



Elizabeth Comfort  
Finance Director

**Department of Finance**

Public Services Building  
2051 Kaen Road, Suite 490 | Oregon City, OR 97045

November 7, 2024

BCC Agenda Date/Item: \_\_\_\_\_

Board of County Commissioners  
Clackamas County

**Approval of Lease Agreement with 205 Sunnyside, LLC for the Sunnyside Health Center Building. Total value is \$9,410,098.56 for 15 years. Funding is through the Center's Service Charges Revenue. No County General Funds are involved.**

<b>Previous Board Action/Review</b>	Original Agreement August 15, 2011 Executive Session June 25, 2024 Briefed at Issues – November 7, 2024		
<b>Performance Clackamas</b>	1. Individuals and families in need are healthy and safe. 2. Ensure safe, healthy and secure communities.		
<b>Counsel Review</b>	Yes: Andrew Naylor	<b>Procurement Review</b>	No
<b>Contact Person</b>	Sarah Jacobson	<b>Contact Phone</b>	503-742-5303

**EXECUTIVE SUMMARY:** Clackamas County currently leases 12,129 square feet (Suite #200) within the 205 Sunnyside building at 9775 SE Sunnyside Road, Clackamas, OR 97015 to operate the Sunnyside Health Center. The purpose of this lease is to add approximately 2,964 square feet (Suite #600) to the premises leased by Clackamas County to facilitate the expansion of the Sunnyside Health Center. The additional space will make Clackamas County the sole tenant of the 205 Sunnyside building and expand access to Primary Care, Behavioral Health, Dental Care and pharmacy services

**RECOMMENDATION:** The staff respectfully recommends that the Board of County Commissioners approve this agreement and authorize Chair Smith to sign on behalf of Clackamas County.

Respectfully submitted,

Elizabeth Comfort  
Finance Director

For Filing Use Only

**AMENDED AND RESTATED LEASE AGREEMENT**

**BETWEEN:** 205 Sunnyside, LLC **(“Landlord”)**  
an Oregon limited liability company  
PO Box 529  
Eugene, OR 97440

For overnight courier:  
205 Sunnyside, LLC  
200 International Way  
Springfield, OR 97477

**AND:** Clackamas County **(“Tenant”)**  
a[n] \_\_\_\_\_  
Attn: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Email: \_\_\_\_\_  
Email for Billing (Required): \_\_\_\_\_

**EFFECTIVE DATE:** \_\_\_\_\_, 2024

**RECITALS**

**A.** Landlord owns the real property and improvements thereon located in Clackamas, Oregon, and commonly known as 205 Sunnyside (the “Property”), as shown on the site plan of the Property attached as **Exhibit A** (the “Site Plan”).

**B.** Tenant presently leases from Landlord that certain premises consisting of what is deemed to be 12,129 square feet and located at 9775 SE Sunnyside Road, Clackamas, Oregon (“Current Premises”) pursuant to that certain Shopping Center Lease between Regency Centers, L.P. (Landlord’s predecessor in interest) and Tenant dated August 15, 2011, as amended by that certain Letter Agreement dated August 18, 2011 (“Original Lease”).

**C.** Tenant desires to lease from Landlord, and Landlord has agreed to lease to Tenant, an expansion premises consisting of approximately 3,232 usable square feet (“Expansion Premises”) also with the address of 9775 SE Sunnyside Road, Clackamas, Oregon. Upon the Delivery Date of the Expansion Premises, the total premises shall be deemed to be 15,093 usable square feet (the “Premises”) located at 9775 SE Sunnyside Road, Clackamas, Oregon (the “Building”) on the Property known as 205 Sunnyside, as shown on the floor plan of the Building attached as **Exhibit B** (the “Floor Plan”), all on the terms and conditions set forth in this Amended and Restated Lease Agreement which shall replace the Original Lease (this “Lease”).

**D.** Upon the mutual execution of this Lease, this Lease shall fully replace the Original Lease and the Original Lease shall thereafter be of no further force or effect.

## AGREEMENT

1. **Lease of Premises.** Landlord hereby leases to Tenant, and Tenant hereby leases from Landlord, the Premises.

2. **Term.** This Lease will commence on the Delivery Date, as defined in Section 4.1, and expire at 11:59 p.m. on the last day of the calendar month which is Fifteen (15) Years after October 1, 2024 (the “Lease Expiration Date”), unless extended or earlier terminated as expressly provided in this Lease. The period commencing on the Delivery Date and expiring on the Lease Expiration Date (the “Initial Term”) and any timely exercised Option Term, as defined in Section 2.1, are referred to collectively in this Lease as the “Term.” Tenant’s right to possession and all of Tenant’s obligations under this Lease will commence on the Delivery Date (or the date Tenant takes possession, if Landlord specifically grants Tenant the right to early possession), except Tenant’s obligation to pay Rent.

2.1. **Option to Extend.** As long as Tenant (i) is not in default under this Lease at the time of exercise or the time the Option Term commences and (ii) has not assigned this Lease or sublet any portion of the Premises without Landlord’s consent, if such consent is required per Section 11 of the Lease, whether or not Landlord consented to such assignment or sublease, Tenant will have the option to extend this Lease for two (2) additional term(s) of five (5) years (each, an “Option Term”) on the same terms, covenants, and conditions of this Lease, except as provided in this Section.

2.1.1. **Option Term Exercise.** Tenant will exercise Tenant’s right to extend this Lease for an Option Term, if at all, by giving Landlord written notice (the “Option Notice”) no less than one hundred eighty (180) days before the expiration of the Initial Term or previously exercised Option Term. Failure to timely give the Option Notice is a waiver of Tenant’s right to extend this Lease unless the parties agree, in writing, to permit the extension notwithstanding the failure to give notice.

2.1.2. **Option Term Base Rent.** Base Rent will be fair market rent, but no less than the Base Rent payable in the immediately preceding Term. If the parties are unable to agree on Base Rent for the first Lease Year of an Option Term within sixty (60) days after Landlord’s receipt of the Option Notice, Base Rent for the first Lease Year of the Option Term will be determined by a qualified, MAI, independent real property appraiser familiar with retail rental values in the metropolitan area where the Property is located. The appraiser will be chosen by Tenant from a list of not fewer than three such persons submitted by Landlord within five (5) days of Tenant’s receipt of Landlord’s list. If Tenant does not timely select an appraiser, Landlord will make the selection and the selection will be binding on Tenant. If Landlord fails to submit a list within ten (10) days after written request therefor from Tenant, Tenant may name as an appraiser any person with said qualifications. Within thirty (30) days after the appraiser’s appointment, the appraiser will return their decision, which will be final and binding on both parties. The cost of the appraisal will be borne equally by the parties. The Base Rent, when established, will be effective as of the date of the commencement of the Option Term, and during the period from the commencement of the Option Term to the date of the establishment of the Base Rent, if any (the “Interim Period”), Tenant will continue to pay Base Rent in the

amount payable during the immediately preceding Lease Year. Tenant will pay the amount by which Base Rent established for the Option Term is greater than the amount paid by Tenant during the Interim Period to Landlord as additional rent within thirty (30) days after the date Base Rent for the Option Term is established. During an Option Term, Base Rent will increase by three percent (3%) annually on the anniversary of the Base Rent Commencement Date.

**2.2. Holding Over.** If Tenant fails to return the Premises to Landlord in the condition required by this Lease upon expiration or earlier termination of the Term, such holding over will be deemed to create a tenancy at sufferance which may be terminated at any time by Landlord or Tenant, but otherwise on all of the terms of this Lease, except at a rental rate equal to one hundred twenty-five percent (125%) of the Rent in effect when this Lease expired or was earlier terminated. No acceptance of partial payment, delay or failure of Landlord to compute, bill or notify Tenant of Tenant’s holding over or the hold over rental rate will relieve Tenant from payment of the hold over rental rate or performance of Tenant’s obligations under this Lease.

**3. Rent.**

**3.1. Base Rent.** Commencing on the mutual execution of this Lease (the “Base Rent Commencement Date”), Tenant will pay monthly rent (“Base Rent”) as follows during the Initial Term of this Lease:

From	To	Base Rent (\$/MO)
Lease Execution	October 14, 2024	\$30,483.48
October 15, 2024	March 31, 2025	\$34,062.28
April 1, 2025	September 30, 2025	\$42,386.18
October 1, 2025	September 30, 2026	\$43,657.76
October 1, 2026	September 30, 2027	\$44,967.49
October 1, 2027	September 30, 2028	\$46,316.52
October 1, 2028	September 30, 2029	\$47,706.01
October 1, 2029	September 30, 2030	\$49,137.19
October 1, 2030	September 30, 2031	\$50,611.31
October 1, 2031	September 30, 2032	\$52,129.65
October 1, 2032	September 30, 2033	\$53,693.54
October 1, 2033	September 30, 2034	\$55,304.34
October 1, 2034	September 30, 2035	\$56,963.47
October 1, 2035	September 30, 2036	\$58,672.38
October 1, 2036	September 30, 2037	\$60,432.55
October 1, 2037	September 30, 2038	\$62,245.53
October 1, 2038	September 30, 2039	\$64,112.89

The Base Rent will be paid to Landlord via ACH (as set forth below), or at such other place or to such other person as Landlord may designate in writing. Base Rent for the first and last partial calendar months of this Lease, if any, will be prorated based on a 30-day month. “Lease Year 1” means the twelve (12) full calendar months following the Base Rent Commencement Date, and each new Lease Year thereafter, including during any Option Term, will commence on the

anniversary of the Base Rent Commencement Date. Tenant will pay the first full month's Base Rent and security deposit, if any, upon execution of this Lease.

**3.2. Additional Rent.** Commencing on the mutual execution of the Lease (the "Additional Rent Commencement Date"), Tenant will pay Tenant's Proportionate Share of Expenses, Insurance and Taxes, which amount includes a management fee in the amount of four percent (4%) of Base Rent. All Expenses, Insurance and Taxes, and any other amounts that Tenant is required by this Lease to pay or reimburse to Landlord or third parties, will be additional rent. Base Rent and additional rent are referred to collectively in this Lease as "Rent" and are payable on the first day of each calendar month, in advance, without offset, deduction or prior demand, and without abatement except as expressly provided herein. The estimated cost for Tenant's Proportionate Share of Expenses for the calendar year 2024 is \$4,697.88 (excluding the management fee). Tenant's Proportionate Share of Insurance and Taxes are set forth below. In no event shall the Tenant's Proportionate Share of Controllable Expenses for any calendar year increase by more than ten percent (10%) from the prior calendar year, on a cumulative basis. For the purposes of this Lease, "Controllable Expenses" means Expenses other than insurance, utilities, trash, snow and ice removal, and other expenses that, in Landlord's sole and exclusive discretion and judgment, may be subject to increases which are outside of Landlord's control.

**3.2.1. Expenses.** "Expenses" means all expenses paid or incurred by Landlord (or on Landlord's behalf) as reasonably determined by Landlord as necessary or appropriate for the ownership, use, operation, maintenance, repair, and replacement of the Property, Common Areas, Building, and Premises, together with a sum for administering the accounting, bookkeeping, and collection of Expenses in connection with the Property in an amount equal to fifteen percent (15%) of the total of all Expenses (excluding property management fees, Insurance and Taxes). Notwithstanding anything to the contrary contained herein, the following are excluded from Expenses:

- (a) The initial costs of equipment consisting of items of real estate in nature and the original costs of constructing the Common Area;
- (b) The cost of any addition to the Property or the land on which the Property is located, including the cost to prepare space for occupancy by a new tenant;
- (c) Expenses for which Landlord is or will be reimbursed by another source;
- (d) Expenses for the defense of Landlord's title to the Premises or the Property;
- (e) Structural repairs and replacements which are required of Landlord under Section 10.1, except for amortization of capital improvements made to the Property which may be required by any government authority or which will improve the operating efficiency of the Property (provided, however, that the amount of such amortization for improvements not mandated by government authority will not exceed in any 12-month period the amount of costs reasonably determined by Landlord to have been saved by the expenditure either through the reduction or minimization of increases which would have otherwise occurred over the same 12-month timeframe);

- (f) Depreciation and amortization of the Property, financing costs, including interest and principal amortization of debts;
- (g) Charitable or political contributions;
- (h) Cost of improving, renovating, or cleaning space for a tenant or space vacated by a tenant or items and services selectively supplied to any other tenant;
- (i) Any amounts expended by Landlord as environmental response costs for removal, enclosure, encapsulation, clean-up, remediation or other activities regarding Landlord's compliance with any Laws unless the need for such expenditure by Landlord is caused in whole or part by Tenant's use and occupancy of the Premises;
- (j) Costs to correct original defects in the design or construction or latent defects in the Premises;
- (k) Expenses payable directly by tenant(s) for any reason (such as excessive utility use);
- (l) Any amounts due as a result of Landlord's violation or failure to comply with any Laws or any court order, decree or judgment;
- (m) Leasing commissions, advertising expenses and other costs incurred in leasing or procuring new tenants;
- (n) The salaries and benefits of executive officers of Landlord, if any;
- (o) Attorneys' fees, accounting fees and expenditures incurred in connection with negotiations, disputes and claims of other tenants or occupants of the Property with other third parties except as specially provided in this Lease, as well as cost to prepare financial statements or tax returns; and
- (p) Cost of the initial stock of tools and equipment for operations, repair and maintenance of the Property.

**3.2.2. Tenant's Proportionate Share of Expenses.** "Tenant's Proportionate Share" of Expenses is the usable square footage of the Premises divided by the usable square footage of the portion of the Property in the applicable Expense Pool. An "Expense Pool" means that portion of the usable square footage of the Property utilizing or benefiting from an Expense, as reasonably determined by Landlord from time to time. Landlord reserves the right to allocate some or all Expenses based on methods other than usable square footage (including using estimates) and to adjust such methods and any Expense Pools from time to time.

**3.2.3. Taxes.** "Taxes" means all real property taxes and all assessments hereafter levied against the Premises, or a portion thereof, during the term of this Lease, including assessments coming due to any special purpose governmental district, but

excluding any federal or state income, franchise, inheritance or estate taxes, and any penalties or interest assessed as a result of Landlord's failure to timely pay Taxes when due. Real property taxes for the first and last partial fiscal years of this Lease will be prorated between Landlord and Tenant as of the Base Rent Commencement Date and the Lease Expiration Date. If a new charge or fee relating to the ownership or use of the Premises or the receipt of rental therefrom or in lieu of real property taxes is assessed or imposed, then, to the extent permitted by law, Tenant will pay such charge or fee. If any portion of the Property is occupied by a tax-exempt tenant so that a partial tax exemption is applied to the Property, then Taxes will mean taxes computed as if such partial exemption did not exist. Commencing on the Delivery Date, Tenant will pay directly to the applicable taxing authority all personal property taxes upon property of Tenant located upon the Premises and all business taxes on Tenant's business, promptly as the same become due. Tenant will cause personal property taxes to be assessed to Tenant by the applicable taxing authority separately from the Premises and Property. If any of Tenant's personal property is assessed with the Premises or Property, Tenant will pay or reimburse Landlord for such personal property taxes on demand with interest at the Interest Rate from the date of expenditure by Landlord.

**3.2.4. Tenant's Proportionate Share of Taxes.** "Tenant's Proportionate Share" of Taxes is the usable square footage of the Premises divided by the usable square footage of the portion of the Property against which the Taxes are assessed from time to time. Notwithstanding the foregoing, as of the Effective Date, the parties acknowledge that Tenant is a tax exempt entity so Tenant's Proportionate Share of Taxes is 0.00%. If at any time Tenant loses its tax exempt status, Tenant shall commence payment of its Proportionate Share of Taxes based upon the foregoing calculation.

**3.2.5. Landlord Statements.** On or before January 1 of each calendar year, or as soon thereafter as practical, Landlord will provide to Tenant a written statement setting forth Landlord's estimate of Expenses, Insurance and Taxes for the calendar year. Tenant will pay to Landlord as additional rent commencing on January 1, and thereafter on the first day of each calendar month, an amount equal to one-twelfth (1/12th) of the amount of Tenant's Proportionate Share of the estimated Expenses, Insurance and Taxes, as shown in Landlord's written statement. As soon as practical following each calendar year during the term of this Lease, Landlord will deliver to Tenant a written Operating Expense Reconcile statement (the "Operating Statement") setting forth Tenant's Proportionate Share of the actual Expenses, Insurance and Taxes for the preceding calendar year. Tenant will have thirty (30) days from receipt of the Operating Statement to provide notice to Landlord that Tenant objects to the Operating Statement. Tenant's failure to timely notify Landlord of Tenant's objection to the Operating Statement will be deemed Tenant's approval of the Operating Statement for all purposes, and Tenant will have no further right to object to the Operating Statement or any calculation therein. In the event Tenant's Proportionate Share of the actual Expenses, Insurance and Taxes is greater than the amount paid by Tenant for the Expenses, Insurance and Taxes, Tenant will pay the amount due to Landlord as additional rent within thirty (30) days after receipt by Tenant of the Operating Statement. In the event Tenant's Proportionate Share of the actual Expenses, Insurance and Taxes is less than the amount paid by Tenant for the Expenses, Insurance and Taxes, then Landlord will, at Landlord's election, either (i) pay the amount of Tenant's overpayment

to Tenant within thirty (30) days following the date of the Operating Statement or (ii) apply the overpayment to Tenant's next Rent payment, reimbursing only the excess over the next Rent payment, if any.

**3.3. Payment of Rent by ACH.** All payments of Rent shall be made via Automated Clearing House ("ACH"). Tenant agrees to reasonably cooperate with Landlord to complete all necessary forms in order to accomplish such method of payment ("ACH Forms") and agrees to maintain sufficient funds for ACH payments. Landlord will have the right from time to time to change its method of receiving Rent upon mutual written agreement of the parties and not less than sixty (60) days prior notice to Tenant.

**3.4. Late Charge and Interest.** In the event any payment due from Tenant to Landlord is not received by Landlord within ten (10) days from the due date thereof or within 21 business days upon receipt of invoice, whichever is later, Tenant will pay to Landlord a late charge equal to five percent (5%) of the overdue amount, but in no event will such late charge exceed any maximum charge now or hereafter established by Law. In the event any payment due from Tenant to Landlord is not received by Landlord when due, the unpaid amount will accrue interest commencing on the due date thereof at the Interest Rate, but in no event will such interest rate exceed any maximum rate now or hereafter established by Law. Landlord's right to collect any late charge and interest will be in addition to any other rights or remedies available to Landlord hereunder or at law or in equity.

#### **4. Condition of Premises.**

**4.1. Landlord Improvements and Delivery Date.** Landlord shall deliver the Premises per Exhibit C of the Lease. The "Delivery Date" shall mean the date which Landlord delivers the Premises to Tenant with the Landlord Improvements (per Exhibit C) substantially complete.

**4.2. Tenant Improvements.** Tenant may complete the Tenant Improvements, as defined in the Work Letter attached as Exhibit C, on the terms and conditions contained in the Work Letter. All Tenant Improvements will be at Tenant's sole cost and expense.

**4.3. Acceptance.** Tenant accepts the Premises in the condition as exists on the Delivery Date, subject to all Laws and matters of record. Except as expressly provided herein, Tenant acknowledges that neither Landlord, nor any Broker or other agent of Landlord, has made any representation as to the condition of the Premises or Property, nor the suitability, including any zoning or entitlements, for Tenant's Use (defined below). Tenant represents and warrants to Landlord that Tenant has made its own inspection of and inquiry regarding the condition and suitability, including any zoning or entitlements, of the Premises and Property and is not relying on any representations of Landlord or any Broker or other agent of Landlord.

**5. Use.** Subject to all applicable Laws, Tenant may use and occupy the Premises for operating under the trade name Clackamas County Community Health to provide health services, and those uses reasonable related to the same, and for no other purpose without the prior written consent of Landlord ("Use"). Tenant's Use of the Premises shall not interfere with the use and enjoyment of the Property by other tenants or their customers. At no time shall Tenant allow



persons to loiter in or on the Tenant's Premises or create a nuisance. At no time shall Tenant allow its customers to loiter in or on the Property or create a nuisance.

**5.1. Continuous Operation.** Tenant will continuously, actively, and diligently use and occupy the entire Premises solely for the Use set forth above during the entire Term of the Lease. Tenant shall conduct its business during those hours that are customary and ordinary for similar businesses in the metropolitan area in which the Property is located. Tenant shall be fully stocked and staffed throughout the Term.

**5.2. Utilities and Services.** Tenant will arrange for, and pay for, all separately metered utilities and services used by Tenant on the Premises during the term of this Lease commencing on the Delivery Date. Utilities will be separately metered at the discretion of Landlord. Any utilities not separately metered will be included in Expenses.

**5.3. Garbage.** Outside storage or disposal of garbage or refuse of any type in any manner other than in the facilities provided by Landlord is prohibited. If Tenant generates more than the normal amount of garbage, as reasonably determined by Landlord from time to time, Landlord may impose an additional charge upon Tenant to compensate for the removal thereof. Tenant shall arrange for its own garbage service and is responsible for maintaining its garbage and recycling area.

**5.4. Equipment.** Tenant will install only such equipment in the Premises as is customary for the Use and will not overload the floors or electrical circuits of the Premises or Building or change the wiring or plumbing of the Premises or Building. Any equipment, cables, wiring, conduit, additional dedicated circuits, and any additional air conditioning required because of any such equipment installed by Tenant will be installed, maintained, and operated at Tenant's sole expense and in accordance with Landlord's requirements. Floor load and electrical capacity may be conclusively established at the discretion of Landlord by an engineer licensed by the state of Oregon and employed by Landlord.

**5.5. Signs.** No signs, awnings, or other apparatus will be painted on or attached to the Building or anything placed on any glass or woodwork of the Premises or positioned so as to be visible from outside the Premises, including any adhesive or window covering (e.g., shades, blinds, curtains, drapes, screens, or tinting materials) without Landlord's prior written consent, and Landlord's written approval of design, size, location, and color which shall not be unreasonably withheld, conditioned or delayed. All signs installed by Tenant will comply with Landlord's signage criteria attached as **Exhibit D** and all applicable Laws. All signage and mounting hardware shall be removed upon the expiration or earlier termination of this Lease, all at Tenant's expense. Temporary signs within the Premises that are not visible from the exterior shall be allowed at all times to provide wayfinding to Tenant.

**5.6. Limitations on Use.** Tenant will not use the Premises in any manner that will increase the rating or cost of fire insurance on the Premises from the rate in force on the Delivery Date or in any other manner which would deface or injure the Premises or the Property. Tenant will not permit any objectionable noise or odor to escape from or be emitted from the Premises or permit any use or activity upon the Premises tending to create a nuisance or

unreasonably disturb any other tenant of the Property. Tenant will not conduct or permit auctions, going out of business or sheriff's sales on the Premises.

**5.7. Rules.** Landlord may make and Tenant will comply with all rules and regulations of the Building and the Property attached as **Exhibit E** (the "Rules"). The Rules are in addition to and will not be construed to modify or amend this Lease in any way including, but not limited to, interfering with the permitted Use set forth in Section 5 above, and in the event of any conflict between the terms of this Lease and any Rule, the terms of this Lease will govern. If Landlord revises the Rules, Landlord shall provide Tenant written notice of the proposed change and all such changes shall be commercially reasonable and shall apply to all tenants at the Property.

**6. Compliance With Law.** Each party will give prompt notice to the other of any notice it receives of the violation of any law or requirement of any public authority (collectively, "Laws"), including, without limitation, the Americans with Disabilities Act of 1990 ("ADA") and the Occupational Safety and Health Act ("OSHA"), and all regulations under each, with respect to the Premises or the use or occupancy thereof. Tenant will, at Tenant's expense, comply with all Laws that, in respect of the Premises or the use and occupancy thereof, or the abatement of any nuisance in, on, or about the Premises, impose any violation, order, or duty on Landlord or Tenant, arising from (i) Tenant's use of the Premises; (ii) the manner of conduct of Tenant's business or operation of its installations, equipment, or other property therein; (iii) any cause or condition created by or at the instance of Tenant; or (iv) breach of any of Tenant's obligations under this Lease. If any additions, alterations or improvements will be required to be made by Landlord to any part of the Premises or the Property to comply with any Law as a result of any of clauses (i) through (iv) above, Tenant will reimburse Landlord for costs incurred by Landlord to affect such compliance on demand with interest at the Interest Rate as defined previously in the amount of twelve percent (12%) per annum from the date of expenditure by Landlord.

**7. Hazardous Materials.** Neither Tenant nor Tenant's agents or employees will cause or permit any Hazardous Material, as hereinafter defined, to be brought, stored, used, generated, released into the environment, or disposed of on, in, under, or about the Premises or Property, except reasonable quantities of cleaning supplies and office supplies necessary to or required as part of Tenant's Use that are generated, used, kept, stored, or disposed of in a manner that complies with all Laws regulating any such Hazardous Materials and with good business practices. Notwithstanding the foregoing, installation of storage tanks is prohibited without Landlord's prior written consent, which may be withheld in Landlord's sole discretion. Tenant covenants to remove from the Premises and Property, upon the expiration or sooner termination of this Lease and at Tenant's sole cost and expense, any and all Hazardous Materials brought, stored, used, generated, or released on, in, or into the environment by Tenant, its agents, or employees during the term of this Lease. Subject to the limits of the Oregon Constitution and the Oregon Tort Claims Act, Tenant hereby agrees to indemnify, defend, and hold harmless Landlord, and its agents and employees, and their respective successors and assigns, from any and all claims, judgments, damages, penalties, fines, costs, liabilities, and losses that arise during or after the term directly or indirectly from the use, storage, disposal, release, or presence of Hazardous Materials by Tenant, its agents, or employees, on, in, or about the Premises or Property. Tenant will promptly notify Landlord of any release of Hazardous Materials in, on, or about the Premises or Property that Tenant, or Tenant's agents or employees, becomes aware of, whether caused by Tenant, Tenant's agents or employees, or any other persons or entities. As used herein, the term Hazardous

Material means any hazardous or toxic substance, material, or waste that is or becomes regulated by any local governmental authority, the state in which the Property is located, or the United States government. The term Hazardous Material includes, without limitation, any material or substance that is (i) defined as a “hazardous waste,” “extremely hazardous waste,” “restricted hazardous waste,” “hazardous substance,” “hazardous material,” or “waste” under any Law, (ii) petroleum, and (iii) asbestos. The provisions of this Section, including, without limitation, the indemnification provisions set forth herein, will survive any termination of this Lease.

**8. Common Areas.** Tenant will have the nonexclusive right (in common with the other tenants of the Property, Landlord, and any other person granted use by Landlord) to use the sidewalks, parking areas, landscaping and other portions of the Property customarily for public use (the “Common Areas”), subject to the terms of this Lease and any Rules. Landlord, from time to time, may change the size, location, nature and use of any of the Common Areas, convert Common Areas into usable areas, construct additional facilities in the Common Areas, and designate, change or remove employee parking areas, without liability to Tenant, provided such changes do not materially adversely affect Tenant’s Use of the Premises. Tenant acknowledges that changes to the Common Areas, and any closure in connection with such changes, may result in inconvenience to Tenant, and Landlord agrees to provide Tenant no less than thirty (30) days’ advance notice of a proposed closure, except in the case of an emergency.

**9. Alterations and Improvements.** Tenant will not make or cause to be made any alteration or improvement to the Premises without the prior written consent of Landlord, which may not be unreasonably withheld. All alterations or improvements to the Premises made or caused to be made by Tenant will (i) be made in a good and workmanlike manner in compliance with all Laws by licensed and bonded contractors approved by Landlord, (ii) be commenced as soon as practicable after notice to Landlord so that Landlord may post an Owner’s Notice of Non-Responsibility, and (iii) be presumed to become an integral part of the Premises to remain for the benefit of Landlord and not removed by Tenant unless otherwise expressly agreed in writing. The above restrictions will not apply to movable furniture and trade fixtures installed by Tenant during the Term, except any trade fixtures that penetrate the roof. Tenant will keep the Premises free and clear of any and all liens or encumbrances imposed or threatened to be imposed on the Premises by reason of any contract, act or omission by Tenant. If a lien is filed as a result of nonpayment, Tenant will, within ten (10) days after knowledge of the filing, secure the discharge of the lien or post a cash deposit or satisfactory surety bond in an amount sufficient to discharge the lien plus any costs, attorneys’ fees, and other charges that could accrue as a result of a foreclosure or sale under the lien, and if Tenant fails to discharge such lien within the 10-day period, Landlord may (but will have no obligation to) post a cash deposit or satisfactory surety bond in an amount sufficient to discharge the lien and Tenant will reimburse Landlord for such amount on demand with interest at the Interest Rate from the date of expenditure by Landlord. Within thirty (30) days after receipt of notice from Landlord, Tenant will promptly remove any alterations or improvements made in violation of this Section.

**10. Repairs and Maintenance.**

**10.1. Landlord’s Obligations.** Landlord will maintain and repair, where necessary (i) the Common Areas; and (ii) the foundation and structural elements of the Building; and (iii) the electrical, gas, and plumbing systems serving the Property to the point of entry into

the Building, all except to the extent expressly set forth in Section 10.2 (Tenant's Obligations), Section 20 (Damage to Premises) or Section 21 (Taking for Public Use). All costs incurred by Landlord under this Section are included in Expenses, unless expressly excluded from Expenses in Section 3.2.1.

**10.2. Tenant's Obligations.** Tenant will (i) maintain, repair and replace so at all times in good condition and working order all portions of the Premises and fixtures situated within the Premises, including, without limitation, the interior walls, ceilings, floors and floor coverings, counters, and cabinets; doors, windows, storefront and related hardware associated with the Premises; (ii) maintain, repair and replace so at all times in good condition and working order the exterior elements of the Building including the roof, gutters, windows, soffits and exterior walls of the Building, (iii) maintain, repair and replace so as at all times in good condition and working order all portions of the mechanical, electrical, heating, ventilation and air conditioning ("HVAC"), telecommunications and plumbing systems exclusively serving the Premises or, if common, from the point of entry into the Building; (iii) maintain, repair, and replace, if necessary, all special equipment and decorative treatments installed by or at Tenant's request and that serve the Building only, including signs; (iv) make all necessary repairs and replacements to all portions of the Premises (and reimburse Landlord for all repairs or replacements to the Property on demand with interest at the Interest Rate from the date of expenditure by Landlord) if any such repairs or replacements are needed because of misuse or negligence of Tenant or Tenant's agents, employees or contractors; and (v) not commit waste to the Premises, Building, Common Areas or Property. Tenant will replace any damaged glass within forty-eight (48) hours after discovery of the damage with glass of the same kind, size and quality. Tenant shall perform commercially reasonable maintenance and repairs on the HVAC serving the Premises.

**10.3. Roof and HVAC Rooftop Unit.** Provided that Tenant has performed the maintenance of the roof and the HVAC system in a commercially reasonable manner, commencing on the third Lease Year, the following shall apply. Tenant's repair or replacement costs for the existing roof membrane shall be capped at \$5,000 per calendar year. In addition, Tenant's repair or replacement costs for the existing 2011 Carrier 40-ton rooftop air handler unit (the HVAC Rooftop Unit) shall be capped at \$5,000 per calendar year. Notwithstanding the foregoing or Section 10.2, if the roof membrane or the HVAC Rooftop Unit requires replacement during the Term, including any extension thereof, Landlord shall perform the replacement thereof, on a like-for-like basis, and the cost thereof shall be paid by Tenant as part of Tenant's Proportionate Share of Expenses over the remaining Term, including any extension thereto, to be amortized over the useful life of the roof or HVAC Rooftop Unit, as applicable, plus six percent (6%) interest.

**10.4. Reimbursement for Obligations Assumed.** If Tenant fails or refuses to perform any obligation required under this Lease, Landlord may (but will have no obligation to) perform the obligation, and Tenant will reimburse Landlord for the actual costs of such performance on demand with interest at the Interest Rate from the date of expenditure by Landlord. Except in an emergency creating an immediate risk of personal injury or property damage, and except after an Event of Default, Landlord will not perform obligations of Tenant and charge Tenant for the resulting costs unless, at least ten (10) days before work is commenced, Tenant is given notice outlining with reasonable particularity the work required, and Tenant fails within that time to initiate such work in good faith.

**11. Assignment and Sublease.** The interest of Tenant under this Lease may not be assigned or transferred, wholly or partially, or encumbered, nor may all or any portion of the Premises be sublet (any of these, a “Transfer”), without the prior written consent of Landlord. The parties acknowledge that Landlord has a significant interest in the person or persons occupying the Premises and that the granting or withholding of consent by Landlord to a Transfer is solely within Landlord’s discretion. If Tenant is an entity, any cumulative transfer of more than thirty percent (30%) of the ownership interests (e.g., stock, membership or partnership interests) will constitute a Transfer of this Lease for purposes of this Section. By execution of this Lease, Landlord hereby consents to Tenant subleasing up to twenty percent (20%) of the Premises to Genoa Healthcare, LLC. Any request for a consent to a Transfer must be in writing and include the name, address, business and financial condition of the prospective transferee.

**11.1. No Release of Tenant.** No Transfer, or consent thereto by Landlord, will relieve Tenant, wholly or partially, from the obligations of Tenant to Landlord under this Lease. Landlord’s acceptance of Rent from any other person is not a waiver of any provision of this Section. Consent to one Transfer is not a consent to any subsequent Transfer. Landlord may consent to subsequent assignments or modifications of this Lease by a transferee, without notifying Tenant or obtaining Tenant’s consent and without waiving any provision of this Section. If Tenant’s transferee defaults under this Lease, Landlord may proceed directly against Tenant without pursuing remedies against the transferee.

**12. Return of Premises.** Upon the expiration or earlier termination of this Lease, Tenant will, at Tenant’s sole cost and expense, (i) return the Premises in the order and condition required under this Section, ordinary wear and tear excepted, and except to the extent expressly set forth in Section 18 (Damage to Premises) or Section 21 (Taking for Public Use), and broom clean (including professional cleaning of any carpeting), (ii) remove all of Tenant’s personal property, including, without limitation, moveable furniture and trade fixtures, except as expressly provided in this Section, (iii) remove any alterations or improvements installed by Tenant that Landlord may require Tenant to remove, and (iv) repair all damage to the Premises and the Building resulting from any removal.

**12.1. Certain Personal Property to Remain.** Notwithstanding anything to the contrary contained herein, upon the expiration or earlier termination of this Lease, Tenant will not remove, without Landlord’s prior written consent, any of the following: trade fixtures that penetrate the roof; electrical wiring or panels; lighting or lighting fixtures; wall coverings; drapes, blinds or other window coverings; carpets or other floor coverings; heaters, air conditioners or any other heating or air conditioning equipment; fencing or security gates; or other similar building operating equipment (the “Premises-Specific Property”). The Premises-Specific Property, whether installed or owned by Landlord or Tenant during the Term, will be deemed Landlord’s property upon the expiration or earlier termination of this Lease. Provided, however, that the parties agree the trade fixtures specific to Tenant’s permitted Use (e.g., dental chairs, medical fixtures, etc.) are and will remain owned by Tenant and will not become Landlord’s property.

**12.2. Failure to Remove.** If Tenant fails to remove any items required by this Lease to be removed, those items will be deemed abandoned, and Landlord may remove or dispose of those items without liability to Tenant or others. Tenant will reimburse Landlord for the actual

costs of such removal and disposal, and any repair of damage resulting from removal, on demand with interest at the Interest Rate from the date of expenditure by Landlord.

**13. Access by Landlord.** Tenant will have access to the Premises 24 hours per day, 7 days per week, and 52 weeks per year. Subject to any Laws, Landlord will not be liable to Tenant for permitting or refusing to permit access to the Property or Premises by anyone. After reasonable notice, except in case of an emergency, Landlord may enter upon the Premises to assess compliance with this Lease, perform required or necessary services, maintenance, repairs, alterations, or services to the Building or the Premises, show the Premises to potential buyers, investors or tenants of the Building and post appropriate notices. Except in case of emergency, all entry to the Premises will be at times and in a manner that minimizes interference with Tenant's use of the Premises. Landlord may place customary "For Sale" or "For Lease" signs on the Property. Provided, however, Landlord acknowledges and understands that Tenant is operating a health care facility and, as such, will be subject to State and Federal privacy laws including, but not limited to, the Health Insurance Portability and Accountability Act of 1996 and its implementing regulations ("HIPAA"), and the regulations governing confidentiality of substance use and disorder information under 42 CFR Part 2. As such, and notwithstanding any other provision of access in this Lease, Landlord shall not have access to the Premises if such access may result in a violation of any applicable State or Federal privacy law, as determined by Tenant in accordance with applicable law. Tenant shall reasonably cooperate with Landlord to arrange for alternative access to the Premises in a way that does not violate applicable State or Federal privacy laws while allowing access by Landlord for the purposes described in this Section.

**14. Insurance and Liability.**

**14.1. Tenant's Insurance.** During the Term, Tenant will maintain in full force and effect insurance, or self-insurance, sufficient to satisfy Tenant's obligations under this Lease and all requirements of applicable law, as follows:

**14.1.1. Public Liability or self-insurance and Property Damage Insurance** covering the Premises and Tenant's use thereof against claims for personal injury or death and property damage occurring upon, in or about the Premises, such insurance or self-insurance to afford protection to the limit of not less than \$5,000,000.00 in respect of injury or death of any number of persons arising out of any one occurrence and such insurance against property damage to afford protection to the limit of not less than \$500,000.00 in respect to any instance of property damage. The insurance coverage required under this Section shall, in addition, extend to any liability of Tenant arising out of the indemnities provided for in this Lease. To the extent that Tenant shall self-insure against any risk, Tenant does hereby agree to maintain a self-insurance fund in an amount not less than \$1,000,000.00 against claims, losses and liabilities arising from causes which would otherwise have been covered by insurance, and to reimburse, pay, indemnify and hold Landlord harmless and defend Landlord against any and all judgments, liabilities, claims, losses, damages, expenses and costs which would otherwise have been covered by insurance required herein. Any amount of insurance required hereunder in excess of the self-insurance fund maintained by Tenant shall be insured against through excess coverage insurance, which shall otherwise conform to the insurance requirements hereunder. Concurrently with the delivery of the certificates of insurance required by this Lease,

Tenant shall deliver to Landlord a certificate signed by an authorized signatory of Tenant, setting forth the amount of Tenant's self-insurance fund or deductible respecting each risk or peril against which Tenant is required to insure under this Lease. Tenant shall, within thirty (30) days after any change in the amount of Tenant's self-insurance fund respecting any such risk or peril, deliver to Landlord a revised certificate; and

**14.1.2.** Tenant Improvements and Property Insurance covering any of the items included in Tenant's Improvements, Tenant's leasehold improvements including those constructed as part of Tenant's Improvements and Landlord's Improvements (if any), heating, ventilating and air conditioning equipment, trade fixtures, signage and personal property from time to time in, on or upon the Premises and, to the extent not covered by Landlord's similar insurance, alterations, additions or changes made by Tenant, in an amount not less than their full replacement cost, providing protection against perils included within standard forms of all risk coverage insurance policy, together with such other coverage the Landlord deems appropriate (i.e. flood and/or earthquake). Any policy proceeds from such insurance shall be held in trust by Tenant for the repair, reconstruction, restoration or replacement of the property damaged or destroyed, unless this Lease shall cease and terminate under the provisions of Section 20.

**14.1.3.** All policies of insurance provided for above shall be issued in form acceptable to Landlord by sound and reputable insurance companies with general policyholder's rating of not less than A and a financial rating of Class VI as rated in the most currently available "Best's Insurance Reports" and qualified to do business in the state in which the Premises is located. Each such policy shall be issued in the names of Landlord and Tenant and any other parties in interest from time to time designated in writing by notice by Landlord to Tenant. Said policies (not including the self-insurance fund) shall be for the mutual and joint benefit and protection of Landlord and Tenant and executed copies of each such policy of insurance or a certificate thereof shall be delivered to Landlord upon delivery of possession of the Premises to Tenant and thereafter within thirty (30) days prior to the expiration of each such policy. As often as any such policy shall expire or terminate, renewal or additional policies shall be procured and maintained by Tenant in like manner and to like extent. All such policies of insurance shall contain a provision that the company writing said policy will give Landlord at least thirty (30) days' notice in writing in advance of any cancellation, or lapse, or the effective date of any reduction in the amounts, or insurance. All such public liability, property damage and other casualty policies shall be written as primary policies which do not contribute to any policies which may be carried by Landlord. All such public liability and property damage policies (not including the self-insurance fund) shall contain a provision that Landlord, although named as an insured, shall nevertheless be entitled to recover under said policies for any loss occasioned to it, its servants, agents and employees by reason of the negligence of Tenant. Any insurance provided for above may be effected by a policy of blanket insurance, covering additional items or locations or insureds; provided, however, that (i) Landlord shall be named as an additional named insured thereunder as its interest may appear; (ii) the coverage afforded Landlord will not be reduced or diminished by reason of the use of such blanket policy of insurance; (iii) any such policy or policies (except any covering the risks referred to in Section 14.1.1 shall specify therein (or Tenant shall furnish Landlord with a written statement from the insurers under such policy specifying) the amount of the total insurance

allocated to the "Tenant Improvements and Property" more specifically detailed in Section 14.1.2; and (iv) the requirements set forth herein are otherwise satisfied. Tenant agrees to permit Landlord at all reasonable times to inspect the policies of insurance of Tenant covering risks upon the Premises for which policies or copies thereof are not delivered to Landlord.

**14.2. Landlord's Insurance.** During the Term, Landlord will maintain in full force and effect a policy or policies of insurance covering the Premises, including all improvements and alterations to the Premises to which Landlord has consented, whether installed or paid for by Landlord or Tenant, that provide coverage against such risks that are commonly covered under (i) a commercial general liability insurance policy providing non-contributory, secondary coverage to Tenant's liability policy, (ii) a "special form" type of policy (including earthquake and/or flood coverage, at Landlord's election), together with loss of rents coverage, and (iii) any other insurance that Landlord deems reasonably necessary. The insurance policy or policies may contain policy limits and deductibles and be in any form that Landlord deems appropriate. Landlord will similarly maintain insurance on all other portions of the Property. All insurance proceeds payable under Landlord's insurance must be payable solely to Landlord, and Tenant will have no interest therein. Notwithstanding anything to the contrary in the foregoing, during the Term, Landlord will maintain in full force and effect Commercial General Liability Insurance covering Bodily Injury and Property Damage on an "occurrence" form in the amount of not less than \$1 Million per occurrence and \$2 Million general aggregate for the protection of the Tenant.

**14.2.1. Tenant's Proportionate Share of Insurance.** "Tenant's Proportionate Share" of Insurance will be calculated in the same manner as Expenses and will include any deductible paid by Landlord under Landlord's Insurance. However, Landlord may reasonably allocate the cost of any insurance carried by Landlord on a "blanket coverage" basis insuring additional properties among the properties covered and include as Tenant's share only the portion of the cost reasonably allocated by Landlord to the Property. As of the Effective Date, Tenant's Proportionate Share of Insurance is 28.97% and is estimated to be \$927.63 per month for the calendar year 2024.

**14.3. Waiver of Subrogation.** Each property insurance policy obtained by each party that covers or applies to the Premises, or the personal property, fixtures, or equipment located in or on the Premises, must include an appropriate clause or endorsement that waives the insurance company's right to make any subrogation claim and that permits the insured, before any loss, to agree with the other party to this Lease to waive any claim it might have against the other party without invalidating the coverage under the insurance policy. The waiver of subrogation and permission for waiver of any claim must extend to the parties and their respective agents and employees. Each party releases the other and its agents and employees in respect of any claim (including a claim for negligence) that it might otherwise have against the other party or its agents or employees for loss, damage, or other casualty (including rental value or business interest, as the case may be) occurring during the term of this Lease and covered by any insurance policy in force (whether or not described in this Lease) at the time of such loss or damage or which was required to be maintained pursuant to the terms of this Lease. Notwithstanding the foregoing, this Section is inapplicable if it would have the effect, but only to the extent it would have the effect, of



invalidating any insurance coverage of Landlord or Tenant. This Subsection 14.3 shall only apply to maintained insurance policies, and not to Tenant's self-insurance.

**14.4. Indemnities.** Subject to the limits of the Oregon Constitution and the Oregon Tort Claims Act, Tenant will indemnify, defend, and hold harmless Landlord and Landlord's officers, directors, members, employees, and agents, from any and all third party claims or liability (including reasonable attorneys' fees and costs) for any uninsured damage to any property and for any injury, illness, or death of any person occurring in or on the Premises or Property when the damage, injury, illness, or death is caused by the negligent or intentional act or failure to act of Tenant, its agents, servants, employees, or licensees, by any breach of this Lease by Tenant, or by any use of the Premises or Property during the Term. Landlord will indemnify, defend, and hold harmless Tenant and Tenant's officers, directors, employees, and agents, and independent contractors from any and all third party claims or liability (including reasonable attorneys' fees and costs) for any uninsured damage to any property and for any injury, illness, or death of any person when the damage, injury, illness, or death is caused by the negligent or intentional acts or omissions of Landlord, its agents, servants, employees or licensees. The provisions of this Section will survive the expiration or earlier termination of this Lease. For the purposes of this Section, "damage" includes Damage, as defined in Section 20.

**14.5. Limitation of Landlord Liability.** Tenant will give notice of any failure by Landlord to perform any of Landlord's obligations under this Lease to Landlord and to the holder of any Encumbrance, as defined in Section 23.1, whose name and address have been furnished to the Tenant in writing, which notice will specifically describe the alleged failure. Landlord will not be in breach or default under this Lease unless Landlord (or the holder of any Encumbrance who receives a notice) fails to cure such nonperformance within thirty (30) days after receipt of Tenant's notice. However, if such non-performance reasonably requires more than thirty (30) days to cure, Landlord will not be in breach or default if such cure is commenced within such 30-day period and thereafter diligently pursued to completion. Tenant acknowledges that the Landlord is an Oregon limited liability company organized under the laws of the State of Oregon. As such, Landlord's partners, members, officers and principals shall not be personally liable for any claim, damages, penalties or other costs becoming due from Landlord under this Lease.

**14.5.1. Exculpation.** Unless caused by the gross negligence or willful misconduct of Landlord, Landlord will not be liable to Tenant for damages or injury caused by or resulting from any cause, including, without limitation, any of the following: (i) interruption, delay, limitation, curtailment, rationing or restrictions on the use of any utility or service; (ii) fire, steam, electricity, water, gas, snow, ice, or rain; (iii) the breakage, leakage, obstruction or other defects of pipes, sprinklers, wires, appliances, plumbing, air conditioning or lighting fixtures or any other cause; (iv) any condition of the Premises; (v) any act or omission of any other tenant of the Property; or (vi) failure of Landlord to make any repair or to perform any maintenance, unless such failure persists for an unreasonable time after receipt of notice of the need for such repair or maintenance is given to Landlord by Tenant. Landlord will use commercially reasonable efforts to promptly remedy any interruption in the furnishing of utilities and services. Subject to Section 20, below, none of (i) through (vi) above, nor any damage or injury caused by or resulting from any of them, will relieve Tenant from performance of Tenant's obligations under this Lease, or be deemed an eviction or disturbance of Tenant's use and possession of the Premises.

**14.5.2. Legal Proceedings.** A party in breach or default under this Lease (the “Defaulting Party”) will reimburse the other party (the “Nondefaulting Party”) on demand from the date of expenditure for any costs or expenses (but specifically excluding attorney fees) that the Nondefaulting Party incurs in connection with any breach or default of the Defaulting Party under this Lease. Such costs include, without limitation, costs incurred for the negotiation of a settlement, enforcement of rights, collection of unpaid amounts or otherwise. Subject to the limits of the Oregon Constitution and the Oregon Tort Claims Act, Tenant will also indemnify, defend and hold harmless Landlord from and against all costs, expenses, demands and liability Landlord may incur if Landlord becomes or is made a party to any claim or action (but excluding attorney fees) (i) instituted by Tenant against any third party, or by any third party against Tenant, or by or against any person holding any interest under or using the Property by license of or agreement with Tenant; (ii) for foreclosure of any lien for labor or material furnished to or for Tenant; (iii) otherwise arising out of or resulting from any act or transaction of Tenant; or (iv) necessary to protect Landlord's interest under this Lease in a bankruptcy proceeding, or other proceeding under Title 11 of the United States Code, as amended, instituted by or against Tenant.

**15. Default by Tenant.** Each of the following is an “Event of Default” by Tenant under this Lease:

**15.1.** Failure by Tenant to pay Rent within ten (10) days after Rent is due.

**15.2.** Failure by Tenant to comply with any other obligation of this Lease within thirty (30) days following notice from Landlord specifying the failure (except in the case of emergency, in which event Landlord will be required to give only such notice as is reasonable under the circumstances); however, if the nature of Tenant’s default requires more than thirty (30) days to correct, Tenant will not be deemed in default of this Lease as long as Tenant commences the cure of the failure within the 30-day period and thereafter proceeds in good faith and with all diligence to complete the cure as soon as possible but in no event later than ninety (90) days after the date of Landlord’s notice of default.

**15.3.** Tenant’s abandonment of the Premises.

**15.4.** Assignment or subletting by Tenant in violation of Section 11.

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

**16. Remedies for Tenant’s Default.** Upon the occurrence of an Event of Default, Landlord shall give Tenant thirty (30) days’ written notice with an opportunity to cure, or, if such nonperformance reasonably requires more than thirty (30) days to cure, thirty (30) day’s written notice to commence the cure and thereafter diligently pursue the cure to completion. If Tenant fails

to cure the Event of Default within thirty (30) days or, if the default 15.1 cannot be cured within thirty (30) days, fails to diligently pursue such cure, Landlord may (i) recover from Tenant any amounts due hereunder, or any damages arising out of the violation or failure of Tenant to perform any covenant, condition or provision of this Lease; (ii) reenter the Premises and retake possession from Tenant and/or any subleasing tenant or other occupant; (iii) terminate this Lease and any and all interest and claim of Tenant by virtue of this Lease, whether such interest or claim is existing or prospective, and terminate all interest of Tenant in the Premises (such termination will, at the election of Landlord, also terminate any sublease by Tenant, whether or not Landlord consented to such sublease); and/or (iv) relet the Premises.

**17. Default by Landlord.** Each of the following is an “Event of Default” by Landlord under this Lease:

**17.1.** Failure by Landlord to comply with any other obligation of this Lease within ten (10) days following notice from Tenant specifying the failure (except in the case of emergency, in which event Tenant will be required to give only such notice as is reasonable under the circumstances); however, if the nature of Landlord default requires more than ten (10) days to correct, Landlord will not be deemed in default of this Lease as long as Landlord commences the cure of the failure within the 10-day period and thereafter proceeds in good faith and with all diligence to complete the cure as soon as possible but in no event later than ninety (90) days after the date of Tenant’s notice of default.

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

**18. Remedies for Landlord’s Default.** Upon the occurrence of an Event of Default, Tenant shall give Landlord thirty (30) days’ written notice with an opportunity to cure, or, if such nonperformance reasonably requires more than thirty (30) days to cure, thirty (30) day’s written notice to commence the cure and thereafter diligently pursue the cure to completion. If Landlord fails to cure the Event of Default within thirty (30) days or, if the default cannot be cured within thirty (30) days, fails to diligently pursue such cure, Tenant may (i) recover from Landlord any amounts due hereunder, or any damages arising out of the violation or failure of Landlord to perform any covenant, condition or provision of this Lease; and/or (ii) pursue any other right or remedy available to Tenant at law, in equity, or under this Lease.

**18.1. Cumulative.** All remedies, to the extent they are not inconsistent with each other, will be deemed cumulative. The election by the non-defaulting party of one remedy will not prevent the subsequent election by the non-defaulting party of an inconsistent remedy unless the defaulting party has substantially changed its position in reliance upon such prior election by the non-defaulting party. The foregoing remedies will be in addition to, and will not exclude, any other remedy available to each party at law or in equity. The 10-day grace period for the payment of Rent is stipulated and will not be construed as an addition to, or an extension of, any grace period for the payment of rent provided by any applicable law. In the event this Lease is terminated, all obligations and indebtedness of a party to the other party arising out of this Lease prior to the date

of such termination will survive such termination. The acceptance of keys to the Premises by Landlord or Landlord's agents, employees or contractors, will not be deemed Landlord's election to retake possession of the Premises or terminate this Lease.

**18.2. Retaking of Possession.** Upon Landlord's election to retake possession of the Premises, Landlord may reenter the Premises and take possession thereof and remove any persons and property by legal action or by self-help with the use of reasonable force (if allowed by Law).

**18.3. Reletting.** In the event Landlord reenters the Premises, Landlord may relet all or some portion of the Premises, alone or in conjunction with other properties, for a term longer or shorter than the Term, upon any reasonable terms and conditions, including the granting of a period of rent-free occupancy or other rental concession, and Landlord may, but will not be required to, relet the Premises for any use or purpose other than specified in this Lease, and Landlord will not be required to relet to any tenant which Landlord may reasonably consider objectionable.

**19. Landlord's Damages for Tenant's Default.**

**19.1. Termination or Retaking of Possession.** In the event of termination or retaking of possession following an Event of Default, Landlord will be entitled to recover as damages, without waiting until the due date of any future Rent or until the date fixed for expiration of the Term, the total of:

**19.1.1.** The loss of rental income from the date of the Event of Default until a new tenant is, or with the exercise of reasonable efforts could have been, secured; and

**19.1.2.** Reasonable costs of reentry and reletting, including, without limitation, any expense of cleaning, repairing, altering, remodeling, refurbishing, removing Tenant's property, or any other expense incurred in recovering possession of the Premises or reletting the Premises, including, but not limited to, court costs, broker commissions (prorated over the unexpired Term), and advertising expense;

**19.1.3.** The amount of Landlord's recovery set forth in Subsections 19.1.1-2 above shall be reduced by the amounts paid by a subsequent tenant under a lease entered into by Landlord for the Premises, pursuant to Landlord's obligations to mitigate its damages.

**19.2. Landlord Right to Sue Periodically.** Landlord may sue periodically to recover damages during the period corresponding to the remainder of the Term, and no action for damages will bar a later action for damages subsequently accruing. Landlord may recover from Tenant all damages resulting from Tenant's failure to perform any obligation under this Lease without regard to whether Landlord terminates this Lease or retakes possession of the Premises.

**20. Damage to Premises.** Tenant will notify Landlord immediately upon the occurrence of any damage by fire or other casualty ("Damage") to the Premises ("Damage Notice").

**20.1. Rights and Obligations.** In case of Major Damage to the Premises or Property, Landlord may elect to terminate this Lease by notice to Tenant given within thirty (30) days after Landlord's receipt of the Damage Notice. In the case of Major Damage to the Premises only, Tenant may elect to terminate this Lease by notice to Landlord given within thirty (30) days after Tenant's receipt of the Damage Notice. "Major Damage" means Damage to the Premises or Property (as applicable) (i) that causes the Premises or any substantial portion of the Property to be unusable, as determined by Landlord (in the case of Major Damage to the Property) or as determined by Landlord and Tenant (in the case of the Premises); (ii) the repair of which will take more than one hundred fifty (150) days after Landlord's or Tenant's receipt of the Damage Notice; (iii) that is not required under this Lease to be covered by insurance; or (iv) for which insurance proceeds actually received by Landlord are not sufficient to pay the entire cost of restoration. If Landlord or Tenant does not terminate this Lease after any Major Damage, or if Damage occurs to the Premises or Property that is not Major Damage, Landlord or Tenant will promptly restore the Premises to the condition existing immediately before the Damage, and this Lease will continue in full force and effect, provided that Landlord will have no obligation to repair or replace Tenant's equipment, moveable furniture, trade fixtures, inventory and other personal property. In the event of any Damage to the Premises or Property, Tenant will promptly repair or replace Tenant's equipment, moveable furniture, trade fixtures, inventory and other personal property. Any insurance deductible paid by Landlord in connection with Damage under this Section will be included in additional rent.

**20.2. Damage Late in Term.** If Damage to the Premises or Property occurs during the last twelve (12) months of the Term, and such Damage will require more than thirty (30) days to repair, either Landlord or Tenant may elect to terminate this Lease as of the date the Damage occurred, regardless of the sufficiency of any insurance proceeds. The party electing to terminate this Lease will give notice to the other party of such election within thirty (30) days after Landlord's receipt of the Damage Notice. In such an event, Tenant will not be liable for Rent following termination of the Lease.

**20.3. Temporary Rent Reduction.** If Damage to the Premises or Property occurs and Landlord does not terminate this Lease, Rent payable from the date of the Damage until the date Landlord's restoration work to the Premises is substantially complete will be reduced in proportion to the unusable portion of the Premises, if any, as determined by Landlord in Landlord's reasonable discretion. Except for Rent reduction under this Section, if any, Tenant will not be entitled to any compensation, reduction, or reimbursement from Landlord as a result of any Damage, repair or restoration of or to the Premises or Property, except as may otherwise be allowed under the terms of the Lease.

**21. Taking for Public Use.** If more than twenty percent (20%) of the Premises is permanently taken under any right of eminent domain, or any transfer in lieu thereof (a "Taking"), then either party may terminate this Lease by giving notice to the other party within thirty (30) days after receipt of a copy of written notice of such Taking from the condemning authority, and the termination will be effective on the date possession of the Premises is delivered to the condemning authority (the "Taking Date"). If neither party terminates this Lease after a Taking, or if a taking occurs to the Premises that is not a Taking, (i) Landlord will promptly restore the remainder of the Premises to the condition existing immediately before the Taking, and this Lease

will continue in full force and effect as to the remainder of the Premises, provided that Landlord will have no obligation to repair any damage for which Tenant has been reimbursed by the condemning authority, and (ii) Rent payable commencing on the Taking Date will be reduced in proportion to the Taking. Any and all awards payable by the condemning authority in connection with a Taking will be the sole property of Landlord; however, nothing contained herein will prevent Tenant from prosecuting a separate claim for the value of Tenant's interest, as long as that award does not diminish the award that Landlord would otherwise be entitled to as a result of the Taking.

**22. Non-Default Early Termination.** This Lease may be terminated prior to expiration of its Term for the following non-default reasons:

**22.1.** By mutual agreement of the parties; however, Tenant acknowledges that Landlord shall have the right to withhold its consent to an early termination under this subsection at its sole discretion;

**22.2.** By County for the following reasons:

**22.2.1.** If County fails to receive expenditure authority sufficient to allow County, in the exercise of its reasonable administrative discretion, to continue to perform under this Lease; or

**22.2.2.** If federal or state laws, regulations or guidelines are modified or interpreted in such a way that performance under this Lease is prohibited, and will remain prohibited, for a period exceeding one (1) year.

In the event County terminates this Lease for non-default reasons as set forth above, County will pay to the Landlord the unamortized broker commissions and unamortized Tenant Allowance as an Early Termination Fee. For the purpose of calculating the Early Termination Fee, the broker commissions and the Tenant Allowance shall be amortized on a straight-line basis over the initial Term of the Lease. Tenant, or Tenant's authorized representative, shall pay the Early Termination Fee to Landlord concurrently with the delivery by Tenant, or its authorized representative, to Landlord of Tenant's notice to terminate.

**23. Protection of Lenders.**

**23.1. Mortgage Priority.** This Lease, and all rights of Tenant, will be subject and subordinate to all mortgages or ground leases ("Encumbrances") that may now or hereafter affect the Premises, Building or Property, whether or not the Encumbrances also cover other lands and buildings, to each and every advance under such Encumbrances, and to all renewals, modifications, replacements, and extensions of such Encumbrances. This Section is self-operative, and no further instrument of subordination will be required. In confirmation of the subordination, Tenant will execute, acknowledge, and deliver any instrument that Landlord or the holder of any Encumbrance may reasonably request to evidence the subordination (an "SNDA") within thirty (30) days after written request, provided that the SNDA states that Tenant's right to possession of the Premises during the Term will not be disturbed if Tenant pays Rent, performs all of Tenant's

obligations under this Lease and an Event of Default has not occurred. If the Premises are sold as a result of foreclosure of any Encumbrance thereon, or otherwise transferred by Landlord or any successor, Tenant will attorn to the purchaser or transferee. Tenant waives the protection of any Law which gives or purports to give Tenant any right to terminate this Lease or surrender possession of the Premises upon the transfer of Landlord's interest.

**23.2. Estoppel Certificate.** Tenant will within thirty (30) days after written request from Landlord, execute, acknowledge, and deliver to Landlord a statement in writing certifying, if true, that (i) that none of the terms or provisions of this Lease have been changed (or if they have been changed, stating how they have been changed); (ii) that this Lease has not been canceled or terminated; (iii) the last date of payment of Rent and the time period covered by such payments; (iv) that Landlord is not in default under this Lease (or, if Landlord is claimed to be in default, stating why); (v) the address to which notices to Tenant are to be sent; and (vi) such other representations or information with respect to Tenant, the Premises, the Property or this Lease as Landlord may reasonably request or which any prospective purchaser or holder of any Encumbrance may reasonably require (an "Estoppel"). Landlord may deliver Tenant's signed Estoppel to any prospective purchaser or holder of any Encumbrance, and such purchaser or holder of any Encumbrance may rely conclusively upon the Estoppel as true and correct, and Tenant will be estopped from denying the accuracy and/or correctness of the Estoppel.

**24. Notices.** Any notices required or permitted to be given under the terms of this Lease, or by law, must be in writing and must be given (i) by personal delivery; (ii) by certified mail, return receipt requested; (iii) by overnight courier; or (iv) by electronic mail ("Email"), directed to the parties at the addresses on the first page of this Lease, or such other address as either party may designate by notice to the other as such party's notice address prior to the time of the giving of such notice. Any notice given will be effective and deemed to have been duly given and received when actually received, or (a) if by personal delivery, when delivery refused; (b) if by certified mail, four (4) days after deposit in the United States mail, return receipt requested, with postage prepaid; (c) if by overnight courier, one (1) business day after deposit with a nationally-recognized overnight courier for delivery the next business day; or (d) if by Email, upon confirmation of receipt by the addressee (by automatic read receipt or reply Email), but only if the Email is immediately followed by a "hard" copy sent by overnight courier or certified mail, return receipt requested. Should Tenant fail to provide a valid mailing address on the first page of this Lease, the Premises will be deemed Tenant's address for notice purposes. Should Landlord fail to provide a valid Email address on the first page of this Lease, Landlord has elected not to receive notice by Email under this Lease, whether or not Landlord's agents or employees communicate with Tenant by Email.

**25. Force Majeure.** If the performance by either party of any obligation under this Lease is prevented or delayed by any acts of God, civil commotion, labor disputes, strikes, fire, flood or other casualty, shortages of labor or material, government regulation or restriction and weather conditions, or other causes beyond the reasonable control of the party from whom performance of such obligation is required, the party will be excused from such performance for the period of time equal to the time of that prevention or delay. Notwithstanding the foregoing, in the event of Force Majeure, Tenant shall not be relieved from its payment of Additional Rent during any Force Majeure event except as set forth in Section 20, above.

**26. Lease Construction and Interpretation.** This Lease constitutes a final and complete statement of the agreement between the parties, and fully supersedes all prior agreements or negotiations, written or oral. This Lease has been negotiated by Landlord and Tenant with the assistance of their legal counsel or the opportunity for review by their respective legal counsel, and it is the intent of Landlord and Tenant that no inference, presumption or conclusion will be drawn for or against either party as drafter of this Lease. Captions and headings in this Lease are for reference only. A determination by a court of competent jurisdiction that any provision of this Lease or any part thereof is illegal or unenforceable shall not cancel or invalidate this Lease or the remainder of such provision of this Lease, which shall remain in full force. All of the covenants, agreements, conditions and terms contained in this Lease will be binding upon, apply and inure to the benefit of the successors and assigns of the respective parties hereto, and all said covenants will be construed as covenants running with the land, provided that nothing in this paragraph will be construed as modifying in any way any restrictions on assignment and subletting provided in this Lease. As used in this Lease, the words “will” and “shall” are imperative, rather than permissive. As used in this Lease, the word “Landlord” means only the current owner or owners of the fee title to the Premises at the time in question. Any Landlord who transfers fee title to the Premises is released from all liability with respect to the obligations of Landlord under this Lease to be performed on or after the date fee title is transferred, provided that any transferee assumes Landlord’s interest in this Lease. As used in this Lease in any provision relating to the conduct, acts or omissions of Tenant, the term “Tenant” means Tenant, jointly and severally if more than one person or entity, and Tenant’s agents, employees, subtenants, invitees, successors and assigns. The Laws of the state in which the Property is located will govern this Lease. All provisions of this Lease, which by their nature should survive expiration or earlier termination of this Lease, will survive expiration or earlier termination of this Lease, including, without limitation, representations, warranties, payment and indemnity obligations, and limitations of liability. Time is of the essence for all provisions of this Lease.

**27. Lease Execution and Amendment.** This Lease, and any amendment to this Lease, may be executed in counterparts, including both counterparts that are executed on paper and counterparts that are in the form of electronic records and are executed with an electronic signature. All executed counterparts will constitute one agreement, and each counterpart will be deemed an original. To be effective, any amendment to this Lease must be in writing and executed by both Landlord and Tenant. Landlord’s delivery of this Lease, or any amendment to this Lease, to Tenant will not be deemed to be an offer to lease, and this Lease will not be binding upon either party until executed and delivered by both parties. An electronic signature means any electronic sound, symbol or process attached to or logically associated with a record and executed and adopted by a party with the intent to sign such record, including Email electronic signatures exchanged as .pdf files. The parties hereby acknowledge and agree that electronic records and electronic signatures, including DocuSign and similar applications, may be used in connection with the execution of this Lease and any amendment or modification of this Lease. Each party that is an entity represents and warrants that the individual executing this Lease on behalf of such party has legal authority to execute this Lease on behalf of such party and will provide written evidence of such authority upon request. Neither this Lease, nor any memorandum of this Lease, will be recorded without the prior written consent of Landlord.

**28. USA Patriot Act Compliance.** Tenant represents to Landlord that Tenant is not (and is not engaged in this Lease on behalf of) a person or entity which is prohibited from doing



business pursuant to any law, regulation or executive order pertaining to national security (“Anti-Terrorism Laws”). “Anti-Terrorism Laws,” include, but are not limited to, the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, Pub. L. No. 107-56 (aka, USA Patriot Act); Executive Order 13224; the Bank Secrecy Act, 31 USC Sec. 5311 et. seq.; the Trading with the Enemy Act, 50 USC App. Sec. 1 et. seq.; the International Emergency Economic Powers Act, 50 USC Section 1701 et. seq.; sanctions and regulations enacted pursuant thereto by the Office of Foreign Assets Control (“OFAC”), as well as laws related to the prevention and detection of money laundering in 18 USC Sec. 1956 and 1957.

**29. Waiver.** All waivers must be in writing and signed by the waiving party. Landlord’s delay or failure to enforce any provision of this Lease will not be a waiver and will not prevent Landlord from enforcing that provision or any other provision of this Lease in the future. Landlord’s acceptance of payment (partial or full) from Tenant is not a waiver. No statement on a payment check from Tenant or in a letter accompanying a payment check will be binding on Landlord, and Landlord may, with or without notice to Tenant, negotiate any payment check without being bound to the conditions of any such statement.

**30. Brokers.** Colliers International OR, LLC dba Colliers International is the broker for Tenant ( “Broker”). Landlord will pay Broker on the Effective Date a broker commission in the amount of \$200,259.39. Each party will hold harmless the other party from all damages, including attorneys’ fees, resulting from any claims that may be asserted against the other party by any broker, finder, or other person, with whom the other party has or purportedly has dealt, other than Broker.

**31. Limitation of Liabilities.** This Lease is expressly subject to the debt limitation of Oregon counties set forth in Article XI, Section 10, of the Oregon Constitution, and is contingent upon funds being appropriated therefore. Any provisions herein which would conflict with law are deemed inoperative to that extent.

**32. No Attorney Fees.** In the event any arbitration, action or proceeding, including any bankruptcy proceeding, is instituted to enforce any term of this Lease, each party shall be responsible for its own attorneys’ fees and expenses

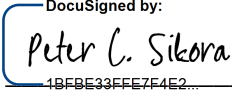
**33. Exhibits.** The following exhibits are incorporated into and made a part of this Lease:

- Exhibit A** – Site Plan of the Property
- Exhibit B** – Floor Plan of the Premises
- Exhibit C** – Work Letter
- Exhibit D** – Signage Criteria
- Exhibit E** – Rules

IN WITNESS WHEREOF, the parties have executed this Lease Agreement as of the Effective Date.

**LANDLORD:**

205 Sunnyside, LLC

By:  \_\_\_\_\_  
1BF8E33FFE7F4E2...

Name: Peter C. Sikora

Its: Manager

**TENANT:**

Clackamas County

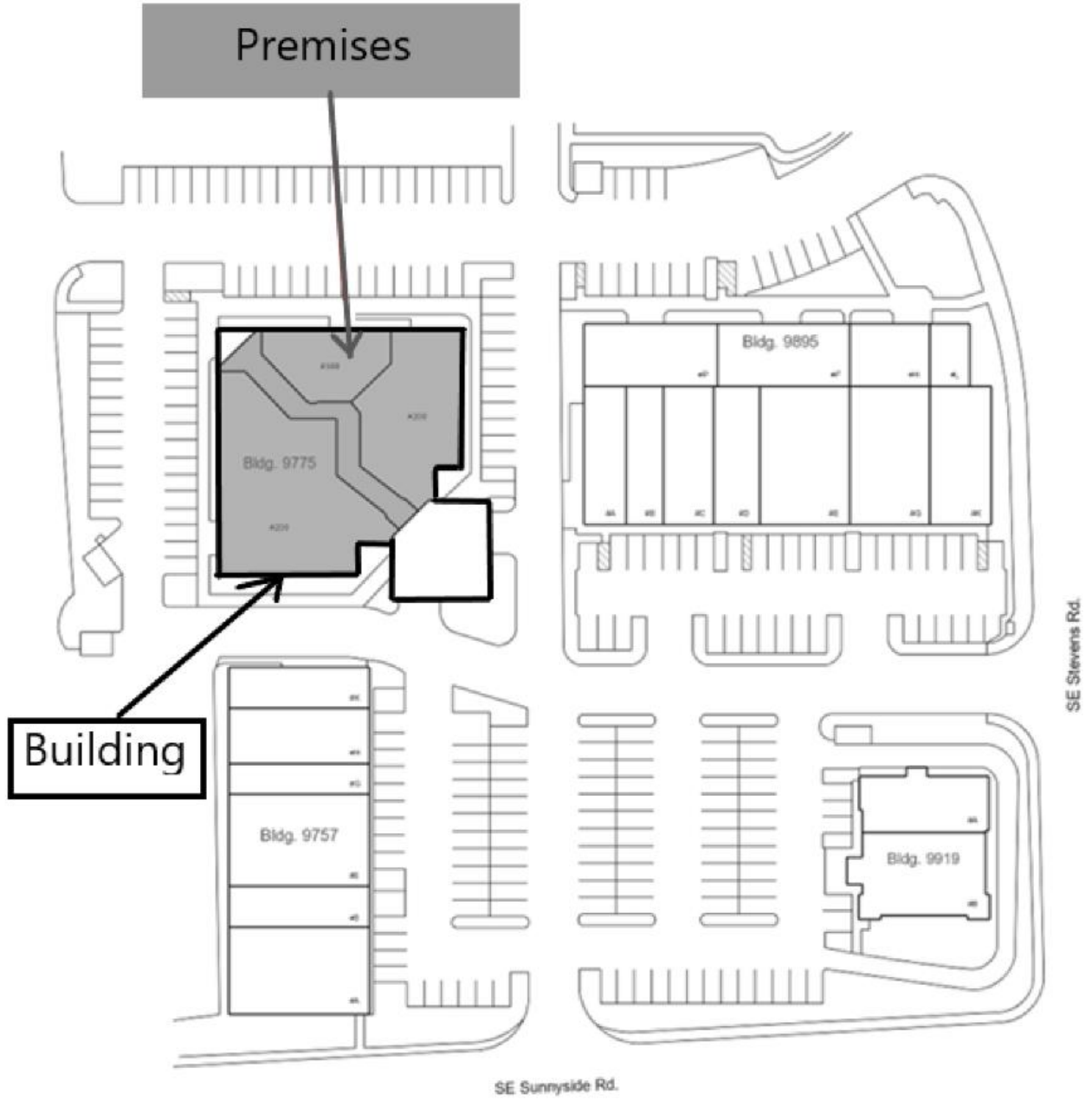
By: \_\_\_\_\_

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

Its: \_\_\_\_\_

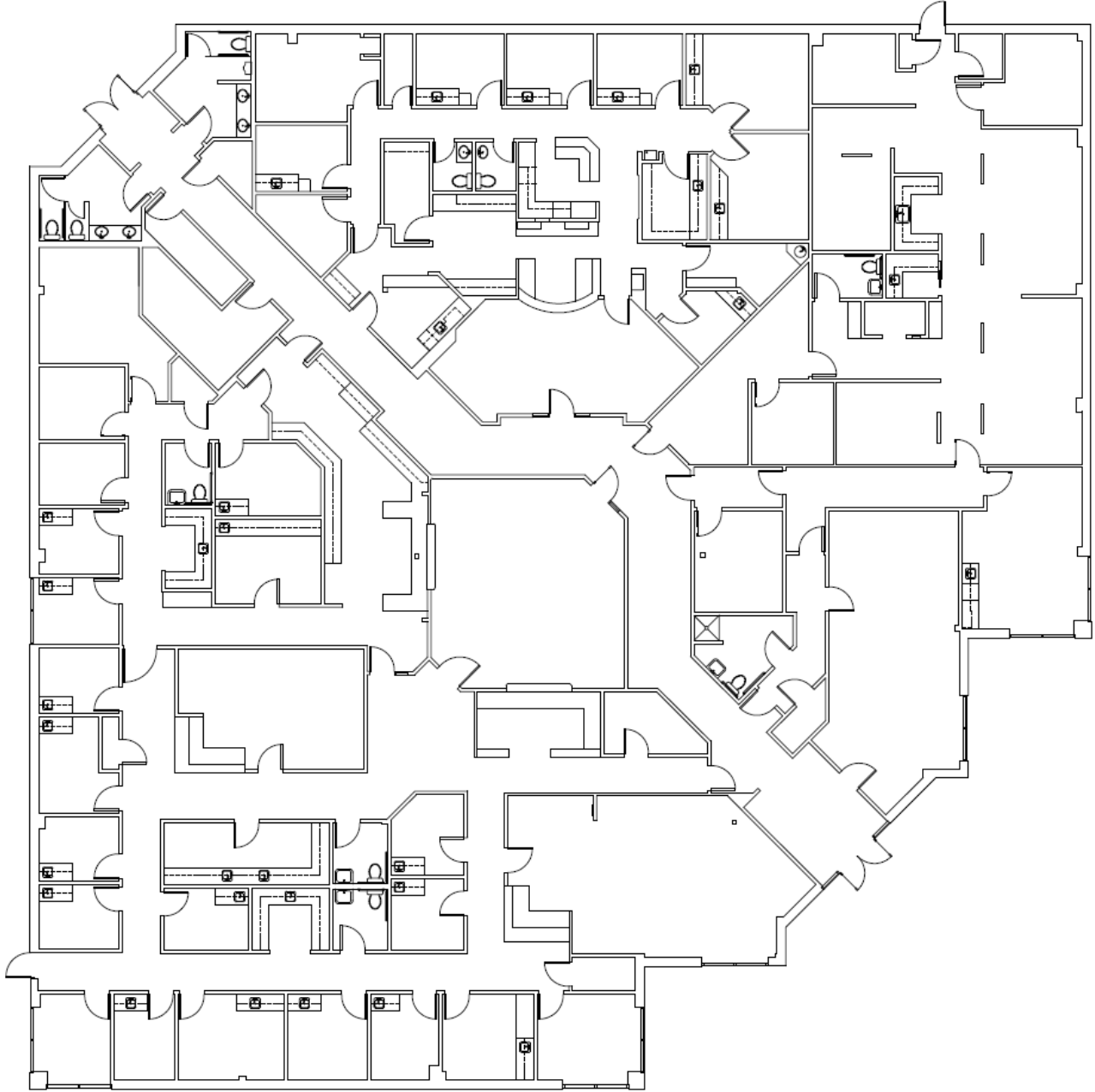
**Exhibit A**

**Site Plan of the Property**



**Exhibit B**

**Floor Plan of the Premises**



 **FLOOR PLAN**  
1/4" = 1'-0"

15,093 G.S.F.

## Exhibit C

### Work Letter

1. **Landlord Improvements.** Landlord will perform the work listed in the attached **Exhibit C-1** (collectively, the “Landlord Improvements”) in compliance with applicable Laws and at Landlord’s sole cost and expense.

2. **Tenant Improvements.** Commencing on the Delivery Date, Tenant may install such additional improvements, fixtures, finishes, and signage in the Premises as Tenant deems necessary or desirable, at Tenant’s sole cost and expense (collectively, the “Tenant Improvements”), subject to Landlord’s written approval of final plans and specifications, which approval will not be unreasonably withheld, and which shall be subject to the terms and conditions of this Work Letter.

3. **Preliminary Plans Approval.** Tenant will deliver schematic preliminary plans for the Tenant Improvements (“Tenant’s Preliminary Plans”) and the name of Tenant’s General Contractor to Landlord for written approval within sixty (60) days of mutual execution of the Lease. Landlord shall have ten (10) days to make reasonable objections, with specificity, to Tenant’s Preliminary Plans or to Tenant’s proposed General Contractor.

4. **Final Plans Approval.** Tenant will deliver final permit ready plans for the Tenant Improvements based on Tenant’s Preliminary Plans, along with notice of any material changes to Tenant’s Preliminary Plans (“Tenant’s Final Plans”) to Landlord for approval before Tenant submits Tenant’s Final Plans to the government authority with jurisdiction. Landlord has no obligation to review Tenant’s Final Plans for completeness or compliance with Laws, and Landlord’s approval of Tenant’s Final Plans does not give rise to any responsibility or obligation of Landlord for construction of the Tenant Improvements.

5. **Construction.** Tenant will use a licensed and bonded general contractor (the “General Contractor”) and will keep the Premises free and clear of any and all liens or encumbrances imposed or threatened to be imposed on the Premises by reason of any contract, act or omission by Tenant. Tenant warrants to Landlord that materials and equipment furnished for the construction of the Tenant Improvements will be of good quality and new unless otherwise required or permitted by Tenant’s Final Plans, that the work will be free from defects not inherent in the quality required or permitted, that the work will be completed in a workmanlike manner, in accordance with industry standard and all applicable Laws, and conform with the requirements of Tenant’s Final Plans and that the Premises upon completion of construction will be in full compliance with all applicable Laws then in effect, including by way of example but not as a limitation, environmental, zoning, ADA, OSHA, building and land use laws, codes and regulations and will be cleaned of all construction debris. Tenant will provide to Landlord (i) a work commencement notice and the General Contractor’s construction schedule for the Tenant Improvements; (ii) notice in advance of any work requiring access to the adjoining tenant’s leased space or disruption of any utility service to the Premises or Building; and (iii) work progress reports as reasonably requested by Landlord within ten business (10) days of such request.

**6. Tenant Improvement Allowance.** Landlord will provide a Tenant Improvement Allowance of up to \$377,325.00 (the “Tenant Allowance”) to be used for the Tenant Improvements including hard and soft costs. In no event shall the Tenant Allowance be used for furniture, fixtures and equipment, low voltage wiring (computer/telephone/internet), Tenant’s security system, moving, signage, project management or rent. Landlord will pay to Tenant the Tenant Allowance within thirty (30) days after receipt of (i) an invoice from Tenant which includes cost detail of and invoices for the Tenant Improvement work completed; (ii) signed unconditional lien waivers from the General Contractor, as defined in above, and all major sub-contractors; (iii) written notice from the General Contractor that the Tenant Improvements are substantially complete and all final permit inspection approvals have been obtained; (iv) a copy of the Certificate of Occupancy for the Premises; and (v) a copy of the “As-Built” plans for the Premises. Notwithstanding the foregoing, payment of the Tenant Allowance is subject to Tenant not being in default at the time Tenant requests reimbursement and Tenant being open for business in the Premises.

**Exhibit C-1**

**Landlord Improvements**

Landlord shall deliver the Premises in its as-is condition.

## Exhibit D

### **Signage Criteria**

Landlord hereby approves Tenant's exterior signage that is already installed at the Property.

These criteria have been established for the purpose of assuring an outstanding Property and for the mutual benefit of all tenants. Conformance is strictly enforced, and any installed nonconforming or unapproved signs must be brought into conformance at the expense of the tenant.

#### **A. GENERAL REQUIREMENTS**

1. The design of all signs, including style and placement of lettering, size, color, materials and method of illumination, are subject to Landlord's approval.
2. All permits for signs and their installation shall be obtained by the Tenant. Signs shall be designed and constructed in accordance with these standards and applicable City standards; the more rigorous provisions shall control.
3. All signs shall be constructed, installed and maintained at Tenant's expense.
4. Tenant is responsible for the fulfillment of all requirements of these criteria.
5. Except as provided herein, no advertising placards, banners, pennants, names, insignia, trademarks or other descriptive material, shall be affixed or maintained upon the glass panes and supports of the show windows and doors, or upon the exterior wall of the building or storefront unless specifically approved in writing by Landlord.
6. Tenant is required to place upon each public entrance of the Premises not more than 144 square inches of white decal application lettering not to exceed two inches (2") in height, indicating hours of business and emergency telephone numbers.
7. The removal of signs is the responsibility of the Tenant. Such signs shall be removed within five (5) days of the expiration or earlier termination of Tenant's Lease, all at Tenant's expense. AT THIS TIME, IT IS TENANT'S RESPONSIBILITY TO RESTORE THE SIGN BAND FASCIA TO LIKE NEW CONDITION WITH ALL BUILDING PENETRATIONS SEALED AND WATER TIGHT.

#### **B. SPECIFICATIONS FOR EXTERIOR BUILDING SIGNS**

1. No animated, flashing, moving or audible signs are permitted.
2. All signs and their installation shall comply with all local building and electrical codes and bear the U.L. label.
3. No exposed conduit is permitted.
4. All conductors, transformers and other equipment shall be concealed.



5. Painted lettering, paper or cardboard signs, temporary signs (exclusive of contractor or real estate leasing or sale signs), stickers and decals are not permitted except as specified.
6. All signs shall be professionally made and installed.
7. Subject to applicable law, each tenant is allowed one (1) sign on each exterior wall of its premises. The total sign length shall in no event be more than 70% of the wall length. All signs shall be centered over the window.
8. No signs perpendicular to the wall face of the building or storefront is permitted. All signs shall be located in the sign band area. No signs shall be placed to extend above or below the sign band area.

**D. SPECIFICATIONS FOR PYLON/MONUMENT SIGNS**

If a pylon and/or monument sign exists at the Property, and if Tenant is granted the right to place its sign panel(s) on the pylon/monument sign, such signage shall be subject to all applicable terms of the foregoing signage criteria, plus the following:

1. Landlord shall have the right to charge Tenant a proportionate share (based on the square footage of the pylon/monument sign advertising space allocated to tenants) of all costs incurred by Landlord to operate, illuminate, maintain, or repair the pylon/monument sign, including, without limitation, insurance and utility costs.
2. Landlord has the right to temporarily remove Tenant's pylon/monument panel sign if it deems necessary, in its sole and absolute discretion, to do so and any temporary removal and subsequent reinstallation shall be at Landlord's expense.
3. At the earlier expiration or termination of the Lease, Tenant shall remove its panel from the pylon/monument sign and immediately install a blank panel in its place.

**E. SHOP DRAWING REQUIREMENTS**

Each tenant shall submit to the Landlord for approval before fabrication at least three (3) copies of the sign shop drawings, (1) one copy to be colored indicating the location, size, layout, design and color of proposed signs, including all lettering and/or graphics. All drawings must be fully dimensioned and drawn to scale to the following specifications:

1. An elevation view is required to show wall area and sign placement.
2. An end view detail is required to show depth of letter and stand-off from wall and installation methods.
3. All materials are to be specified including brand names and thickness. Also, paint brands, color and primer usage to be specified.
4. Location of all penetrations in the sign band or building walls shall be indicated.
5. Design and lettering details to have crisp edges, as if ready to project to full size patterns.

**F. CONSTRUCTION REQUIREMENTS**

1. All construction to be of "craftsman" quality and installed by a reputable and

licensed contractor.

2. No exposed wiring running between individual letters is allowed. Amp load shall be computed and shown on approved drawings.
3. All exterior signs, bolts, fastenings and clips shall be of non-rusting materials such as enamel, stainless steel, aluminum, brass or bronze. No ferrous materials of any type are permitted.
4. Penetrations of the building structure shall be kept to an absolute minimum and in accordance with approved drawings. All exterior signs must be mounted in the sign band.
5. Company labels are prohibited on the exposed surface of signs except those required by local ordinance which shall be applied in an inconspicuous location.
6. Sign contractor shall repair any damage to property or building caused by its work.
7. Tenant shall be fully responsible for the actions of Tenant's sign contractors.

**G. MAINTENANCE**

1. Tenant is responsible for any damage to the building caused by the sign and sign installation. Tenant is advised to have an understanding with the sign contractor that constructs the sign of its liability regarding damage that occurs as a result of a sign installation or defect. Landlord recommends the purchase of an extended warranty from your sign contractor to satisfy the above maintenance requirements.
2. Maintenance of the Tenant's sign is of prime importance. Regular sign cleaning is required. Any delamination or other structural occurrence that reflects on the visual appeal of the sign shall be repaired at the expense of the Tenant in a timely fashion. All criteria set forth here also apply to maintenance service and reconstruction.

## **Exhibit E**

### **Rules**

1. **Tenant's Concrete Modifications.** Tenant must request and obtain Landlord's written approval prior to coring, drilling, grinding, cutting or otherwise modifying any existing concrete ("Tenant's Concrete Modifications"). Should any of Tenant's Concrete Modifications occur at a post-tensioned concrete deck, Tenant shall complete a comprehensive scan of the deck area(s) to be impacted (via x-ray, ground penetrating radar, electromagnetic locating, or similar technology) and develop a detailed layout of the proposed Tenant's Concrete Modifications, which shall then be submitted to the Landlord as part of Tenant's request for Landlord's written approval. Regardless of whether Tenant's Concrete Modifications are approved by the Landlord, Tenant shall be fully liable for any actual and consequential damage associated with Tenant's Concrete Modifications.

2. **Parking.** Only standard size automobiles or pickup utility vehicles are allowed. No large trucks or other large vehicles may park within the Property; provided, however, temporary parking of large delivery vehicles in the Property may be permitted on a temporary basis for loading and unloading of inventory or with Landlord's written consent. Vehicles must park only in striped parking spaces and not in driveways, loading areas or other locations not specifically designated for parking. Handicapped spaces are reserved for those legally permitted to use them.

3. **Areas Outside of Premises.** Tenant shall keep the outside areas immediately adjoining the Premises and the Building clean and free from snow, ice, dirt, waste, obstructions or merchandise.

4. **Passageways and Landscaped Areas.** Sidewalks, passageways, exits, entrances, stairways, and all other access areas shall not be obstructed or used by tenants for any purpose other than ingress to and egress from their respective premises (e.g., no loitering). Such areas are not for the use of the general public and Landlord shall retain the right to control and prevent access by any persons engaged in illegal, obstructive, or objectionable activities. Tenant is prohibited from using the landscaping areas for its personal use.

5. **Non-Smoking Property.** Smoking is strictly prohibited on the Property. Tenant will not smoke or allow their agents, employees, customers or invitees to smoke in or about the Premises or common areas of the Property.

6. **Neatness.** Tenant shall keep the Premises in a neat and clean condition.

7. **Signage, Storage and Decorations.** No tenant storage, signage or decorations are allowed outside the Premises, excepting those expressly approved by Landlord. Landlord has the right to remove and dispose of any storage, unapproved signs or decorations, without prior notice to Tenant, and may charge the Tenant for any costs associated with such removal and disposal. No awning or projections on the exterior of the Building are allowed without Landlord's prior written consent, not to be unreasonably withheld, conditioned, or delayed.

8. **Building Penetrations.** Tenant may not mark, drive nails, screw or drill into, paint, or in any way deface the exterior walls, roof, foundations, bearing walls, or pillars without the prior written consent of Landlord.

9. Building Protection. Tenant must close and securely locked all doors when tenant is closed and shall shut off all water faucets, water apparatus, cooking devices and other equipment before the Tenant or its employees leave the Premises. All utilities should be used and monitored in such a manner so as to prevent waste or damage.

10. Plumbing. Toilets, urinals, sinks and other apparatus shall be used only for the purpose for which they were constructed. No foreign substance of any kind shall be thrown therein.

11. No Flammable Materials. No kerosene, gasoline, flammable or combustible fluid or material, or other Hazardous Materials are allowed. Traditional burning candles or open flames are prohibited.

12. Pest Control. Tenant shall keep the premises free from termites, pests and rodents, at Tenant's cost and expense.

13. Nuisance. No tenant shall use, keep or permit to be used or kept in its premises any foul or noxious substance. No noise, vibration, interference, or other objectionable use which is in any way offensive to other tenants or those having business at the Property is allowed. Tenant is prohibited from keeping any animals at the premises, except for service dogs specifically trained to aid a person with a disability, or as otherwise approved by Landlord in writing.

14. Overload. Tenant shall not use the Premises in any manner that may overload the standard heating, ventilating or air conditioning systems. Tenant may not place a load upon any floor which exceeds the load per square foot which such floor was designed to carry, or which is allowed by law.

15. Use. Where allowed by Tenant's permitted use, cooking in the Premises shall only be done in strict accordance with all applicable laws. At no time shall the Premises be used for lodging.

16. Equipment. Equipment within the Premises shall not be used for any illegal, improper, immoral or objectionable purpose, or any business or activity other than that specifically provided for in Tenant's Lease. All equipment shall be Underwriters' Laboratory approved equipment and used in accordance with applicable laws. Business machines and mechanical equipment belonging to Tenant which cause noise or vibration shall be placed and maintained by Tenant, at Tenant's expense, on vibration eliminators or other devices sufficient to eliminate noise or vibration.

17. Low Voltage Electronics. If Tenant requires internet, telephones, security systems or similar services, it shall first obtain and comply with Landlord's reasonable instructions regarding their installation. No boring or cutting for wires is allowed without the written prior consent of Landlord. The location of security systems, telephones, internet and other equipment affixed to all premises shall be subject to the written approval of Landlord.

18. Sales. No auction, fire, bankruptcy, going out of business or selling-out sales are allowed.

19. Speakers, Monitors, Radios. No tenant shall install any radio, monitor, loudspeaker or other device on the exterior walls or the roof of the Building without the written consent of Landlord. Tenant shall not interfere with radio or television broadcasting or reception from or in the Building or elsewhere. No loud speakers, televisions, video monitors, radios, or other devices shall be used in a manner so as to be heard or seen outside of the Premises.

20. Garbage. Each tenant shall collect and store its garbage, recycling, food waste, grease/fats/oils, and other refuse within the interior of its premises. Such waste shall be stored entirely within containers appropriate for the specific waste being stored and shall be managed in an effort to minimize the number of instances these items are transported from inside of the premises to the designated waste collection location assigned to the premises. Transportation of garbage, recycling, food waste, grease/fats/oils, and other refuse to the designated collection location shall be via designated routes and completed in a manner and at a time that will not unreasonably disturb others. Tenant shall ensure that all waste and recycling items are placed into the appropriate containers within the common areas or within Tenant's specific waste/recycling containers (as applicable) on the day of trash and/or recycling pickup. Tenant shall not place in the designated waste collection areas any material that is not accepted by the waste collection vendor(s) servicing the Property, or that may not be disposed of per applicable law. Tenant's use of waste collection locations may be governed by additional rules established by Landlord for the purpose of keeping the waste collection locations operable, secure and sanitary.

21. Canvassing. Canvassing, soliciting, distribution of flyers or any other written material, political activities (such as rallies, political events, signature gathering, advertisements, promotions) and peddling on the Property are prohibited and each tenant shall cooperate to prevent the same.

22. Property Name. Landlord shall have the right to change the name and address of the Property. Tenant's use of the name of the Property in connection with Tenant's promotions or advertisements shall be subject to Landlord's written consent.

23. Expulsion. Landlord reserves the right to exclude or expel any person who, in Landlord's judgment, is intoxicated or under the influence of liquor or drugs or who is in violation of any of the Rules.

24. Fire, Life, Safety. Tenant shall comply with all safety, fire protection and evacuation procedures and regulations established by Landlord or any governmental agency.

25. Theft and Vandalism. Tenant is solely responsible for protecting its Premises from theft, robbery, vandalism and other criminal activity.

26. Waiver. Landlord may waive any one or more of these Rules for the benefit of any particular tenant or tenants, but no such waiver by Landlord shall be construed as a waiver of such Rules in favor of any other tenant or tenants, nor prevent Landlord from thereafter enforcing any such Rules against any or all tenants. Landlord reserves the right to make such other and reasonable rules as in its judgment may from time to time be needed for safety and security, for care and cleanliness of the Property. All changes shall be considered customary and ordinary for similar projects in the Portland Metropolitan region and with notice to Tenant no less than thirty (30) days in advance of the proposed change.

27. Responsibility. Tenant shall be responsible for the observance of all the foregoing Rules by Tenant's employees, agents, clients, customers, and invitees.

28. Liability and Penalty. Any cost, damage, claim, liability, remediation or repair required due to Tenant's failure to comply with the foregoing Rules shall be at Tenant's sole cost. Tenant shall cure any default or breach of these Rules within thirty (30) days upon notice from Landlord. Landlord reserves the right to charge Tenant a penalty of One Hundred Fifty Dollars

(\$150.00) for each day or portion thereof that Tenant fails to correct such default within the applicable period to cure such default.

29. Effect on Lease. These Rules are in addition to and shall not be construed to in any way to modify, alter or amend, in whole or in part, the terms, covenants, agreements and conditions of the lease.