement of estimated construction costs, including fees for permits and architectural and engineering fees, (D) evidence satisfactory to Landlord of Tenant's ability to pay the cost of the Alterations, (E) the names and addresses of Tenant's contractors (and said contractors' subcontractors) and materialmen to be engaged by Tenant for the Alterations (individually, a "Tenant Contractor," and collectively, "Tenant's Contractors"); however, Landlord may designate a list of approved contractors for any portions of the Alterations involving the Building's structure or the Building Systems, from which Tenant must select its contractors for such portions of the Alterations ("Approved Contractors"), and (F) certificates of insurance, evidencing the insurance required under this Article 11. Landlord's consent to the Alterations (and Landlord's approval of Tenant's plans and specifications therefor) shall not be unreasonably withheld, conditioned or delayed and any changes or modifications to the Alterations or such plans or specifications thereafter shall require Landlord's approval (which shall not be unreasonably withheld). Landlord's review and approval of the plans and specifications for the Alterations shall create no responsibility or liability on the part of Landlord for their completeness, design sufficiency, or compliance with all Laws. Notwithstanding the foregoing, Tenant shall have the right during the Term to make cosmetic Alterations as Tenant may reasonably deem desirable or necessary (the "Cosmetic Alterations"), without Landlord's consent, provided that such Alterations (i) are not visible from outside of the Premises; (ii) do not affect the Building's structure or any Building System; (iii) do not trigger any legal requirement which would require any alteration or improvements to the Building or Project; (iv) do not, in the aggregate, exceed \$5,000 (for Alterations other than floor and wall covering) in any twelve (12) month period; and (v) do not require any license, permit or approval under applicable Law and do not result in the voiding of Landlord's insurance, the increasing of Landlord's insurance risk or the disallowance of sprinkler credits. Tenant shall give Landlord at least ten (10) days prior written notice of such Cosmetic Alterations, which notice shall be accompanied by reasonably adequate evidence that such changes meet the foregoing criteria. Except as otherwise provided, the term "Alterations" shall include Cosmetic Alterations.

Tenant shall be entitled to install, at Tenant's sole cost and expense, a separate security system for the Premises, including access control on the doors providing entry to the Premises, as an Alteration or as a part of the Tenant Improvements; provided, however, that (i) the plans and specifications for any such system shall be subject to Landlord's reasonable approval, (ii) any such system must not interfere with the operation of any existing systems of the Building, (iii) Tenant's obligation to indemnify, defend and hold Landlord harmless as provided in, and subject to, Section 17.1 below shall also apply to Tenant's use and operation of any such system, (iv) the installation of such system shall otherwise be subject to the terms and conditions of this Article 11 (or Exhibit E and Exhibit E-1, if installed as a part of the Tenant Improvements), and (v) notwithstanding anything to the contrary in this Lease, Tenant shall remove such system upon the expiration or earlier termination of this Lease and repair all damage caused by such removal. Tenant shall at all times provide Landlord with a contact person who can disarm the security/surveillance system and who is familiar with the functions of such system in the event of a malfunction, and

Tenant shall provide Landlord with the alarm codes or other necessary information required to disarm such system in the event Landlord must enter the Premises in an emergency.

11.2. Construction Requirements. All Alterations shall be (a) performed under a valid permit when required, a copy of which shall be obtained by or in the name of Landlord, at Tenant's expense, before commencement of construction (and Tenant hereby agrees and acknowledges that the Building is part of the City of Portland's Facility Permit Program, which requires that Landlord hold all building permits, and Tenant will take whatever steps are reasonably required by Landlord to ensure compliance with the Facility Permit Program), (b) performed in a good and workmanlike manner using only new, first class materials and Tenant shall obtain contractors' warranties for a period of at least one (1) year against defects in materials and workmanship; (c) performed in compliance with all applicable Laws, all applicable standards of the American Insurance Association (formerly, the National Board of Fire Underwriters), the National Electrical Code, manufacturer's specifications and Landlord's construction rules and regulations attached hereto as Exhibit E-2 (the "Construction Rules") and its Responsible Contractor Policy set forth in Exhibit E-3; (d) performed so as not to cause or create any jurisdictional or other labor disputes; (e) performed in such manner as not to obstruct access to the Project or the Common Areas or the conduct of business by Landlord or other tenants in the Project and coordinated with any other work in the Project by Landlord or its tenants in order to minimize interference with such work; (f) diligently prosecuted to completion; (g) if applicable, performed in a manner that will not adversely affect the Building's and or Project's "LEED" certification, Energy Star rating or other "green agency" rating; (h) performed (A) in compliance with USGBC indoor air quality standards and waste management specifications, and (B) if to the extent applicable, utilizing plumbing fixtures that comply with the EPA's "Water Sense" program and Energy Star compliant equipment, and performed by Tenant's Contractors that are reasonably approved by Landlord. Tenant agrees that, in connection with any Alterations, the Tenant Improvements and any other work performed by or on behalf of Tenant in the Premises (collectively, the "Work"), all subcontractors performing any on-site work which comprises the Work, including, without limitation, painting and installations of fixtures, mechanical, electrical, plumbing, data, security, telecommunication, low voltage or elevator equipment or systems or other equipment, (including any such work performed on the Project by any person who contracts to provide services to any portion of the Project, such as cable, DSL, communications, telecommunications or similar services) shall, unless otherwise agreed in writing by Landlord: (i) be bound by and signatory to a collective bargaining agreement with a labor organization governing the employees performing such on-site work (a) whose jurisdiction covers the type of work to be performed on the Project and (b) who is an "Approved Building Trades Department Contractor or Subcontractor" and (ii) observe area standards for wages and other terms and conditions of employment, including fringe benefits. Unless approved otherwise by Landlord, in writing, the obligations set forth in the previous sentence shall also be applicable to the Contractor (as defined in Exhibit E-1) or Tenant's general contractor, as applicable, if such contractor self-performs any of the items set forth in the previous sentence. For purposes hereof, "Approved Building Trades Department Contractor or Subcontractor" is a contractor or subcontractor who is currently affiliated with the Building and Construction Trades Department of the AFL-CIO (the "BCTD") or, if no such BCTD affiliated contractor or subcontractor is available for a particular trade that is typically affiliated with a trade union (e.g., carpentry work), a contractor or subcontractor which is affiliated with a national trade union. The obligations under this paragraph exist, regardless of the terms of any project labor agreement or applicable collective bargaining agreement. The union labor requirement set forth above shall be adhered to with respect to all Work except as otherwise permitted in writing by Landlord, in Landlord's sole discretion.

Tenant agrees to (1) carry (or cause its general contractor to carry) Causes of Loss-Special Form Builder's Risk or Installation Floater insurance with a limit of not less than the total cost of the Alterations, in such form and including such terms, conditions and deductibles as are acceptable to Landlord in its sole but reasonable discretion, covering the construction of such Alterations, and (2) cause all of Tenant's Contractors to agree, in their construction contracts with Tenant, to meet all of the insurance requirements applicable to Tenant pursuant to Article 18 (including providing the certificates of insurance required thereunder). Tenant shall pay to Landlord a percentage of the cost of the Alterations (based on 5% of the cost of such Alterations) sufficient to compensate Landlord for all overhead, general conditions, fees and other costs and expenses arising from Landlord's supervision of or involvement with the Alterations. Additionally, Tenant shall engage the services of an on-site project manager reasonably acceptable to Landlord, who shall perform daily supervision of the Alterations and who shall be familiar with Landlord's construction procedures for the Project (including the Rules and Regulations and the Construction Rules). Landlord may require, at Landlord's sole option, that Tenant provide to Landlord such security as reasonably determined by Landlord to protect Landlord against any liability in connection with the Alterations,

including but not limited to a lien and completion bond naming Landlord as a co-obligee. Promptly after completion of any Alterations, Tenant shall deliver to Landlord "as-built" plans and specifications (including all working drawings) for the Alterations.

Landlord shall have the right to inspect the construction of the Alterations; however, Landlord's failure to inspect any portion of the Alterations shall in no event constitute a waiver of any of Landlord's rights under this Article 11, nor shall Landlord's inspection of any portion of the Alterations constitute Landlord's approval thereof. If, as a result of Landlord's inspection, Landlord disapproves of any portion of the construction of the Alterations, Landlord shall notify Tenant in writing of such disapproval and shall specify the items disapproved. In the event Landlord disapproves of any matter that might adversely affect any Building System, the structure or exterior appearance of the Building or any other tenant, Landlord may take such action as Landlord deems necessary, at Tenant's expense and without incurring any liability on Landlord's part, to correct any such matter, including, without limitation, causing the cessation of the applicable work.

11.3. Landlord's Property; Removal. All fixtures, equipment, leasehold improvements (including the Tenant Improvements and any Alterations), and appurtenances attached to or built into the Premises at the commencement of or during the Term, whether or not by or at the expense of Tenant, other than Tenant's Property, shall be and remain a part of the Premises, shall be the property of Landlord, and shall not be removed by Tenant, unless: (i) such removal is necessary to ensure that the Premises and Building comply with applicable code at the time of surrender, including but not limited to removal of wires located in risers and plenums without raceways or conduits; or (ii) Landlord notified Tenant in writing that removal would be required at least thirty (30) days prior to the Expiration Date (however, if this Lease terminates prior to the Expiration Date, such thirty (30) day period shall not apply). In each of the foregoing circumstances, Tenant shall perform such removal and repair any damage caused thereby at Tenant's sole cost and expense prior to the expiration or earlier termination of this Lease, unless Landlord notifies Tenant in writing that Landlord will perform such removal on Tenant's behalf and at Tenant's sole cost and expense, in which case Tenant shall reimburse Landlord for all of Landlord's costs incurred for such removal within ten (10) days of demand.

11.4. Lien Free Completion. Tenant shall use its best efforts to obtain or cause to be obtained and delivered to Landlord written, unconditional waivers of mechanics' and materialman's liens against the Premises, the Building and the Project from each of Tenant's contractors and subcontractors. Subcontractor waivers shall be separate from the construction contract and shall be provided prior to the commencement of construction. If Tenant is unable to obtain or cause to be obtained any such waiver prior to commencement of the construction, Tenant shall give written notice of such fact to Landlord, and Landlord at its option shall have the right to disapprove such contractor or subcontractor or to require Tenant to furnish security or make other arrangements satisfactory to Landlord to assure payment for the completion of all Alterations free and clear of liens. Upon completion of the Alterations, Tenant shall deliver to Landlord sworn statements setting forth the names of all material suppliers and contractors and subcontractors who did work on the Alterations and full and final lien waivers from all such contractors, subcontractors and material suppliers. Upon completion of the Alterations, Tenant shall furnish Landlord with full and final waivers of liens and contractors' affidavits and statements, in such form as may be required by Landlord, Landlord's title insurance company and any Mortgagee, from all parties performing labor or supplying materials or services in connection with the Alterations showing that all of said parties have been compensated in full. Before commencement of the Alterations, Tenant shall notify Landlord of the proposed date of commencement of the Alterations, and shall prepare and deliver to Landlord for Landlord's signature a notice of non-responsibility and allow Landlord no less than three (3) days to post the same. Additionally, if Tenant fails to make any payment relating to the Alterations, Landlord, at its option, may complete the Alterations and/or make such payment and Tenant shall reimburse Landlord for all costs incurred therefor within five (5) days of Landlord's demand.

11.5. Notices and Liens. Tenant agrees not to suffer or permit any lien of any mechanic or materialman to be placed or filed against the Premises, the Building or the Project. In case any such lien shall be filed, Tenant shall satisfy and release such lien of record within twenty (20) days (or such shorter period as may be required by any Mortgagee) after the earlier to occur of (a) receipt of notice thereof from Landlord; or (b) Tenant's actual knowledge or notice of such lien filing. If Tenant shall fail to have such lien satisfied and released of record as provided herein, Landlord may, on behalf of Tenant, without being responsible for making any investigation as to the validity of such lien and without limiting or affecting any other remedies Landlord may have, pay the same and

Tenant shall reimburse Landlord on demand for such amount together with any other reasonable costs of Landlord, including, without limitation, reasonable attorneys' fees and/or Landlord shall have the right to deduct such costs from the Allowance (if any). Notwithstanding the foregoing, Tenant shall have the right to contest any such lien claim diligently and in good faith, and during such contest shall not be obligated to pay such lien claim, provided that Tenant is not in breach of any of its obligations under this Lease and provided, Tenant, at its sole cost and expense, (i) either posts and records a valid cash bond in accordance with O.R.S. §87.076(1), or makes a cash deposit with the treasurer of the county where the claim of lien is filed in accordance with ORS §87.076(2), and (ii) gives notice of the filing to the lien claimant no later than 20 days after the filing or deposit, in accordance with O.R.S. §87.078(1), and (iii) files an affidavit of compliance with the county's recording officer, in accordance with O.R.S. §87.081, thereby freeing the Property from any claim of lien. Notwithstanding any such contest or title insurance, Tenant shall pay any such claim in full within five (5) days following the entry of an unstayed judgment or order of sale. All materialmen, contractors, artisans, mechanics, laborers and any other person now or thereafter furnishing any labor, services, materials, supplies or equipment to Tenant with respect to Premises or any portion thereof, are hereby charged with notice that they must look exclusively to Tenant to obtain payment for the same. Notice is hereby given that Landlord shall not be liable for any labor, services, materials, supplies, skill, machinery, fixtures or equipment furnished to or to be furnished to Tenant upon credit and that no mechanic's lien or any other lien for any such labor, services, materials, supplies, machinery, fixtures or equipment shall attach to or affect the estate or interest of Landlord in and to the Premises or the Project, or any portion thereof. Before the actual commencement of any work for which a claim or lien may be filed, Tenant shall give Landlord notice of the intended commencement date a sufficient time before that date to enable Landlord to post notices of non-responsibility or any other notices that Landlord deems necessary for the protection of Landlord's interest in the Premises, Building or the Project, and Landlord shall have the right to enter the Premises and post such notices at any reasonable time.

## **ARTICLE 12**

### **CERTAIN RIGHTS RESERVED BY LANDLORD**

Landlord reserves the following rights, exercisable without liability to Tenant for (a) damage or injury to property, person, or business; (b) causing an actual or constructive eviction from the Premises; or (c) disturbing Tenant's use, possession, or beneficial and quiet enjoyment of the Premises:

12.1. Name. To change the name or street address of the Building or the Project.

12.2. Signage. To install and maintain signs on the exterior and interior of the Building and the Project.

12.3. Keys. To have passkeys to the Premises and all doors within the Premises, excluding Tenant's vaults and safes. Notwithstanding anything to the contrary set forth in this Article 12, Tenant may designate in writing certain areas of the Premises (not to exceed a total of ten percent (10%) of the Rentable Area of the Premises) as "Secured Areas" should Tenant require such areas for the purpose of securing certain valuable property or confidential information and Landlord shall not enter such Secured Areas except in the event of an emergency; provided, however, that any separate locks restricting access to any Secured Areas must nonetheless match with the Building's master keyset to allow Building management to access Secured Areas in the event of an emergency. If Landlord must gain access to a Secured Area in a non-emergency situation, Landlord shall contact Tenant, and Landlord and Tenant shall arrange a mutually agreed upon time for Landlord to have such access. If Landlord determines, in good faith, that an emergency requires Landlord to gain access to a Secured Area, Landlord may enter such Secured Areas without the necessity of advance notice to Tenant (except that Landlord will promptly notify Tenant thereafter of Landlord's entry), and may do so forcibly if necessary. In such event, if Landlord must use force to enter such Secured Areas because the locks governing access to such Secured Areas do not fit the Building's master keyset, Landlord shall have no liability to Tenant, and Tenant shall pay all reasonable expenses incurred by Landlord in repairing or reconstructing any entrance, corridor, door or other portions of the Premises damaged as a result of a forcible entry by Landlord (and the provisions of Section 17.3 shall not apply to such reimbursement obligation). Landlord shall have no obligation to provide janitorial service or any other regularly scheduled service in any Secured Areas

12.4. Inspection and Entry. Landlord may enter the Premises on reasonable prior notice to Tenant (except in the event of an emergency, in which case no notice shall be required) (a) to inspect the Premises; (b) to



show the Premises to any prospective purchaser or Mortgagee of the Project, or to others having an interest in the Project or Landlord; (c) during the existence of a Default; (d) during the last six (6) months of the Term, to show the Premises to prospective tenants; (e) to make inspections, repairs, alterations, additions, or improvements to the Premises or the Building (including, without limitation, checking, calibrating, adjusting, or balancing controls and other parts of the heating, ventilation and air-conditioning system); and (f) to take all steps as may be necessary or desirable for the safety, protection, maintenance, or preservation of the Premises or the Building or Landlord's interest therein, or as may be necessary or desirable for the operation or improvement of the Building or in order to comply with Laws.

12.5. Renovations. Landlord may during the Term renovate, improve, alter, or modify (collectively, the "Renovations") the Building, the Premises, or the Project, including without limitation, Common Areas, Building Systems, roof, and structural portions of the Building. Renovations may include, without limitation, (a) modifying the Common Areas and tenant spaces to comply with applicable Laws, including, without limitation, regulations relating to the physically disabled, seismic conditions, and building safety and security; and (b) installing new carpeting, lighting, and wall coverings in the Common Areas. In connection with such Renovations, Landlord may, among other things, erect scaffolding or other necessary structures in the Building, limit or eliminate access to portions of the Building or Project, including, without limitation, portions of the Common Areas, or perform work in the Building that may create noise, dust or leave debris. Tenant hereby agrees that such Renovations and Landlord's actions in connection with such Renovations shall in no way constitute a constructive eviction of Tenant nor entitle Tenant to any abatement of Rent. Landlord shall have no responsibility or for any reason be liable to Tenant for any direct or indirect injury to or interference with Tenant's business arising from the Renovations, nor shall Tenant be entitled to any compensation or damages from Landlord for inconvenience, annoyance or loss of the use of any part of the Premises or of Tenant's Property resulting from the Renovations.

12.6. Common Areas. Landlord shall have the right to eliminate or change the size, location and arrangement of the Common Areas; to enter into, modify and terminate easements and other agreements pertaining to the use and maintenance of the Common Areas; to close all or any portion of the Common Areas as may be necessary to prevent a dedication thereof or the accrual of any rights to any person or to the public therein; to close temporarily any or all portions of the Common Areas; and to do and perform such other acts in and to the Common Areas as Landlord shall determine to be advisable for the convenience and use thereof by owners, occupants, tenants and invitees of the Building.

12.7. Minimize Interference. In the exercise of the rights set forth in this Article 12, Landlord shall (except in an emergency) take reasonable steps to minimize any interference with Tenant's business.

### **ARTICLE 13**

#### **RULES AND REGULATIONS**

Tenant shall comply with (and cause all Tenant Related Parties to comply with) the Rules and Regulations. Landlord shall not be responsible for any violation of the Rules and Regulations by other tenants or occupants of the Building or Project. All Rules and Regulations, whether now existing or hereafter adopted by Landlord, shall be non-discriminatory in nature.

### **ARTICLE 14**

#### **TRANSFERS**

Except as provided in this Article, Tenant shall not, without the prior consent of Landlord, make any Transfer.

14.1. Notice. Tenant shall notify Landlord of any proposed Transfer (a "Transfer Notice"). The date of the proposed Transfer must be not less than forty-five (45) days or more than one hundred eighty (180) days after the date of the Transfer Notice. The Transfer Notice shall include (a) the proposed effective date of the Transfer; (b) a description of the portion of the Premises to be transferred (the "Subject Space"); (c) all of the terms of the proposed Transfer and the consideration therefor, including, without limitation, a calculation of the Transfer Premium (as defined below); (d) the name and address of the Transferee; (e) current financial statements of the Transferee certified by an officer, partner or owner thereof; (f) any other information that will enable Landlord to

determine the financial responsibility, character, and reputation of the Transferee and the nature of such Transferee's business; and (g) the proposed use of the Subject Space. Landlord shall respond to any properly delivered Transfer Notice within thirty (30) days.

14.2. Fees. Whether or not Landlord shall grant consent, Tenant shall pay Landlord, concurrently with any request for consent a \$1,000 administrative review and processing fee, and Tenant shall reimburse Landlord, within thirty (30) days after written request by Landlord for any legal fees incurred by Landlord in connection with any request for consent.

14.3. Consent. Landlord's consent shall not be required for any Permitted Transfer. Landlord shall not unreasonably withhold or delay its consent to any other proposed Transfer; however, Landlord may withhold its consent to any other proposed Transfer in its sole and absolute discretion at any time Tenant is in Default hereunder (unless the same would invalidate any remedy available to Landlord as a result of such Default, in which case Landlord's consent shall not be unreasonably withheld regardless of whether or not Tenant is in Default hereunder). It shall be reasonable under this Lease and under any applicable Law for Landlord to withhold consent to any proposed Transfer where one or more of the following apply, without limitation as to other reasonable grounds for withholding consent:

14.3.1. The Transferee is of a character or reputation or engaged in a business that is not consistent with the quality of the Building.

14.3.2. The Transferee intends to use the Subject Space for purposes that are not permitted under this Lease.

14.3.3. The Transferee is either a governmental agency or instrumentality thereof.

14.3.4. The Transfer will result in more than a reasonable and safe number of occupants per floor within the Subject Space.

14.3.5. The Transferee is not a party of acceptable financial worth or financial stability in light of the responsibilities involved under the Lease on the date consent is requested, as determined by Landlord.

14.3.6. The Transfer would cause a violation of another lease or any agreement to which Landlord is a party, or would give an occupant of the Building a right to cancel its lease.

14.3.7. The Transfer would occur at a time when Landlord has similarly-sized space available in the Building and the rent charged by Tenant to such Transferee during the term of such Transfer, calculated using a present value analysis, is less than the greater of (a) ninety-five percent (95%) of the rent that would be quoted by Landlord at the time of such Transfer for such similarly-sized space for a comparable term, or (b) the then-current Rent due under this Lease, each calculated using a present value analysis.

14.3.8. Either the Transferee or an Affiliate of the Transferee (a) occupies space in the Building at the time of the request for consent; (b) is negotiating with Landlord to lease space in the Building at such time; or (c) has negotiated with Landlord during the three (3)-month period immediately preceding the Transfer Notice.

14.4. Completion of Transfer. If Landlord consents to any Transfer (and does not exercise any recapture rights Landlord may have under this Lease), Tenant may within six (6) months after Landlord's consent, enter into the approved Transfer, upon substantially the same terms and conditions as are set forth in the Transfer Notice. If there are any material changes in the terms and conditions from those specified in the Transfer Notice (a) such that Landlord would initially have been entitled to refuse its consent to such Transfer; or (b) that would cause the proposed Transfer to be more favorable to the Transferee than the terms set forth in the Transfer Notice, Tenant shall again submit the Transfer to Landlord for its approval and other action under this Article (including, without limitation, exercise any of recapture rights Landlord may have under this Lease).

14.5. Transfer Premium. If Landlord consents to a Transfer, Tenant shall pay to Landlord fifty percent (50%) of any Transfer Premium received by Tenant. "Transfer Premium" shall mean (a) all rent, additional rent or other consideration payable by such Transferee in excess of the Rent payable by Tenant under this Lease on a per rentable square foot basis; (b) all key money and bonus money paid by Transferee; and (c) any payment in excess of fair market value for services rendered by Tenant to Transferee. The "Transfer Premium" shall (i) be reduced by all out-of-pocket expenses incurred by Tenant in connection with the Transfer, such as customary brokerage commissions and reasonable attorneys' fees; and (ii) not include any compensation for the fair market value of Tenant's Property nor reasonable compensation for the sale of Tenant's business that is not attributable to the value of Tenant's leasehold interest hereunder. Tenant shall pay the Transfer Premium to Landlord within five (5) days following receipt by Tenant. Tenant shall furnish upon Landlord's request a complete statement, certified by an independent certified public accountant, or Tenant's chief financial officer, setting forth in detail the computation of any Transfer Premium. Within one (1) year following the date of the Transfer, Landlord shall have the right at all reasonable times to audit the books, records and papers of Tenant relating to any Transfer as necessary to confirm the calculation of the Transfer Premium. If the Transfer Premium shall be found understated, Tenant shall, within thirty (30) days after demand, pay the deficiency, together with interest thereon at the Interest Rate and Landlord's costs of such audit. If the Transfer Premium has been understated by more than ten percent (10%), Landlord shall have the right to cancel this Lease upon thirty (30) days' notice to Tenant and Tenant shall indemnify Landlord from and against any and all Claims associated with such termination, including but not limited to any Claims by the Transferee.

14.6. Recapture. Notwithstanding anything to the contrary contained in this Article, Landlord shall have the option, by giving notice to Tenant within twenty (20) days after receipt of any Transfer Notice, to recapture the Subject Space. Such recapture notice shall cancel and terminate this Lease with respect to the Subject Space as of the effective date of the proposed Transfer (or upon the demise of the Subject Space separate from the Premises if the Subject Space being recaptured is less than the entire Premises). In the event of a recapture by Landlord, if this Lease shall be canceled with respect to less than the entire Premises, (i) the Rent reserved herein shall be prorated on the basis of the Rentable Area retained by Tenant in proportion to the Rentable Area of the Premises, and this Lease as so amended shall continue thereafter in full force and effect, and (ii) Tenant shall reimburse Landlord for the costs incurred by Landlord to separately demise the Subject Space from the remainder of the Premises. Upon request of either party, the parties shall execute written confirmation of the foregoing. The provisions of this Section 14.6 shall not apply to any Permitted Transfer.

14.7. Effect of Transfer. If Landlord consents to a Transfer, (a) no terms or conditions of this Lease shall be deemed to have been waived or modified; (b) such consent shall not be deemed consent to any further Transfer; (c) no Transfer shall be valid, and no Transferee shall take possession of the Premises, until an executed counterpart of all documentation pertaining to the Transfer has been delivered to Landlord; and (d) no Transfer shall relieve Tenant or any Guarantor from primary liability under this Lease. The acceptance of Rent by Landlord from any party shall not be deemed to be a waiver of Landlord of any provision hereof. In the event of Default by a Transferee in the performance of any of the terms hereof, Landlord may proceed directly against Tenant without the necessity of exhausting remedies against such Transferee. Landlord may consent to subsequent assignments of the Lease or sublettings or amendments or modifications to the Lease by Transferees without notifying Tenant, and without obtaining its consent thereto, and any such actions shall not relieve Tenant of liability under this Lease and Tenant hereby consents to all or any of the foregoing. Any Transfer for which Landlord's consent is required but not obtained pursuant hereto shall constitute a Default under this Lease and shall be void and, if such Transfer results in the insolvency of Tenant and/or Tenant is unable to pay its debts (including the Rent due hereunder) as such debts become due, then the obligations of Tenant under this Lease shall be personal liabilities of the owners of the ownership interests in Tenant and Landlord shall have the right to look to such owners for the performance of all of the Tenant obligations under this Lease as if such owners had personally guaranteed this Lease.

14.8. Tenant Remedy for Landlord Refusal to Consent. Notwithstanding any provision of this Lease or any applicable Laws to the contrary, Landlord and Tenant hereby expressly agree that if a court of competent jurisdiction determines that Landlord unreasonably withheld consent to a proposed Transfer, then Tenant's sole and exclusive remedy for such breach by Landlord shall be limited to termination of this Lease as of the date of such court determination. Tenant hereby expressly waives the right to recover monetary damages of any kind whatsoever and attorney's fees incurred on account of any such breach.

**ARTICLE 15**  
**DESTRUCTION OR DAMAGE**

15.1. Landlord Termination Rights. If the Premises or any portion of the Building or the Project is damaged by fire, earthquake, terrorism, act of war, act of God, the elements or other casualty, then Landlord may terminate this Lease upon notice given to Tenant within sixty (60) days after the date of such casualty, effective as of the date of the casualty if (a) in Landlord's opinion, repairs to the Premises cannot be completed within one hundred eighty (180) days; (b) any other portion of the Building or the Project is damaged to the extent that, in Landlord's opinion, repair thereof cannot be completed within ninety (90) days; (c) the Premises or any portion of the Building or the Project necessary for Tenant's occupancy is damaged during the final twelve (12) months of the Term, unless Tenant shall exercise its next available extension option (if any) within ten (10) days following receipt of Landlord's termination notice and Landlord does not elect to terminate this Lease pursuant to one of the other subsections herein within ten (10) days of such exercise; (d) the insurance proceeds available to Landlord are not sufficient to complete repair or restoration; (e) Landlord's lender does not elect to make insurance proceeds available to Landlord for repair and restoration; or (f) Tenant has vacated the Premises or is in Default under this Lease.

15.2. Repairs. If this Lease is not terminated as provided above, it shall continue in full force and effect, and Landlord shall promptly and diligently, subject to reasonable delays for insurance adjustment, and subject to all other terms of this Article, restore the Premises, the Common Areas and the portions of the Project serving the Premises and Tenant shall assign to Landlord all insurance proceeds payable to Tenant as to the Tenant Improvements and any Alterations; provided that if the cost of the restoration of the Tenant Improvements and any Alterations by Landlord exceeds the amount of Tenant's insurance proceeds therefor, as assigned by Tenant to Landlord, such excess shall be paid by Tenant to Landlord prior to Landlord's restoration thereof. Further, if the Premises included any above-Building standard improvements as of the Commencement Date and the restoration of such above-Building standard improvements is not covered by the insurance proceeds received by Landlord, the cost of the restoration of such above-Building standard improvements shall be paid by Tenant to Landlord prior to Landlord's restoration thereof. Such restoration shall be to substantially the same condition of such items as prior to the casualty, except for modifications (a) required by Law; (b) required by the holder of a mortgage on the Building, or the lessor of a ground or underlying lease with respect to the Property; or (c) to the Common Areas reasonably deemed desirable by Landlord, and which are consistent with the character of the Project. No such modifications shall materially impair access to the Premises and any Common Areas serving the Premises. Tenant shall be responsible, at its sole cost and expense, for the repair, restoration, and replacement of Tenant's Property. Landlord shall not be liable for any loss of business, inconvenience, or annoyance arising from any casualty or any repair or restoration of any portion of the Premises, the Building, or the Project as a result of any damage from any casualty. All work by Tenant shall be subject to the terms and conditions of Article 11.

15.3. Tenant's Termination Rights. If Landlord does not elect to terminate this Lease pursuant to Landlord's termination right as provided above, and the repairs cannot be completed within three hundred sixty five (365) days after being commenced (the "Repair Period") as determined by an architect or contractor designated by Landlord, Tenant may elect, no earlier than sixty (60) days after the date of the casualty and not later than ninety (90) days after the date of such casualty, to terminate this Lease by notice to Landlord, effective as of the date specified in the notice, which date shall not be less than thirty (30) days nor more than sixty (60) days after such notice. In addition, in the event that the Premises or the Building is destroyed or damaged to any substantial extent during the last twelve (12) months of the Term, then Tenant shall have the option to terminate this Lease by giving notice to Landlord within thirty (30) days after such casualty, in which event this Lease shall cease and terminate as of the date of such notice. Tenant shall also have the right to terminate this Lease if Landlord does not complete repairs within the Repair Period by thirty (30) days' notice to Landlord after the expiration of the Repair Period; provided however, if Landlord completes repair within such thirty (30) day period, such termination shall be nullified and this Lease shall continue in full force and effect.

15.4. Apportionment of Rent. Upon any termination of this Lease pursuant to this Article, Tenant shall pay the Rent, properly apportioned up to such date of termination, and both parties hereto shall thereafter be freed and discharged of all further obligations hereunder, except as provided for in provisions of this Lease that by their terms survive the expiration or earlier termination of this Lease.

15.5. Abatement. The Rent shall abate on an equitable basis to the extent Tenant's use of the Premises is impaired, commencing with the date of the casualty and continuing until completion of the repairs required of Landlord; provided that if the damage is due to the negligence or willful misconduct of any Tenant Related Party, Rent shall only abate to the extent the same is covered by rent loss insurance, if any, carried by Landlord.

15.6. Express Agreement. This Lease shall be considered an express agreement governing any case of damage to or destruction of the Premises, the Building, or the Project by fire or other casualty; and any present or future Law that purports to govern the rights of Landlord and Tenant in such circumstances in the absence of express agreement is hereby waived by the parties and shall have no application. The parties acknowledge and agree this Lease agreement satisfies the requirements of O.R.S. §41.580.

## **ARTICLE 16**

### **EMINENT DOMAIN**

16.1. Entire Premises. If the whole of the Building or the Premises is lawfully taken by condemnation or in any other manner for any public or quasi-public purpose, this Lease shall terminate as of the earlier of the date of the date title vests or the date possession is given, and Rent shall be prorated to such date.

16.2. Partial Condemnation. If less than the whole of the Building or the Premises is so taken, this Lease shall be unaffected by such taking, except that (a) Tenant shall have the right to terminate this Lease by notice to Landlord given within ninety (90) days after the date of such taking if twenty-five percent (25%) or more of the Premises is taken and the remaining area of the Premises is not reasonably sufficient for Tenant to continue operation of its business; and (b) Landlord shall have the right to terminate this Lease by notice to Tenant given within ninety (90) days after the date of such taking. If either Landlord or Tenant so elects to terminate this Lease, this Lease shall terminate on the thirtieth (30th) day after either such notice. Rent shall be prorated to the date of such termination. If this Lease continues in force upon such partial taking, the Base Rent and Tenant's Proportionate Share shall be equitably adjusted according to the remaining Rentable Area of the Premises and the Project.

16.3. Proceeds of Award. In the event of any taking, partial or whole, all of the proceeds of any award, judgment, or settlement payable by the condemning authority shall be the exclusive property of Landlord, whether awarded as compensation for the damages to Landlord's or Tenant's interest in the Premises and whether or not awarded as compensation for diminution in value of the leasehold or to the fee of the Premises, and Tenant hereby assigns to Landlord all of its right, title, and interest in any award, judgment, or settlement from the condemning authority. Tenant, however, shall have the right, to the extent that Landlord's award is not reduced or prejudiced, to claim from the condemning authority (but not from Landlord) such compensation as may be recoverable by Tenant in its own right for relocation expenses and damage to Tenant's Property.

16.4. Repairs. In the event of a partial taking of the Premises that does not result in a termination of this Lease, Landlord shall restore the remaining portion of the Premises as nearly as practicable to its condition prior to the condemnation or taking. Tenant shall be responsible at its sole cost and expense for the repair, restoration, and replacement of Tenant's Property.

## **ARTICLE 17**

### **INDEMNIFICATION, WAIVER, RELEASE AND LIMITATION OF LIABILITY**

17.1. Tenant's Indemnity. Except for any injury or damage to persons or property on the Premises that is proximately caused by or results proximately from the gross negligence, sole negligence or willful misconduct of Landlord, Tenant will and does hereby indemnify, defend and hold harmless the Landlord Related Parties against and from any and all Claims that may be imposed upon, incurred by, or asserted against Landlord or any of the Landlord Related Parties and arising, directly or indirectly, out of or in connection with Tenant's use, occupancy or maintenance of the Premises, the Building or the Project, including, without limitation, any of the following: (a) any act in, on or about the Premises, the Building or the Project or any part thereof by any Tenant Related Party; (b) any injury or damage to any person or property; (c) any failure on the part of Tenant to perform or comply with any of the covenants, agreements, terms or conditions contained in this Lease; and (d) the negligence or willful misconduct of any Tenant Related Party. At Landlord's request, Tenant shall, at Tenant's expense, defend Landlord in any

action or proceeding arising from any such Claim and shall indemnify Landlord against all costs, reasonable attorneys' fees, expert witness fees, and any other expenses incurred in such action or proceeding. Tenant's liability and obligations under this Article 17, Section 17.1, and this Lease, are subject to the limitations and conditions of the Oregon Constitution, Article XI, Section 10, and the Oregon Tort Claims Act, including 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.

17.2. Assumption of Risk. Tenant hereby assumes all risk of damage or injury to any person or property in, on, or about the Premises from any cause other than the gross negligence, sole negligence or willful misconduct of Landlord. Tenant agrees that, unless expressly provided herein, no Landlord Related Parties will be liable for any loss, injury, death, or damage to persons or property resulting from any of the following: (a) theft; (b) Force Majeure; (c) any accident or occurrence in the Premises or any other portion of the Building or the Project not due to the gross negligence, sole negligence or willful misconduct of the Landlord Related Parties and caused by the Premises or any other portion of the Building or the Project being or becoming out of repair or by the obstruction, breakage or defect in or failure of equipment, pipes, sprinklers, wiring, plumbing, heating, ventilation and air-conditioning or lighting fixtures of the Building or the Project or by broken glass or by the backing up of drains, or by gas, water, steam, electricity or oil leaking, escaping or flowing into or out of the Premises; (d) construction, repair or alteration of any other premises in the Building or the Premises, unless due solely to the gross negligence, sole negligence or willful misconduct of Landlord; (e) business interruption or loss of use of the Premises; (f) any diminution or shutting off of light, air or view by any structure erected on the Land or any land adjacent to the Project, even if Landlord is the adjacent land owner; (g) mold or indoor air quality not due to the gross negligence, sole negligence or willful misconduct of the Landlord Related Parties; or (h) any acts or omissions of any other tenant, occupant or visitor of the Building or the Project. Notwithstanding anything to the contrary in this Lease, in no event shall Landlord be liable for indirect, consequential, or punitive damages, including, without limitation, any damages based on lost profits. None of the foregoing shall be considered a constructive eviction of Tenant, nor shall the same entitle Tenant to an abatement of Rent.

17.3. Limitation of Landlord Liability. Neither Landlord nor any Landlord Related Party shall have any personal liability with respect to any of the provisions of the Lease, or the Premises. If Landlord is in breach or default with respect to Landlord's obligations under the Lease, Tenant shall look solely to the equity interest of Landlord in the Building for the satisfaction of Tenant's remedies or judgments. No other real, personal, or mixed property of any Landlord Related Parties, wherever situated, shall be subject to levy to satisfy such judgment. Upon any Transfer of Landlord's interest in this Lease or in the Project, the transferring Landlord shall have no liability or obligation for matters arising under this Lease from and after the date of such Transfer, provided such transferee has assumed such liability.

17.4. Landlord's Indemnity. Except for injury or damage (i) of a type that is covered by the waivers described in Section 18.7, (ii) arising from any cause that (a) would be insured against under the terms of any insurance required to be carried hereunder; or (b) is insured against under the terms of any insurance actually carried, regardless of whether the same is required hereunder, or (iii) arising from the negligence or willful misconduct of Tenant or any Tenant Related Party, Landlord shall indemnify, protect, defend and hold harmless Tenant and Tenant's partners, officers, directors, employees, agents, successors and assigns from and against any Claims (but excluding claims for consequential damages or lost profits), to the extent arising or resulting from (a) any grossly negligent act or willful misconduct of Landlord, Landlord's agents, employees or contractors acting within the scope of their employment, or (b) Landlord's breach of this Lease resulting from a grossly negligent act or willful misconduct of Landlord, Landlord's agents, employees or contractors acting within the scope of their employment.

## **ARTICLE 18**

### **INSURANCE**

18.1. Landlord Required Coverage. Landlord shall procure and maintain during the Term, (i) a policy or policies of commercial property insurance covering the Project (excluding portions of the Project Tenant is required to insure under Section 18.2.2), (ii) commercial general liability insurance, (iii) business income/rental value insurance, and (iv) any other insurance deemed appropriate by Landlord or its Mortgagee. Such insurance shall be in such amounts, from such companies, and on such terms and conditions as Landlord or its Mortgagee may

deem appropriate from time to time, so long as such amounts, terms and conditions shall be generally consistent with the amounts, terms and conditions carried by other institutional landlords of projects similar to the Project in the greater Portland, Oregon area. All insurance maintained by Landlord shall be in addition to, and not in lieu of, the insurance required to be maintained by Tenant hereunder. Landlord shall cause its respective insurance policy(ies) to be endorsed, if necessary, to waive subrogation.

18.2. Tenant Required Coverage. Tenant shall maintain the following coverages in the following amounts.

18.2.1. Commercial General Liability Insurance covering Tenant against any claims or suits arising out of bodily injury, death, personal injury or property damage arising out of Tenant's operations, assumed liabilities or use of the Premises, for limits of liability not less than One Million and No/100 Dollars (\$1,000,000.00) per occurrence and Five Million and No/100 Dollars (\$5,000,000.00) annual general aggregate (these limits may be achieved by a combination of a primary policy and a "follow form" excess or umbrella liability policy). Such insurance shall include a waiver of subrogation endorsement in favor of Landlord.

18.2.2. Commercial Property Insurance covering (a) Tenant's Property, and (b) any improvements and Alterations including the Tenant Improvements, made by Tenant or at Tenant's request. Such insurance shall include a waiver of subrogation endorsement in favor of Landlord and shall be written on a "Causes of Loss – Special Form" basis (or its equivalent), for the full replacement cost (as reasonably approved by Landlord) without deduction for depreciation, and shall include coverage for theft, vandalism, malicious mischief and sprinkler leakage. Such policy shall have a deductible not greater than Five Thousand and No/100 Dollars (\$5,000.00). The proceeds of such insurance shall be used for the repair or replacement of the property so insured. Upon termination of this Lease following a casualty as set forth herein any proceeds under (a) shall be paid to Tenant and any proceeds under (b) in excess of Tenant's unamortized cost associated therewith shall be paid by Tenant to Landlord. Notwithstanding the foregoing, Landlord shall have the option at any time, upon three (3) months' notice to Tenant, to procure property insurance covering leasehold improvements on all the premises throughout the Building, and Tenant shall thereafter pay Tenant's Proportionate Share of the premium of such policy as an element of Project Operating Costs.

18.2.3. Business Income and Extra Expense insurance (or its equivalent) in such amounts as will reimburse Tenant for direct or indirect loss of earnings attributable to all perils commonly insured against by prudent tenants or attributable to prevention of access to the Premises or to the Building as a result of such perils, for a period of not less than twelve (12) months. Such insurance shall include a waiver of subrogation endorsement in favor of Landlord.

18.2.4. Statutory worker's compensation (which policy shall include a waiver of subrogation endorsement in favor of Landlord. Tenant shall provide Landlord with a copy of such endorsement concurrent with providing its evidence of insurance required under Section 18.4 below), together with employer's liability/employer's indemnity coverage at limits of:

\$1,000,000 Each Accident  
\$1,000,000 Each Employee by Disease  
\$1,000,000 Policy Limit by Disease

18.3. Form of Policies. The insurance required by Section 18.2.1 above shall (a) name Landlord, Landlord's property management agent, the Advisor, and at Landlord's request, any Mortgagee, each as an additional insured by endorsement(s) reasonably acceptable to Landlord; (b) cover, to the extent insurable, Tenant's indemnity obligations under this Lease; (c) be issued by an insurance company having an A.M. Best rating of not less than A- IX or that is otherwise reasonably acceptable to Landlord; (d) be primary, not contributing with, and not in excess of, coverage that Landlord may carry; and (e) contain a separation of insureds provision and no insured vs. insured exclusion or limitation. Tenant agrees that it shall (x) cause such policies to be endorsed to provide thirty (30) days' prior written notice by the insurer(s) to Landlord in the event said insurance is cancelled (ten (10) days' prior written notice in the event of cancellation for non-payment of premium), and (y) provide thirty (30) days' prior written notice to Landlord in the event said insurance shall be canceled, non-renewed or coverage reduced.

18.4. Evidence of Insurance. Tenant shall deliver a certificate of insurance, together with additional insured and waiver of subrogation endorsements, all of which shall be reasonably acceptable to Landlord, evidencing the existence and amount of each insurance policy required hereunder on or before the date Tenant first enters the Premises. Landlord may, at any time and from time to time, inspect or copy any insurance policies that this Lease requires Tenant to maintain. Tenant shall furnish Landlord with renewals, certificates, or "binders" at least ten (10) days prior to the expiration thereof. Tenant agrees that, if Tenant does not obtain and maintain such insurance, Landlord may (but shall not be required to) after five (5) Business Days' notice to Tenant during which time Tenant does not supply Landlord evidence of the required insurance, at Landlord's option, procure said insurance on Tenant's behalf and charge Tenant the premiums therefor, payable upon demand. Tenant shall have the right to provide the insurance required hereunder pursuant to blanket policies obtained by Tenant, provided such blanket policies afford coverage as required by this Lease.

18.5. Additional Insurance Obligations. Landlord may require (a) that Tenant obtain additional types of insurance, including but not limited to sprinkler leakage by earthquake, environmental and terrorism insurance to the extent such coverages are either (i) standard for similar properties in the same geographic area as the Property and are available at commercially reasonable rates, or (ii) are otherwise reasonably required by Landlord or the Mortgagee; and (b) from time to time, but not more frequently than every three (3) years during the Term, increases in the policy limits for all insurance to be carried by Tenant as set forth herein, in order to reflect standard limits for similar properties.

18.6. Independent Obligations. Tenant acknowledges and agrees that Tenant's insurance obligations under this Lease are independent of Tenant's indemnity obligations, liabilities and duties under this Lease.

18.7. Waiver of Subrogation. Anything in this Lease to the contrary notwithstanding (other than as provided in Section 10.3 above), Landlord and Tenant each hereby waives any and all rights of recovery, claim, action or cause of action against the other for any loss or damage to any property of Landlord or Tenant, arising from any cause that (a) would be insured against under the terms of any property insurance or business interruption insurance required to be carried hereunder; or (b) is insured against under the terms of any property insurance or business interruption insurance actually carried, regardless of whether the same is required hereunder. The foregoing waiver shall apply regardless of the cause or origin of such claim, including but not limited to the negligence of a party, or such party's agents, officers, employees or contractors. The foregoing waiver shall not apply if it would have the effect, but only to the extent of such effect, of invalidating any insurance coverage of Landlord or Tenant. The foregoing waiver shall also apply to any self-insurance, deductible and/or self-insured retention, as if the same were a part of the insurance recovery.

18.8. Self-Insurance. Tenant carries a high deductible property policy and is self-insured for general and auto liability losses up to \$1,000,000 with excess coverage up to \$10,000,000. Landlord hereby consents to Named Tenant's (but not any assignee, sublessee or transferee of the Named Tenant's interest hereunder) self-insurance program pursuant to the foregoing sentence; provided that, at all times throughout the Term during which Tenant desires that Landlord accept Tenant's self-insurance program, said program contains procedures (reasonably acceptable to Landlord) governing the investigation, litigation, processing, funding of reserves, and payment of insurance claims (including claims brought by Landlord in its capacity as an additional insured under this Lease), which procedures shall be consistent with those of third-party insurers.

## **ARTICLE 19**

### **DEFAULT**

19.1. Tenant's Default. A "Default" shall mean the occurrence of any one or more of the following events:

19.1.1. Tenant's failure to pay any Rent within five (5) days after notice the same is past due.

19.1.2. If any written representation or warranty required under this Lease made by Tenant or any Guarantor to Landlord is intentionally false in any material respect when made.



19.1.3. Tenant fails to deliver any estoppel certificates or subordination agreements within the periods set forth in this Lease; provided that as to an estoppel certificate, Tenant will receive notice and a two (2) business day cure period before such failure is a Default.

19.1.4. The levy of a writ of attachment or execution on this Lease or on any of Tenant's property or that of any Guarantor.

19.1.5. Tenant's or any Guarantor's general assignment for the benefit of creditors or arrangement, composition, extension, or adjustment with its creditors.

19.1.6. Tenant or any Guarantor becomes insolvent or bankrupt or admits in writing its inability to pay its debts as they mature.

19.1.7. Proceedings for the appointment of a trustee, custodian or receiver of Tenant or any Guarantor or for all or a part of Tenant's or such Guarantor's property are filed by or against Tenant or any Guarantor, and, if filed against Tenant or such Guarantor involuntarily, are not dismissed within sixty (60) days of filing.

19.1.8. Proceedings in bankruptcy, or other proceedings for relief under any law for the relief of debtors, are instituted by or against Tenant or any Guarantor, and, if instituted against Tenant or such Guarantor involuntarily, are not dismissed within sixty (60) days of filing.

19.1.9. Tenant is in default under any other lease between Landlord and Tenant at the Project after any applicable notice and cure period.

19.1.10. Tenant makes an anticipatory breach of this Lease. "Anticipatory breach" shall mean either (a) Tenant's repudiation of this Lease in writing; or (b) the combination of (i) Tenant's desertion or vacation of the Premises or removal of all or a substantial amount of Tenant's equipment, furniture and fixtures from the Premises; and (ii) Tenant's failure to pay any Rent under this Lease when due.

19.1.11. Tenant fails to perform any other covenant, condition or agreement contained in this Lease not covered by the preceding subsections, where such failure continues for thirty (30) days after notice thereof from Landlord to Tenant, or such additional period as is reasonably necessary to effect cure, provided Tenant commences cure within such thirty (30) day period and diligently pursues the same to completion within ninety (90) days following Landlord's notice.

19.1.12. Tenant shall repeatedly fail to pay Rent when due or any other charges required to be paid, or shall repeatedly default in keeping, observing or performing any other covenant, agreement, condition or provision of this Lease, whether or not Tenant shall timely cure any such payment or other default. For the purposes of this subsection, the occurrence of similar defaults two (2) times during any twelve (12) month period shall constitute a repeated default.

Any notice periods provided for under this Section shall run concurrently with any statutory notice periods and any notice given hereunder may be given simultaneously with or incorporated into any such statutory notice.

19.2. Landlord's Default. Tenant shall promptly notify Landlord of the need for any repairs or action with respect to other matters that are Landlord's obligation under this Lease. If Landlord fails to perform any covenant, condition, or agreement contained in this Lease within thirty (30) days after receipt of notice from Tenant, or if such default cannot reasonably be cured within thirty (30) days, and if Landlord fails to commence to cure within such thirty (30) day period or to diligently prosecute the same to completion, then subject to the other limitations set forth elsewhere in this Lease, Landlord shall be liable to Tenant for any damages sustained by Tenant as a result of Landlord's breach; provided that in no event shall (a) Landlord be liable for indirect, consequential or punitive damages, including without limitation, any damages based on lost profits; or (b) Tenant have the right to terminate this Lease on account of a Landlord default. Tenant shall not have the right to withhold, reduce or offset

any amount against any payments of Rent or any other charges due and payable under this Lease unless Tenant has obtained a final, non-appealable judgment against Landlord for the amount due.

## **ARTICLE 20**

### **LANDLORD REMEDIES AND DAMAGES**

20.1. **Remedies.** In the event of a Default, then in addition to any other rights or remedies Landlord may have at law or in equity, Landlord shall have the right, at Landlord's option, without further notice or demand of any kind, and Tenant hereby expressly waives any right to notice under any applicable Law, including without limitation O.R.S. Chapter 91, or Chapter 105, to do any or all of the following without prejudice to any other remedy that Landlord may have:

20.1.1. Terminate this Lease and Tenant's right to possession of the Premises by giving notice to Tenant. Tenant shall immediately surrender the Premises to Landlord, and if Tenant fails to do so, Landlord may re-enter the Premises and take possession thereof and expel or remove Tenant and any other party who may be occupying the Premises, or any part, thereof, whereupon Tenant shall have no further claim to the Premises or under this Lease.

20.1.2. Continue this Lease in full force and effect, whether or not Tenant has vacated or abandoned the Premises, and sue upon and collect any unpaid Rent or other charges, that have or thereafter become due and payable.

20.1.3. Continue this Lease in effect, but terminate Tenant's right to possession of the Premises and re-enter the Premises and take possession thereof, whereupon Tenant shall have no further claim to the Premises without the same constituting an acceptance of surrender.

20.1.4. In the event of any re-entry or retaking of possession by Landlord, Landlord shall have the right, but not the obligation, (a) to expel or remove Tenant and any other party who may be occupying the Premises, or any part thereof; and (b) to remove all or any part of Tenant's or any other occupant's property on the Premises and to place such property in storage at a public warehouse at the expense and risk of Tenant.

Landlord may relet the Premises without thereby avoiding or terminating this Lease (if the same has not been previously terminated), and Tenant shall remain liable for any and all Rent and other charges and expenses hereunder. Landlord's reletting of the Premises shall not be deemed Landlord's acceptance of the condition of the Premises as required under Article 24 of this Lease. For the purpose of reletting, Landlord is authorized to make such repairs or alterations to the Premises as may be necessary in the sole discretion of Landlord for the purpose of such reletting, and if a sufficient sum is not realized from such reletting (after payment of all costs and expenses of such repairs, alterations and the expense of such reletting (including, without limitation, reasonable attorney and brokerage fees) and the collection of rent accruing therefrom) each month to equal the Rent, then Tenant shall pay such deficiency each month upon demand therefor. Actions to collect such amounts may be brought from time to time, on one or more occasions, without the necessity of Landlord's waiting until the expiration of the Term.

20.1.5. Without any further notice or demand, to the extent allowed by applicable Law, Landlord may enter upon the Premises, if necessary, without being liable for prosecution or claim for damages therefor, and do whatever Tenant is obligated to do under the terms of the Lease. Tenant agrees to reimburse Landlord on demand for any reasonable expenses that Landlord may incur in effecting compliance with Tenant's obligations under this Lease. Tenant further agrees that Landlord shall not be liable for any damages resulting to Tenant from such action, unless caused by the gross negligence or willful misconduct of Landlord (but subject to the other limitations on Landlord's liability set forth in this Lease). Notwithstanding anything herein to the contrary, Landlord will have no obligation to cure any Default of Tenant.

20.1.6. Landlord shall at all times have the right, without prior demand or notice except as required by Law, to seek any declaratory, injunctive or other equitable relief, and specifically enforce this Lease, or

restrain or enjoin a violation or breach of any provision hereof, without the necessity of proving the inadequacy of any legal remedy or irreparable harm.

20.1.7. To the extent permitted by applicable Law, Landlord shall have the right, without notice to Tenant, to change or re-key all locks to entrances to the Premises, and Landlord shall have no obligation to give Tenant notice thereof or to provide Tenant with a key to the Premises.

20.1.8. The rights given to Landlord in this Article are cumulative and shall be in addition and supplemental to all other rights or remedies that Landlord may have under this Lease and under applicable Laws or in equity.

20.2. Damages. Should Landlord elect to terminate this Lease or Tenant's right to possession under the provisions above, Landlord may recover the following damages from Tenant:

20.2.1. Past Rent. The worth at the time of the award of any unpaid Rent that had been earned at the time of termination; plus

20.2.2. Rent Prior to Award. The worth at the time of the award of the unpaid Rent that would have been earned after termination, until the time of award; plus

20.2.3. Rent After Award. The worth at the time of the award of the amount by which the unpaid Rent for the balance of the Term after the time of award exceeds the amount of the rental loss that Tenant proves could have been reasonably avoided, if any; plus

20.2.4. Proximately Caused Damages. Any other amount necessary to compensate Landlord for all detriment proximately caused by Tenant's failure to perform its obligations under this Lease or that in the ordinary course of things would be likely to result therefrom, including, but not limited to, any costs or expenses (including, without limitation, reasonable attorneys' fees), incurred by Landlord in (a) retaking possession of the Premises; (b) maintaining the Premises after Default; (c) preparing the Premises or any portion thereof for reletting to a new tenant, including, without limitation, any repairs or alterations, whether for the same or a different use; (d) reletting the Premises, including but not limited to, advertising expenses, brokers' commissions and fees; and (e) any special concessions made to obtain a new tenant.

20.2.5. Other Damages. At Landlord's election, such other amounts in addition to or in lieu of the foregoing as may be permitted from time to time by Law.

As used in Sections 20.2.1 and 20.2.2, the phrase "worth at the time of the award" shall be computed by adding interest on all such sums from the date when originally due at the Interest Rate. As used in Section 20.2.3, the phrase "worth at the time of the award" shall be computed by discounting the sum in question at the Federal Reserve rate promulgated by the Federal Reserve office for the district in which the Project is located, plus one percent (1%).

20.3. Rent after Termination. Tenant specifically acknowledges and agrees that Landlord shall have the right to continue to collect Rent after any termination (whether said termination occurs through eviction proceedings or as a result of some other early termination pursuant to this Lease) for the remainder of the Term, less any amounts collected by Landlord from the reletting of the Premises, but in no event shall Tenant be entitled to receive any excess of any such rents collected over the Rent.

20.4. No Termination. A termination of this Lease by Landlord or the recovery of possession of the Premises by Landlord or any voluntary or other surrender of this Lease by Tenant or a mutual cancellation thereof, shall not work a merger and shall at the option of Landlord, terminate all or any existing franchises or concessions, licenses, permits, subleases, subtenancies or the like between Tenant and any third party with respect to the Premises, or may, at the option of Landlord, operate as an assignment to Landlord of Tenant's interest in same. Following a Default, Landlord shall have the right to require any subtenants to pay all sums due under their subleases directly to Landlord.

20.5. Waiver of Demand and Notice. All demands for Rent and all other demands, notices and entries, whether provided for under common law or otherwise, that are not expressly required by the terms hereof, are hereby waived by Tenant. Without limiting the generality of the foregoing, Tenant hereby waives all notices, including without limitation any notice requirements in O.R.S. Section 105.005 through and including Section 105.168, as well as any notice requirements in O.R.S. Section 91.010 through and including Section 91.255. Notwithstanding the foregoing waiver of notices, Landlord may elect to serve such notices (including statutory notices) and combine such notices with any notices required under the provisions of this Lease.

20.6. Waiver of Redemption. Tenant hereby waives, relinquishes and releases for itself and for all those claiming under Tenant any right of occupancy of the Premises following termination of this Lease, and any right to redeem or reinstate this Lease by order or judgment of any court or by any legal process or writ under present or future laws, including without limitation O.R.S. Section 91.090.

20.7. Deficiency. If it is necessary for Landlord to bring suit in order to collect any deficiency, Landlord shall have the right to allow such deficiencies to accumulate and to bring an action on several or all of the accrued deficiencies at one time. Any such suit shall not prejudice in any way the right of Landlord to bring a similar action for any subsequent deficiency or deficiencies.

20.8. Counterclaim. Tenant hereby waives any right to plead any counterclaim, offset or affirmative defense in any action or proceedings brought by Landlord against Tenant for possession of the Premises or otherwise, for the recovery of possession based upon the non-payment of Rent or any other Default. The foregoing shall not, however, be construed as a waiver of Tenant's right to assert any claim in a separate action brought by Tenant against Landlord. In the event Tenant must, because of applicable court rules or statutes, interpose any counterclaim or other claim against Landlord in such proceedings, Landlord and Tenant agree that, in addition to any other lawful remedy of Landlord, upon motion of Landlord, such counterclaim or other claim asserted by Tenant shall be severed from the proceedings instituted by Landlord (and, if necessary, transferred to a court of different jurisdiction), and the proceedings instituted by Landlord may proceed to final judgment separately and apart from and without consolidation with or reference to the status of any such counterclaim or any other claim asserted by Tenant.

20.9. Mitigation of Damages. Both Landlord and Tenant shall each use commercially reasonable efforts to mitigate any damages resulting from a default of the other party under this Lease; provided that any failure by Landlord to mitigate damages in accordance with the foregoing shall not give rise to any liability of Landlord for breach of this Lease, but shall only serve to reduce the recovery by Landlord by the amount of damages that Tenant proves could reasonably have been avoided. Subject to the foregoing, Landlord's obligation to mitigate damages after a Default shall be satisfied in full if Landlord undertakes to lease the Premises to another tenant (a "Substitute Tenant") in accordance with the following criteria:

20.9.1. Landlord shall have no obligation to solicit or entertain negotiations with any Substitute Tenant until Landlord obtains full and complete possession of the Premises including, without limitation, the final and unappealable legal right to relet the Premises free of any claim of Tenant.

20.9.2. Landlord shall not be obligated to offer the Premises to a Substitute Tenant when other premises in the Project suitable for that tenant's use are (or soon will be) available.

20.9.3. Landlord shall not be obligated to lease the Premises to a Substitute Tenant for a rental amount less than the current fair market rental then prevailing for similar uses in comparable buildings in the same market area as the Project, nor shall Landlord be obligated to enter into a new lease under other terms and conditions that are unacceptable to Landlord under Landlord's then current leasing policies for comparable space in the Project.

20.9.4. Landlord shall not be obligated to enter into a lease with any Substitute Tenant whose use would:

1. Disrupt the tenant mix or balance of the Project;

2. Violate any restriction, covenant, or requirement contained in the lease of another tenant of the Project or any other agreement to which Landlord is a party;

3. Be incompatible with the operation of the Project as a first-class project.

20.9.5. Landlord shall not be obligated to enter into a lease with any Substitute Tenant that does not have, in Landlord's reasonable opinion, sufficient financial resources or operating experience to operate the Premises in a first-class manner.

20.9.6. Landlord shall not be required to expend any amount of money to alter, remodel, or otherwise make the Premises suitable for use by a Substitute Tenant unless:

1. Tenant pays any such sum to Landlord in advance of Landlord's execution of a lease with such Substitute Tenant (which payment shall not be in lieu of any damages or other sums to which Landlord may be entitled as a result of Tenant's Default); or

2. Landlord determines that any such expenditure is financially justified in connection with entering into any such lease.

20.9.7. Upon compliance with the above criteria regarding the releasing of the Premises after a Default, Landlord shall be deemed to have fully satisfied Landlord's obligation to mitigate damages under this Lease and under any Law, and Tenant waives and releases, to the fullest extent legally permissible, any right to assert in any action by Landlord to enforce the terms of this Lease, any defense, counterclaim, or rights of setoff or recoupment respecting the mitigation of damages by Landlord, unless and to the extent Landlord maliciously or in bad faith fails to act in accordance with the requirements of this Section. Until Landlord is able, through such efforts, to relet the Premises, Tenant must pay to Landlord, on or before the first day of each calendar month, the monthly Rent and any other charges provided in this Lease. No such reletting shall be construed as an election on the part of Landlord to terminate this Lease unless Landlord gives Tenant a notice of such intention. Notwithstanding any such reletting without termination, Landlord may at any time thereafter elect to terminate this Lease for such previous breach.

## **ARTICLE 21** **BANKRUPTCY**

21.1. In the event a petition is filed by or against Tenant under the Bankruptcy Code, Tenant, as debtor and debtor in possession, and any trustee who may be appointed agree to adequately protect Landlord as follows:

21.1.1. to pay monthly in advance on the first day of each month as reasonable compensation for use and occupancy of the Premises an amount equal to all Rent due pursuant to this Lease;

21.1.2. to perform each and every obligation of Tenant under this Lease until such time as this Lease is either rejected or assumed by order of a court of competent jurisdiction;

21.1.3. to determine within one hundred twenty (120) days after the filing of such petition whether to assume or reject this Lease;

21.1.4. to give Landlord at least thirty (30) days' prior notice, unless a shorter period is agreed to in writing by the parties, of any proceeding relating to any assumption of this Lease;

21.1.5. to give at least thirty (30) days' prior notice of any vacation or abandonment of the Premises, any such vacation or abandonment to be deemed a rejection of this Lease; and

21.1.6. to do all other things to benefit Landlord otherwise required under the Bankruptcy Code.

This Lease shall be deemed rejected in the event of the failure to comply with any of the above.

21.2. In order to provide Landlord with the assurance contemplated by the Bankruptcy Code, the following obligations must be fulfilled, in addition to any other reasonable obligations that Landlord may require, before any assumption of this Lease is effective: (a) all monetary Defaults under this Lease must be cured within ten (10) days after the date of assumption; (b) all other Defaults (other than those arising solely on account of the bankruptcy filing) must be cured within fifteen (15) days after the date of assumption; (c) all actual monetary losses incurred by Landlord (including, but not limited to, reasonable attorneys' fees) must be paid to Landlord within ten (10) days after the date of assumption; and (d) Landlord must receive within ten (10) days after the date of assumption a security deposit in the amount of six (6) months' Base Rent and an advance prepayment of three (3) months' Base Rent.

21.3. In the event this Lease is assumed in accordance with the requirements of the Bankruptcy Code and this Lease, and is subsequently assigned, then, in addition to any other reasonable obligations that Landlord may require and in order to provide Landlord with the assurances contemplated by the Bankruptcy Code, Landlord must be provided with (a) a financial statement of the proposed assignee prepared in accordance with generally accepted accounting principles consistently applied, though on a cash basis, which reveals a net worth in an amount sufficient, in Landlord's reasonable judgment, to assure the future performance by the proposed assignee of Tenant's obligations under this Lease; or (b) a written guaranty by one or more guarantors with financial ability sufficient to assure the future performance of Tenant's obligations under this Lease, such guaranty to be in form and content satisfactory to Landlord and to cover the performance of all of Tenant's obligations under the Lease.

21.4. Neither Tenant nor any trustee who may be appointed in the event of the filing of a petition under the Bankruptcy Code shall conduct or permit the conduct of any "fire," "bankruptcy," "going out of business" or auction sale in or from the Premises.

## **ARTICLE 22** **INTENTIONALLY OMITTED**

## **ARTICLE 23** **HOLDING OVER**

If, after expiration of the Term, Tenant remains in possession of the Premises, Landlord may, at its option, serve notice upon Tenant that such hold over constitutes either: (a) a month-to-month tenancy upon all the provisions of this Lease (except as to Term and Base Rent); or (b) a tenancy at sufferance. If Landlord does not give said notice, Tenant's hold over shall create a tenancy at sufferance, subjecting Tenant to all the covenants and obligations of this Lease. In either event, the monthly installments of Base Rent shall be increased to one hundred fifty percent (150%) of the monthly installments of Base Rent in effect at the expiration of the Term. If a month-to-month tenancy is created, either party may terminate such tenancy by giving the other party at least thirty (30) days advance notice of the date of termination. Additionally, if Tenant shall hold over without the consent of Landlord, then Tenant shall also protect, defend, indemnify and hold Landlord harmless from all Claims resulting from retention of possession by Tenant, including, without limiting the generality of the foregoing, any Claims made by any succeeding tenant founded upon such failure to surrender and any lost rents and profits to Landlord resulting therefrom. The provisions of this Article shall not constitute a waiver by Landlord of any right of re-entry as otherwise available to Landlord, nor shall receipt of any rent or any other act appearing to affirm the tenancy operate as a waiver of the right to terminate this Lease for a breach by Tenant hereof.

Notwithstanding the foregoing, Tenant shall be entitled to hold over in the Premises for a maximum of six (6) months if Tenant provides Landlord with six (6) months prior written notice ("**Holdover Notice**") of its exercise of such right. The Holdover Notice shall specify the period (up to six (6) months) for which Tenant elects to hold over and this Lease shall be extended for such hold over period and during such hold over period, Tenant shall pay in advance, monthly Base Rent at a rate equal to the rate in effect for the last month of the Term of this Lease (provided that Base Rent will increase to \$24 per annum as of the first day of the thirty-sixth (36<sup>th</sup>) month after the original Commencement Date), in addition to, and not in lieu of, all other payments required to be made by Tenant hereunder, including, but not limited to, Tenant's Cost Allocation. In the event Tenant fails to timely deliver the Holdover Notice to Landlord, or if Tenant holds over beyond the period specified in the Holdover Notice, then during such unauthorized holding over, Tenant shall pay in advance, monthly, Base Rent at a rate equal to one hundred fifty percent (150%) of the rate in effect for the last month of the Term of this Lease, in addition to, and not

in lieu of, all other payments required to be made by Tenant hereunder including but not limited to Tenant's Cost Allocation.

#### **ARTICLE 24** **SURRENDER OF PREMISES**

Upon the expiration or earlier termination of this Lease, Tenant shall peaceably surrender the Premises to Landlord broom-clean and in the same condition as on the date Tenant took possession (a) except for reasonable wear and tear, loss by fire or other casualty and loss by condemnation, and (b) with all removal, restoration and/or repairs required pursuant to Section 11.3 above and this Article 24 completed. Notwithstanding the foregoing, Tenant will not be required to remove any improvements or alterations existing in the Premises as of the date of full execution and delivery of this Lease. Tenant's Property shall be and shall remain the property of Tenant and may be removed by Tenant at any time during the Term; provided that, if any of Tenant's Property is removed, Tenant shall promptly repair any damage to the Premises or to the Building resulting from such removal. If Tenant abandons or surrenders the Premises or is dispossessed by process of law or otherwise, any of Tenant's Property left on the Premises shall be deemed abandoned, and, at Landlord's option, title shall pass to Landlord under this Lease as by a bill of sale. If Landlord elects to remove all or any part of such Tenant's Property, the reasonable cost of removal, storage and disposal of Tenant's Property, including, without limitation, repairing any damage to the Premises or Building caused by such removal, shall be paid by Tenant. On the Expiration Date, Tenant shall surrender all keys and other means of entry to the Premises, the Building and the Project, excluding Tenant's access control system which shall be removed by Tenant, and shall inform Landlord of the combinations and access codes for any locks and safes located in the Premises. It is specifically agreed that any and all telephonic, coaxial, ethernet, or other computer, word processing, facsimile, or electronic wiring ("Telecom Wiring") and any other components of Tenant's Telecommunications System shall be removed at Tenant's cost at the expiration of the Term, unless Landlord has specifically requested in writing that the Telecom Wiring shall remain, whereupon the Telecom Wiring shall be surrendered with the Premises as Landlord's property.

#### **ARTICLE 25** **BROKERAGE FEES**

Tenant warrants and represents that it has not dealt with any real estate broker or agent in connection with this Lease or its negotiation except as set forth on the Lease Summary. Tenant shall indemnify, defend and hold Landlord harmless from any Claims for any compensation, commission, or fees claimed by any other real estate broker or agent in connection with this Lease (including but not limited to any expansions of the Premises and extensions) or its negotiation.

#### **ARTICLE 26** **NOTICES**

Any notice, demand, request, consent, covenant, approval or other communication to be given by one party to the other must be in writing and (except for statements and invoices to be given in the ordinary course hereunder, which may be sent by regular U.S. Mail) (a) delivered personally; (b) mailed by certified United States mail, postage prepaid, return receipt requested (except for statements and invoices to be given in the ordinary course hereunder, which may be sent by regular U.S. Mail); or (c) sent by nationally recognized overnight courier. The effective date of notice shall be (i) for any notice delivered in person, the date of delivery; (ii) for any notice by U.S. mail, three (3) days after the date of certification thereof; and (iii) for any notice by overnight courier, the next Business Day after deposit with the courier. All notices shall be delivered or addressed to the parties at their respective addresses set forth on the Lease Summary. Either party may change the address at which it desires to receive notice upon giving notice of such request to the other party in the manner provided herein. When this Lease requires service of a notice, that notice shall replace rather than supplement any equivalent or similar statutory notice, including, without limitation, any notices required under O.R.S. Chapter 91 or Chapter 105, or any similar Laws now or hereafter in effect. When a statute requires service of a notice in a particular manner, service of that notice (or the replacement notice required by this Lease) as provided in this Article shall replace and satisfy, to the maximum extent permitted by law, the statutory service procedures, including, without limitation, those set forth in O.R.S. Chapter 91 or Chapter 105, or any similar Laws now or hereafter in effect.

**ARTICLE 27**  
**INTENTIONALLY OMITTED**

**ARTICLE 28**  
**SIGNAGE**

28.1. Tenant shall be entitled, at Landlord's initial cost and expense (provided that any changes to such signage will be at Tenant's sole cost and expense), to an identification sign in the elevator lobby on each floor on which the Premises are located. The location, quality, design, style, lighting and size of such signage shall be consistent with the Landlord's Building standard signage program and shall be subject to Landlord's prior written approval.

28.2. Landlord shall pay all costs of fabrication and installation of one (1) line on the Building directory to display Tenant's name and location in the Building, which shall be consistent with the Landlord's Building standard signage program and shall be subject to Landlord's prior written approval. Any changes to the signage initially provided by Landlord shall be at Tenant's expense.

28.3. No other signage shall be permitted without the prior consent of Landlord, which consent may be withheld in Landlord's sole discretion. If Landlord grants such consent, the signage will be at Tenant's expense. Tenant shall not affix, paint, erect, or inscribe any sign, projection, awning, signal, or advertisement of any kind to any part of the Premises, the Building or the Project, including, without limitation, the inside or outside of windows or doors, without the consent of Landlord, which consent may be withheld in Landlord's sole discretion. Landlord shall have the right to remove any signs or other matter installed without Landlord's permission without being liable to Tenant by reason of such removal and to charge the reasonable cost of removal to Tenant, payable within ten (10) days of written demand by Landlord.

28.4. Any damage to any portion of the Project upon installation, maintenance, or removal of Tenant signage shall be Tenant's sole responsibility. Upon removal of Tenant's signage, the area affected thereby shall be repaired and restored pursuant to Landlord's specifications to a condition acceptable to Landlord, at Tenant's sole expense. Upon the expiration or earlier termination of this Lease, Tenant will remove all of its signage

**ARTICLE 29**  
**LENDER PROVISIONS**

29.1. Subordination. This Lease is subject and subordinate to all present and future ground or underlying leases of the Property and to the lien, operation and effect of any mortgages, deeds to secure debt or trust deeds, now or hereafter in force against the Property or the Building, if any, and to all renewals, extensions, modifications, consolidations and replacements thereof (collectively, "Mortgages"), and to all advances made or hereafter to be made upon the security of such Mortgages. In the event any proceedings are brought for the foreclosure of any mortgage, deed to secure debt or trust deed, or if any ground or underlying lease is terminated, Tenant shall attorn, without any deductions or set-offs whatsoever, to the purchaser upon any such foreclosure sale, or to the lessor of such ground or underlying lease, as the case may be (the "Purchaser"), and recognize the Purchaser as the lessor under this Lease, which attornment shall be effective as of the date that the Purchaser acquires title to the Property; however, the Purchaser shall have the right to accept or reject such attornment upon written notice to Tenant and in no event shall such attornment be negated by a foreclosure. In no event shall Tenant have a right of offset against amounts due any Purchaser on account of any defaults by Landlord under this Lease that pre-date the time the Purchaser becomes the lessor hereunder, nor shall any Purchaser be liable for any such defaults by Landlord. Tenant shall, within fifteen (15) Business Days of request by Landlord or the Purchaser (as applicable), execute such further instruments or assurances as Landlord may reasonably deem necessary to evidence or confirm the subordination or superiority of this Lease to any Mortgages or Tenant's attornment to the Purchaser (as applicable). Tenant waives the provisions of any current or future statute, rule or law that may give or purport to give Tenant any right or election to terminate or otherwise adversely affect this Lease and the obligations of Tenant hereunder in the event of any foreclosure proceeding or sale. Notwithstanding the provisions hereof, should any Mortgagee require that this Lease be prior rather than subordinate to its Mortgage, or require that Tenant attorn to any Purchaser, then in such event, this Lease shall become prior and superior to such Mortgage, or Tenant shall so attorn, upon notice to that effect to Tenant from such Mortgagee. The aforesaid superiority of this Lease to any



Mortgage shall be self-operative upon the giving of such notice and no further documentation other than such notice shall be required to effectuate such superiority or attornment. In the event Landlord or such Mortgagee desires confirmation of such superiority or attornment, Tenant shall, promptly upon request therefor by Landlord or such Mortgagee, and without charge therefor, execute a document acknowledging such priority or attornment obligation to the Mortgagee as Landlord in the event of foreclosure or deed in lieu thereof or termination of a ground lease.

29.2. Estoppel Certificates. Within fifteen (15) days after written request from Landlord, Tenant shall execute and deliver to Landlord, or Landlord's designee, a written statement certifying (a) that this Lease is unmodified and in full force and effect or is in full force and effect as modified and stating the modifications; (b) the amount of Base Rent and the date to which Base Rent and Additional Rent have been paid in advance; (c) the amount of any security deposit with Landlord; (d) that Landlord is not in default hereunder or, if Landlord is claimed to be in default, stating the nature of any claimed default; and (e) such other matters as may be requested. Landlord and, any purchaser, assignee or Mortgagee may rely upon any such statement. Tenant's failure to execute and deliver such statement within the time required shall be conclusive against Tenant (1) that this Lease is in full force and effect and has not been modified except as represented by Landlord; (2) that there are no uncured defaults in Landlord's performance and that Tenant has no right of offset, counterclaim, or deduction against Rent; (3) not more than one (1) month's Rent has been paid in advance; and (4) as to the truth and accuracy of any other matters set forth in the statement as submitted to Tenant.

29.3. Notice and Cure Rights. Tenant agrees to notify any Mortgagee whose address has been furnished to Tenant, of any notice of default served by Tenant on Landlord. If Landlord fails to cure such default within the time provided for in this Lease, such Mortgagee shall have an additional thirty (30) days to cure such default; provided that, if such default cannot reasonably be cured within that thirty (30) day period, then such Mortgagee shall have such additional time to cure the default as is reasonably necessary under the circumstances.

29.4. Changes Requested by Mortgagee. Tenant shall not unreasonably withhold its consent to changes or amendments to this Lease requested by a Mortgagee, so long as such changes do not alter the basic business terms of this Lease or otherwise materially diminish any rights or materially increase any obligations of Tenant.

29.5. Mortgagee Approval. Notwithstanding anything to the contrary contained in this Lease, to the extent the consent of any Mortgagee is required under the applicable Mortgage in order for Landlord to enter into this Lease, Landlord may terminate this Lease by written notice to Tenant if such consent is not obtained (in which event this Lease shall be of no force or effect).

### **ARTICLE 30** **MISCELLANEOUS**

30.1. Quiet Enjoyment. Tenant, upon paying the Rent and performing all of its obligations under this Lease, shall peaceably and quietly enjoy the Premises, subject to the terms of this Lease and to any mortgage, deed of trust, lease, or other agreement to which this Lease may be subordinated.

30.2. No Air Rights. This Lease does not grant Tenant any rights to any view or to light or air over any property, whether belonging to Landlord or any other person. If at any time any windows of the Premises are temporarily darkened or the light or view therefrom is obstructed by reason of any repairs, improvements, maintenance or cleaning in or about the Building, the same shall be without liability to Landlord and without any reduction or diminution of Tenant's obligations under this Lease.

30.3. Force Majeure. Any prevention, delay, or stoppage of work to be performed by Landlord or Tenant that is due to Force Majeure shall excuse performance of the work by that party for a period equal to the duration of that prevention, delay, or stoppage. Nothing in this Section shall excuse or delay Tenant's obligation to pay Rent or other charges under this Lease.

30.4. Accord and Satisfaction; Allocation of Payment. No payment by Tenant or receipt by Landlord of a lesser amount than the Rent provided for in this Lease shall be deemed to be other than on account of the earliest due Rent; nor shall any endorsement or statement on any check or letter accompanying any check or payment as

Rent be deemed an accord and satisfaction. Landlord may accept such check or payment without prejudice to Landlord's right to recover the balance of the Rent or pursue any other remedy provided for in this Lease. In connection with the foregoing, Landlord shall have the absolute right in its sole discretion to apply any payment received from Tenant to any account or other payment of Tenant then not current and due or

30.5. Attorneys' and Other Fees. Should either party institute any action or proceeding to enforce or interpret this Lease or any provision hereof, for damages by reason of any alleged breach of this Lease or of any provision hereof, or for a declaration of rights hereunder, the prevailing party in any such action or proceeding shall be awarded from the other party all costs and expenses, including, without limitation, attorneys' and other fees, reasonably incurred in good faith by the prevailing party in connection with such action or proceeding. The term "attorneys' and other fees" shall mean and include reasonable attorneys' fees, accountants fees, expert witness fees and any and all consultants and other similar fees incurred in connection with the action or proceeding and preparations therefor. The term "action or proceeding" shall mean and include actions, proceedings, suits, arbitrations, appeals and other similar proceedings.

30.6. Construction. Headings at the beginning of each Article, Section and subsection are solely for the convenience of the parties only and in no way define, limit, or enlarge the scope or meaning of this Lease. Except as otherwise provided in this Lease, all exhibits referred to herein are attached hereto and are incorporated herein by this reference. This Lease shall not be construed as if either Landlord or Tenant had prepared it, but rather as if both Landlord and Tenant had prepared it. Any deletion of language from this Lease prior to its execution by Landlord and Tenant shall not be construed to raise any presumption, canon of construction or implication, including, without limitation, any implication that the parties intended thereby to state the converse of the deleted language.

30.7. Confidentiality. Landlord acknowledges that Tenant is a public entity subject to Oregon Public Records Law.

30.8. Governing Law. This Lease shall be governed by, interpreted under, and construed and enforced in accordance with the Laws of the State of Oregon.

30.9. Consent. Unless otherwise expressly set forth herein, all consents and decisions required or permitted of Landlord hereunder shall be granted, withheld and made in Landlord's reasonable discretion. Except for consent to a Transfer, which shall be governed by the provisions of Article 14 above, all consents and approvals required from Landlord hereunder or any request by Tenant which causes Landlord to actually incur attorneys' and/or consultants' fees shall be subject to the requirement that Landlord be reimbursed within twenty (20) days of Landlord's written demand for attorneys' and consultants' fees and costs incurred in connection therewith. Except for consent to a Transfer, which shall be governed by Article 14 above, Tenant shall have no claim and hereby waives the right to any claim against Landlord for money damages by reason of any refusal, withholding, or delaying by Landlord of any consent, approval, statement, or satisfaction that Landlord has agreed shall be subject to a standard of reasonableness. In such event, Tenant's only remedy therefor shall be an action for specific performance, injunction, or declaratory judgment to enforce any right to such consent, approval, statement, or satisfaction.

30.10. Authority. Tenant shall, at Landlord's request, deliver a certified copy of a resolution of its board of directors, if Tenant is a corporation, or other satisfactory documentation, if Tenant is another type of entity, authorizing execution of this Lease.

30.11. Duplicate Originals; Counterparts; Fax/Email Signatures. This Lease may be executed in any number of duplicate originals, all of which shall be of equal legal force and effect. Additionally, this Lease may be executed in counterparts, but shall become effective only after each party has executed a counterpart hereof; all said counterparts, when taken together, shall constitute the entire single agreement between the parties. This Lease may be executed by a party's signature transmitted by facsimile ("fax") or email, and copies of this Lease executed and delivered by means of faxed or emailed copies of signatures shall have the same force and effect as copies hereof executed and delivered with original wet signatures. All parties hereto may rely upon faxed or emailed signatures as if such signatures were original wet signatures. Any party executing and delivering this Lease by fax or email shall promptly thereafter deliver a counterpart signature page of this Lease containing said party's original signature. All

parties hereto agree that a faxed or emailed signature page may be introduced into evidence in any proceeding arising out of or related to this Lease as if it were an original wet signature page.

30.12. Offer. The submission and negotiation of this Lease shall not be deemed an offer to enter the same by Landlord but the solicitation of such an offer by Tenant. Tenant agrees that its execution of this Lease constitutes a firm offer to enter the same which may not be withdrawn for a period of thirty (30) days after delivery to Landlord (or such other period as may be expressly provided in any other agreement signed by the parties). During such period and in reliance on the foregoing, Landlord may, at Landlord's option, proceed with any plans, specifications, alterations, or improvements, and permit Tenant to enter the Premises; but such acts shall not be deemed an acceptance of Tenant's offer to enter this Lease, and such acceptance shall be evidenced only by Landlord's signing and delivering this Lease to Tenant.

30.13. Further Assurances. Landlord and Tenant each agree to execute any and all other documents and to take any further actions reasonably necessary to consummate the transactions contemplated hereby.

30.14. Financial Statements. So long as the Named Tenant is the Tenant under this Lease, the provisions of this Section shall not apply. In the event Named Tenant assigns, sublets or otherwise transfers its interest in this Lease, and in order to induce Landlord to enter into this Lease, Tenant agrees that any transferee of the Named Tenant's interest hereunder shall promptly furnish Landlord, from time to time, upon Landlord's written request, with financial statements reflecting such Tenant's current financial condition. Such party shall represent and warrant that all financial statements, records, and information furnished to Landlord in connection with this Section are true, correct, and complete in all material respects. In the event Tenant's financial statements are available by public means (e.g., the internet) then the foregoing provision will not be applicable.

30.15. Recording. Tenant shall not record this Lease without the prior consent of Landlord, which consent may be withheld in Landlord's sole discretion.

30.16. Right to Lease. Landlord reserves the absolute right to create such other tenancies in the Building as Landlord shall determine to best promote the interests of the Building and the Project. Tenant does not rely on the fact, nor does Landlord represent, that any specific tenant or type or number of tenants shall, during the Term, occupy any space in the Building or the Project.

30.17. Severability. In the event any portion of this Lease shall be declared by any court of competent jurisdiction to be invalid, illegal or unenforceable, such portion shall be deemed severed from this Lease, and the remaining parts hereof shall remain in full force and effect, as fully as though such invalid, illegal or unenforceable portion had never been part of this Lease.

30.18. Survival. All indemnity and other unsatisfied obligations set forth in this Lease shall survive the termination or expiration hereof.

**30.19. WAIVER OF TRIAL BY JURY. TO THE EXTENT PERMITTED BY APPLICABLE LAW, THE PARTIES HEREBY IRREVOCABLY WAIVE ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS LEASE, OR THE TRANSACTIONS OR MATTERS RELATED HERETO OR CONTEMPLATED HEREBY. THE PARTIES FURTHER HEREBY WAIVE THE RIGHT TO CONSOLIDATE ANY ACTION IN WHICH A JURY HAS BEEN WAIVED WITH ANY OTHER ACTION IN WHICH A JURY TRIAL HAS NOT BEEN WAIVED.**

30.20. Successors and Assigns. Subject to the terms and conditions of Article 14 of this Lease, this Lease shall apply to and bind the heirs, personal representatives, and permitted successors and assigns of the parties.

30.21. Integration of Other Agreements; Amendments. This Lease sets forth the entire agreement and understanding of the parties with respect to the matters set forth herein and supersedes all previous written or oral understandings, agreements, contracts, correspondence and documentation with respect thereto. Any oral representations or modifications concerning this Lease shall be of no force or effect. No provisions of this Lease

may be amended or added to except by an agreement in writing signed by the parties or their respective successors in interest.

30.22. TIME OF THE ESSENCE. TIME IS OF THE ESSENCE OF THIS LEASE AND EACH AND EVERY TERM AND PROVISION HEREOF.

30.23. Waiver. The waiver by a party of any breach of any term, covenant, or condition of this Lease shall not be deemed a waiver of such term, covenant, or condition or of any subsequent breach of the same or any other term, covenant, or condition. No delay or omission in the exercise of any right or remedy of a party shall impair such right or remedy or be construed as a waiver of any default of the other party. Consent to or approval of any act by a party requiring consent or approval of the other party shall not be deemed to waive or render unnecessary such consent to or approval of any subsequent act. Any waiver must be in writing and shall not be a waiver of any other matter concerning the same or any other provision of this Lease.

30.24. No Surrender. No act or conduct of Landlord, including, without limitation, the acceptance of keys to the Premises, shall constitute an acceptance of the surrender of the Premises by Tenant before the expiration of the Term. Only a written notice from Landlord to Tenant shall constitute acceptance of the surrender of the Premises and accomplish a termination of the Lease.

30.25. Number and Gender. As used in this Lease, the neuter includes masculine and feminine, the singular includes the plural and use of the word "including" shall mean "including without limitation."

30.26. Days. The term "days," as used herein, shall mean actual days occurring, including Saturdays, Sundays and Holidays.

30.27. Joint and Several Liability. If Tenant consists of two (2) or more parties, each of such parties shall be liable for Tenant's obligations under this Lease, and all documents executed in connection herewith, and the liability of such parties shall be joint and several. Additionally, the act or signature of, or notice from or to, any one or more of such parties with respect to this Lease shall be binding upon each and all of the parties executing this Lease as Tenant with the same force and effect as if each and all of them had so acted or signed, or given or received such notice and, in the event more than one (1) entity comprising Tenant so acts, signs or gives or receives such notice, Landlord shall be entitled to rely on the first such act, signature, or giving or receiving of notice and any subsequent act, signature or giving or receiving of notice by any additional Tenant entity(ies) shall be null and void.

30.28. No Third Party Beneficiaries. Except as otherwise provided herein, no person or entity shall be deemed to be a third party beneficiary hereof, including but not limited to any brokers, and nothing in this Lease (either expressed or implied) is intended to confer upon any person or entity, other than Landlord and Tenant (and their respective nominees, successors and assigns), any rights, remedies, obligations or liabilities under or by reason of this Lease.

30.29. No Other Inducements. It is expressly warranted by each of the undersigned parties that no promise or inducement has been offered except as herein set forth and that this Lease is executed without reliance upon any statement or representation of any person or party or its representatives concerning the nature and extent of damages, costs and/or legal liability therefor.

30.30. Independent Covenants. This Lease shall be construed as though the covenants herein between Landlord and Tenant are independent and not dependent. Tenant hereby expressly waives the benefit of any Laws to the contrary and agrees that if Landlord fails to perform any of its obligations set forth herein, Tenant shall not be entitled to make any repairs or perform any acts hereunder at Landlord's expense or to any setoff of Rent.

30.31. No Discrimination. Tenant covenants by and for itself, its heirs, executors, administrators and assigns, and all persons claiming under or through Tenant, and this Lease is made and accepted upon and subject to the condition that there shall be no discrimination against or segregation of any person or group of persons, on account of race, color, creed, sex, religion, marital status, ancestry or national origin or any other classification protected under applicable federal, state or local Laws in the leasing, subleasing, transferring, use, or enjoyment of

the Premises, nor shall Tenant itself, or any person claiming under or through Tenant, establish or permit such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy, of tenants, lessees, sublessees, subtenants or vendees in the Premises.

30.32. OFAC Compliance.

30.32.1. Tenant hereby represents and warrants to Landlord that Tenant and its directors, officers, employees, agents and affiliates are not, and during the Term of this Lease shall not be, Sanctioned Persons. "Sanctioned Person" means: (a) an entity or individual named on the Consolidated Sanctions List maintained by the U.S. Office of Foreign Assets Control, or any successor list, or targeted by the U.S. Department of State under economic or financial sanctions or trade embargoes of the United States ("Sanctions Laws"); (b) any other entity or individual with which an entity incorporated in the United States is prohibited from dealing pursuant to Sanctions Laws; or (c) any entity or individual acting on behalf of anyone described in the foregoing clauses of this definition.

30.32.2. Tenant represents and warrants that Tenant is in compliance, and, during the Term of this Lease, shall remain in compliance, with Sanctions Laws and Anti-Money Laundering Laws and shall not, directly or indirectly, take any action that would cause Tenant or Landlord to be in violation of Sanctions Laws or Anti-Money Laundering Laws. "Anti-Money Laundering Laws" means: the U.S. Bank Secrecy Act, the USA PATRIOT Act, and all other laws of the United States that prohibit money laundering or other use of funds derived from illegal activity.

30.32.3. Tenant covenants to provide any information deemed necessary by Landlord to comply with Landlord's obligations under Sanctions Laws or Anti-Money Laundering Laws, and this obligation shall survive the termination of this Lease. Breach of any of the foregoing representations, warranties and covenants shall be considered a Default under this Lease and shall entitle Landlord to pursue all rights and remedies available to Landlord under this Lease and/or applicable Laws.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF the parties have executed this Lease, under seal, as of the date first-above written.

LANDLORD:

ASVRF UNICO PORTLAND I, LLC,  
a Delaware limited liability company

Witness:

\_\_\_\_\_

Date:

\_\_\_\_\_

By: ASVRF Unico Portland I Venture, LLC,  
a Delaware limited liability company,  
Sole Member

By: Unico Congress Center LLC,  
a Delaware limited liability company,  
Managing Member

By: Unico Investment Group LLC,  
a Delaware limited liability company,  
Manager

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

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

TENANT:

MULTNOMAH COUNTY,  
a political subdivision of the State of Oregon

Witness:

\_\_\_\_\_

Date:

\_\_\_\_\_

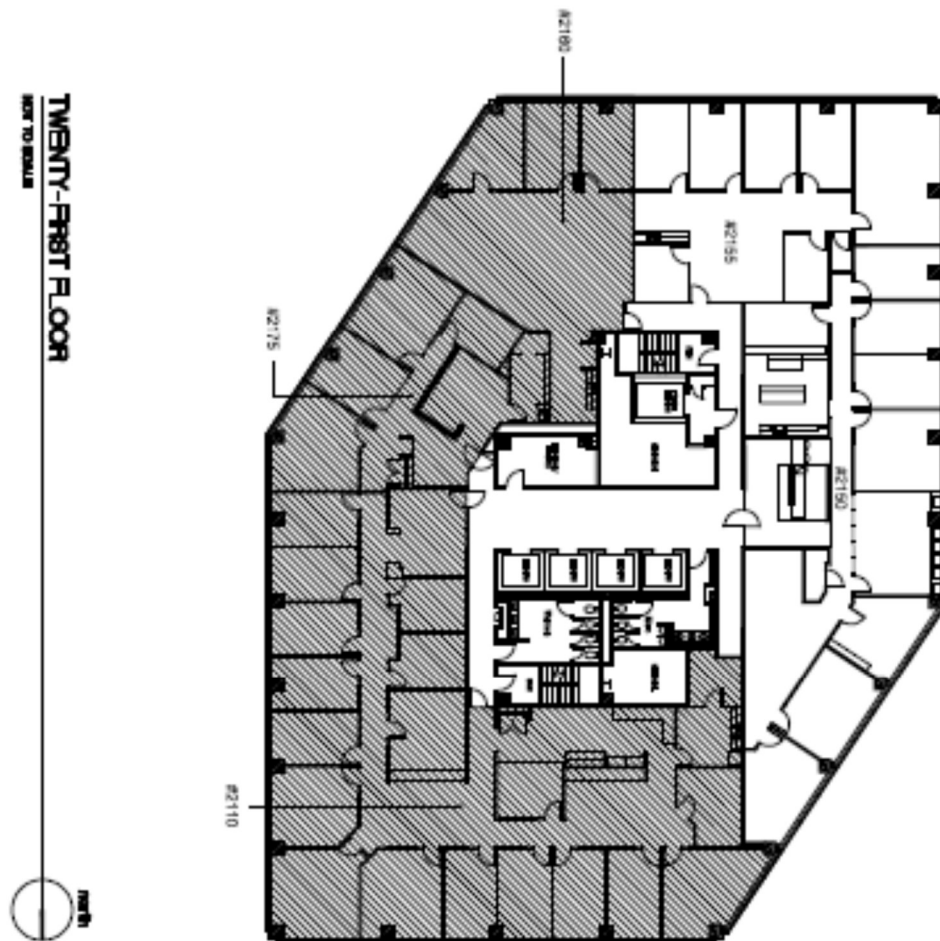
By: \_\_\_\_\_

Printed Name: Deborah Kafoury

Title: Board Chair

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

EXHIBIT A--FLOOR PLAN OF THE PREMISES



S. W. SALMON STREET  
(A DEDICATED PUBLIC RIGHT OF WAY)

S. W. 6TH AVENUE  
(A DEDICATED PUBLIC RIGHT OF WAY)

3 STORY BUILDING

LOT 1

LOT 2

LOT 3

LOT 4

LOT 5

LOT 6

LOT 7

LOT 8

LOT 9

LOT 10

3 STORY BUILDING

COMPLEX CENTER

169

S. W. 5TH AVENUE  
(A DEDICATED PUBLIC RIGHT OF WAY)

S. W. MAIN STREET  
(A DEDICATED PUBLIC RIGHT OF WAY)



## **EXHIBIT C – LEGAL DESCRIPTION**

Lots 1, 2, 3, 4, 5, 6, 7 and 8, Block 169, CITY OF PORTLAND, in the City of Portland, County of Multnomah and State of Oregon.

APNs: 1S1E03BB 00800 and 1S1E03BB 00800-A1

### EXHIBIT D - TERM CERTIFICATION

The undersigned, as Tenant, under that certain lease dated [\_\_\_\_\_] (the "Lease"), with [\_\_\_\_\_] as Landlord, hereby certifies as follows:

1. That the undersigned has entered into occupancy of the Premises described in the Lease.
2. That the Lease is in full force and effect and has not been assigned, modified, supplemented or amended in any way, except as follows: \_\_\_\_\_.
3. That the Lease represents the entire agreement between the parties as to said leasing.
4. That the Commencement Date of the Lease is: \_\_\_\_\_. The Lease expires on \_\_\_\_\_.
5. That all improvements to have been constructed or completed by Landlord have been substantially completed in a satisfactory manner and all conditions of the Lease to be performed by Landlord and necessary to the enforceability of the Lease have been satisfied.
6. That there are no defaults by either Tenant or Landlord under the Lease.
7. That no rents have been prepaid, other than as provided in the Lease.
8. That on this date there are no existing defenses or offsets, which the undersigned has against the enforcement of the Lease by Landlord.
9. That the undersigned has received \_\_\_\_\_ set(s) of keys to the Premises on this date.

EXECUTED this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

TENANT:

MULTNOMAH COUNTY,  
a political subdivision of the State of Oregon

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

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

## EXHIBIT E – CONSTRUCTION

This Exhibit sets forth the terms and conditions relating to construction of the initial tenant improvements in the Premises. All references in this Exhibit to capitalized terms or “this Lease” shall mean the relevant portion of the lease to which this Exhibit is attached and of which this Exhibit forms a part.

1. Definitions.

- a. “Approved Working Drawings” shall have the meaning set forth in Exhibit E-1.
- b. “Substantial Completion” of the Premises shall occur upon the completion of construction of the Tenant Improvements in the Premises pursuant to the Approved Working Drawings.
- c. “Tenant Improvements” shall mean the improvements to the Premises set forth in Exhibit E-1.
- g. “Total Construction Costs” shall mean the entire cost of constructing the Tenant Improvements, including space planning and preparation of the Approved Working Drawings, permit costs, labor and materials, electrical and other utility usage during construction, additional janitorial services, trash removal, general tenant signage, related taxes and insurance costs, the fees of any construction managers and the Landlord Supervision Fee set forth in the Lease Summary, as the same may increase as a result of any change orders.

2. Costs. Tenant will be responsible for payment of the Total Construction Costs associated with the construction of the Tenant Improvements constructed pursuant to this Exhibit E and Exhibit E-1. In no event shall Landlord be obligated to pay for any of the Tenant Improvements; provided that Landlord will, as an accommodation to Tenant, perform the Tenant Improvements on Tenant’s behalf in accordance with Exhibit E-1 and Tenant will reimburse the Total Construction Costs to Landlord within thirty (30) days after Tenant’s receipt of an invoice for such Total Construction Costs. Tenant’s failure to so reimburse Landlord will be a Default under the Lease and Landlord will have the same remedies available to it for a non-payment of Rent.

3. Punchlist. Landlord will notify Tenant when Landlord considers Substantial Completion to have occurred. Within three (3) Business Days thereafter, Landlord’s representative and Tenant’s representative shall conduct a walk-through of the Premises and identify any necessary touch-up work, repairs and minor completion items that are necessary for final completion of the Tenant Improvements (the “Punchlist Items”). Neither Landlord’s representative nor Tenant’s representative shall unreasonably withhold his or her agreement on Punchlist Items. Landlord shall use reasonable efforts to complete all Punchlist Items within thirty (30) days after agreement thereon; however, Landlord shall not be obligated to engage overtime labor in order to complete such items.

4. Miscellaneous.

- a. Unless otherwise indicated, all references herein to a “number of days” shall mean and refer to calendar days. If any item requiring approval is timely disapproved by Landlord, the procedure for preparation of the document and approval thereof shall be repeated until Landlord approves the document.
- b. Notwithstanding any provision to the contrary contained in this Lease, if a Default has occurred at any time prior to Substantial Completion, then (i) in addition to all other rights and remedies granted to Landlord pursuant to this Lease, Landlord shall have the right to cause the contractor to cease the construction of the Premises (in which case, Tenant shall be responsible for any delay in Substantial Completion caused by such work stoppage); and (ii) all other obligations of Landlord under the terms of this Exhibit shall be forgiven until such time, if any, as such Default may be cured.

5. Compliance with Laws. Landlord shall construct the Tenant Improvements in compliance with all applicable Laws, including performing any alterations to other portions of the Building or Project necessitated by the Tenant Improvements, and all costs incurred for such compliance work shall be included in the Total Construction Costs.

## **EXHIBIT E-1 – TENANT IMPROVEMENT WORK**

### **1. Preparation of Working Drawings.**

a. Landlord has established specifications for the Building standard components to be used in the construction of the Tenant Improvements (the “Specifications”), which Landlord shall supply to Tenant. The quality of Tenant Improvements shall be equal to or of greater quality than the quality of the Specifications.

b. Landlord shall retain an architect/space planner (“Architect”) to prepare the construction drawings for the Tenant Improvements, along with an engineering consultant (“Engineer”) to prepare all plans and engineering working drawings related to the structural, mechanical, electrical, plumbing, HVAC, life-safety, and sprinkler work for the Tenant Improvements.

b. On or before the date which is ten (10) business days after the satisfaction of the Contingency, Landlord shall prepare a space plan for the Tenant Improvements that includes a layout and designation of all offices, rooms and other partitioning, their intended use, and equipment to be contained therein (the “Space Plans”), and shall deliver the Space Plans to Tenant for Tenant’s approval (which approval shall not be unreasonably withheld, delayed or conditioned). Tenant shall notify Landlord whether it approves or reasonably disapproves the Space Plans within three (3) Business Days after Landlord’s submission thereof. If Tenant reasonably disapproves of such Space Plans, then Tenant shall notify Landlord thereof specifying in reasonable detail the reasons for such disapproval. Landlord shall revise such Space Plans to address Tenant’s objections in a manner reasonably acceptable to Landlord and submit the revised Space Plans to Tenant for its review and reasonable approval. Tenant shall notify Landlord in writing whether it approves or reasonably disapproves of the revised Space Plans within two (2) Business Days after its receipt thereof. If Tenant again reasonably disapproves of such Space Plans, then Tenant shall notify Landlord thereof specifying in reasonable detail the reasons for such disapproval and the foregoing revision process shall be repeated until Tenant approves the revised Space Plans. If Tenant fails to notify Landlord that it approves or reasonably disapproves of the initial Space Plans within three (3) Business Days (or, in the case of revised Space Plans, within two (2) Business Days) after the submission thereof, then, solely at Landlord’s option, Tenant shall be deemed to have approved the Space Plans in question. Notwithstanding anything to the contrary contained in this Lease, if Landlord and Tenant do not agree in writing upon the Space Plans for the initial improvements to the Premises within 45 days after the execution of this Lease, then Landlord shall have the right to terminate this Lease by written notice to Tenant given within ten (10) days after the expiration of such 45 day period.

c. On or before the fifteenth (15th) Business Day following the date on which the Space Plans are approved (or deemed approved) by Tenant, Landlord shall cause the Architect and Engineer to prepare final working drawings of the Tenant Improvements and deliver the same to Tenant for its review and approval (which approval shall not be unreasonably withheld, delayed or conditioned). Tenant shall notify Landlord whether it approves or reasonably disapproves of the submitted working drawings within three (3) Business Days after Landlord’s submission thereof. If Tenant reasonably disapproves of such working drawings, then Tenant shall notify Landlord thereof specifying in reasonable detail the reasons for such disapproval. Landlord shall revise such working drawings to address Tenant’s objections in a manner reasonably acceptable to Landlord and submit the revised working drawings to Tenant for its review and reasonable approval. Tenant shall notify Landlord in writing whether it approves or reasonably disapproves of the revised working drawings within two (2) Business Days after its receipt thereof. If Tenant again reasonably disapproves of such working drawings, then Tenant shall notify Landlord thereof specifying in reasonable detail the reasons for such disapproval and the foregoing revision process shall be repeated until Tenant approves the revised working drawings. If Tenant fails to notify Landlord that it approves or reasonably disapproves of the initial working drawings within three (3) Business Days (or, in the case of resubmitted working drawings, within two (2) Business Days) after the submission thereof, then, solely at Landlord’s option, Tenant shall be deemed to have approved the working drawings in question. The approved working drawings are hereinafter referred to as the “Approved Working Drawings.”

2. Cost Proposal. Landlord shall provide Tenant with a cost proposal in accordance with the Approved Working Drawings, which cost proposal shall include, as nearly as reasonably possible, the cost of the Total Construction Costs to be incurred in connection with the Tenant Improvements (the “Cost Proposal”). Tenant shall notify Landlord whether it approves the Cost Proposal (such approval not to be unreasonably withheld) within

five (5) Business Days after Landlord's submission thereof. If Tenant reasonably disapproves of the Cost Proposal, then Tenant shall notify Landlord thereof specifying in reasonable detail the revisions to the Approved Working Drawings to achieve the necessary cost savings. Landlord shall revise the Approved Working Drawings to address Tenant's requested revisions in a manner reasonably acceptable to Landlord and obtain a revised Cost Proposal reflecting such revisions and submit the revised Cost Proposal to Tenant for its review and reasonable approval. Tenant shall notify Landlord in writing whether it approves or reasonably disapproves of the revised Cost Proposal within two (2) Business Days after its receipt thereof. If Tenant again reasonably disapproves of such Cost Proposal, then Tenant shall notify Landlord thereof specifying in reasonable detail the revisions to the Approved Working Drawings to achieve the necessary cost savings and the foregoing revision process shall be repeated until Tenant approves the revised Cost Proposal. If Tenant fails to notify Landlord that it approves or reasonably disapproves of the initial Cost Proposal within five (5) Business Days (or, in the case of a resubmitted Cost Proposal, within two (2) Business Days) after the submission thereof, then, solely at Landlord's option, Tenant shall be deemed to have approved the Cost Proposal in question. Tenant's approval (or deemed approval) of the Cost Proposal shall be deemed approval of the Excess Costs resulting therefrom.

4. Construction. Following approval of the Cost Proposal Landlord shall construct the Tenant Improvements substantially in accordance with the Approved Working Drawings and the Responsible Contractor Policy attached hereto as Exhibit E-3, and Landlord shall have no responsibility for any errors or omissions in the Approved Working Drawings, nor shall Landlord have any liability to Tenant in connection with the construction of the Tenant Improvements so long as Landlord constructs the Tenant Improvements substantially in accordance with the Approved Working Drawings.

5. Completion During Term. Tenant acknowledges and agrees that the Tenant Improvements will be completed during the Term of the Lease and the completion of such Tenant Improvements will not be deemed a constructive eviction or otherwise entitle Tenant to any abatement or reduction in Rent. The Tenant Improvements are being completed by Landlord as an accommodation to Tenant and any delay in Tenant's ability to commence business from the Premises due to the completion of the Tenant Improvements will be at Tenant's sole risk. In addition, Landlord shall not be liable for any damage to property, injury to persons, or damage to Tenant's business caused by the completion of the Tenant Improvements during the Lease Term.

**EXHIBIT E-2**  
**CONSTRUCTION RULES AND REGULATIONS**

1. All contractors, subcontractors, and materialmen ("Contractor Parties") will check in and out with Building management.

2. All Contractor Parties will be appropriately dressed to work in an office environment: shirts with sleeves (T-shirts with company name are acceptable), pants (no shorts), work shoes with socks, and whatever other clothing as may be appropriate. No torn or worn-out clothing is permitted. Contractor Parties will display a courteous demeanor towards tenants, customers, visitors and general public. No Contractor Parties shall remain in the Building after work hours.

3. All Contractor Parties shall clean the job site after meals are eaten. Alcoholic beverages and drugs are not to be brought into, or consumed in the Building. Personnel appearing to be under the influence of either alcoholic beverages or drugs will not be allowed into the Building.

4. Off-site parking is to be arranged by and is the sole responsibility of the Contractor Parties.

5. Access to the Building shall be by freight elevator only.

6. Delivery of materials, use of loading dock, freight and passenger elevators must be scheduled with Landlord prior to receipt of materials.

Delivery Dock Hours: Monday – Friday 7:00 A.M. to 5:00 P.M.

Freight Elevator Hours: Monday – Friday 7:00 A.M. to 5:00 P.M.

Other hours of access are available with prior arrangement.

7. All Contractor Parties shall maintain the condition of docks, elevators and corridors used.

8. All materials are to be stored at the job site or in designated storage areas. No materials are to be stored in corridors or in public areas. Landlord may provide minimum secured storage for materials with prior arrangement.

9. Contractor Parties must arrange access to areas other than job site at least 24 hours in advance.

10. All work areas are to be visually and materially protected from the tenants and general public. If required by Landlord, the job site shall be sealed off from the balance of the adjoining space so as to minimize the disbursement of dirt, debris and noise.

11. Radios or other excessive noise are not permitted.

12. The use of toxic materials or odor-causing liquids must be scheduled with Landlord in advance and prior notice must be given to the tenants adjacent to the job site.

13. All non-job site areas are to be kept clean and dust free. No material residue shall be tracked through corridors or public areas.

14. Contractor Parties shall ensure the job site is left clean and secure at the completion of each work day. Trash and excess materials shall (a) not remain on, in, or at the job site; (b) be disposed of in bins or by truck promptly; (c) not be staged in storage at the job site in any public or adjacent areas; and (d) shall not be disposed of in the Building's trash receptacles.

## EXHIBIT E-3

### RESPONSIBLE CONTRACTOR POLICY

# AMERICAN REALTY ADVISORS



## Responsible Contractor Policy

### Introduction

American Realty Advisors ("American") affirms its commitment to its fiduciary duties of prudence and loyalty in its pursuit of a competitive return on investment for the members, retirees and beneficiaries of the pension funds or other investors it represents ("Clients") with respect to all of the real estate investments under its management.

This Responsible Contractor Policy ("Policy") is designed to guide, in a manner consistent with the statutory standards of fiduciary responsibility and prudence, American's management of its Clients' investments, as well as American's selection of contractors to provide operational and construction services with regard to such investments. The Policy establishes a framework through which such contractors will be selected based upon their demonstrated ability to provide high quality services, and thereby enhance the value of the Clients' investments, as evidenced by their record of compliance with applicable statutes and payment of fair compensation and benefits to employees, as well as by their experience, reputation, responsiveness, fees and dependability.

American has adopted this Policy in order to support and encourage the engagement of contractors who can be expected to provide high quality services to its Clients' investments, utilizing properly-trained and fairly-compensated employees, subject to American's fiduciary duties of loyalty, care, skill, prudence and diligence. This Policy supersedes all prior versions American may have previously adopted.

American believes that through the use of responsible contractors:

- Value is added to its Clients' investments by ensuring that essential operational and construction services are provided by adequately-trained, experienced and motivated workers;
- Well designed, constructed and managed assets have a higher potential to generate more stable and higher long term returns, and taking steps to assure that assets are of top quality is good business and a sound management strategy;
- Hiring qualified personnel for all aspects of an investment can be expected to result in higher returns over the holding period;
- Overall repair and maintenance cost should be lower and tenant satisfaction higher; and
- An adequately compensated and trained workforce will deliver a higher quality product and service through lower turnover and better customer service.



### Definition of a Responsible Contractor

A Responsible Contractor is a contractor who: (i) has the appropriate level of experience, reputation, employee relations, responsiveness, fees and dependability to perform the required work; and (ii) provides workers fair compensation and fair benefits, based on market conditions.

In determining what constitutes a "fair wage" and "fair benefits" in a specific market, factors that may be considered include local wage practices, state laws, prevailing wages, labor market conditions, and other relevant items. This policy specifically avoids a narrow definition of "fair wage", "fair benefits" that might not be practical in all markets and does not require in all cases a "prevailing wage", as defined by government surveys. Instead, this policy looks to local practices concerning type of trade and type of project. It recognizes that practices and labor market conditions vary across the country and that flexibility in its implementation is very important in order to achieve dual goals of making opportunities available for the use of organized labor and the fiduciary requirements imposed under ERISA

### Requirements of American's Responsible Contractor Policy

- **Duty of loyalty or the exclusive benefit rule.** Assets shall be managed first and foremost for the exclusive benefit of the participants and the beneficiaries of our Clients. Our duty to the participants and the beneficiaries of our Clients shall take precedence over any other duty.
- **Prudence.** It is our duty to exercise care, skill, and prudence appropriate to the task and each investment. We provide and seek expert contracting services in our management of investments.
- **Competitive return.** All investments and services should be made and managed in a manner that is expected to produce a competitive risk-adjusted return over the anticipated investment period. American believes that providing exemplary service and attention to tenants enhances the value of our investments and that the implementation of this Policy can be accomplished to achieve competitive returns.
- **Competitive bidding.** To the extent possible, contractors and subcontractors for contracts covered under this Policy shall be selected through a competitive bidding and selection process, however, given the time and expense required to solicit and evaluate potential contractors, it is not required that all contractors be solicited through such a process. This Policy encourages fair competition by actively seeking bids from an appropriate number of qualified sources. With appropriate consideration of the expected expense and complexity of any assignment, the bidding process should include proper notification and invitations to bid issued to a broad spectrum of potential bidders, with particular consideration given to those identified as contractors who have exhibited a high standard of quality and workmanship in their fields. Each bidder's qualifications, work product, experience, reputation for honesty, integrity, timeliness, dependability, fees, and operating practices shall be considered when choosing between potential contractors.



- **Unions.** Local trade unions and local trade councils are to be invited to participate in the selection process to the extent practicable and in the event they are, they are to be encouraged to provide lists containing the names and contact information of potential responsible contractors to be considered for inclusion in the selection process.

## Policy

American's policy with respect to its direct engagement of contractors that perform building construction, operations, and maintenance services on the investments it manages is as follows:

1. American's asset managers who oversee the ongoing operations of each of its investments shall be responsible for communicating this Policy to all appropriate parties (e.g., property managers, joint venture partners, borrowers, and other contractors).
2. Subject to compliance with its relevant fiduciary duties as well as with all applicable laws, American will seek to implement policies relating to union labor designed to benefit its clients' investments by promoting high quality work at a fair price, which promote positive labor relations and labor productivity and minimized costs associated with labor disputes.
3. This policy will apply to investment-related construction or property services contracts for professional services of greater than \$100,000. This threshold will be applied both at the contract level and the subcontract level.
4. Contractors used shall be required to abide by all applicable state, local and national laws (including, but not limited to, those pertaining to insurance, withholding taxes, minimum wage, and health and occupational safety). In the event of any violation by a contractor and/or subcontractor of such requirement, the contractor shall either cure or remedy such violation in conformance with the applicable construction contract and/or applicable law. A contract may be terminated anytime American is presented with reasonable evidence to its satisfaction that a contractor has not been abiding by all applicable labor laws even though the contractor may not have been fully adjudicated in violation of such law.
5. Contractors used shall be required to seek to pay their employees fair wages and fair benefits.
6. Contractors' working conditions shall conform to the standards set by the Federal OSHA or similar state agency.
7. Subject to compliance with all of its relevant fiduciary duties, American retains a strong preference for contractors that honor the right of every worker to organize into a union of his or her own choosing, or to not organize, at the worker's sole discretion. American encourages contractors to remain neutral on the issue of unionization of its employees, to recognize the union as the collective bargaining representative of its employees upon a showing that a majority of the contractor's

employees favor unionization and, upon recognition, to bargain in good faith with the union to reach a fair and reasonable contract.

8. Although this policy does not require hiring only union workers, it invites trade unions and local building trades councils in the area where work is being done to make available to American lists of the names and contact information telephone numbers of Responsible Contractors who expressed interest in bidding so that they can be invited to bid on and participate in the process.
9. American's property managers, joint venture partners, borrowers and contractors shall investigate all reasonable and substantial complaints relating to the failure of a contractor to comply with the terms of this Policy.
10. Contractors, property managers, joint venture partners and borrowers shall, on request, provide to American a certification of their compliance with the Policy.
11. Any contractor performing building construction, operations and maintenance or other services on a property that fails to abide by the terms of this Policy may be subject to termination.
12. Where it is consistent with American's obligation to manage assets for the exclusive benefit of our Client's participants and the beneficiaries, it is American's policy to seek responsible contractors for all work, regardless of size. For certain smaller contracts, the procedural requirements of this Policy may be relaxed but only to the extent doing so does not impair American's ability to manage the assets in a manner consistent with this obligation.
13. It is the expectation that all of our Clients' assets will be managed in compliance with this Policy, and that adequate focus will be made to ensure that appropriate contractors will be retained consistent with this Policy, such that in the event of an emergency, previously identified responsible contractors will generally be available to assist. American recognizes, however, that there may be circumstances where, in the event of an emergency, responsible contractors may not be available, or cannot provide the required services, in which case, the need to secure the asset or provide for the safety of tenants, employee or the public will override the Policy.

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## **EXHIBIT F - BUILDING SERVICES**

Subject to all Laws applicable thereto and the Rules and Regulations, Landlord agrees to furnish the following services in a manner that such services are customarily furnished to comparable projects in the area:

1. Electrical power for normal general office use, as determined by Landlord.
2. Heating, ventilation, and air-conditioning ("HVAC"), when necessary for normal comfort for normal office use of the Premises during Business Hours, except that, at Landlord's option, HVAC during Business Hours on Saturdays (if any) shall be upon Tenant's request only. If Tenant desires HVAC at any time outside of Business Hours, Landlord shall use reasonable efforts to furnish such service upon reasonable notice from Tenant, and Tenant shall pay Landlord's then-standard charges therefor on demand.
3. City water from the regular Building outlets for drinking, lavatory and toilet purposes.
4. Maintenance of the Common Areas.
5. Non-exclusive automatic passenger elevator service, provided that the number of elevators available after Business Hours may be limited as Landlord deems reasonably necessary.
6. Replacement for building standard lights bulbs. Tenant shall bear the cost of replacement of non-standard bulbs, and all fixtures, starters and ballasts within the Premises.
7. Restroom supplies.
8. Janitorial services five (5) days per week, except for Holidays, in and about the Premises and window washing services in a manner consistent with other comparable buildings in the vicinity of the Building.
9. Landlord may, from time to time, provide such on-premises courtesy personnel (who will not necessarily have any responsibilities for any security), the cost of which shall be an Operating Cost hereunder; but Landlord makes no representation or warranty, written or oral, express or implied, that any security will be provided to the Project, or if provided, what the level of that security may be. Landlord does not guarantee any level of security and is released from any responsibility for any Claims based upon assertions that Landlord failed to provide adequate security to the Project, the Premises, or otherwise

"Business Hours" shall mean Monday through Friday, from 7:00 a.m. to 6:00 p.m. and only upon prior request, on Saturdays from 8:00 a.m. to 1:00 p.m., excluding Holidays, which hours shall be subject to change by Landlord from time to time.

## **EXHIBIT G - RULES AND REGULATIONS**

1. The Common Areas shall not be obstructed by any of the tenants or used by them for any purpose other than for ingress to and egress from their respective premises. The Common Areas are not for the general public, and Landlord shall in all cases retain the right to control and prevent access thereto of all persons whose presence in the judgment of Landlord would be prejudicial to the safety, character, reputation, and interest of the Building and its tenants; provided that nothing herein contained shall be construed to prevent such access to persons with whom any tenant normally deals in the ordinary course of its business, unless such persons are engaged in illegal activities. If the responsibility for the HVAC system is not a tenant's, no tenant and no employee or invitee of any tenant shall go upon the roof of the Building except in the case of maintenance of the HVAC system.

2. The Premises shall not be used for the storage of merchandise held for sale to the general public or for lodging. No cooking shall be done or permitted on the Premises except that private use by Tenant of approved microwave ovens, equipment for brewing coffee, tea, hot chocolate, and similar beverages shall be permitted, provided that such use is in accordance with all Laws.

3. No tenant shall employ any person or persons other than the janitor of Landlord for the purpose of cleaning its Premises unless otherwise agreed to by Landlord in writing. Except with the consent of Landlord (which consent may be withheld in Landlord's sole discretion), no person or persons other than those approved by Landlord shall be permitted to enter the Building for the purpose of cleaning the same. No tenant shall cause any unnecessary labor by reason of such tenant's carelessness or indifference in the preservation of good order and cleanliness. Tenant shall promptly notify Landlord of any carpet or wall stains requiring attention. Janitor service will not be furnished on nights when rooms are occupied after 6:00 p.m. unless, by agreement in writing, service is extended to a later hour for specifically designated rooms.

4. Landlord will furnish each tenant free of charge with two (2) keys to each door provided in the premises by Landlord. Landlord may make a reasonable charge for additional keys. No tenant shall have any such keys copied. No tenant shall alter any lock or install a new or additional lock or any bolt on any door of its premises, except that tenant may install an access control system on the doors providing entry to the Premises in accordance with the Lease. Each tenant upon the termination of its lease shall deliver to Landlord all keys to doors in the Building, except that tenant shall remove its access control system from the Project. Should Tenant install a locking system that requires a code, such code shall be provided to Landlord in writing, and all subsequent changes to the code will be provided in writing twenty-four (24) hours prior to such change taking place.

5. Landlord shall designate appropriate entrances for deliveries or other movement to or from the premises of equipment, materials, supplies, furniture, or other property, and Tenant shall not use any other entrances for such purposes. Landlord must have approved all means or methods used to move equipment, materials, supplies, furniture, or other property in or out of the Building prior to any such movement. Landlord will not be responsible for loss of or damage to any such property from any cause, and all damage done to the Building by moving or maintaining such property shall be repaired at the expense of Tenant. Tenant shall move all freight, supplies, furniture, fixtures, and other personal property only at such times as Landlord may designate. Unattended vehicles will be towed at the vehicle owner's expense.

6. No tenant shall use any method of heating or ventilation or air conditioning other than that supplied by Landlord.

7. No animals (except for service animals) shall be brought or kept in the Premises or the Building.

8. Landlord shall in no case be liable for damages for any error with regard to the admission to or exclusion from the Building of any person in the case of invasion, mob, riot, public excitement, or other circumstances rendering such action advisable in Landlord's opinion. Landlord reserves the right to prevent access to the Building during the continuance of the same by such action as Landlord may deem appropriate, including closing doors.

9. No curtains, draperies, blinds, shutters, shades, screens, or other coverings, hangings, or decorations shall be attached to, hung, or placed in, or used in connection with, any window of the Building. Such items shall be installed on the office side of Landlord's standard window covering and shall in no way be visible from the exterior of the Building. Tenant shall keep window coverings closed when the effect of sunlight (or the lack thereof) would impose unnecessary loads on the Building's heating or air condition systems.

10. Tenant shall ensure that the doors of the Premises are closed and locked and that all water faucets, water apparatus, and utilities are shut off before Tenant or Tenant's employees leave the Premises so as to prevent waste or damage, and for any default or carelessness in this regard, Tenant shall make good all injuries sustained by other tenants or occupants of the Building or Landlord. On multiple-tenancy floors, all tenants shall keep the doors to the Building corridors closed at all times except for ingress and egress.

11. The toilet rooms, toilets, urinals, wash bowls, and other apparatus shall not be used for any purpose other than that for which they are constructed, no foreign substance of any kind whatsoever shall be thrown therein, and the expense of any breakage, stoppage, or damage resulting from the violation of this rule shall be borne by the tenants who, or whose employees or invitee, shall have caused it.

12. No tenant shall sell at retail newspapers, magazines, periodicals, theater or travel tickets, or any other goods or merchandise to the general public in or on the Premises, nor shall any tenant carry on or permit any employee or other person to carry on the business of stenography, typewriting, printing, or photocopying or any similar business in or from the Premises for the service or accommodation of occupants of any other portion of the Building; nor shall the premises of any tenant be used for manufacturing of any kind, or any business or activity other than that specifically provided for in such tenant's lease.

13. No tenant shall install any radio or television antenna, loudspeaker, or other device on the roof or exterior walls of the Building. No TV or radio or recorder shall be played in such a manner as to cause a nuisance to any other tenant.

14. There shall not be used in any space, or in the public halls of the Building, either by any tenant or others, any hand trucks except those equipped with rubber tires and side guards or such other material handling equipment as Landlord may approve. No other vehicles of any kind shall be brought by any tenant into the Building or kept in or about its premises.

15. Each tenant shall store all its trash and garbage within its premises. No material shall be placed in the hallways or in the trash boxes or receptacles if such material is of such nature that it may not be disposed of in the ordinary and customary manner of removing and disposing of office building trash and garbage in the locale without being in violation of any law or ordinance governing such disposal. All garbage and refuse disposal shall be made only through entryways provided for such purposes and at such times as Landlord shall designate. Each tenant shall comply with any and all Laws regarding recycling.

16. Canvassing, soliciting, distribution of handbills, or any other written material and peddling in the Building are prohibited, and each tenant shall cooperate to prevent the same.

17. Except in a case of emergency, the requirements of tenants will be attended to only upon application in writing at the office of the Building or by facsimile transmitted to the office of the Building manager. Employees of Landlord shall not perform any work or do anything outside of their regular duties unless under special instructions from Landlord.

18. Tenant shall not occupy the Building or permit any portion of the Building to be occupied for the manufacture, distribution, or direct sale of liquor, narcotics, or tobacco in any form, or as a medical office, barber shop, manicure shop, music or dance studio, or employment agency. Tenant shall not conduct in or about the Building any auction, public or private, without the prior written approval of Landlord, which consent may be withheld in Landlord's sole discretion.

19. Tenant shall not use in the Building any machines, other than standard office machines, such as typewriters, calculators, desktop computers, copying machines, and similar machines, without the prior written approval of Landlord. All office equipment and any other device of any electrical or mechanical nature shall be placed by Tenant in the Premises in settings approved by Landlord, so as to absorb or prevent any vibration, noise, or annoyance. Tenant shall not cause improper noises, vibrations, or odors within the Building.

20. Tenant shall not enter the mechanical rooms, air conditioning rooms, electrical closets, janitorial closets, or similar areas or go upon the roof of the Building.

21. Tenant shall not mark, paint, drill into, cut, string wires within, or in any way deface any part of the Building, without the prior consent of Landlord, and as Landlord may direct.

22. Tenant will not place objects on window sills or otherwise obstruct the exterior wall window covering.

23. Tenant will keep all doors opening to the exterior of the Building, all fire doors, and all smoke doors closed at all times.

24. Tenant shall not obstruct, alter, or in any way impair the efficient operation of Landlord's heating, ventilating, electrical, fire, safety, or lighting systems, nor shall Tenant tamper with or change the setting of any thermostat or temperature control valves in the Building.

25. If Tenant uses the Premises after regular business hours or on non-business days Tenant shall lock any entrance doors to the Building or to the Premises used by Tenant immediately after using such doors.

26. Tenant shall not use any portion of the Premises for lodging.

27. Landlord reserves the right to exclude or expel from the Building any person who, in the judgment of Landlord is intoxicated or under the influence of liquor or drugs, or who shall in any manner do any act in violation of any of these Rules and Regulations.

28. Tenant shall not park or attach any bicycle or motor driven cycle on or to any part of the Premises or Building; other than in areas designated by Landlord for such purposes.

29. Tenant shall not install any artwork that could give an artist or any other party a right under applicable Law to prevent removal of the same.

30. This is a non-smoking facility. Smoking is prohibited within the confines of the Building and Premises, which are subject to ORS 433.835 et seq., which statute includes a prohibition on smoking within 10 feet of all entrances, exits, windows and air intake vents of the Building..

31. Provided Landlord acts in good faith pursuant to sound operating procedures, Landlord may waive any one or more of these Rules and Regulations for the benefit of any particular tenant or tenants, but no such waiver by Landlord shall be construed as a waiver of such Rules and Regulations in favor of any other tenant or tenants, nor prevent Landlord from thereafter enforcing any such Rules and Regulations against any or all of the tenants of the Building.

32. These Rules and Regulations are in addition to, and shall not be construed to in any way modify or amend, in whole or in part, the agreements, covenants, conditions, and provisions of any lease of premises in the Building.

33. Landlord reserves the right to modify the foregoing and promulgate such other rules and regulations as Landlord may from time to time decide are needed for the safety, care, or cleanliness of the Building, for the preservation of good order therein, or as changed conditions or particular circumstances may require.

## TABLE OF CONTENTS

	PAGE
ARTICLE 1 LEASE OF PREMISES .....	1
ARTICLE 2 DEFINITIONS.....	1
ARTICLE 3 PREMISES AND DELIVERY OF POSSESSION .....	7
ARTICLE 4 RENT .....	8
ARTICLE 5 INTENTIONALLY OMITTED .....	10
ARTICLE 6 USE.....	10
ARTICLE 7 HAZARDOUS MATERIALS .....	11
ARTICLE 8 SERVICES AND UTILITIES .....	11
ARTICLE 9 CONDITION OF THE PREMISES .....	13
ARTICLE 10 REPAIRS AND MAINTENANCE .....	13
ARTICLE 11 ALTERATIONS AND ADDITIONS.....	14
ARTICLE 12 CERTAIN RIGHTS RESERVED BY LANDLORD.....	17
ARTICLE 13 RULES AND REGULATIONS .....	18
ARTICLE 14 TRANSFERS.....	18
ARTICLE 15 DESTRUCTION OR DAMAGE.....	21
ARTICLE 16 EMINENT DOMAIN .....	22
ARTICLE 17 INDEMNIFICATION, WAIVER, RELEASE AND LIMITATION OF LIABILITY.....	22
ARTICLE 18 INSURANCE.....	23
ARTICLE 19 DEFAULT .....	25
ARTICLE 20 LANDLORD REMEDIES AND DAMAGES .....	27
ARTICLE 21 BANKRUPTCY .....	30
ARTICLE 22 INTENTIONALLY OMITTED .....	31
ARTICLE 23 HOLDING OVER .....	31
ARTICLE 24 SURRENDER OF PREMISES.....	32
ARTICLE 25 BROKERAGE FEES.....	32
ARTICLE 26 NOTICES .....	32

ARTICLE 27 INTENTIONALLY OMITTED .....	33
ARTICLE 28 SIGNAGE .....	33
ARTICLE 29 LENDER PROVISIONS .....	33
ARTICLE 30 MISCELLANEOUS .....	34