

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

RESOLUTION NO. 2023-060

Approving a Lease of the Property Located at 11942 NE Glisan Street Portland, OR 97220 for the Aging Disability and Veterans Services Division (“ADVSD”).

The Multnomah County Board of Commissioners Finds:

- a. A lease of premises within the property located at 11942 NE Glisan Street Portland, OR 97220 (“Lease”), that will provide Aging Disability and Veterans Services Division (“ADVSD”) with necessary office and consumer space.
- b. This lease would advance the work of ADVSD (Aging Disability and Veterans Services) through a co-located office space with community partner IRCO, and available drop-in office space for IDD team members. The community would also benefit from an easier accessible building to obtain needed services.
- c. Approval of the Lease in substantial conformance with the proposed terms is in the best interests of Multnomah County.

The Multnomah County Board of Commissioners Resolves:

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

ADOPTED this 22nd day of June, 2023.




BOARD OF COUNTY COMMISSIONERS
FOR MULTNOMAH COUNTY, OREGON

Jessica Vega Pederson

Jessica Vega Pederson, Chair

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

By: 
Andrew MacKendrick, Sr. Assistant County Attorney

SUBMITTED BY: Tracey Massey, Director, DCA and CIO

GLISAN STREET STATION

SHOPPING CENTER LEASE

TENANT: MULTNOMAH COUNTY

THIS LEASE AGREEMENT ("**Lease**") is made and entered into this ____ day of _____, 2023, by and between **POWELL - GLISAN ASSOCIATES, L.L.C.**, a Washington limited liability company, hereinafter referred to as "**Landlord**", and **MULTNOMAH COUNTY**, an Oregon political subdivision, hereinafter referred to as "**Tenant**".

WITNESSETH:

For and in consideration of the mutual covenants and conditions contained herein, the parties agree as follows:

ARTICLE 1. PREMISES, TERM, AND CONTINGENCY.

1.1 Premises. Landlord hereby leases to Tenant and Tenant hereby leases from Landlord those certain premises containing an agreed area of 9,723 rentable square feet (the "**Premises**"), located in a single-story building (the "**Building**") having a street address of 11942 NE Glisan Street Portland, OR 97220, which is located within a portion of that certain commercial project commonly known as "**Glisan Street Station**" which is owned by Landlord legally described in Exhibit "A" attached hereto and made a part hereof (the "**Shopping Center**"), together with a nonexclusive right to use the common parking areas and other common areas of the Shopping Center as provided herein or in the OEA (defined below). The location of the Premises and the Building are shown approximately on Exhibit "B". The Premises extend to the center line of any party walls and to the exterior faces of any exterior walls of the building in which the Premises are located.

1.2 OEA. Tenant hereby acknowledges that this Lease is subject to, and Tenant agrees to comply with, any and all covenants, conditions and/or restrictions, easements, conditions to any subdivision or binding site plan approval, reciprocal easement agreements, statutes and/or ordinances now or hereafter recorded or enforced against the Shopping Center, including without limitation that certain Operation and Easement Agreement dated March 20, 1995, recorded in the Real Estate Records of Multnomah County, Oregon on May 8, 1995 under Document No. 95-054024 (the "**OEA**").

1.3 Lease Term. The term of this Lease (the "**Term**" or "**Lease Term**") shall be approximately one hundred twenty-six (126) months, commencing on the date the Premises are delivered to Tenant with Landlord's Work described on Exhibit "C" Substantially Completed (the "**Commencement Date**"), and terminating at midnight on the last day of the calendar month which is one hundred twenty-six (126) months from the Commencement Date. Landlord shall provide Tenant with written notice of substantial completion of Landlord's Work

1.4 Extension Option. Tenant shall have the option to extend the Term of this Lease (the "**Extension Option**") for two (2) successive periods of five (5) years (each an "**Option**")

Period") commencing on the current expiration date of the Lease upon the following terms and conditions:

(a) Tenant shall not have been in default under any of the terms, covenants, conditions or provisions of this Lease beyond the expiration of any applicable notice and cure period, and Tenant shall not be in default either at the time Tenant exercises the Extension Option or as of the current expiration date of this Lease;

(b) Tenant shall have notified Landlord of Tenant's election to exercise the Extension Option (the "**Option Notice**") not later than six (6) months prior to the then current expiration date of the Lease Term.

Unless each of the foregoing conditions precedent have been satisfied, Tenant's exercise of the Option shall be of no force or effect and the Option shall lapse. If all of the conditions precedent are satisfied, then the Lease Term shall be extended for the Option Period and all of the terms, conditions and provisions of this Lease shall continue in full force and effect throughout the Option Period, except that the Minimum Rent to be paid by Tenant for the Option Period shall be the greater of (i) Minimum Rent for the last year of the initial Lease Term, or (ii) the Fair Market Rent (as defined below) of the Premises as of the then current expiration date of this Lease. Minimum Rent, or Fair Market Rent, for an Option Period may include market concessions such as improvement allowances.

The term "**Fair Market Rent**" shall mean the annual Minimum Rent that a willing lessee would pay and a willing lessor would accept in an arms-length lease of the Premises as of the commencement of the Option Period. If Landlord and Tenant shall fail to agree upon the Fair Market Rent within sixty (60) days after delivery of the Option Notice, Landlord and Tenant each shall give notice (the "**Determination Notice**") to the other setting forth their respective determinations of the Fair Market Rent, and, subject to the provisions below, both parties shall within ten (10) days after delivery of the Determination Notices, select an independent third party real estate broker, not affiliated with Landlord or Tenant, with at least ten (10) years' experience in the business of leasing commercial real estate and with knowledge of the real estate market in the northeast Portland, Oregon area. The two persons chosen shall, with ten (10) days after their selection, select a third person similar qualifications who shall be the arbitrator to render a final determination of the Fair Market Rent. The arbitrator shall conduct such hearings and investigations as the arbitrator shall deem appropriate and shall, within thirty (30) days after having been appointed, choose one of the determinations set forth in either Landlord's or Tenant's Determination Notice, and that choice shall be binding upon Landlord and Tenant. Each party shall pay its own counsel fees and expenses, if any, in connection with any arbitration under this paragraph, and the parties shall share equally all other expenses and fees of any such arbitration. The determination rendered in accordance with the provisions of this paragraph shall be final and binding in fixing the Fair Market Rent. The arbitrator shall not have the power to add to, modify, or change any of the provisions of this Lease.

ARTICLE 2. RENT.

Tenant shall pay to Landlord, as rent therefor, the following amounts, in lawful money of the United States of America, determined and payable in the manner and at the times set forth below, to wit:

2.1 Deposit (Prepaid Rent). No Deposit is required of Tenant.

2.2 Minimum Rent. Commencing on the Commencement Date and continuing to the end of the Lease Term, Tenant shall pay to Landlord on or before the first day of each month Minimum Rent (the "**Minimum Rent**") in accordance with the following schedule:

<u>Months</u>	<u>Annual Minimum Rent</u>	<u>Monthly Minimum Rent</u>
1-12*	\$247,936.50*	\$20,661.38*
13-24	\$255,374.60	\$21,281.22
25-36	\$263,035.83	\$21,919.65
37-48	\$270,926.91	\$22,577.24
49-60	\$279,054.72	\$23,254.56
61-72	\$287,426.36	\$23,952.20
73-84	\$296,049.15	\$24,670.76
85-96	\$304,930.62	\$25,410.89
97-108	\$314,078.54	\$26,173.21
109-120	\$323,500.90	\$26,958.41
121-126	\$333,188.74	\$27,767.16

*So long as Tenant is not in default beyond the expiration of any applicable notice and cure period, Minimum Rent for the first six (6) months of the Term following the Commencement Date will be waived.

If the Commencement Date falls on any day other than the first day of a calendar month, Minimum Rent, Common Area Charges and other additional rent payable for the first calendar month of the Lease Term shall be apportioned pro rata based on the number of days remaining in a thirty (30) day month and a three hundred sixty five (365) day year. Any monthly Minimum Rent not received on or before 12:00 midnight of the first day of each month shall be subject to a late charge equal to five percent (5%) of the monthly Minimum Rent due and shall constitute additional rent due to Landlord under this Lease. Any and all other charges due under this Lease not received on or before the due date shall also be subject to a late charge equal to five percent

(5%) of the delinquent amount. Notwithstanding the foregoing, if Tenant is delinquent in the payment of Minimum Rent or Additional Rent on more than three (3) occasions in a consecutive twelve (12) month period, then a late fee of ten percent (10%) shall thereafter be immediately due with respect to all delinquencies. If a check is dishonored or returned for insufficient funds, Tenant shall pay to Landlord an additional fee of \$50. If a second (2nd) check is dishonored or returned for insufficient funds, then in addition to the foregoing charge, Landlord may require all future payments to be paid with a bank draft of certified check.

2.3 Common Area Charge. Commencing on the Commencement Date, Tenant agrees to pay Landlord, as additional rent, a Common Area Charge. The "**Common Area Charge**" is defined as Tenant's Proportionate Share (defined below) of Landlord's costs and expenses of every kind and nature incurred in the operation and maintenance of the Common Areas. The "**Common Areas**" are defined as including, but not limited to, the sidewalks, pedestrian walkways, driveways, parking areas, service areas, landscaped areas, shopping center identification signs, traffic markers and signs, parking lot lighting, storm drains and sewers, utility lines, restrooms serving the public, and all roofs and building exteriors of the Shopping Center. The common area costs shall mean the total costs and expenses incurred by Landlord for cleaning, repairing, operating, policing, managing and replacement to all or any part of the Common Areas, which costs and expenses shall include, but not be limited to, the following: (1) operating, cleaning, sweeping, restriping, repairing and resurfacing the parking lot and driveways areas; (2) maintenance and replacement of the plantings and landscaping; (3) maintenance, repair and replacements of the landscape sprinkler systems, parking bumpers, directional signs and other signs and markers, fire protection systems, lights and light standards (including bulb replacement), drainage systems (including any storm detention ponds) and utility systems; (4) the cost of maintaining and repairing the roof membranes, gutters and downspouts of Shopping Center buildings; (5) day porter services; (6) operation and maintenance of Shopping Center sign or signs, or rent for such sign(s) if leased; (7) depreciation on all equipment purchased for the purpose of operating and/or maintaining the Common Areas, or rent for such equipment if leased, and maintenance and repair of such equipment; (8) cleaning, maintenance and repair of all sidewalks, including those situated on the perimeter of the boundaries of the Shopping Center (but nothing shall be construed as obligating Landlord to clean, maintain or repair any areas or improvement outside the Shopping Center boundaries); (9) operations, maintenance and repair of any public address systems, music systems, and security and/or alarm systems, including rent for such systems if leased; (10) the reasonable cost of personnel to implement such services and to regulate employee parking and to police and provide security for the Common Areas and for the buildings in the Shopping Center, including all social security, medical insurance and other contributions and Workers' Compensation Insurance costs paid or incurred with respect to such personnel; (11) the cost of all Landlord's insurance including, but not limited to, fire and other casualty, bodily injury, public liability, property damage liability, automobile parking lot liability insurance, loss of rents insurance, sign insurance, Workers' Compensation Insurance, and any other insurance carried by Landlord for the Common Areas; (12) real estate taxes and assessments assessed against and which are allocable to the land and improvements which constitute the Common Areas; (13) the amount of any taxes, assessments, surcharges or other charges which may be imposed by governmental authority under any energy legislation, environmental protection legislation, or other similar legislation, which tax or charge is based upon the existence of vehicular parking facilities on the Common Areas; (14) legal fees incurred in connection with common area matters; and (15) garbage and refuse removal, unless such services are billed directly to Tenant; (16) audit expenses, and costs incurred in connection

with attempt to control trespassing, picketing, demonstrations, gatherings or assemblies, vandalism, thefts, and any other interference with the use of the Common Areas by the persons authorized to use the Common Areas as hereinabove provided; (17) personal property taxes, sales taxes and use taxes on material, equipment, supplies, and services used in operating and maintaining the Common Areas; (18) repair and/or replacement of on-site water lines, electrical lines, gas lines, sanitary sewer lines and storm water lines; (19) all electrical, water, sewer or other utility charges for serving the Common Areas (including any on-site and/or off-site sanitary treatment plant(s) serving the Shopping Center and all pipes leading to and from same); (20) the costs of on-site manager(s), if any, to administer the Shopping Center, including the office supplies and facilities occupied by such manager(s); (21) insurance deductibles incurred by Landlord in connection with claims made by Landlord and paid by insurers under liability or property insurance maintained by Landlord with respect to the Shopping Center; (22) charges allocated to the Shopping Center under the OEA, to the extent such charges are not included in the foregoing terms; and (23) the cost of any third party property management fees associated with the administration of the Shopping Center, which will not exceed five percent (5%) of the gross revenues from the Shopping Center. In addition, Tenant shall pay its Proportionate Share of an amount equal to fifteen percent (15%) of the total of the aforementioned expenses for each calendar year for the cost of administering and supervising the operation, maintenance and repair of the Common Areas, and of billing and collecting the Common Areas' costs from the occupants of the Shopping Center, including management, administrative and clerical costs in connection therewith.

Tenant's "**Proportionate Share**" shall equal a fraction, the numerator of which is the number of square feet in the Premises, and the denominator of which is the number of square feet of Gross Leasable Area (defined below) of the buildings in the Shopping Center. As of the date of this Lease, Tenant's Proportionate Share is nine and 98/100 percent (9.98%).

"**Gross Leasable Area**" of the Shopping Center means the floor area contained in existing buildings in the Shopping Center which area is leased or held for lease, excluding any mezzanines, but shall not include any areas of the Shopping Center designated for future development of leasable building area until construction of those areas is completed and a certificate of occupancy has been issued.

Notwithstanding the foregoing, Landlord may, at its reasonable discretion, allocate certain Common Area Charges among portions of the Shopping Center to the extent Landlord deems it necessary or desirable in order to equitably allocate Common Area costs (e.g., allocating certain maintenance costs by building rather than across the entire Shopping Center). In such event, with respect to those specific expense items, Tenant's "**Proportionate Share**" shall equal a fraction, the numerator of which is the number of square feet in the Premises, and the denominator of which is the number of square feet of Gross Leasable Area of that portion of the Shopping Center over which the shared expense items are allocated.

In addition, if any tenants in the Shopping Center have obtained written approval from Landlord to pay their taxes directly to any taxing authority, or to carry their own insurance, or to maintain part of the Common Area at their own expense, the Gross Leasable Area occupied by such tenants or owners shall not be deemed to be part of the denominator for purposes of calculating Tenant's Proportionate Share of such taxes, insurance, or other expense items.

All charges payable by Tenant under this section as Common Area Charges shall be estimated and paid in equal monthly installments in advance at the same time and place as provided for the payment of the Minimum Rent. Such payments shall initially be equal to one-twelfth (1/12th) of the total of Landlord's reasonable estimate of such charges for the first calendar year the Shopping Center is open and, after such first year, shall be an amount equal to one-twelfth (1/12th) of the total charges for the previous twelve-month period, adjusted to reflect Landlord's reasonable estimate of anticipated increases or decreases in such charges. Within one hundred and twenty (120) days of the end of each calendar year, Landlord shall determine the actual amount of such charges and expenses for the immediately preceding year and furnish Tenant with a copy of such computation, including a computation of Tenant's Proportionate Share. If the amount paid by Tenant for that year exceeds Tenant's Proportionate Share, Tenant shall be given a credit towards the next payment of Common Area Charges due from Tenant (or a refund, if the term of the Lease has expired). If the amount paid by Tenant for that year is less than Tenant's Proportionate Share, Tenant shall pay Landlord the deficit within thirty (30) days of receipt of the computation. An appropriate proportionate adjustment shall be made by Landlord for any partial year.

2.4 Place of Payment. Unless otherwise directed by Landlord, Tenant shall deliver all statements and pay all payments of rent and other charges due under this Lease to the order of **Glisan Street Station**, c/o Powell Development Company, P. O. Box 97070, Kirkland, WA 98083-9770.

ARTICLE 3. CONSTRUCTION AND DELIVERY.

3.1 Construction. Landlord shall, at its sole cost and expense, make certain improvements to the Building and the Premises for occupancy by Tenant, in accordance with the requirements for Landlord's Work as set forth in **Exhibit "C"** attached hereto and made a part hereof.

3.2 Tenant's Work. Tenant shall, at its sole cost and expense, perform the work described on **Exhibit "D"** as "**Tenant's Work**". Tenant's Work shall be built out in accordance with architectural, mechanical and electrical plans and specifications to be prepared at Tenant's expense by a licensed architect or architectural draftsman, and thereafter to be approved by Landlord in writing; provided, however, that Landlord's approval shall not be unreasonably withheld. Tenant shall submit its proposed plans for Tenant's Work to Landlord in electronic format (.CAD or .PDF) for review and approval. Tenant shall be responsible for obtaining and paying for all necessary building permits for Tenant's Work. Not later than thirty (30) days following completion of Tenant's Work, if required by Landlord, Tenant shall provide Landlord with electronic .CAD or .PDF files of "as-built" plans for the Premises reflecting completed Tenant's Work. Any work or equipment other than those items specifically enumerated in **Exhibit "D"** as Landlord's Work shall be performed by Tenant at its own cost and expense and Tenant shall fully equip the Premises with all trade fixtures and equipment necessary for the proper operation of Tenant's business.

ARTICLE 4. USE OF PREMISES.

4.1 Business. Tenant intends to use the Premises solely for the purpose of administrative offices (the "**Permitted Use**") and for no other use without Landlord's written consent.

4.2 Legal Compliance. Tenant will make no unlawful, improper or offensive use of the Premises, or any portion thereof, and during said term, or any extension thereof, shall comply with all statutes of the United States and/or the State of Oregon and with all ordinances, rules, regulations and laws of other governmental authorities applicable to the Premises and the general use thereof. Tenant will not use or permit the use of the Premises in any manner that will create a nuisance, unnecessarily disturb other tenants or occupants of the Shopping Center or tend to injure the reputation of the Shopping Center. Tenant will not do anything which will create a danger of life and limb or increase any insurance rates upon the Premises or other portions of the Shopping Center.

4.3 Prohibited Activities and Uses. Tenant agrees not to use the Premises for the sale of merchandise and/or services other than the Permitted Use without Landlord's prior written consent. Tenant further agrees that it shall not at any time permit the Premises to be used for any of the purposes prohibited under the OEA or as set forth on Exhibit "E" attached hereto and incorporated herein by this reference (the "**Prohibited Uses**"). All deliveries to the Premises shall be made to the delivery entrance, if any.

4.4 Hazardous Materials.

(a) "**Hazardous Material**" shall mean any matter (whether gaseous, liquid or solid) which is or may be harmful to persons or property, including but not limited to materials now or hereafter designated as a hazardous or toxic waste or substance under the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 USC 9601, et seq., all as now or hereafter amended, or which may now or hereafter be regulated under any other federal, state, or local law, statute, ordinance or regulation pertaining to health, industrial hygiene or the environment, including, without limitation, (i) any asbestos and/or asbestos containing materials (collectively "**ACMs**") regardless of whether such ACMs are in a friable or non-friable state, or (ii) any matter designated as a hazardous substance pursuant to Section 311 of the Federal Water Pollution Control Act (33 USC 1317), or (iii) any matter defined as a hazardous waste pursuant to Section 1004 of the Federal Resource Conservation and Recovery Act, (42 USC 6901 et seq) pertaining to health or the environment. "Hazardous Material" shall not include ordinary cleaning and maintenance products which are used with due care and in accordance with applicable law and the instructions of the manufacturer of such products in the reasonable and prudent conduct of Tenant's business on the Premises.

(b) Tenant shall not store, use, sell, release, generate or dispose of any Hazardous Materials in, on or about the Premises without the prior written consent of Landlord. With respect to any Hazardous Materials stored, used, generated or disposed of from the Premises, Tenant shall promptly, timely and completely comply with all governmental requirements for recording and recordkeeping; submit to Landlord true and correct copies of all reports, manifests and identification numbers at the same time as they are required to be and/or are submitted to the appropriate governmental authority; within five (5) days of Landlord's request, provide evidence satisfactory to Landlord of Tenant's compliance with all applicable governmental rules, regulations and

requirements; and comply with all governmental rules, regulations and requirements regarding the use, sale, transportation, generation, treatment and disposal of Hazardous Materials. Prior to the expiration and surrender of the Premises by Tenant, Tenant shall remove any and all Hazardous Materials (including without limitation ACMs) which Tenant, its employees, agents, contractors and/or sublessees have brought onto the Premises, or built into or otherwise utilized, stored or disposed of in the Premises, including without limitation leasehold improvements, wall, flooring and ceiling materials. Tenant shall be solely responsible for and shall defend (with counsel acceptable to Landlord), indemnify and hold Landlord, its agents affiliates and employees harmless from and against all claims, costs, damages, judgments, penalties, fines, losses, liabilities and expenses, including attorneys' fees and costs, arising out of or in connection with Tenant's breach of its obligations contained in this Section 4.4 (including, without limitation, diminution in value of the Premises and sums paid as settlement of claims, attorneys' fees, consultant fees, and expert fees, whether or not used at trial or in a proceeding) which arise during or after the Lease Term as a result of such contamination. Tenant shall be solely responsible for and shall defend (with counsel acceptable to Landlord), indemnify and hold Landlord, its agents, affiliates and employees harmless from and against any and all claims, costs, damages, lawsuits, penalties, liens, losses and/or liabilities, including attorneys' fees and costs, arising out of or in connection with removal, cleanup and restoration work and materials necessary to return the Premises and any other property of whatever nature to their condition existing prior to the appearance of Hazardous Material on or about the Premises; provided that Landlord's written approval of such actions and that of any Lender shall first be obtained, which approval shall not be unreasonably withheld so long as the actions would not potentially have any material adverse, long-term or short-term effect on the Premises, Common Areas, or Shopping Center. Notwithstanding anything else set forth herein, Tenant's obligations under this Section 4.4 shall survive the expiration of this Lease.

ARTICLE 5. QUIET ENJOYMENT.

Landlord warrants and covenants that Tenant, discharging all of its obligations hereunder, shall, and may peaceably and quietly hold and enjoy the Premises for the term aforesaid.

ARTICLE 6. UTILITIES.

Tenant covenants to promptly, and as the bills therefor become due and payable, pay for any and all heat, air conditioning, water, light, power and/or other utility service, including garbage, trash removal and sewage disposal, used by Tenant in or about the Premises during the Lease Term or any extension thereof, whether such bills be presented before or after the termination of the occupancy of said Premises by Tenant. Not later than five (5) business days after delivery of the Premises to Tenant, Tenant shall arrange for the transfer to Tenant's name of all utility accounts to be billed directly to Tenant. Landlord shall not be liable for any interruption or failure in the supply of any utility to the Premises. If any such utilities are supplied by Landlord, Tenant shall pay to Landlord its Proportionate Share of such utility expenses plus an administrative fee equal to fifteen percent (15%) of said expenses, as determined in a fair and equitable manner at Landlord's sole discretion. Landlord shall provide an annual budget in accordance with the terms of Section 2.3 and Tenant shall pay one-twelfth of its annual Proportionate Share of such utility expenses with Tenant's payment of monthly Minimum Rent and Common Area Charges. Actual utility expenses will be reconciled to the budget simultaneously with the Common Area Charge reconciliation as set forth in Section 2.3.

ARTICLE 7. HVAC.

Tenant covenants to maintain the HVAC system serving the Premises at reasonable, appropriate temperatures for the convenience of its customers. Tenant further agrees to participate in a master preventive maintenance contract administered by Landlord with a contractor selected by Landlord which shall provide for quarterly service limited to filter replacement, belt adjustments, freon level checks and cleaning of Tenant's system. Tenant will be billed for its Proportionate Share of the preventive maintenance contract charges by Landlord. As of the date of this Lease, Tenant's Proportionate Share for the HVAC maintenance contract is twenty eight and 49/100 percent (28.49%). Such billing shall be made at the time Tenant is invoiced for Common Area Charges as outlined in Section 2.3. All other repairs, replacements or modifications to Tenant's air conditioning and heating systems are to be made by Tenant at its sole cost and expense by a licensed contractor designated by Tenant and approved by Landlord in its reasonable discretion.

In the event Landlord terminates the preventive maintenance contract, or elects not to enter into one, then Tenant agrees to keep in full force and effect a preventive maintenance agreement for its heating and air conditioning equipment, which agreement shall provide, among other things, for a minimum replacement of any filters installed in said equipment and service once per every calendar quarter, and a copy of said maintenance agreement shall be provided to Landlord.

ARTICLE 8. TAXES AND OTHER ASSESSMENTS.

8.1 Real Estate Taxes and Assessments. Subject to the terms of Section 8.4 below, Landlord shall pay or cause to be paid all real estate taxes and other assessments assessed against the legal parcel upon which the Building is situated ("**Tenant's Tax Parcel**"). During the Lease Term, Tenant covenants and agrees to pay Landlord promptly when due, as additional rent, all real estate taxes and assessments assessed against Tenant's Tax Parcel, together with an administrative fee of fifteen (15%). Taxes shall be apportioned pro rata for the first and last calendar years of this Lease.

Tenant shall deposit with Landlord monthly payments equal to one-twelfth (1/12th) of the estimated real estate taxes and assessments. These payments will form a reserve fund from which Landlord will pay real estate taxes and assessments for Tenant's Tax Parcel. At the end of each calendar year Landlord shall provide Tenant with an accounting of the reserve fund. If the amount in the fund is greater than real estate taxes and assessments for Tenant's Tax Parcel, the excess shall be refunded to Tenant; and, if the amount in the fund is less than such real estate taxes and assessments, Tenant will reimburse Landlord for this deficiency within fifteen (15) days of Tenant's receipt of the reserve fund accounting.

8.2 Personal Property Taxes. Tenant shall pay before delinquency any and all taxes, assessments, license fees and public charges levied, assessed or imposed and which become payable during the term hereof upon Tenant's fixtures, furniture, appliances, personal property and inventory installed or located in the Premises.

8.3 Miscellaneous Taxes. In addition to all other amounts which Tenant is required to pay under this Lease, Tenant shall pay all taxes levied, upon or measured by the rent payable

hereunder, if any, whether a so-called sales tax, transaction privilege tax, excise tax or otherwise, but in no event shall Tenant pay or be liable for any income taxes of Landlord.

8.4 Tax Exemption. Notwithstanding anything herein to the contrary, Tenant at its sole cost and expense intends to apply and qualify for real property tax, and personal property tax exemption as provided by law. At Tenant's request, Landlord will promptly provide information reasonably required for Tenant to apply for such exemption. As required by ORS 307.112, it is expressly agreed that any tax savings resulting from an exemption granted under ORS 307.112 shall inure for the sole benefit of Tenant. If, on the Commencement Date, Tenant's Tax Parcel is presently subject to taxes, Tenant shall only be responsible for taxes for that portion of the Lease Term during which the tax exemption does not apply.

ARTICLE 9. MAINTENANCE OF PARKING AND OTHER COMMON AREAS AND OF ABUTTING AREAS.

9.1 Parking. Landlord agrees to properly maintain during the Lease Term and any extension thereof, the parking area and other common facilities in the Shopping Center. Landlord shall operate, manage and maintain all of the parking areas shown on Exhibit "B" and furnish proper landscaping, drainage facilities and lighting facilities throughout all areas of the Shopping Center other than that occupied by buildings and keep such areas reasonably free of obstructions, clear of debris, water, ice and snow, and in a clean condition for the entire term of this Lease and any extensions thereof, and shall keep the parking areas, driveways and sidewalks lighted at such times during the hours of darkness as the Shopping Center shall be open for business. The cost and expense of maintaining the parking areas and common facilities in the Shopping Center shall be included in the calculation of Tenant's Common Area Charge and reimbursed to Landlord by Tenant in accordance with Section 2.3.

9.2 Traffic Flow. Landlord shall place and maintain markings on the surface of the parking areas and driveways within the Common Area in such a manner as to provide for the orderly parking and traffic flow of automobiles and shall provide adequate exits and entrances with signs directing traffic in and out of parking areas.

9.3 Employee Parking. Tenant, its employees and invitees shall have the non-exclusive right to all parking stalls located around the Building at no charge throughout the Lease Term.

ARTICLE 10. MAINTENANCE AND REPAIR OF PREMISES.

10.1 Tenant's Obligation. Tenant shall at all times keep the Premises in good order, condition and repair, including periodic painting of the interior of the Premises. Tenant's duty to maintain includes, but is not limited to, maintaining exterior and interior fronts, entrances, doors and windows, interior walls, all trade fixtures, equipment, lighting, plumbing fixtures, sprinkler systems, heating and air conditioning equipment, floor coverings, ceilings and all other interior portions of the demised Premises, and shall keep all pipes and drains free and unclogged. All roof penetrations must be approved by Landlord and be made at tenant's expense by Landlord's contractor. Tenant shall also keep sidewalks and service areas adjacent to the Premises clear of dirt, rubbish, snow, ice and excess moisture, or water. If the Premises has a storage area, marquee or display or exit and/or entrance which fronts or opens onto a common area, Tenant shall maintain

such storage area, marquee, display, exit and entrance. Tenant shall also maintain and operate adequate marquee sign lighting on the Premises consistent with the lighting hours of the Shopping Center (if Tenant has a lighted storefront sign).

10.2 Landlord's Obligation. Landlord shall be responsible for any structural repairs to the Premises and exterior utility pipes serving the Premises. Landlord will maintain the exterior walls and the roof structure, such costs to be the responsibility of Landlord; provided, however, that Landlord's costs and expenses incurred in maintaining the roof membrane, gutters and downspouts shall be charged to Tenant as part of Tenant's Common Area Charge in accordance with Section 2.3.

10.3 Failure to Repair. If Tenant refuses or neglects to make repairs as required hereunder or maintain the Premises in a neat and sanitary condition, Landlord, within thirty (30) days after written demand, may make such repairs or perform such maintenance, and the costs thereof shall be billed to Tenant and shall be additional rent due hereunder.

If Landlord shall fail to make necessary repairs as required hereunder, Tenant, within thirty (30) days after written demand, may make such repairs or perform such maintenance and the cost thereof shall be billed to Landlord.

ARTICLE 11. INSURANCE.

11.1 Public Liability and Property Damage. Tenant covenants that it shall, during the entire Lease Term, keep in full force and effect a policy of commercial general liability insurance with respect to the Premises, the sidewalks in front of the Premises, and the business operated by Tenant, having combined single limits for bodily injury and property damage of not less than One Million Dollars (\$1,000,000) per occurrence, and Two Million Dollars (\$2,000,000) in the aggregate, with excess or umbrella liability coverage of at least One Million Dollars (\$1,000,000) over the primary liability limits. From time to time Landlord shall have the right to re-examine the policy limits for liability coverage and property damage required hereunder and raise the limits in line with standard industry practice at the time of Landlord's review of Tenant's coverage. The policy shall name Landlord, Landlord's mortgagee, and Landlord's managing agent as additional insureds and shall contain cross liability endorsements. The policy shall also contain an endorsement that the insurer will not cancel, change, or fail to renew the insurance without giving Landlord thirty (30) days prior written notice. The insurance shall be with a reputable insurance company with a minimum rating by A.M. Best & Co. of at least A-:VII and a certificate of insurance shall be delivered to Landlord and/or its agent and, upon request, Landlord's mortgagee. Should Tenant fail to comply with the provisions of this Article 11 within fifteen (15) days of Landlord's or Landlord's agent's written request, Landlord shall have the right to secure the appropriate insurance coverages on Tenant's behalf and pay the premiums therefor, and in such event the entire amount of such premiums shall be immediately due and payable by Tenant to Landlord as additional rent, plus an administrative fee of fifteen percent (15%). Failure by Tenant to pay any such premiums when due shall constitute a default by Tenant under Section 25.1 below.

11.2 Tenant's Property Insurance. Tenant at its sole cost shall maintain on all its personal property and Tenant's improvements and alterations, in, on, or about the Premises, a policy of special form (all risk) property insurance (including theft) to the extent of 100% of their full

replacement cost. The proceeds from any such policy shall be used by Tenant for the replacement of personal property or the restoration of Tenant's improvements or alterations.

11.3 Plate Glass Insurance. Tenant at its sole cost shall maintain full coverage plate glass insurance on the Premises. Landlord shall be named as insureds on the policy.

11.4 Tenant's Self-Insurance Program. Notwithstanding anything herein to the contrary, Landlord acknowledges and agrees that Tenant is self-insured, and that, for so long as Tenant remains self-insured, Tenant shall not be required to provide the insurance obligations described in this Lease. For purposes of the blanket additional insured provision in Tenant's excess liability insurance policy, Landlord and its members, officers, directors, and employees are hereby required to be, and shall be deemed, to be additional insureds. Further, each Party agrees to maintain insurance levels or self-insurance in accordance with ORS 30.282, for the duration of this Lease at levels necessary to protect against public body liability as specified in ORS 30.271 to 30.273.

11.5 Landlord's Property Insurance. Landlord shall maintain on the building and other improvements in the Shopping Center in which the Premises are located a policy of special form (all risk) property insurance and may include earthquake and flood coverage in amounts deemed reasonably necessary by Landlord.

Tenant covenants that it will not keep, have or sell in or upon the Premises any article which may be prohibited by Landlord's special form (all risk) property coverage insurance policy. Tenant shall provide Landlord with thirty (30) days' prior written request of its desire to merchandise or stock items and/or install fixtures and equipment on or about the Premises which may result in an increase in premiums for Landlord's insurance that may be charged on any buildings in the Shopping Center. Landlord shall, within ten (10) days of receipt of said notice from Tenant, consent or deny Tenant's request in writing. If Tenant unknowingly stocks or merchandises items or installs fixtures or equipment on or about the Premises which results in an increase in fire and extended coverage insurance premiums and does so without Landlord's written approval, Tenant shall pay any increase in insurance premium resulting from the increased risk and will promptly remove said items or fixtures upon thirty (30) days' prior written notice to Tenant by Landlord. A schedule issued by the organization making the insurance rate on the Shopping Center shall be conclusive evidence of the several items and charges which make up the fire insurance rate.

Landlord may also maintain or cause to be maintained on the buildings, sidewalks, parking areas and all other areas of the Shopping Center a policy of commercial general liability insurance providing Landlord with "Lessor's Risk" coverage in amounts deemed reasonably necessary by Landlord.

Tenant shall reimburse Landlord for Tenant's Proportionate Share of the cost of any casualty and public liability insurance, including special form (all risk) casualty and flood and earthquake coverage, which Landlord carries on Tenant's Premises and any portion of the Shopping Center. Tenant's Proportionate Share shall be estimated, calculated and paid in the same manner provided for with respect to the Common Area Charges in Article 2.

11.6 Business Income/Loss of Rents. Tenant, at its sole cost, shall maintain business income insurance insuring that the estimated average monthly net revenues from Tenant's Premises for a period of up to six (6) months will be paid to Tenant if the Premises are destroyed or rendered inaccessible by a risk insured against by a policy of property insurance.

Landlord may maintain loss of rents insurance insuring that the Minimum Rent, Common Area Charge and any additional rent for a period of up to one (1) year will be paid to Landlord if the Premises are destroyed or rendered inaccessible by a risk insured against by a Landlord's casualty insurance. Tenant shall reimburse Landlord for Tenant's Proportionate Share of the cost of any loss of rents insurance with Tenant's portion being estimated, calculated and paid in the same manner provided for with respect to the Common Area Charges in Article 2.

ARTICLE 12. DESTRUCTION OF PREMISES.

12.1 Fully Tenantable. If the Premises are damaged by fire or other insured casualty, but remain fully tenantable and suitable for the purpose of the tenancy, Landlord shall, at its own expense, cause such damage to be repaired and the rent shall not be abated.

12.2 Partially Untenantable. If the Premises shall be rendered partially untenable by reason of such occurrence, but remain suitable for the purpose of the tenancy, Landlord shall, at its own expense, cause the damage to be repaired, and the Minimum Rent for the part of the Premises rendered untenable shall be equitably abated (based on the number of square feet rendered untenable) as long as said part remains untenable.

12.3 Totally Untenantable. If the Premises shall be rendered wholly untenable by reason of such occurrence, Landlord shall, at its own expense, cause such damage to be repaired, and Minimum Rent shall be abated; provided, however, that Landlord shall have the right, which may be exercised by written notice delivered to Tenant within thirty (30) days from and after such occurrence, to elect not to reconstruct the destroyed Premises, and in such event this Lease and the tenancy hereby created shall cease as of the date of said occurrence and the Minimum Rent shall abate as of that date.

12.4 Uninsured Casualty. If the damage to the Premises or to the Shopping Center is caused by an uninsured casualty and the cost of repairing such damage exceeds Fifty Thousand Dollars (\$50,000), Landlord shall have the right to cancel and terminate this Lease which shall be exercised by written notice delivered to Tenant within thirty (30) days from the occurrence. Upon the giving of such notice, the terms of this Lease shall expire by lapse of time upon the third day after such notice is given, after which Tenant shall promptly vacate and surrender the Premises to Landlord. Notwithstanding the foregoing, in the event that the damage is caused by a casualty for which Landlord is required to insure pursuant to the terms of the OEA, and Landlord fails to maintain such insurance, then Landlord shall be required to repair to the extent of such required insurance coverage.

However, regardless of the cost of repairing the damage described in Sections 12.2 and 12.3 above, Landlord shall have no obligation to repair and shall have the right to cancel and terminate this Lease if the Lease Term, or any extension thereof, shall have less than three (3) years remaining, dated from anticipated completion of repairs, before it expires.

12.5 Destruction of Shopping Center. In the event that fifty percent (50%) or more of the entire Shopping Center shall be damaged or destroyed by a fire or other casualty, Landlord shall have the right to elect to cancel and terminate this Lease which shall be exercised by written notice delivered to Tenant within thirty (30) days from the occurrence. Upon the giving of such notice, the terms of this Lease shall expire by lapse of time upon the third (3rd) day after such notice is given.

ARTICLE 13. EMINENT DOMAIN.

If the Premises are damaged by the exercise of the right of eminent domain or by the change of grade of adjacent streets or other activity by a public authority, whether or not such damage involves a physical taking of any portion of the Premises, this shall be considered a taking. If the extent of the taking is such that the Premises are no longer suitable for the purpose of the tenancy, this shall be considered a total taking. Any other taking shall be considered a partial taking. Notwithstanding any other provision of this Lease, Tenant may separately pursue claims against the condemnor for the value of Tenant's personal property which Tenant is entitled to remove under this Lease, moving costs, loss of business, and other claims it may lawfully have, but only to the extent any such claims will not reduce Landlord's award.

13.1 Total Taking. In the case of a total taking, this Lease shall terminate on the date the Premises are rendered unsuitable for the purposes of the tenancy and all compensation therefor, whether fixed by agreement or judicial award, shall belong to Landlord except those portions of the award that are specifically allocated as compensation for actual expenses incurred by Tenant for moving Tenant's fixtures, stock in trade and inventory and as compensation for the taking of Tenant's fixtures and leasehold improvements which shall belong to Tenant.

13.2 Loss of Parking. If more than thirty percent (30%) of the parking in the Shopping Center is taken, said percentage to be determined based on the number of square feet of land taken, Tenant, at its option, may terminate this Lease by written notice to Landlord within thirty (30) days of such taking in which event the rent shall abate as of the date the notice is received and the Premises are vacated, and Tenant shall have no claim against Landlord for the value of any expired term of this Lease;

EXCEPT THAT:

a. If Landlord notifies Tenant within fifteen (15) days of such taking that Landlord will provide other parking located within the Shopping Center or on contiguous property that restores parking to seventy-five percent (75%) of the parking spaces in the Shopping Center prior to the taking, then this Lease shall remain in full force and effect.

b. Existing highway and/or sidewalk right-of-way lines for public passage presently bordering the Shopping Center may be extended from their present location for the purpose of widening highways and/or sidewalks, and such widening or extension shall not be considered a taking or reduction of the parking area for purposes of this Lease.

13.3 Partial Taking. In case of a partial taking and if this Lease is not terminated, Landlord shall repair the Premises at its own expense, but Landlord shall not be obligated to expend for such repairs an amount greater than the compensation received from the condemning

authority. In case of any partial taking, all compensation paid by the condemning authority in connection with the taking, whether fixed by agreement or judicial award, shall be paid to Landlord, as provided in Section 13.1; and, if this Lease is not terminated as above provided, Minimum Rent shall be reduced proportionately on the basis which the square footage of that portion of the Premises taken bears to the entire Premises.

ARTICLE 14. EXAMINATION OF PREMISES.

During times other than normal Building hours, Tenant's officers and employees or those having business with Tenant may be required to identify themselves or show passes in order to gain access to the Building. Landlord shall have no liability for permitting or refusing to permit access by anyone. Landlord shall have the right to enter upon the Premises at any time by passkey or otherwise to determine Tenant's compliance with this Lease, to perform necessary services, maintenance, and repairs or alterations to the Building or the Premises, to post notices of nonresponsibility, or to show the Premises to any prospective Tenant or purchaser. Except in case of emergency, such entry shall be at such times and in such manner as to minimize interference with the reasonable business use of the Premises by Tenant, and shall be subject to Tenant's reasonable instructions and conditions on such entry relating to the protection of confidentiality and personal privacy of Tenant or Tenants' officers, employees, agents, assignees, subtenants, concessionaires, licensees, contractors or invitees, and Landlord shall endeavor to provide advance written notice to Tenant of such entry. In the event of entry by Landlord in the case of emergency, Landlord shall take all commercially reasonable measures to protect such confidential and private information located at the Premises. Ninety (90) days prior to the expiration of the term of this Lease or any extension thereof, Landlord or its agent may enter the Premises, conduct a physical inspection and place one (1) sign in the window of the Premises to advertise the Premises as available for lease.

ARTICLE 15. ALTERATIONS AND FIXTURES.

No alterations can be made to the Premises without written permission of Landlord, which shall not be unreasonably withheld, delayed or conditioned, and, if required under the OEA, subject to approval by the Approving Parties. All trade fixtures and other fixtures, and all machinery, equipment and/or other items or personal property placed in or upon the Premises by Tenant and paid for by it shall be removed upon termination of this Lease, and any and all damage caused by removal repaired by the last day of the term. Tenant, its employees, agents, contractors, vendors or suppliers shall not make, paint, drill or in any way deface any walls, ceilings, partitions, floors, stone or iron work without Landlord's written consent. Notwithstanding anything herein to the contrary, Tenant has the express permission from Landlord to install security cameras on the exterior and interior of the Building, and install key cards for access at the exterior and interior of the Building, at Tenant's sole costs and expense.

ARTICLE 16. INTENTIONALLY DELETED.

ARTICLE 17. SIGNS.

Tenant may install a lighted, building mounted storefront sign on each side of the Building, at Tenant's expense. Sign standards and control will be the responsibility of Landlord. The type

and location of Tenant's storefront sign, including all proprietary marks displayed outside the Premises, must have (a) Landlord's approval and be in accordance with **Exhibit "F"** attached hereto and made a part hereof, and (b) if required under the OEA, the approval of the Approving Parties. All signs shall be in conformance with all applicable local governmental codes and regulations. Tenant will maintain any signs in good condition and repair at all times, remove the same at the expiration of this Lease, and repair all damage caused by such erection, installation, maintenance or removal, and Tenant shall save Landlord harmless from any damage caused by the erection, installation, maintenance or removal of such signs.

Tenant shall not, without Landlord's written consent, place on or about the Premises or the Common Areas of the Shopping Center any advertising media including, without limitation, signs, searchlights, flashing lights, loudspeakers, phonographs or other similar visual or audio media. Tenant shall not place any window-coverings, decals, placards, advertisements, leasing signs for subleasing purposes or other material in the glass windows or doors of Premises. Tenant shall not solicit business in, on, or about the Common Areas, merchandise from the Common Areas, or distribute handbills or other advertising or promotional media in, on, or about the Common Areas, or in the parking areas. Landlord shall have the right to physically remove any such unauthorized signs or advertising material without Tenant's recourse to Landlord, its agents or employees. Landlord shall have no right to elect to retain any sign referencing Tenant (including any of its departments, divisions or offices), or bearing any Tenant brand or insignia.

ARTICLE 18. WAIVER OF SUBROGATION RIGHTS.

18.1 Mutual Release. Each of the parties hereto hereby waives any and all right of action for negligence against the other party hereto which may thereafter arise for damage to the Premises, to property therein, or the right to use and occupancy resulting from any fire or other casualty of the kind covered by standard fire insurance policies with extended coverage, regardless of whether or not or in what amounts such insurance is now or hereafter carried by the parties hereto, or either of them, unless such waiver is expressly prohibited under the insurance policy or policies then in force.

18.2 Non-Liability of Landlord. Landlord shall not be liable for any damage to property of Tenant or of others located on the Premises, nor the loss of or damage to any property of Tenant or of others by theft or otherwise, except to the extent the injury or damage arises as a result of Landlord's negligence or misconduct. Landlord shall not be liable for injury or damage to property resulting from fire, explosion, sprinklers, falling plaster, steam, gas, electricity, water, rain, snow or leaks from the pipes, appliances, plumbing, roof, street or sub-surface, or from any other place or from dampness, except to the extent the injury or damage arises as a result of Landlord's negligence or misconduct. Tenant assumes the risk of all property kept or stored on the Premises and shall hold Landlord harmless from any claims arising out of damage to the same, except to the extent the injury or damage arises as a result of Landlord's negligence or misconduct. Tenant shall give immediate notice to Landlord in case of fire or accidents on the Premises or in Tenant's Premises or defects thereon or therein.

ARTICLE 19. INDEMNIFICATION.

19.1 By Tenant. Subject to the conditions and limitations of the Oregon Constitution and the Oregon Tort Claims Act, ORS 30.260 through 30.300, 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, Tenant agrees that it will at all times indemnify and hold Landlord or its authorized representatives harmless against all actions, claims, demands, costs, damages, or expense of any kind on account thereof, including attorney's fees and costs of defense, which may be brought or made against Landlord, or which Landlord may pay or incur, by reason of Tenant's negligence or failure to perform any of its obligations under this Lease.

19.2 By Landlord. Landlord agrees that it will at all times indemnify and hold Tenant harmless against all actions, claims, demands, costs, damages, or expense of any kind on account thereof, including costs of defense, which may be brought or made against Tenant, or which Tenant may pay or incur, by reason of Landlord's negligence or failure to perform any of its obligations under this Lease.

ARTICLE 20. WASTE AND LIENS.

Tenant covenants not to commit or suffer any strip or waste of the Premises and to keep the Premises free from all liens of every kind and description caused or incurred by any act or omission of Tenant.

ARTICLE 21. ASSIGNMENT AND SUBLETTING.

Tenant shall not assign this Lease in whole or in part by operation of law or otherwise, nor sublet all or any part of the Premises, without prior written consent of Landlord in each instance, provided that Landlord's consent shall not be unreasonably withheld, delayed, or conditioned. Landlord reserves the right to require the payment of a review fee of One Thousand Five Hundred and 00/100 Dollars (\$1,500.00) in connection with any proposed assignment or sublease. If Tenant requests an assignment or sublease, Landlord shall have the right to approve or reject the proposed assignment or sublease subject to the provisions of this Article 21, but shall not have a separate right to terminate the Lease or recapture the proposed subleased premises based upon Tenant's request; provided that Tenant's failure to obtain Landlord's approval as required herein shall constitute a default under this Lease.

In the event of any subletting or assignment of the Premises, Tenant shall pay to Landlord, as additional rent hereunder, any and all consideration received by Tenant for such assignment or sublease, together with fifty percent (50%) of any net rent payable to Tenant, in excess of Tenant's rent obligation to Landlord under this Lease. For the mutual benefit of Tenant and Landlord, Tenant shall use reasonable and good faith efforts to secure the consideration from any such assignee or subtenant which would be generally equivalent to the then current rental market, but in no event shall Tenant's monetary obligations to Landlord, as set forth in this Lease, be reduced.

Notwithstanding any assignment or sublease, Tenant shall remain fully liable on this Lease and shall not be released from performing any of the terms, covenants and conditions of this Lease.

In addition to the foregoing, if at any time Tenant requests that Landlord review any consent or other agreement relating to the financing of Tenant's inventory or personal property on

the Premises, Landlord may condition any consent to Tenant's reimbursement of all attorneys' fees and costs incurred by Landlord in reviewing, negotiating, and approving such consent.

ARTICLE 22. SUCCESSORS AND ASSIGNS.

All rights, remedies, liability and obligations herein given to or imposed upon either of the parties hereto shall inure to the benefit of and be binding upon the respective heirs, executors, administrators, successors in interest and permitted assigns of the respective parties.

ARTICLE 23. HOLDING OVER.

Any holding over after the expiration of the term of this Lease, with or without consent of Landlord, shall constitute a tenancy from month to month on the other terms and conditions contained herein, except that the monthly Minimum Rent during the hold-over period will be not less than one hundred twenty-five percent (125%) of the monthly Minimum Rent for the last month of the Lease Term.

ARTICLE 24. SURRENDER.

Tenant covenants that at the end of the Lease Term, or any renewals thereof, or upon any sooner termination of this Lease, to quit and deliver up the Premises to Landlord peaceably and quietly and in as good order and condition, reasonable use and wear thereof, fire and other unavoidable casualties excepted, as the same now are or may hereafter be put into during the term of this Lease except as provided in Article 11.

ARTICLE 25. DEFAULT.

25.1 Default. If Tenant defaults in the payment of Rent or any other sums due hereunder, or if a trustee or receiver is appointed for Tenant's assets (and such appointment is not dismissed within sixty (60) days), or if Tenant makes an assignment for the benefit of creditors, or, as to any non-monetary default if Tenant fails to comply with any covenant, term or condition of this Lease, within thirty (30) days after receipt by Tenant of notice in writing thereof given by Landlord to Tenant specifying the failure or, in the case of a non-monetary default which reasonably requires more than thirty (30) days to cure, if Tenant has not promptly commenced to cure the same and not be diligently and continuously prosecuting such cure, then Landlord may:

(a) Declare the Term hereof ended and reenter the Premises and take possession thereof and remove all persons therefrom, and Tenant shall have no further claim thereon or hereunder; or

(b) Without declaring this Lease terminated, reenter the Premises and occupy the whole or any part thereof for and on account of Tenant and collect any unpaid rentals and other charges, which have become payable, or which may thereafter become payable, as they become due; or

(c) Even though it may have reentered the Premises, thereafter elect to terminate this Lease and all of the rights of Tenant in or to the Premises.

If Landlord reenters the Premises under option (b) above, Landlord shall not be deemed to have terminated this Lease or the liability of Tenant to pay any rental or other charges thereafter accruing, or to have terminated Tenant's liability for damages under any of the provisions hereof, by any such reentry or by any action, in unlawful detainer or otherwise, to obtain possession of the Premises, unless Landlord shall have notified Tenant in writing that it has so elected to terminate this Lease, and Tenant further covenants that the service by Landlord of any notice pursuant to the unlawful detainer statutes and the surrender of possession pursuant to such notice shall not (unless Landlord elects to the contrary to the time of or at any time subsequent to the serving of such notices and such election is evidenced by written notice to Tenant) be deemed to be a termination of this Lease. If Landlord enters or takes possession of the Premises, Landlord shall have the right, but not the obligation, to remove all or any of the personal property located therein and place the same in storage at a public warehouse at the expense and risk of Tenant.

If Landlord elects to terminate this Lease pursuant to the provisions of options (a) or (c) above, Landlord may recover from Tenant as damages, the following:

(i) The worth at the time of award of any unpaid rental which had been earned at the time of such termination; plus

(ii) The worth at the time of award of the amount by which the unpaid rental which would have been earned after termination until the time of award exceeds the amount of such rental loss that could have been reasonably avoided; plus

(iii) The worth at the time of award of the amount by which the unpaid rental for the balance of the term after the time of award exceeds the amount of such rental loss that could be reasonably avoided; plus

(iv) Any other amount necessary to compensate Landlord for all the detriment proximately caused by Tenant's failure to perform its obligations under this Lease or which in the ordinary course of things would be likely to result therefrom, including, but not limited to, any costs or expenses incurred by Landlord in (a) retaking possession of the Premises, including reasonable attorneys' fees, (b) maintaining or preserving the Premises after such default, (c) preparing the Premises for reletting to a new tenant, including repairs and any alterations to the Premises required for such reletting (which alteration costs shall be prorated if the term of the new lease is longer than the scheduled term of this Lease), (d) leasing commissions, and (e) any other costs necessary or appropriate to relet the Premises; plus

(v) 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 the laws of the State of Oregon.

As used in items (i) and (ii) above, the "worth at the time of award" is computed by allowing interest at the interest rate equal to five percent (5%) per annum over the prime rate of interest announced from time to time by Bank of America, N.A. As used in item (iii) above, the "worth at the time of award" is computed by using a discount rate of four percent (4%).

For purposes of this Section 25.1 only, the terms "**rent**" and "**rental**" shall be deemed to be Minimum Rent and all additional rent and other sums required to be paid by Tenant pursuant to the terms of this Lease. All such sums shall, for the purpose of calculating any amount due under the

provisions of item (iii) above, be computed on the basis of the average monthly amount thereof accruing during the immediately preceding twelve (12) month period, except that if it becomes necessary to compute such rent before such a twelve (12) month period has occurred then such rent shall be computed on the basis of the average monthly amount hereof accruing during such shorter period.

If after rent acceleration, and payment by Tenant of all sums due from it under this Section 25.1, Landlord relets the Premises, and the net rental amount actually collected by Landlord for what would have been the remaining balance of the scheduled term of this Lease exceeds the amount of rental loss that could have been reasonably avoided under item (iii) above, both discounted on the same basis, after taking into account all costs of reletting not paid by Tenant under item (iv) above, then Landlord shall reimburse Tenant for the excess, as it is collected.

25.2 Legal Expenses. If either party to this Lease consults an attorney in order to enforce any of the terms of this Lease, the substantially prevailing party shall be entitled to reimbursement by the non-prevailing party of the substantially prevailing party's reasonable costs and attorneys' fees, whether such costs and attorneys' fees are incurred with or without litigation, in a bankruptcy court (i.e., in a motion for assumption or rejection of this Lease, etc.), or on appeal.

25.3 Remedies Cumulative; Waiver. Landlord's remedies hereunder are cumulative, and not exclusive, and Landlord's exercise of any right or remedy shall not be deemed a waiver of, or alter, affect or prejudice any other right or remedy which Landlord may have under this Lease or at law or in equity, including the right to cure Tenant's default on Tenant's behalf and recover from Tenant upon demand all costs and expenses incurred by Landlord in connection therewith, including interest thereon at the rate stated in Section 25.1 from the date incurred until paid. Neither the acceptance of rent nor any other acts or omissions of Landlord at any time or times after the happening of any default or breach by Tenant shall operate as a waiver of any past or future violation, breach or failure to keep or perform any covenant, agreement, term or condition hereof or to deprive Landlord of its right to cancel or forfeit this Lease, or estop Landlord from promptly exercising any other option, right or remedy that it may have under any term or provisions of this Lease, or at law or in equity.

25.4 Tenant Bankruptcy. Tenant (as either debtor or debtor-in-possession) further agrees that if a petition ("**Petition**") is filed by or against Tenant under any chapter of Title 11 of the United States Code (the "**Bankruptcy Code**"), the following provisions shall apply:

(a) Adequate protection for Tenant's obligations accruing after filing of the Petition and before this Lease is rejected or assumed shall be provided within fifteen (15) days after filing in the form of a security deposit equal to six (6) months' Minimum Rent and Additional Rent to be held by the court or an escrow agent approved by Landlord and the court.

(b) The sum of all amounts payable by Tenant to Landlord under this Lease constitutes reasonable compensation for the occupancy of the Premises by Tenant.

(c) Tenant or the bankruptcy Trustee shall give Landlord at least thirty (30) days written notice of any abandonment of the Premises or any proceeding relating to administrative claims. If Tenant abandons without notice, Tenant or the bankruptcy Trustee shall stipulate to entry of an order for relief from stay to permit Landlord to reenter and relet the Premises.

(d) If Tenant failed to timely and fully perform any of its obligations under this Lease before the filing of the Petition, whether or not Landlord has given Tenant written notice of that failure and whether or not any time period for cure expired before the filing of the Petition, Tenant shall be deemed to have been in default on the date the Petition was filed for all purposes under the Bankruptcy Code.

(e) For the purposes of Section 365(b)(1) of the Bankruptcy Code, prompt cure of defaults shall mean cure within thirty (30) days after assumption.

(f) For the purposes of Section 365(b)(1) and 365(f)(2) of the Bankruptcy Code, adequate assurance of future performance of this Lease by Tenant, Trustee or any proposed assignee will require that Tenant, Trustee or the proposed assignee deposit the amount specified in Section 25.4(a) above an escrow fund (to be held by the court or an escrow agent approved by Landlord and the court) as security for such future performance. In addition, if this Lease is to be assigned, adequate assurance of future performance by the proposed assignee shall require that: (i) the assignee have a tangible net worth not less than the tangible net worth of Tenant as of the Commencement Date or that such assignee's performance be unconditionally guaranteed by a person or entity that has a tangible net worth not less than the tangible net worth of Tenant as of the Commencement Date; (ii) the assignee demonstrates that it possesses a history of success in operating a business of similar size and complexity in a similar market as Tenant's business; and (iii) assignee assumes in writing all of Tenant's obligations relating to the Premises or this Lease.

ARTICLE 27. SUBORDINATION.

This Lease shall be automatically subordinate to all of Landlord's mortgages or deeds of trust which heretofore and hereafter affect the Premises, to any sale and leaseback, to any and all advances made or to be made thereunder, to the interest on the obligations secured thereby, and to all renewals, modifications, consolidations, replacements or extensions thereof. This subordination shall be self-operative, and no further instrument of subordination shall be necessary to effect such subordination; nevertheless, Tenant shall execute such additional instrument of subordination as may be required by any Lender if such instrument of subordination shall provide that so long as Tenant is not in default hereunder beyond the applicable cure period, Tenant shall have continued enjoyment of the Premises free from any disturbance or interruption by reason of any foreclosure of Lender's deed of trust or mortgage. Notwithstanding the foregoing, Landlord's mortgagee(s) may subordinate the lien of their deed(s) of trust to this Lease by filing a notice of subordination with the Multnomah County Recorder at any time before said mortgagee conducts a sale or foreclosure. In the event no such notice of subordination is filed prior to a sale or foreclosure of any such mortgage or deed of trust, or exercise of the power of sale thereunder, or in the event of a transfer in lieu of foreclosure, Tenant shall attorn to the purchaser (or transferee) of the Premises at such foreclosure or sale (the "**New Owner**") and recognize such New Owner as Landlord under this Lease if so requested by New Owner. Such attornment shall be self-operative and no further instruments need be executed to effect such attornment. If any Lender elects to have this Lease superior to its mortgage or deed of trust and gives notice of its election to Tenant, then this Lease shall thereupon become superior to the lien of such mortgage or deed of trust, whether this Lease is dated or recorded before or after the mortgage or deed of trust. Notwithstanding the foregoing, so long as Tenant is not in default under any term or provision of this Lease and Tenant has executed a Subordination, Nondisturbance and Attornment Agreement

that shall have been requested by such mortgagee, Tenant shall have the continued enjoyment of the Premises free from any disturbance or interruption by any mortgagee or beneficiary of a deed of trust or any purchaser at a foreclosure or private sale of the Premises as the result of Landlord's default under such mortgage or deed of trust. New Owner shall not be liable to cure prior Landlords' defaults except that following a reasonable cure period, New Owner shall cure prior Landlord defaults which are of a continuing nature and which New Owner had received notice of prior to becoming the New Owner. New Owner shall not be liable for the return of any security deposit unless the deposit was actually delivered by Landlord to the New Owner, nor shall New Owner be liable for rent paid by Tenant more than one (1) month in advance. In the event of a default in this Lease by Landlord which gives rise to a claim by Tenant that it might terminate this Lease or abandon possession of the Premises, Tenant shall (a) give all mortgagees of record written notice specifying the default, (b) not terminate this Lease or abandon possession if, within sixty (60) days after receipt of such notice Landlord or mortgagee(s) (i) cures or commences to cure such default; (ii) institutes a suit to foreclose their mortgage(s); or (iii) otherwise proceeds to acquire Landlord's interest, and thereafter proceeds with due diligence to conclude foreclosure or acquisition. Following written notice to Tenant by Landlord's mortgagee that Landlord is in default and that Landlord's license to collect rent is revoked, Tenant shall thereafter pay all Rent directly to Landlord's mortgagee. In addition to the foregoing, within ten (10) days of Landlord's request therefor, Tenant shall promptly execute and deliver to Landlord or third parties designated by Landlord, an estoppel certificate or letter in a form reasonably requested by Landlord, its mortgage lender, or any prospective purchaser of the Shopping Center that correctly recites the facts with respect to the existence, terms and status of this Lease.

ARTICLE 28. WAIVER.

The waiver by Landlord of any breach of any term, covenant or condition of this Lease shall not be deemed to be a waiver of any past, present or future breach of the same or any other term, covenant or condition of this Lease. The acceptance of rent by Landlord hereunder shall never be construed to be a waiver of any term of this Lease. No payment by Tenant or receipt by Landlord of a lesser amount than shall be due according to the terms of this Lease shall be deemed or construed to be other than on account of the earliest rent due nor shall any endorsement or statement on any check or letter accompanying any payment be deemed to create an accord and satisfaction.

ARTICLE 29. NOTICES.

Any notice by Tenant to Landlord must be served by certified or registered mail, postage prepaid, addressed to Landlord at the address set forth below, or at such other address as Landlord may designate by written notice. Any notice by Landlord to Tenant must likewise be by certified or registered mail postage prepaid, addressed to Tenant at the Premises or at the address given below or at such other address as Tenant may designate by written notice.

Landlord:

Powell-Glisan Associates, L.L.C.
2625 Northup Way
Bellevue, WA 98004

Attn: Property Management

Tenant:

Multnomah County Oregon
Department of County Assets
Facilities and Property Management Division
Attn: Dan Zalkow
401 N. Dixon Street
Portland, OR 97227
Email: dan.zalkow@multco.us

With a copy to:

Office of the Multnomah County Attorney
Attn: Andrew MacKendrick
501 SE Hawthorne Blvd., Suite 500
Portland, OR 97214
Email: andrew.mackendrick@multco.us

ARTICLE 30. RECORDING.

This Lease shall not be recorded except by agreement of both parties; but, upon request by either party, the parties will execute a short form of this Lease containing the description of the Premises, the provisions relating to the term of the Lease and a reference to this Lease.

ARTICLE 31. ATTORNEYS' FEES.

In the event of litigation between Landlord and Tenant and/or between the mortgagee of Landlord and Tenant, or their successors or assigns, to enforce a right or rights provided by or arising from this Lease, the non-prevailing party agrees to pay to the party who prevails, as reimbursement for the prevailing party's attorneys' fees and other costs and expenses of litigation, including any appellate proceedings, a sum fixed by the court which the court shall deem reasonable and just under the circumstances. The amount of such required reimbursement shall be included in the judgment for the prevailing party. The court shall determine in any such litigation which party is the prevailing party.

Tenant further covenants and agrees that in case Landlord shall be made party to any litigation commenced against Tenant, then Tenant shall pay all expenses, costs and reasonable attorneys' fees incurred by or imposed on Landlord in connection with such litigation, including any appellate proceedings, and such expenses, costs and attorneys' fees as referred to herein shall be additional rent due on the last rent day after service of notice of such payment or payments, , and shall be collected as any other rent specified herein unless such Landlord shall be so made a party by reason of any independent liability of such Landlord caused by some act or omission on the part of such Landlord and not resulting from any act or omission on the part of Tenant.

ARTICLE 32. TIME OF THE ESSENCE.

Time is of the essence of this agreement.

ARTICLE 33. AMENDMENTS IN WRITING.

This Lease, including the exhibits and riders (if any), attached hereto and forming a part hereof, shall constitute the entire agreement between the parties. Each party to this Lease hereby acknowledges and agrees that the other party has made no warranties, representations, covenants or agreements, express or implied, to such party other than those expressly set forth herein, and that each party, in entering into and executing this Lease, has relied upon no warranties, representations, covenants or agreements other than those expressly set forth herein.

The parties further warrant and represent that there are no collateral agreements or external conditions precedent or other circumstances which would justify the use of parole evidence to supplement, add to, vary or delete from this agreement or any term, condition or covenant contained herein.

ARTICLE 34. EXPANSION BY OTHER TENANTS.

If Landlord should elect to grant to any tenant a right to expand their buildings, Landlord shall not be obligated to replace any parking area or common area lost as a result of such expansion and the use of land, common area or parking area therefor shall not be considered as a reduction of any building-to-common-area ratio or building-to-parking-area ratio requirements of this Lease.

ARTICLE 35. CHANGES REQUESTED BY INSTITUTIONAL LENDER.

Tenant hereby agrees that if the institutional, permanent mortgagee, making the loan for the financing or refinancing of the Shopping Center, shall require as a condition to making any loan secured by such mortgage that Tenant agrees to modifications of this Lease, then Tenant agrees that it will enter into an agreement with Landlord, in recordable form, making the modifications that are requested by such lender, provided that such changes are reasonable. However, in no circumstances shall Tenant be required to make any agreement that accomplishes any of the following: Namely, changes the Premises demised; increases the rents; abridges or changes the term; requires the expenditures of funds by Tenant which Tenant is not obligated to expend under the terms of this Lease; or in any other manner enlarges Tenant's obligations under this Lease. The foregoing enumeration is not intended as a limitation on Tenant's right to refuse to consent to a modification so long as Tenant acts reasonably.

ARTICLE 36. FORCE MAJEURE.

In the event that either party hereto shall be delayed, hindered in, or prevented from the performance of any act required hereunder by reason of strikes, lockouts, labor troubles, inability to procure materials, failure of utilities, restrictive governmental laws or regulations, riots, insurrection, war or any reason of a like nature, not the fault of the party delayed in performing work or doing acts required under the terms of this Lease, then performance of such act shall be excused for the period of such delay, provided that the provisions hereof shall not operate to excuse Tenant from prompt payment of rent or any other payments required by Tenant hereunder.

ARTICLE 37. INTENTIONALLY DELETED.

ARTICLE 38. NOTICE OF LEASE FORM.

This lease form was selected for use by the parties hereto. No representations or recommendations as to the legality or correctness of this Shopping Center Lease document are made by any managing agent, real estate broker or its agents or employees involved in the execution of this Lease. The parties have consulted or have been advised to consult an attorney of their choice regarding the terms and conditions of this Lease.

ARTICLE 39. BROKERS.

Tenant warrants that it has had no dealings with any real estate broker or agents in connection with the negotiations of this Lease, other than Chris Schneider of Keller Williams Realty ("**Landlord's Broker**"). Landlord's Broker will be compensated by Landlord under a separate agreement between Landlord's Broker and Landlord. Tenant knows of no other real estate broker or agent who is entitled to a commission, finder's fee or other such compensation in connection with this Lease, and agrees to indemnify and hold Landlord harmless from and against any and all liability arising from or relating to claims of brokerage commissions, finders' fees or other such compensation, arising from or relating to claims made by or through Tenant.

ARTICLE 40. AUTHORITY.

The individual executing this Lease on behalf of Tenant represents and warrants that Tenant's execution of this Lease has been duly authorized by all necessary action of Tenant, and that the individual has the full power and authority to enter into this Lease on behalf of Tenant and to bind Tenant to the terms and conditions hereof.

ARTICLE 41. PARTIAL INVALIDITY.

If any provision of this Lease or the application of any provision to any person or circumstance shall to any extent be invalid, the remainder of this Lease or the application of such provision to persons or circumstances other than those as to which it is held invalid shall not be affected and each provision of this Lease shall be valid and enforced to the fullest extent permitted by law.

ARTICLE 42. GOVERNING LAW.

42.1 Forum, Personal Jurisdiction, and Service of Process. The interpretation of this Lease shall be governed by the laws of the State of Oregon. The parties expressly and irrevocably agree that either party may bring any action or claim to enforce the provisions of this Lease in the State of Oregon, County of Multnomah, and both parties irrevocably consent to personal jurisdiction in the State of Oregon for the purposes of any such action or claim. The parties further irrevocably consent to service of process in accordance with the provisions of the laws of the State of Oregon.

42.2 Limitation of County Liability. Tenant's liabilities and obligations pursuant to this Lease are subject to the conditions and limitations of the Oregon Constitution and the Oregon Tort Claims Act, ORS 30.260 through 30.300, 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.

ARTICLE 43. RECOURSE BY TENANT.

Anything in this Lease to the contrary notwithstanding, Tenant agrees that it shall look solely to the Shopping Center and the rents and profits arising therefrom for the collection of any judgment or other judicial process requiring the payment of money by Landlord on any default or breach by Landlord with respect to any of the terms, covenants, and conditions of this Lease to be observed and/or performed by Landlord, and no other asset of Landlord shall be subject to levy, execution or other procedures for the satisfaction of Tenant's remedies.

ARTICLE 44. ORS DISCLOSURE.

BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON TRANSFERRING FEE TITLE SHOULD INQUIRE ABOUT THE PERSON'S RIGHTS, IF ANY, UNDER ORS 197.352.

THIS INSTRUMENT DOES NOT ALLOW USE OF THE PROPERTY DESCRIBED IN THIS INSTRUMENT IN VIOLATION OF APPLICABLE LAND USE LAWS AND REGULATIONS. BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON ACQUIRING FEE TITLE TO THE PROPERTY SHOULD CHECK WITH THE APPROPRIATE CITY OR COUNTY PLANNING DEPARTMENT TO VERIFY THAT THE UNIT OF LAND BEING TRANSFERRED IS A LAWFULLY ESTABLISHED LOT OR PARCEL, AS DEFINED IN ORS 92.010 OR 215.010, TO VERIFY THE APPROVED USES OF THE LOT OR PARCEL, TO DETERMINE ANY LIMITS ON LAWSUITS AGAINST FARMING OR FOREST PRACTICES, AS DEFINED IN ORS 30.930, AND TO INQUIRE ABOUT THE RIGHTS OF NEIGHBORING PROPERTY OWNERS, IF ANY, UNDER ORS 197.352.

LANDLORD:

POWELL - GLISAN ASSOCIATES, L.L.C., a
Washington limited liability company

By _____
Lauren R. Powell, Manager

Date: _____

TENANT:

MULTNOMAH COUNTY, an Oregon political
subdivision

By _____
Jessica Vega Pederson, Chair

Date: _____

APPROVED AS TO FORM:

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

By: _____

Andrew MacKendrick, Sr. Assistant County Attorney

Dated: _____, 2023

STATE OF WASHINGTON)
) ss.
COUNTY OF _____)

On this _____ day of _____, 2023, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn personally appeared **Lauren R. Powell**, known to me to be the Manager of **POWELL - GLISAN ASSOCIATES, L.L.C.**, the limited liability company that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said limited liability company, for the purposes therein mentioned, and on oath stated that he/she was authorized to execute said instrument.

I certify that I know or have satisfactory evidence that the person appearing before me and making this acknowledgment is the person whose true signature appears on this document.

WITNESS my hand and official seal hereto affixed the day and year in the certificate above written.

Signature

Print Name

NOTARY PUBLIC in and for the State of
Washington, residing at _____.
My commission expires _____.

STATE OF OREGON)
) ss.
COUNTY OF MULTNOMAH)

On this _____ day of _____, 2023, before me, the undersigned, a Notary Public in and for the State of Oregon, duly commissioned and sworn personally appeared Jessica Vega Pederson, known to me to be the Chair of **MULTNOMAH COUNTY**, an Oregon political subdivision, the entity that executed the foregoing instrument, and acknowledged the said instrument to be its free and voluntary act and deed, for the purposes therein mentioned, and on oath stated that she was authorized to execute said instrument.

I certify that I know or have satisfactory evidence that the person appearing before me and making this acknowledgment is the person whose true signature appears on this document.

WITNESS my hand and official seal hereto affixed the day and year in the certificate above written.

Signature

Print Name

NOTARY PUBLIC in and for the State of Oregon, residing at _____.

My commission expires _____.

EXHIBIT "A"

LEGAL DESCRIPTION OF SHOPPING CENTER

Lot 1, Lot 3, Lot 4, Lot 5, Lot 6, and Lot 7, "GLISAN STREET STATION," in the City of Portland, County of Multnomah, State of Oregon.

EXHIBIT "B"

SITE PLAN



GLISAN STREET STATION

 **POWELL DEVELOPMENT** 2625 Northrup Way
Bellevue, WA 98004
p-425.828.4444
WWW.POWELLDEV.COM

EXHIBIT "C"

LANDLORD'S WORK

(a) Landlord agrees to furnish or perform, at Landlord's sole cost and expense, those items of construction and those improvements, utilizing a contractor selected by Landlord (the "Landlord's Work") specified on the plans prepared for Landlord and mutually approved by Landlord and Tenant based upon (i) the Scope of Work, shown on Exhibit C-1 attached hereto and incorporated herein for all purposes, and (ii) the Floor Plan as shown on Exhibit C-2 attached hereto and incorporated herein for all purposes.

(b) Landlord shall engage Leeka Architecture and Planning ("Landlord's Architect") to prepare and Landlord and Tenant shall agree to and approved all final construction documents, and mechanical, electrical and plumbing drawings necessary to construct Landlord's Work (collectively the "Drawings") which shall be used by Landlord to obtain final bids for the construction of Landlord's Work. The Drawings shall be prepared in accordance with, and comply with, all applicable laws, ordinances and regulations including, without limitation, the ADA. If Tenant fails to provide comments or approve the Drawings within ten (10) business days following receipt of the Drawings, Tenant shall be deemed to have approved the Drawings. Landlord will obtain all necessary permits, licenses and approvals necessary for the construction of Landlord's Work.

(c) Promptly following Tenant's approval (or deemed approval) of the Drawings, Landlord shall cause Landlord's Work to be constructed in accordance with the Drawings, as the same may be revised in accordance with Paragraph (d) below.

(d) If Tenant shall desire any changes in Landlord's Work, Tenant shall so advise Landlord in writing and Landlord shall determine whether such changes can be made in a reasonable and feasible manner. Landlord will notify Tenant in writing of any additional costs and any construction delays attributable to the change and whether or not Landlord approves or disapproves of the requested change. Any and all costs of reviewing any requested changes, and any net cost increases as a result of making any changes to Landlord's Work which Tenant may request and which Landlord may agree to shall be at Tenant's sole cost and expense and shall be paid to Landlord upon demand and before execution of the change order.

(e) Landlord shall proceed with and complete the construction of Landlord's Work. As soon as such improvements have been Substantially Completed, Landlord shall notify Tenant in writing of the date that Landlord's Work are Substantially Completed. Within three (3) business days after receiving Landlord's notice, Tenant will inspect the Premises for any deficiencies. A "punch list" of deficiencies will be prepared by Landlord and Tenant and Landlord will promptly correct defective items stated in the punch list. The existence of minor punch list items will not postpone the Commencement Date of the Lease or result in a delay or abatement of Tenant's obligation to pay rent or give rise to a damage claim against Landlord. Landlord agrees to use commercially reasonable efforts to complete all punch list items within thirty (30) days after receiving the punch list from Tenant.

(f) The Landlord's Work shall be deemed substantially completed ("Substantially Completed", or any grammatical variant thereof) when, (i) a temporary certificate of occupancy (or its equivalent) is issued for the Premises by the City of Portland, and (ii) the Premises are substantially completed except for punch list items which do not prevent in any material way Tenant's use of the Premises for the Permitted Use. In the event Tenant, its employees, agents, or contractors cause construction of such Landlord's Work to be delayed, the date of Substantial Completion shall be deemed to be the date that, in the opinion of Landlord's Architect, Substantial Completion would have occurred if such delays had not taken place. Without limiting the foregoing, Tenant shall be solely responsible for delays caused by Tenant's request for any changes in the plans, Tenant's request for long lead items or Tenant's interference with the construction of Landlord's Work (each of the foregoing, a "Tenant Delay").

(g) The failure of Tenant to take possession of or to occupy the Premises shall not serve to relieve Tenant of obligations arising on the Commencement Date or delay the payment of Rent by Tenant.

(h) Except for incomplete punch list items, Tenant upon the Commencement Date shall have and hold the Premises as the same shall then be without any liability or obligation on the part of Landlord for making any further alterations or improvements of any kind in or about the Premises, except for Landlord's maintenance and repair obligations under the Lease.

EXHIBIT C-1

LANDLORD'S WORK – SCOPE OF WORK

Old Rodda Space:

- Convert Restroom 126 into current ADA compliance with outward door swing. Add three additional single occupant restrooms adjacent: rooms 127, 128 and 129. Provide ADA compliant grab bars and toilet accessories.
- RR #125 - add wall, ADA compliant countertop and 3 sinks.
- Corr 130 - add walls and install ADA compliant drinking fountain/bottle filler station.
- Room 132 - add walls and ADA compliant upper and lower casework, countertops and sinks. Include clear opening for tenant-installed 24"W dishwasher in casework.
- Room 134A - Utility Room - add walls and double doors.
- Room 135 - Provide access panel to main water shutoff to open office area.
- Room 136 & 137 - Add huddle rooms.
- Room 151 - New ADA compliant upper and lower casework, countertop and sink.
- Room 152 - New ADA compliant restroom. Provide ADA compliant grab bars and toilet accessories.
- Room 153 - Add Storage Room.
- New interior paint throughout.
- Patch/repair subfloor and install new flooring and wall base throughout: Flooring material transitions noted in blue on proposed floor plan between carpet tile (CPT) and hard surface (resilient) flooring (HSF).
- Replace missing ceiling tiles throughout.
- Relocate any light fixtures that are directly adjacent to HVAC supply vents in the ceiling grid.
- Install gyp. bd. ceiling in rooms 126, 127, 128, 129, and 152.
- Install new ceiling tile, ceiling grid system and lighting in rooms 125, 130, 132, 134, and 134A.
- Add interior doors to access adjacent suite and rooms per proposed floor plan. (CORR 118 & Reception 103/CORR 105).
- Install new acoustical batt insulation in new walls and in existing walls if none exists.
- Demo gyp. bd. column wrap at NW column.
- Provide black-out film/paint at exterior windows covered by interior walls at Rooms 126, 127, 128, 129 and 152.
- Repair existing concrete block planter on east side.

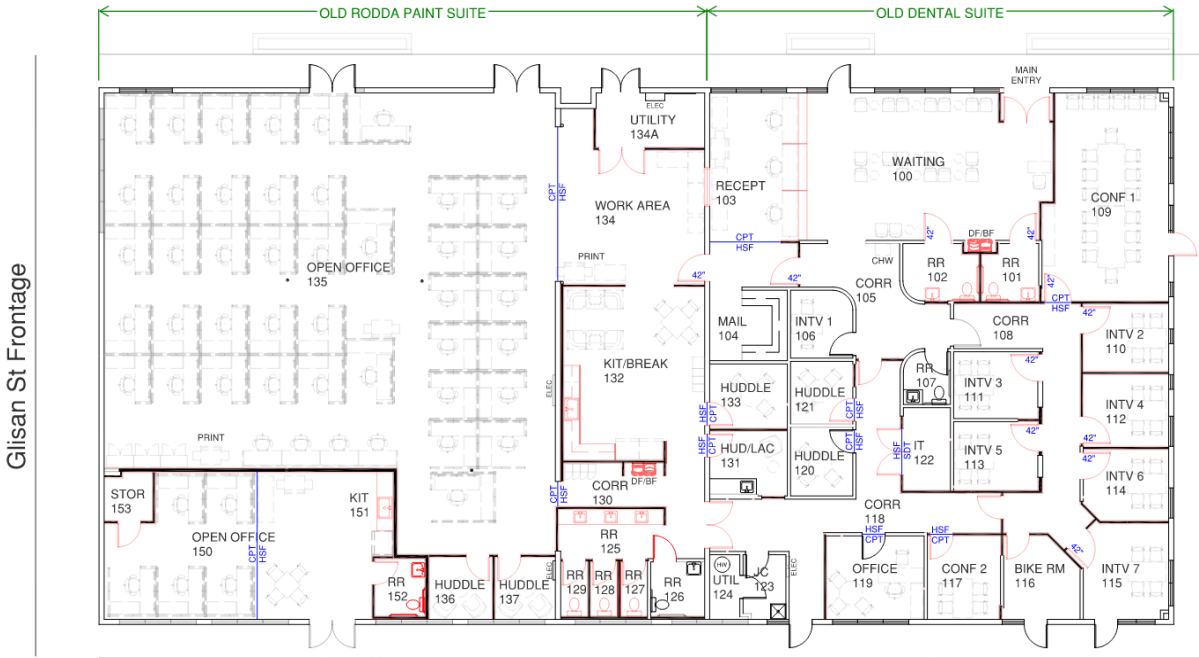
Old Dental Space:

- New interior paint throughout.

- New flooring and wall base throughout: Transitions noted on proposed floor plan between carpet tile and hard surface (resilient) flooring. Prepare subfloor for IT room 122 to receive tenant-installed static dissipative tile flooring.
- New doors are shown in red:
 - 42” wide doors have been notated in blue text;
 - All other non-notated doors to be 36” width.
- Install new corridor doors:
 - Between CORR 105 and CORR 118.
 - Between CORR 108 and CORR 118.
- Add interior doors to access adjacent suite:
 - CORR 105 & RECEIPT 103.
 - CORR 118 & CORR 130 (Double doors).
- Room 100 - Expand the main entrance door for ADA accessibility and provide ADA automatic door opener.
- Room 100 - Install ADA compliant drinking fountain/bottle filler station.
- Reception 103 - Install 60” wide x 48” high one-way mirror window (shown in red).
- Demo existing casework and soffit at Waiting 100/Reception 103. Provide new transaction casework, dividers, and clear acrylic screens with ADA compliant transaction surface heights. See reference photo of SEHC reception desk on the last page.
- Restroom 101 - Provide ADA compliant toilet, sink, grab bars and toilet accessories.
- Restroom 102 - Convert into current ADA compliance and adjust fixture layout to west wall and door location on east wall. Provide ADA compliant toilet, sink, grab bars, toilet accessories, and wall-mounted diaper changing station on north wall.
- Restrooms 101 and 102 - Install gyp. bd. ceiling in.
- Reconfigure existing acoustical ceiling system in suite for new wall layout.
- Install new acoustical batt insulation in new walls and in existing walls if none exists.
- IT 122 - Provide new double doors and install ¾” fire-rated plywood on east, south and west walls.
- Add the following Rooms:
 - 109 + add exterior door
 - Rooms 110, 111, 112, 113, 114, 115, 116, 117 and 119.
- Existing casework to remain at Mail 104. Existing casework and sink to remain at Hud/Lac 131.
- Retain existing sink and toilet in Room 107.
- Add van accessible designated parking space and signage adjacent to existing ADA parking space near new main entrance.

EXHIBIT C-2

FLOOR PLAN OF PREMISES



Gilisan St Frontage

- KEY**
- NEW DOOR
 - NEW WALL
 - NEW FIXTURE/CASEWORK

Gilisan Station Proposed Floor Plan
Scale 3/32 = 1'-0" 7 NOV 2022



EXHIBIT "D"

TENANT'S WORK

Tenant shall be responsible for completing and doing all other work to the demised Premises including, but not limited to, the items listed below:

1. Tenant will provide and install floor covering beyond that described in Landlord's Work. Tenant shall be responsible for floor prep including moisture control beneath Tenant's floor covering.
2. Tenant will provide and install partition walls other than those provided for under Landlord's Work.
3. Tenant will furnish and install all painting and wall finishing beyond that described in Landlord's Work.
4. Tenant shall provide and install any plumbing and fixtures which it may desire in excess of Landlord's Work. If Tenant elects to install an additional toilet room it shall be required to construct and complete an exhaust system and separate incandescent light including "J" box, conduit and wiring at its sole cost and expense and in conformance with applicable building codes. All roof penetration must be subject to the terms of the Lease and approved by Landlord.
5. Tenant shall be responsible for the complete fabrication and installation of its business name sign in accordance with Landlord's sign criteria.
6. Tenant shall complete its electrical system.
7. Telephones, music system, security devices, if required, shall be provided by Tenant.
8. Tenant shall furnish and install all fixtures, furniture and equipment necessary to open for business.
9. Tenant shall furnish all additional IT, power/data throughout space and any other low voltage work.
10. Tenant shall install dissipative tile in IT room 122.

EXHIBIT "E"

PROHIBITED USES

The Premises shall not be used for an automotive, maintenance or repair facility, a secondhand or surplus store, or for entertainment or recreational facility or training or educational facility. The phrase "**entertainment or recreational facility**" shall include, without limitation, a theater, bowling alley, skating rink, gym, health spa or studio, dance hall, billiard or pool hall, massage parlor, game parlor or video arcade (which shall be defined as any store containing more than six (6) electronic games). "**Training or educational facility**" shall include, without limitation, a beauty school, barber college, reading room, place of instruction or any other operation catering primarily to students or trainees as opposed to customers.

The Premises shall not be used as a bar, tavern, cocktail lounge, adult book or adult video store, hotel, motel, car wash, warehouse, animal kennel, mobile home park or trailer court; for the renting, leasing, or selling of or displaying for the purpose of renting, leasing, or selling of any boat, motor vehicle or trailer; or for industrial purposes; or for any bankruptcy sales or going out of business sales.

The Premises shall not be used for the sale of groceries or prescription drugs.

The Premises shall not be used for the sale of pizza.

The Premises shall not be used for the sale of wireless phones, devices or related accessories.

The Premises shall not be used for the provision of general dentistry, orthodontics, oral, periodontal and cosmetic surgery, dental implants or other related services.

EXHIBIT "F"

SIGN CRITERIA

These criteria have been established for the purpose of assuring a coordinated sign program for the mutual benefit of all tenants. Tenant shall be responsible for the fulfillment of all requirements and specifications. All signs must be in conformance with the terms and conditions of the Operation and Easement Agreement for **Glisan Street Station**. Conformance will be strictly enforced. Any installed non-conforming or unapproved sign must be brought into conformance at the non-conforming tenant's expense.

1. Tenant shall submit or cause to be submitted to Landlord for approval before fabrication at least three (3) copies of the detailed drawings indicating the location, size, layout, design and color of the proposed signs, including all lettering and/or graphics, and an elevation.

2. All permits for signs and their installation shall be obtained by Tenant or his representative at Tenant's expense. All signs shall be constructed, installed and maintained at Tenant's expense.

3. Signs shall be permitted only within the sign fascia areas as designated by Landlord's architect or agent.

4. Tenant is required to install individual Channelume-style letters mounted on a raceway painted to match the building façade. Letters shall not be larger than twenty-four (24) inches in height. The overall length of the sign shall not exceed seventy-five percent (75%) of the frontage of the Premises. The sign shall not extend beyond the sign fascia area.

5. Signs shall be centered in respect to Tenant's store space, or in the event the rooflines of the adjacent buildings do not permit the sign to be centered as such, shall be centered in respect to Tenant's entry door into the shop.

6. No signs of any sort shall be permitted on building roof. No signs perpendicular to the base of the building or storefront will be permitted.

7. Wording of a sign shall not include the product sold except as a part of Tenant's trade name or insignia. All of Tenant's store identification designs shall be subject to the approval of Landlord.

8. No sign or any portion thereof may project above the fascia on which it is mounted.

9. Exposed neon tubing and painted lettering will not be permitted.

10. Flashing, moving or audible signs will not be permitted.

11. Pylon or pole signs will not be permitted.

12. All electrical signs shall bear the UL label, and their installation must comply with all local building and electrical codes. Lighting shall be provided by internal minimum sixty (60) milliamp mercury tubes.

13. No exposed conduit or tubing will be permitted.

14. No exposed neon lighting shall be used on signs, symbols or decorative elements. Transformers and other equipment shall be concealed.

15. Electrical service to all signs shall be on Tenant meters.

16. All signs, frames and retainers must be constructed of dark bronze anodized aluminum. No black iron materials of any type will be permitted.

17. No sign maker's label or other identification will be permitted on the exposed surface of the sign, except for those required by local ordinance which later will be placed in an inconspicuous location.

Tenant will be permitted to place upon each entrance to his demised Premises not more than one hundred forty four (144) square inches of gold leaf or decal application lettering not to exceed two (2) inches in height, indicating hours of business, emergency telephone, etc.

GLISAN STREET STATION

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TENANT: MULTNOMAH COUNTY

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