

RESOLUTION NO. 1485

A RESOLUTION RECOMMENDING ADOPTION OF AN AGREEMENT BETWEEN
THE CITY OF CENTRAL POINT AND THE CENTRAL POINT CHAMBER OF
COMMERCE FOR CONTRACT OPERATIONS OF THE CITY'S VISITOR
INFORMATION CENTER.

RECITALS:

- A. The City of Central Point retains the authority to reduce costs and produce public benefit through the use privatized contract services.
- B. The City of Central Point and the Central Point Chamber of Commerce deem it to be to their mutual advantage and to be in the best interest of their respective constituencies/membership to enter into this agreement for the purpose of the Chamber of Commerce to operate the City's Visitor Information Center.

The City of Central Point resolves:

Section 1. The attached agreement between the City of Central Point and the Central Point Chamber of Commerce for the operation of the City's Visitor Information Center is approved.

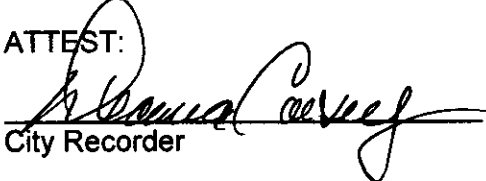
Section 3. Upon approval of this agreement the City Manager is authorized to execute the Chamber of Commerce commercial office space lease agreement.

Section 2. Upon approval of this agreement by the Central Point Chamber of Commerce, the attached agreement shall govern contract services between the two agencies from October 1st, 2016 to June 30th, 2019.

The City Manager of Central Point is authorized to sign the attached agreement on behalf of the City of Central Point.

12 Passed by the Council and signed by me in authentication of its passage this day of January, 2017.


Mayor Hank Williams

ATTEST:

City Recorder

VISITOR CENTER AGREEMENT

THIS AGREEMENT by and between the CITY OF CENTRAL POINT, a municipal corporation of the State of Oregon hereinafter called "the CITY", and the CENTRAL POINT CHAMBER OF COMMERCE, an Oregon not-for-profit corporation hereinafter called "the CHAMBER," is effective as of October 1, 2016.

RECITALS

WHEREAS, the CITY desires to contract for tourism promotion utilizing funds derived in whole or in part from transient lodging taxes ("TLT") collected within the CITY; and

WHEREAS, the CHAMBER has the capability and desire to undertake such a tourism promotion program, through a Visitor Information Center ("VIC");

NOW THEREFORE the parties agree as follows:

SECTION I TERM AND RENEWAL

This Agreement is effective beginning October 1, 2016. Its initial term extends through June 30, 2019. Unless this Agreement is terminated under Section II below, it will automatically be renewed for two years (July 1, 2019 – June 30, 2021), on the same terms, except for the payments to be made as described in Section III below and except to the extent the parties may choose to amend or modify the Agreement under Section XII below. Payments for the renewal period will be determined as set forth in Section V below.

SECTION II TERMINATION

1. Either party, for any reason, upon one hundred eighty (180) days prior written notice to the other, may terminate this Agreement without further obligations. Notwithstanding this general rule:

- a) Either party may terminate this Agreement in the event of a breach of the Agreement by the other party. Prior to such termination, however, the party seeking the termination shall give to the other party written notice of the breach and of the party's intent to terminate. If the party has not entirely cured the breach within ninety (90) days after such notice, then the party giving the notice may terminate the Agreement at any time thereafter by giving a written notice of termination. Provided, however, if said default cannot reasonably be cured within ninety (90) days, then this Agreement shall not terminate if the defaulting party uses reasonable efforts and diligence to commence curing said problem within the 90-day period and completes the cure of said problem within a reasonable time thereafter. Such termination will be without prejudice to a party's rights to other legal or equitable remedies for breach of this Agreement, such as the right to recover money damages for such breach.

- b) This Agreement will terminate, without further action by the parties and without further obligations, in either of the following events:
 - 1. If the CITY's appropriation of funds for this Agreement in any fiscal year fails to equal or exceed the budget submitted by the CHAMBER to the CITY under Section V below, or the CITY's schedule for payment of funds differs from that budget, this agreement will terminate on June 30 of the last fiscal year for which sufficient funds are appropriated and paid; or
 - 2. If sufficient funds are not available for this Agreement this agreement will terminate on June 30 of the fiscal year in which funds are not sufficient.

The CITY certifies that funds for this Agreement are included in the CITY's budget for the current fiscal year which ends on June 30, 2017. The CITY, in compliance with the appropriation of funds requirements in ORS 294.305 to 294.565, will in good faith endeavor to budget and appropriate such funds for subsequent fiscal years. If funds are not appropriated for this agreement for any fiscal year after 2016-2017, the CITY will notify the CHAMBER, and this Agreement will terminate on June 30 of the last fiscal year for which sufficient funds are appropriated.

SECTION III CITY FUNDING FOR VISITOR INFORMATION CENTER

During the term of this Agreement, unless otherwise stipulated in the budget submitted by the CHAMBER to the CITY under Section V below, the CITY shall pay to the CHAMBER, from funds lawfully appropriated, a monthly amount equal to one-twelfth of the CHAMBER's approved budget for the VIC for the CHAMBER's fiscal year in question (for VIC purposes, and for purposes of this Agreement, the CHAMBER's fiscal year is July 1 -June 30, although for other purposes, the CHAMBER operates on a calendar-year basis). Such monthly payments will be no later than the 10th business day of each month (a "business day" is a day that is neither a weekend nor an official holiday under Oregon state law). However, inasmuch as the initial term of this Agreement ends on June 30, 2019, and it may thereafter be renewed, the CITY's payments will be:

- a) For the initial term of this Agreement, the current appropriated amount for visitor's information center (VIC) operation is \$22,400 per year (\$1866.67/month).
- b) For successive terms the parties acknowledge and agree that the VIC will be funded by the CITY in amounts, and according to the schedule of payments, set forth in the CHAMBER's approved budget submitted to the CITY under Section V below, provided that if such funding is not appropriated, the CHAMBER may terminate this Agreement as provided in Section IIb above. Inasmuch as TLT is expected to be the primary or exclusive source of funds for the VIC under this Agreement, the CHAMBER understands and agrees that use and expenditure of TLT is subject to the requirements of ORS 320.300 to 320.350, and the parties will follow these requirements with respect to TLT.
- c) The City of Central Point is currently leasing office space for the operation of the Central Point Chamber of Commerce & Visitor's Information Center. The office space is located at 650 E. Pine Street and the current lease agreement remains valid until December 31, 2019, a copy of which is attached hereto as Exhibit "A". Future lease agreements/funding will be subject to city council approval.

SECTION IV

SERVICES TO BE PROVIDED

- a) The CHAMBER's purpose for operating the VIC is to provide local citizens and visitors with information about Central Point area visitor facilities, recreational opportunities, services offered by the CITY and other relevant governmental entities, and services provided by private nonprofits and other nongovernmental organizations and charities in the Central Point area; and other information that is reasonable for the CHAMBER to provide by means of a VIC, given the limits of the CHAMBER's budget, the level of funds available for the VIC, and the hours the VIC is open.
- b) The CHAMBER shall operate the VIC with an office and telephone service, regularly open and available to the public. The CHAMBER Board of Directors, in its discretion, will determine the VIC's hours of operation, provided that office and telephone service to the public will be available at least 25 hours each week during daytime hours; the CHAMBER may choose to include Saturday in this 25-hour week, or limit hours of operation to weekdays.
- c) The CHAMBER's activities in furtherance of its purposes for the VIC will include marketing and promotion of tourism and promotion of economic development, and providing information necessary to support such activities. Specific examples of activities the CHAMBER will conduct include:
 1. Production, display and distribution of promotional brochures;
 2. Advertising in local and regional publications;
 3. Providing information about services offered by the CITY and other governmental and nongovernmental entities;
 4. Providing the public with maps, brochures and other information about the Central Point and the surrounding area;
 5. Publicizing local and regional entertainment, events, and tourist attractions, and tourist destinations;
 6. Informing the public about restaurants, lodging, and similar accommodations that may be of interest to visitors;
 7. Publicizing opportunities for the development and promotion of tourism and tourism related businesses; and
 8. Assisting with and promoting annual events which foster CHAMBER goals.

SECTION V BUDGET

Beginning no later than February 1, 2017, and the first business day of each February thereafter, for as long as this Agreement remains in effect (including renewal periods), the CHAMBER shall submit a detailed program and revenue request for the VIC'S upcoming fiscal year to the CITY. The proposal shall become part of the CITY's annual budget appropriation process. The proposal will include a copy of the CHAMBER's board-approved VIC operating budget for the next fiscal year. The proposal also will include the CHAMBER's projected goals and objectives for the VIC for the next fiscal year. (Example: On February 1, 2017, the CHAMBER will submit the proposal, including the budget, for the VIC for the year July 1, 2017 -June 30, 2018.)

SECTION VI ACCOUNTING AND REPORTING

- a) The CHAMBER will separately account for VIC monies apart from its general books of account. The City Finance Director or his/her designee may examine this separate VIC accounting during normal business hours after providing written notification to the CHAMBER, at least 48 hours prior to the time such examination is to be held. Nothing contained herein shall be interpreted to grant the CITY access to the general books, papers, and accounting records of the CHAMBER, or to any other records of the CHAMBER not directly related to the VIC.
- b) The CHAMBER shall account to the CITY for monies received from the CITY for the VIC. This accounting will be provided by the seventh business day of the first month following the end of each fiscal-year quarter. The accounting shall refer to the three calendar months preceding the accounting. (Example: The October accounting will be for July - September). The CHAMBER shall forward this report to the CITY Finance Department.
- c) The CHAMBER also shall file with the CITY, with each quarterly accounting, a program report. This report will cover the same time period as the accounting submitted under Section VI(b) above. If the Chamber fails to meet the accounting/reporting requirements described in this section VI(a-c) of this Agreement, CITY may withhold future monthly payments of appropriated funds until proper accounting/reporting required under this Section is provided. CITY shall not be required to pay interest or penalties for such delayed payment, where the delay is caused by CHAMBER's failure to properly account/report to CITY.
- d) The CHAMBER shall maintain adequate accounting records of all revenues and expenditures covered by this Section VI, with supporting invoices, for a period of three (3) years.
- e) It is understood and agreed that the CITY may appropriate funds derived from any source it chooses to fund the VIC under this Agreement. Even so, it is understood that TLT will most likely be the source of such funds. Therefore, if the CITY's projections for future collection of TLT change during the CITY'S fiscal year, the CITY will advise the CHAMBER of the CITY's changes in projections for TLT collection within forty (40) days after the close of the CITY's fiscal year- quarter in which the change in collection projections occurred.
- f) CHAMBER shall report to CITY quarterly analytic contact information. Such reports shall summarize the total number of contacts via telephone, email, website, and personal visits as well as such other information compiled by CHAMBER to detail its promotion of tourism and public information.

SECTION VII CITY REPRESENTATIVE

The CHAMBER's board of directors will, no later than October 31st, 2016, appoint an advisory committee for the VIC. This advisory committee will meet at least once each fiscal-year quarter while this Agreement is in effect, beginning in the October 1-December 31, 2016, quarter. The advisory committee will provide the CITY with notification of the date, time, and location of its meetings, at least 14 days before the scheduled date of the meeting, except that in the case of emergency or specially-scheduled meetings, the notification will be (if possible) at least four days before the meeting is to take place. The CITY will appoint a city council liaison to sit as a member of this committee, and this individual will be entitled to a seat on the committee. Nothing in this section will affect the right of the CHAMBER's board of directors to conduct the CHAMBER's business under the CHAMBER's bylaws and other governing documents. However, if requested

by the board, the appointed city council liaison will be available to attend regularly scheduled chamber board meetings.

SECTION VIII. INSURANCE

The CHAMBER shall carry insurance as follows:

- a. Workers' compensation coverage in accordance with Oregon law; and
- b. Commercial general liability insurance for the VIC, with a reputable insurance carrier, naming the CITY, elected officials, officers, agents and employees as an additional insured. The insurance limits shall be a minimum of \$1 million per occurrence and \$2 million aggregate. Evidence of such insurance coverage, in the form of a certificate from the CHAMBER's insurer, will be provided to the CITY within fifteen (15) days from the end of each calendar-year. The CHAMBER also will furnish a new certificate of coverage to the CITY forthwith, upon any change of insurance carrier by the CHAMBER. The CHAMBER may not cancel this insurance without at least thirty (30) days prior written notice to the CITY.

SECTION IX INDEMNIFICATION

a. CHAMBER will indemnify defend and hold CITY, its elected officials, officers, agents and employees, harmless from and against all claims, demands, actions, costs and expenses, including attorneys' fees and costs of defense, which may be incurred by or asserted against CITY, arising out of or resulting CHAMBER's acts and omissions and the acts and omissions of CHAMBER's officers, subcontractors, agents and employees.

b. CITY will indemnify defend and hold CHAMBER, its officers, agents and employees, harmless from and against all claims, demands, actions, costs and expenses, including attorneys' fees and costs of defense, which may be incurred by or asserted against CHAMBER, arising out of CITY's acts and omissions and the acts and omissions of CHAMBER's officers, subcontractors, agents and employees.

SECTION X COMPLIANCE WITH LAWS

The CHAMBER will comply with the provisions of all federal, state and local laws and ordinances that are applicable to the VIC and its operations.

**SECTION XI
STATUS AS AN INDEPENDENT CONTRACTOR**

In the performance of the work, duties, and obligations required of the CHAMBER under this agreement, it is mutually understood and agreed that the CHAMBER is at all times acting and performing as an independent contractor and not an agent, partner, or joint venture with the CITY. The CITY shall neither have nor exercise any control over the methods by which the CHAMBER performs its work and functions. The parties acknowledge that any contracts entered into between the CHAMBER and any third party are not an obligation of the CITY, and the CHAMBER must not represent that it has the power or authority to contractually bind or obligate the CITY.

**SECTION XII
MODIFICATION**

This Agreement may not be released, discharged, abandoned, changed, or modified in any manner, except by an instrument in writing signed on behalf of each of the parties, by their duly authorized representatives.

**SECTION XIII
ASSIGNMENT**

The responsibility for performing the CHAMBER's services under the terms of this Agreement shall not be assigned, transferred, delegated or otherwise referred by the CHAMBER to a third person without the prior written consent of the CITY.

**SECTION XIV
NOTICES**

For purposes of this Agreement, notices by one party to the other are deemed to be made if in writing, sent by certified mail, return receipt requested to the other party, addressed as follows:

A. For the CHAMBER: Executive Director
Central Point Chamber of Commerce
150 Manzanita St.
Central Point, OR 97502

B. For the CITY: City Manager
City of Central Point
140 S. 3rd Street
Central Point, OR 97502

IN WITNESS WHEREOF, this agreement is entered into as of _____, 2017.

CITY OF CENTRAL POINT

CENTRAL POINT CHAMBER OF
COMMERCE

City Manager

Director

LEASE

THIS Lease ("Lease"), is made and entered into as of this _____ day of January, 2017 ("Effective Date"), by and between Freel & Associates, LLC ("Lessor"), and the City of Central Point, an Oregon municipal corporation ("Lessee"). Lessee and Lessor are sometimes collectively referred to herein as the "Parties" and individually as a "Party."

Article 1 AGREEMENT TO LEASE

Lessor owns certain real estate, including land and improvements, commonly known as **650 East Pine Street, Central Point**, Jackson County, Oregon (the "Property"), as shown and legally described on Exhibit A. Lessor hereby agrees to lease to Lessee, and Lessee hereby agrees to lease from Lessor, a portion of the Property as follows.

Article 2 PREMISES

2.1 Description

Lessor hereby leases to Lessee, on the terms and conditions stated below, certain space consisting of approximately **1050 square feet** (Chamber =850 sq. ft./ Visitor Center= 200sq.ft.) of indoor space (the "Premises") in the building ("Building") located within the Property, together with all improvements located in, or to be made thereto by either Lessor or Lessee, in the Premises. The Premises represents a **9%** (1050/11264) proportionate share of the Property. The Premises is shown on Exhibit B. Lessor makes no warranty as to the exact square footage of the Premises.

2.2 Permitted Use

Lessee will use the Premises only for the following purpose: Office and visitor center ("Permitted Use"). No other use may be made of the Premises without the prior written approval of Lessor.

2.3 Compliance with Laws and Regulations

Lessee will comply with all applicable state, federal, and local laws, ordinances, rules, and regulations, including but not limited to, local fire codes, zoning regulations, and occupancy codes. Lessee will promptly provide to Lessor copies of all communications to or from any government entity that relate to Lessee's noncompliance, or alleged noncompliance, with any laws or other government requirements impacting the Premises.

2.4 Limits on Use

Lessee will not use, nor permit anyone else to use, the Premises in a manner, nor permit anything to be done in the Premises, that (a) adversely impacts, or is likely to adversely impact, the Premises, the Property, or any element or part of the Premises or the Property, or the operations of the Premises or the Property; (b) creates any condition that is a safety hazard; (c) creates a condition that may increase the rate of fire insurance for the Premises or the Property or would prevent Lessor from taking advantage of any ruling of an insurance rating bureau that would allow Lessor to obtain reduced rates for its insurance policies, or violates any requirements of Lessee's insurance carrier; or (d) creates a hazard or a nuisance to other tenants or occupants of the Property.

2.5 Condition of Premises / No Warranties

Lessor makes no warranties or representations regarding the condition of the Premises or the Property, including, without limitation, the suitability of the Premises for intended uses or the

condition of the improvements. Lessee has inspected and accepts the Premises in its "AS IS" condition upon taking possession. Lessor will have no liability to Lessee, and Lessee will have no claim against Lessor, for any damage, injury, or loss of use caused by the condition of the Premises or the Property. Lessee is solely responsible for thoroughly inspecting the Premises and ensuring that it is in compliance with all laws.

2.6 Lessor's Maintenance / Repair Obligation

Lessor is responsible for maintaining the structural integrity of the Building exterior walls, foundation, roof, **heating and cooling system**, sprinkler system, and any shared loading docks and doors unless damage is caused by Lessee. Lessee will promptly notify Lessor of any damages or noticed defect to any of the foregoing.

2.7 Americans with Disabilities Act

Compliance with the Americans with Disabilities Act ("ADA") is dependent on Lessee's specific use of the Premises. Lessor makes no warranties or representations about whether the Premises comply with the ADA or any similar state or local legislation. In the event that Lessee's use of the Premises requires modifications or additions to the Premises to achieve ADA or other similar law compliance, Lessee agrees to make any such necessary modifications, additions, or both at Lessee's expense.

Article 3 TERM

3.1 Initial Term

The term of this Lease will commence on **January 1, 2017** (the "Commencement Date"), and continue for a **lease term of 36 months**, expiring on **December 31, 2019** ("Expiration Date"), unless sooner terminated under the terms of this Lease ("Initial Lease Term"). As used herein "Lease Term" means the Initial Lease Term and, if extended, also includes the Extension Term.

3.2 Extension Option

If the Lessee is not then in Default of this Lease (as defined in Article 12), Lessee will have an option to **extend the Initial Lease Term ("Extension Option") for up to ONE additional TWO year renewal term, each of which constitute an "Extension Term," on the same terms and conditions as herein provided**, except for the Basic Rent, which will be increased at the beginning of any Extension Term as set forth in Article 4. An Extension Option may be exercised by written notice given to Lessor not less than 90 days, nor more than 120 days before the expiration of the Initial Lease Term or any Extension Term. Failure to exercise any Extension Option will terminate any subsequent Extension Option(s).

Article 4 RENT

4.1 Basic Rent Amount and Due Date

The base monthly rent ("Basic Rent") for the Initial Lease Term is \$1200.00. Basic Rent is due and payable commencing on the Commencement Date and on the first day of each and every month thereafter during the Lease Term.

4.2 Additional Rent

This Lease is a "modified gross lease" ~~"triple net lease,"~~ meaning that unless otherwise specifically provided herein, Lessee is responsible to pay all ~~insurance, utilities, taxes, and other costs~~ associated with the Premises, with ~~some of those charges~~ being billed annually by Lessor ~~directly~~ to Lessee commencing with the amount due on the November 2016 tax bill. ~~and others being included in the CAM Charges (defined in section 4.7.2), of which Lessee will pay Lessee's~~

proportionate share (9%) of taxes, ~~as more particularly described in section 4.7.2.~~ All amounts due hereunder in addition to the Basic Rent are deemed "Additional Rent." Any reference to "Rent" herein includes Basic Rent and Additional Rent.

4.3 Basic Rent Rate Escalation

Basic Rent will shall be increase on each anniversary of the Commencement date by 2% ("Minimum Escalation") or by the CPI-U increase, whichever is greater. CPI-U increase shall be calculated by determining the percentage that the CPI-U index increased during the prior 12 months. The CPI-U index shall mean the CPI-U for Portland, Oregon. The index base period shall be 1982-1984=100. Any successive Extension Terms shall be increased in the same manner, with the Minimum Escalation or the CPI-U increase applied to the previous Extension Term's Basic Rent.

4.4 Security Deposit

4.4.1 Amount of Security Deposit

Upon execution of this Lease, Lessee will deposit with Lessor and continuously maintain a "Security Deposit" in the amount of \$800.00 (This has been prepaid with previous lease and is already credited to lessee)

4.4.2 Use of Security Deposit

The Security Deposit secures Lessee's full and faithful performance and observance of all of Lessee's obligations under this Lease and under any other written agreement between Lessee and Lessor specifically referring to the Security Deposit. The Security Deposit will not be considered to be held in trust by Lessor for the benefit of Lessee, may be commingled with other funds of Lessor, and will not be considered an advance payment of Rent or a measure of Lessor's damages in the case of an Event of Default (defined in section 12.1) by Lessee. Lessor may, but will not be obligated to, after 10 days' advance written notice is delivered to Lessee in accordance with section 17.9, draw on and apply the Security Deposit (including all interest earned thereon) to: (a) pay any delinquent Basic Rent or other Rent not paid within the applicable time period, if any, under section 12.1.1; and/or (b) remedy any violation of this Lease, after Lessee has received notice and opportunity to cure under section 12.1.2, if a notice and opportunity to cure is required under this Lease. If Lessor applies any of the Security Deposit to any of the above, Lessee will, immediately upon demand, replenish the Security Deposit to its full amount. If Lessee fully performs all of its obligations under this Lease, the Security Deposit, or any balance remaining thereof, will be returned to Lessee within 30 days after the Expiration Date or earlier termination of this Lease and delivery of the Premises back to Lessor. However, if a reasonable question exists concerning Lessee's full compliance with this Lease, or if there is any obligation under this Lease to be performed after the Expiration Date or earlier termination of this Lease, Lessor may require that the Security Deposit remain in place until Lessor is satisfied that there has been no violation of this Lease and all obligations due under this Lease have been fully performed, even if it takes Lessor longer than 30 days to make such a determination to Lessor's reasonable satisfaction.

4.5 Taxes

Lessee agrees to pay, on or before the date they become due, Lessee's proportionate share of all taxes, assessments, special assessments, user fees, and other charges, however named, that, after the Effective Date and before the expiration of this Lease, may become a lien or that may be levied by any state, county, city, district, or other governmental authority on the Premises, any interest of Lessee acquired under this Lease, or any possessory right that Lessee may have in or to the Premises by reason of its occupancy thereof, as well as all taxes, assessments, user fees, or

other charges on all property, real or personal, owned or leased by Lessee in or about the Premises (collectively, "Taxes"), together with any other charge levied wholly or partly in lieu thereof. Taxes are considered Additional Rent under this Lease. All Taxes are paid to the taxing authority by Lessor and are paid to Lessor by Lessee annually when billed by Lessor. ~~through the monthly CAM Charges (defined in section 4.7.2).~~

4.6 Operating Expenses and Utilities

Lessee will promptly pay any and all charges for ~~gas, electricity, telephone, garbage,~~ Internet, and all other charges for utilities or services that may be furnished directly to the Premises. ~~If any such utilities or services are not separately metered or invoiced to Lessee, Lessor will equitably apportion the charges, based on the percentage that the Premises area bears to the total utility usage. Lessee will timely pay its apportioned share on a monthly basis as invoiced by Lessor.~~

Lessor has no responsibility to provide any utility services to the Premises that are not already in place. If additional services are required, Lessee will obtain Lessor's permission for their installation, at Lessee's sole cost and expense. Lessee will have access to the utility corridors of the Building as needed. ~~Lessee also agrees to pay its proportionate share of monthly CAM Charges (defined in section 4.7.2), which cover, among other things, Taxes, water, sewer, insurance, parking lot maintenance, certain Building repairs and capital expenditures, and lighting for the Common Areas (defined in section 4.7).~~

4.7 Common Areas

The "Common Areas" consist of certain unleased areas and facilities outside the Premises and within the exterior boundary line of the Property and interior utility raceways and installations that are designated by Lessor to be for the general nonexclusive use of Lessor, Lessee, all other tenants of the Property. The Common Areas include but are not limited to parking areas, certain loading and unloading areas, garbage and debris disposal areas, roadways, walkways, driveways, and landscaped areas. Lessee has the nonexclusive right to use, in common with others entitled to such use, the Common Areas as they exist from time to time, subject to any rights, powers, and privileges reserved by Lessor under the terms hereof. Under no circumstances does the right to use the Common Areas include the right to store any property, either temporarily or permanently, in the Common Areas. Any such storage will be permitted only by the prior written consent of Lessor and may be revoked at Lessor's convenience. If any unauthorized storage occurs, Lessor will have the absolute right, without notice and in addition to the other rights and remedies that it may otherwise have at law or under this Lease, to remove the property to Lessee's Premises or a storage area and to charge the cost to Lessee, which cost will be immediately payable upon demand by Lessor. The removal will not be considered any form of bailment.

4.7.1 Lessor's Authority over Common Areas

Lessor has the exclusive control, management, and maintenance of the Common Areas and has the right to establish, modify, amend, and enforce rules and regulations for the management, safety, care, and cleanliness of the Common Areas, the parking and unloading of vehicles, and the preservation of good order, as well as for the convenience of other occupants or tenants of the Building and the Property and their invitees. Lessee agrees to abide by and conform to such rules and regulations, and will use its best efforts to cause its employees, suppliers, shippers, customers, contractors, and invitees to so abide and conform. Lessor will not be responsible to Lessee for any noncompliance with any rules and regulations by other tenants of the Property. Lessor has the right, in Lessor's sole discretion, from time to time: (a) to make

changes to the Common Areas, including, without limitation, changes in the location, size, shape, and number of driveways, entrances, parking spaces, parking areas, loading and unloading areas, landscaped areas, walkways, and utility raceways, and changes to the ingress, egress, and direction of traffic; (b) to close any of the Common Areas temporarily for maintenance purposes as long as reasonable access to the Premises remains available; (c) to designate land outside the current boundaries of the Property to be a part of the Common Areas; (d) to add additional buildings and improvements to the Common Areas; (e) to utilize the Common Areas as Lessor deems appropriate while engaged in making additional improvements, repairs, or alterations to the Property, or any portion thereof; and (f) to perform any other acts and make any other changes in, to, or with respect to the Common Areas and Property as Lessor may, in the exercise of reasonable business judgment, deem to be necessary or appropriate.

4.7.2 ~~Common Area Maintenance and Operating Charges~~

~~Throughout the Lease Term, Lessee will pay to Lessor, as Additional Rent, Lessee's proportionate share of all Common Area Maintenance and Operating Expenses, as hereinafter defined, incurred by Lessor for maintenance of the Common Area. As used herein, Lessee's proportionate share of such charges will be calculated by dividing the approximate square footage of the Premises by the approximate square footage of the Building. "Common Area Maintenance and Operation Expenses" or "CAM Charges" are defined as all costs incurred by Lessor relating to the ownership, operation, repair, and maintenance of the Property, including, but not limited to, the following:~~

~~(a) All Common Area improvements, including parking areas, loading and unloading areas, trash disposal areas, roadways, parking areas, security booths, sidewalks and walkways, driveways, landscaped areas, bumpers, irrigation systems, lighting, fences and gates, elevators, Building exteriors, roofs, and roof drainage systems.~~

~~(b) Exterior signs and any tenant directories.~~

~~(c) The cost of water, gas, electricity, telephone, and internet to service the Common Areas.~~

~~(d) Trash disposal, recycling, pest control services, property management, security services, the cost to repaint or repair the exterior of any structures, and the cost of any environmental inspections not attributable to a specific tenant.~~

~~(e) Reserves set aside for maintenance, repair, or replacement of Common Area improvements and equipment, including the Building.~~

~~(f) Taxes (as defined in section 4.5 and excluding any Taxes directly assessed to any Tenant).~~

~~(g) The cost of any insurance maintained by Lessor pursuant to Article 8.~~

~~(h) Any deductible portion of any insured loss concerning the Building or the Common Areas.~~

~~(i) Management, accounting, attorney fees, and all other costs related to the operation, maintenance, repair, and replacement of the Property.~~

~~(j) Any other services provided by Lessor that are stated elsewhere in this Lease to be CAM Charges.~~

~~Nothing contained herein imposes any obligation on Lessor to provide any of the improvements or services listed above that are not already provided to the Property.~~

4.7.3 ~~CAM Exclusions~~

~~CAM Charges and Taxes that are specifically attributable to any tenant, to any other tenant building in the Property, or to the operation, repair, and maintenance thereof, will be~~

~~allocated entirely to that tenant or other building. However, any CAM Charges and Taxes that are not specifically attributable to any tenant, to any other tenant building within the Property, or to the operation, repair, and maintenance thereof, will be equitably allocated by Lessor to all tenants within the Property, including Lessee. CAM Charges will not include any expenses paid by any tenant directly to third parties or expenses for which Lessor is otherwise reimbursed by any third party, other tenant, or insurance proceeds.~~

~~4.7.4 Common Area Payments~~

~~Lessee's Share of CAM Charges is payable monthly along with the Basic Rent. The amount of the payments will be based on Lessor's estimate of the annual CAM Charges. Within 60 days after written request (but not more than once each year), Lessor will deliver to Lessee a reasonably detailed statement showing Lessee's proportionate share of the actual CAM Charges incurred during the preceding year. If Lessee's payments during that year exceed Lessee's proportionate share, Lessor will credit the amount of the overpayment against Lessee's future payments. If Lessee's payments during that year were less than Lessee's proportionate share, Lessee will pay to Lessor the amount of the deficiency within 30 days after delivery by Lessor to Lessee of the statement.~~

4.8 Late Charge

If Lessee fails to pay any Rent required to be paid under this Lease within 10 days after it is due, there shall be a late charge of 5 percent of the overdue payment. In addition to the late charge, all amounts of Rent past due will bear interest at a "Delinquency Rate" of 12 percent per annum from the due date until paid in full.

4.9 Time and Place of Payments

Lessee will pay Lessor Basic Rent monthly, in advance, and on the first day of the month without abatement, deduction, or offset. Additional Rent will be paid on or before the due date. Payment of all Rent will be made to Lessor to the address set forth in section 17.9 or such other place as Lessor may designate in accordance with the requirements of section 17.9.

4.10 Acceptance of Rent

Lessor's acceptance of a partial payment of Rent will not constitute a waiver of any Event of Default (defined in section 12.1), nor will it prevent Lessor from exercising any of its other rights and remedies granted to Lessor under this Lease, by law, or in equity. Any endorsements or statements on checks of waiver, compromise, payment in full, or any other similar restrictive endorsement will have no legal effect. Lessee will remain in violation of this Lease and will remain obligated to pay all Rent due, even if Lessor has accepted a partial payment of Rent. Acceptance of a late but full payment of Rent (including Rent plus all interest due thereon at the Delinquency Rate) will constitute a waiver and satisfaction of that late payment, violation, or Default only and will not constitute a waiver of any other late payment, violation, or Default.

Article 5

LESSEE OBLIGATIONS

5.1 Repairs and Maintenance

Lessee is responsible for all maintenance, repair, replacement, and refurbishment of the Premises, including all improvements thereon, including but not limited to: interior walls, flooring, ceilings, doors & windows and related hardware, light fixtures, switches, wiring and plumbing from point of entry to premises, built in cabinetry, whether owned by Lessor or Lessee, except those items set forth in section 2.6, which are Lessor's responsibility unless damaged due to Lessee's negligence, failure to perform its repair and maintenance

responsibilities, improper performance of repair and maintenance responsibilities, or misuse of the Premises (including overloading the floors or improperly stressing the roof supports), and in that case Lessee will be assessed for the damage caused by Lessee. Lessor will also maintain the Common Areas, as more particularly described in sections 4.7.1 and 4.7.2 above. Lessor has no other maintenance obligations to Lessee. If work performed by Lessor is required due to the negligence, neglect, or misconduct of Lessee, Lessee will promptly reimburse Lessor the cost of the work, plus interest thereon at the Delinquency Rate from the date the expense was incurred by Lessor until reimbursed by Lessee. Other than routine and customary repairs and maintenance, Lessee acknowledges that Lessee does not have the right to make any alterations to the Premises without the prior written consent of Lessor. Lessee will keep the Premises in good repair and clean condition, free and clear of accumulation of rubbish, debris, scrap materials, and litter. Lessee will ensure that no Hazardous Substance release occurs on the Premises at any time, as more particularly described in section 11.1.7. Lessee will commit no waste on the Premises or in the Common Areas.

5.2 Construction of Improvements

Lessee will undertake no construction, alteration, or changes on or to the Premises, without the prior written consent of Lessor. In some cases, construction bonding may be required by Lessor, in Lessor's reasonable judgment. Lessee will notify Lessor of any construction or repair work that might disturb any existing asbestos or lead paint if present, and Lessor will cooperate with Lessee to provide requested information concerning the same. Any construction or work on the Premises that could cause disruption to lead paint or asbestos must be done only after receipt of the prior written consent of Lessor, and any disruption must be conducted strictly in accordance with all applicable environmental, health, safety, and disposal laws and regulations. Lessor will have no construction obligations except to maintain those systems described in section 2.6.

5.3 Notice of Nonresponsibility

At least three days before commencing any approved work on the Premises that may give rise to a right to place a statutory lien on the Premises, Lessee will give written notice to Lessor of the date on which any such work is to commence so that Lessor may post, at appropriate places, statutory notices of nonresponsibility.

5.4 No Liens

Lessee agrees to pay, when due, all sums for labor, services, materials, supplies, utilities, furnishings, machinery, or equipment that have been provided or ordered with Lessee's consent to the Premises. If any lien is filed against the Premises that Lessee wishes to protest, then Lessee will immediately notify Lessor of the basis for its protest and must deposit cash with Lessor, or procure a bond acceptable to Lessor, in an amount sufficient to cover the cost of removing the lien from the Premises. Failure to remove the lien or furnish the cash or a bond acceptable to Lessor within 15 days will constitute an Event of Default (defined in section 12.1) under this Lease, Lessor will be entitled to satisfy the lien without further notice to Lessee, and Lessee will immediately reimburse Lessor for any sums paid to remove any such lien.

5.5 Lessor Access to Premises

Lessor and its respective agents have the right to enter the Premises for the purposes of: (a) confirming the performance by Lessee of all obligations under this Lease, (b) doing any other act that Lessor may be obligated or have the right to perform under this Lease, and (c) for any other lawful purpose. Such entry will be made on reasonable advance notice and during normal business hours, when practical, except in cases of emergency or a suspected violation of this

Lease or the law. Lessee waives any claim against Lessor for damages for any injury or interference with Lessee's business, any loss of occupancy or quiet enjoyment of the Premises, or any other loss occasioned by the entry except to the extent caused by the gross negligence or willful misconduct of Lessor. Lessor will use reasonable efforts to disturb Lessee's operations as little as reasonably possible during any of Lessor's repair and maintenance work. Lessee will provide Lessor with keys to all gates and doors in, on, or about the Premises, and Lessor will have the right to use any and all means that Lessor may deem reasonable to open the gates and doors in an emergency to obtain entry to the Premises.

5.6 Safety Requirements

Lessee will conduct its operations, activities, and duties under this Lease in a safe manner and in compliance with all safety standards imposed by applicable federal, state, and local laws and regulations. Lessee will require the observance of the foregoing by all subcontractors and all other persons transacting business with or for the Lessee in any way connected with the conduct of Lessee under this Lease. Lessee will exercise due and reasonable care and caution to prevent and control fire on the Premises and to that end will provide and maintain fire suppression equipment approved by FM Global or an equivalent insurance company and other fire protection equipment as may be required under applicable governmental laws, ordinances, statutes, and codes for the purpose of protecting the improvements adequately and restricting the spread of any fire from the Premises to any property adjacent to the Premises, all at Lessee's sole cost and expense. Lessee will be solely responsible for provision and maintenance of fire extinguishers, but not for sprinkler systems. Lessee will, however, promptly notify Lessor if Lessee observes any problems relating to the sprinkler system and will do nothing to damage or disable the sprinkler system or any smoke detectors located within the Premises or Property.

5.7 Signs

Lessee will not erect, install, nor permit on the Premises any sign or other advertising device without first having obtained Lessor's written consent. Lessee will remove all signs and sign hardware upon termination of this Lease and restore the sign location to its former state, unless Lessor, in its sole option, elects to retain all or any portion of the signage.

5.8 Continuous Operations

During the Lease Term, Lessee will continuously maintain its operations on the Premises and will advise Lessor, in writing, if Lessee intends to cease operations for any period long than 15 consecutive days. During any period when Lessee is not operating on the Premises, Lessee will nonetheless be required to abide by and comply with all provisions of this Lease. Lessee will not abandon the Premises.

Article 6 SECURITY AND SANITATION

6.1 Security

Lessee acknowledges that numerous other parties and tenants occupy or have access to the Property and that Lessee is solely responsible for any and all its property located on the Premises or within the Property. Lessee waives any claim against Lessor for any loss or damage to Lessee's property. Lessor will not be responsible for the actions of any other tenants or other third parties who may come onto the Property or the Premises.

6.2 Handling of Trash

Lessee will be responsible for the adequate sanitary handling of all trash and other debris for the Premises and will provide for its timely removal to the holding area designated by Lessor.

Lessee will gather, sort, and transport all garbage, refuse, and recyclable materials as needed from the Premises. Lessee will provide and use suitable fireproof receptacles for all trash and other refuse temporarily stored on the Premises. Lessee will not permit boxes, cartons, barrels, pallets, scrap piles, or other similar items to be piled or stored in the Common Areas or within view of the Common Areas unless otherwise approved, in writing, by Lessor. Lessee will cooperate with Lessor in the implementation of any recycling program that Lessor may have in place from time to time. Lessee will not allow trash or debris of any nature to accumulate on the Premises and will store all trash and debris in a manner that will prevent it from being a health or safety hazard or creating an unsightly condition in and around the Premises.

Article 7

INSURANCE REQUIREMENTS

7.1 Insurance Amounts

Insurance requirements set forth below do not in any way limit the amount or scope of liability of Lessee under this Lease. The amounts listed indicate only the minimum amounts of insurance coverage that Lessor is willing to accept to help ensure full performance of all terms and conditions of this Lease. All insurance required of Lessee by this Lease must meet all the minimum requirements set forth in this Article 7.

7.2 Certificates; Notice of Cancellation

On or before the Commencement Date, Lessee will provide Lessor with certificates of insurance establishing the existence of all insurance policies required under this Lease. Thereafter, Lessor must receive notice of the expiration or renewal of any policy at least 30 days before the expiration or cancellation of any insurance policy. No insurance policy may be canceled, revised, terminated, or allowed to lapse without at least 30 days prior written notice to Lessor. Insurance must be maintained without any lapse in coverage continuously for the duration of this Lease. Cancellation of insurance without Lessor's consent will be deemed an immediate Event of Default (defined in section 12.1) under this Lease. Lessee will give Lessor certified copies of Lessee's policies of insurance promptly upon request.

7.3 Additional Insured

Lessor will be named as an additional insured in each required liability policy and, for purposes of damage to the Premises, as a loss payee. The insurance will not be invalidated by any act, neglect, or breach of contract by Lessee. On or before the Commencement Date, Lessee must provide Lessor with a policy endorsement naming Lessor as an additional insured as required by this Lease.

7.4 Primary Coverage and Deductible

The required policies will provide that the coverage is primary, and will not seek any contribution from any insurance or self-insurance carried by Lessor. Unless otherwise approved in writing and in Lessor's sole discretion, the deductible on any insurance policy cannot exceed \$5,000.00.

7.5 Company Ratings

All policies of insurance must be written by companies having an A.M. Best rating of "A" or better, or the equivalent. Lessor may, upon 30 days written notice to Lessee, require Lessee to change any carrier whose rating drops below an "A" rating.

7.6 Required Insurance

At all times during this Lease, Lessee will provide and maintain the following types of coverage:

7.6.1. General Liability Insurance

Lessee will maintain a commercial general liability policy (including coverage for broad form contractual liability, sudden and accidental spill coverage on land and on water, and any personal injury liability) for the protection of Lessee, and insuring Lessee and Lessor against liability for damages because of personal injury, bodily injury, death, or damage to property, including loss of use thereof, and occurring on or in any way related to the Premises or occasioned by reason of the operations or actions of Lessee. All such coverage must name Lessor as an additional insured. All such coverage must be in an amount not less than \$1,000,000.00 per occurrence and \$2,000,000.00 annual aggregate for bodily injury and property damage for all coverage specified herein.

7.6.2 Workers' Compensation Insurance

Lessee will maintain, in full force and effect, Workers' Compensation insurance for all Lessee's employees, including coverage for employer's liability, as required by Oregon law.

7.7. Waiver of Subrogation

Lessee and Lessor each waive any right of action that they and/or their respective insurance carriers might have against Lessor for any loss, cost, damage, or expense (collectively "Loss") to the extent that the Loss is covered by any property insurance policy or policies required to be maintained under this Lease and to the extent that the proceeds (which proceeds are free and clear of any interest of third parties) are received by the party claiming the Loss. Lessee and Lessor also waive any right of action they and/or their insurance carriers might have against Lessor or Lessee (including their respective employees, officers, or agents) for any Loss to the extent the Loss is a property loss covered under any applicable automobile liability policy or policies required by this Lease. If any of Lessee's or Lessor's property or automobile insurance policies do not allow the insured to waive the insurer's rights of subrogation before a Loss, each will cause the policies to be endorsed with a waiver of subrogation that allows the waivers of subrogation required by this section 7.7. Nothing contained herein will be construed to relieve Lessee from any Loss suffered by Lessor that is not fully covered by Lessor's insurance described in Article 8. Lessee will be liable for any uninsured Loss (including any deductible) if the Loss was caused by any act or omission of Lessee or any of Lessee's employees, agents, contractors, or invitees.

Article 8

LESSOR INSURANCE

Lessor will maintain liability insurance for the Property, as generally described in section 7.6.1, in addition to, and not in lieu of, the insurance required to be maintained by Lessee. Lessee will not, however, be named as an additional insured on the policy. Lessor will obtain and keep in force a policy or policies of insurance in the name of Lessor, with loss payable to Lessor and to any lender insuring loss or damage to the Building shell and Lessor-owned improvements located within the Building and Common Areas. The amount of the insurance must be equal to the full insurable replacement cost of Lessor-owned Common-Area improvements and the Building shell, foundation, roof, systems, loading docks, and doors, excluding Lessee's improvements (including Lessee-added utilities), as the same will exist from time to time, or the amount required by any lender, but in no event more than the commercially reasonable and available insurable value thereof. Lessee-owned or installed improvements, alterations, utility installations, trade fixtures, and personal property will all be insured by Lessee for their full insurable value. Lessor may elect to self-insure or partially self-insure. Lessor may also elect not to insure certain elements of the Common Areas if insurance coverage is not available at a commercially reasonable cost to the Building shell, foundation, or Building system.

Article 9
DAMAGE OR DESTRUCTION

In the event of partial or full damage or destruction to the Premises or the Property, the following will apply:

9.1 Definitions

9.1.1 Partial Damage

"Partial Damage" means damage or destruction that can reasonably be repaired in 6 months or less from the date of the damage or destruction. Lessor will notify Lessee in writing within 30 days from the date of the damage or destruction about whether the damage is partial or total. Partial Damage does not include damage to windows, doors, or other similar improvements, or systems that Lessee has the responsibility to repair or replace under the provisions of this Lease.

9.1.2 Total Destruction

"Total Destruction" means damage or destruction to the Building shell, foundation, roof, or building systems that cannot reasonably be repaired in 6 months or less from the date of the damage or destruction. Lessor will notify Lessee in writing within 30 days from the date of the damage or destruction about whether the damage is partial or total.

9.1.3 Insured Loss

"Insured Loss" means damage or destruction to improvements on the Premises that was caused by an event required to be covered by Lessor's insurance described in Article 8, irrespective of any deductible amounts or coverage limits involved.

9.1.4 Replacement Cost

"Replacement Cost" means the cost to repair or rebuild the improvements owned by Lessor at the time of the occurrence to their condition existing immediately prior thereto (or to a higher standard if required by current applicable law), including demolition and debris removal and without deduction for depreciation.

9.1.5 Hazardous Substance Condition

"Hazardous Substance Condition" means the occurrence or discovery of a condition involving the presence of, or a contamination by, a Hazardous Substance as defined in section 11.1.6, in, on, or under the Premises or Building, that requires repair, remediation, or restoration.

9.2 Partial Damage—Insured Loss

If a Partial Damage that is an Insured Loss occurs, then Lessor will, at Lessor's expense, repair the damage (but not to Lessee's trade fixtures or Lessee's other improvements) as soon as reasonably possible, and this Lease will continue in full force and effect. Notwithstanding the foregoing, if the required insurance was not in force, Lessor will promptly contribute the shortage in proceeds as and when required to complete the repair. If, however, there is a shortage of proceeds due to the fact that, by reason of the unique nature of the Building, full-replacement cost insurance coverage was not commercially reasonable and available, Lessor will have no obligation to pay for the shortage in insurance proceeds or to fully restore the unique aspects of the Premises unless Lessee provides Lessor with the funds to cover same within 10 days following receipt of written notice of the shortage and request therefor. If Lessor receives the funds within the 10-day period, Lessor will complete the repairs as soon as reasonably possible, and this Lease will remain in full force and effect. If the funds are not received, Lessor may nevertheless elect by written notice to Lessee within 10 days thereafter to: (a) make such restoration and repair as is commercially reasonable with Lessor paying any shortage in proceeds, in which case this Lease will remain in full force and effect; or (b) have this Lease

terminate 30 days thereafter. Lessee will not be entitled to reimbursement of any funds contributed by Lessee to repair any such damage or destruction. Lessee will be responsible to make any repairs to any of its own improvements to the Premises, including all of its trade fixtures.

9.3 Partial Damage—Uninsured Loss

If a Partial Damage that is not an Insured Loss occurs to the Building, unless caused by a negligent or willful act of Lessee (in which event Lessee will make all the repairs at Lessee's expense), Lessor may either: (a) repair the damage as soon as reasonably possible at Lessor's expense, in which event this Lease will continue in full force and effect; or (b) terminate this Lease by giving written notice to Lessee within 30 days after receipt by Lessor of knowledge of the occurrence of the damage. The termination will be effective 60 days following the date of the notice. If Lessor elects to terminate this Lease, Lessee will have the right within 10 days after receipt of the termination notice to give written notice to Lessor of Lessee's commitment to pay for the repair of the damage without reimbursement from Lessor. Lessee will provide Lessor with the funds within 30 days after making such commitment. In that event, this Lease will continue in full force and effect, and Lessor will proceed to make the repair as soon as reasonably possible after the required funds are available. If Lessee does not provide funds, this Lease will terminate as of the date specified in the termination notice. To the extent that damages to the Common Areas constitute an Uninsured Loss, Lessor may elect to repair those damages and recover the uninsured portion thereof through CAM Charges. If the uninsured damage was caused by the negligence or misconduct of Lessee, Lessor will have the right to recover Lessor's full damages from Lessee.

9.4 Total Destruction

If Total Destruction occurs, this Lease will terminate 30 days following the destruction. If the damage or destruction was caused by the negligence or misconduct of Lessee, Lessor will have the right to recover all of Lessor's damages from Lessee, except as provided in the waiver of subrogation as set forth in section 7.7, less any deductible, and including all Basic Rent that would otherwise have been due through the end of the Lease Term, mitigated only to the extent required by state law.

9.5 Damage near End of Lease

If at any time during the last six months of this Lease there is damage for which the cost to repair exceeds one month's Basic Rent, whether or not an Insured Loss, Lessor may terminate this Lease effective 60 days following the date of occurrence of the damage by giving a written termination notice to Lessee within 30 days after the date of occurrence of the damage. Notwithstanding the foregoing, if Lessee at that time has an exercisable option to extend this Lease or to purchase the Premises, then Lessee may preserve this Lease by (a) exercising the option, and (b) providing Lessor with any shortage in insurance proceeds needed to make the repairs on or before the earlier of (i) the date that is 10 days after Lessee's receipt of Lessor's written notice purporting to terminate this Lease, or (ii) the day before the date on which the option expires. If Lessee duly exercises the option during such period and provides Lessor with funds to cover any shortage in insurance proceeds, Lessor will, at Lessor's commercially reasonable expense, repair the damage as soon as reasonably possible, and this Lease will continue in full force and effect. If Lessee fails to exercise the option and provide the funds during such period, then this Lease will terminate on the date specified in the termination notice and Lessee's option will be extinguished.

9.6 Abatement of Rent; Lessee's Remedies

9.6.1 Abatement

In the event of Partial Damage, Total Destruction, or a Hazardous Substance Condition for which Lessee is not responsible under this Lease, the Basic Rent payable by Lessee for the period required for the repair, remediation, or restoration of the damage will be abated in proportion to the degree to which Lessee's use of the Premises is impaired. All other obligations of Lessee hereunder will be performed by Lessee, and Lessor will have no liability for any such damage, destruction, remediation, repair, or restoration, except as provided in section 9.6.

9.6.2 Remedies

If Lessor is obligated to repair or restore the Premises and does not commence, in a substantial and meaningful way, the repair or restoration within 90 days after the obligation accrues, Lessee may, at any time before the commencement of the repair or restoration, give written notice to Lessor of Lessee's election to terminate this Lease on a date not less than 60 days following the giving of the notice. If Lessee gives the notice and the repair or restoration is not commenced within 30 days thereafter, this Lease will terminate as of the date specified in the notice. If the repair or restoration is commenced within 30 days, this Lease will continue in full force and effect. "Commence" means either the unconditional authorization of the preparation of the required plans, or the beginning of the actual work on the Premises, whichever first occurs.

9.7 Waiver of Certain Alternative Rights

To the extent allowed by law, Lessor and Lessee agree that the terms of this Lease will govern the effect of any damage to or destruction of the Premises and Property with respect to the termination of this Lease and hereby waive the provisions of any present or future statute to the extent inconsistent herewith.

Article 10

TERMINATION OF LEASE

Upon termination of this Lease, Lessee will deliver all keys to Lessor and surrender the Premises broom clean, in good condition, ordinary wear and tear excepted. Alterations constructed by Lessee with permission from Lessor are not to be removed or restored to the original condition unless required by Lessor, as provided in section 10.1. All repairs for which Lessee is responsible will be completed before the surrender.

10.1 Title to Lessee Improvements upon Termination

All improvements, excluding Personal Property (defined in section 10.2) and Lessee trade fixtures, located on the Premises at the expiration or earlier termination of this Lease, will, at Lessor's option, become the sole property of Lessor. Notwithstanding the foregoing, Lessor reserves the right, in its sole discretion, to require Lessee to remove some or all the improvements placed on the Premises by Lessee from the Premises upon termination of this Lease. Lessor will give Lessee at least 30 days' advance written notice of the need to remove any improvements. Thereafter, Lessee will have the longer of 30 days after such notice is given or the last day of the Lease Term to remove the improvements that Lessor has designated for removal. Rent will continue to accrue at the holdover rate until all improvements that Lessor has designated for removal are removed.

10.2 Lessee's Personal Property

Removable decorations, detached floor coverings, signs, blinds, furnishings, trade fixtures, and other personal property, and any fuel tanks placed on the Premises by Lessee ("Personal Property") will remain the property of Lessee. At or before the termination of this Lease, Lessee, at Lessee's expense, will remove from the Premises any and all of Lessee's Personal Property and will repair any damage to the Premises resulting from the installation or

removal of the Personal Property. Any items of Lessee's Personal Property that remain on the Premises after the termination date of this Lease may either be: (a) retained by Lessor without any requirement to account to Lessee therefor; or (b) removed and disposed of by Lessor, without any requirement to account to Lessee therefor, with Lessor being entitled to recover all costs thereof from Lessee.

10.3 Time for Removal

The time for removal of any Personal Property or improvements made by Lessee that Lessee is required to remove from the Premises on termination will be as follows: (a) by the Expiration Date; or (b) if this Lease is terminated unexpectedly before the Expiration Date, then all removal must occur within 10 days following the actual termination date, and Lessee must continue to pay all Rent due until such time as all of Lessee's Personal Property and the improvements required to be removed have been properly and completely removed.

10.4 Holdover

Lessee has no holdover rights. If Lessee fails to vacate the Premises at the time required, Lessor will have the option to treat Lessee as a holdover Lessee from month to month, subject to all the provisions of this Lease except that the Basic Rent will be 150 percent of the then-current Basic Rent, or to eject Lessee from the Premises and recover damages caused by wrongful holdover. If a month-to-month holdover tenancy results, it will be terminated at the end of any monthly rental period on 30 days' written notice from Lessor, and Lessee waives any notice that would otherwise be provided by law with respect to such tenancy.

Article 11

ENVIRONMENTAL OBLIGATIONS OF LESSEE

11.1 Definitions

As used in this Lease, the following terms are defined as follows:

11.1.1 Aboveground Storage Facility

"Aboveground Storage Facility" or "AST Facility" includes aboveground storage tanks, aboveground piping, dispensers, related underground and aboveground structures and equipment, including without limitation associated spill containment features and oil-water separators, and the surrounding area used in connection with the operation for fueling and other management of Hazardous Substances.

11.1.2 Best Management Practices

"Best Management Practices" means those environmental or operational standards: (a) implemented by a business or industry group pertinent to Lessee's operations as a matter of common and accepted practice, (b) articulated by a trade association or professional association pertinent to Lessee's operations, (c) developed by Lessee for use in its operations, (d) developed by pertinent state or local regulatory agencies for a business or industry group pertinent to Lessee's operations, or (e) developed from time to time by Lessor in cooperation with Lessee.

11.1.3 Environmental Audit

"Environmental Audit" means an environmental site assessment and compliance audit satisfying, at a minimum, the "all appropriate inquiry" requirements of the Comprehensive Environmental Response, Compensation, and Liability Act, as amended, 42 USC § 9601(35)(B); the Oil Pollution Act, as amended, 33 USC § 2703(d)(4); 40 CFR Part 312; ORS 465.255(6); ASTM E1527-13 (Standard Practice for Environmental Site Assessments: Phase 1 Environmental Site Assessment Process); and any other compliance assessment or auditing standards, including ASTM E2107-06 (Standard Practice for Environmental Regulatory Compliance Audits), relevant and appropriate to Lessee's use of the Premises, or the successors

to any of these criteria or standards. If as a result of such an Environmental Audit, additional evaluation, testing, or analysis, or supplemental audit work is recommended, then the Environmental Audit includes the additional evaluation, testing, or analysis, or supplemental audit work scoped and performed in accordance with commercially reasonable practices.

11.1.4 Environmental Costs

“Environmental Costs” will be interpreted in the broadest sense to include, but are not necessarily limited to: (a) costs or expenses relating to any actual or claimed violation of or noncompliance with any Environmental Law; (b) all claims of third parties, including governmental agencies, for damages, response costs, or other relief; (c) the cost, expense, or loss to Lessor as a result of any injunctive relief, including preliminary or temporary injunctive relief, applicable to Lessor or the Premises; (d) all expenses of evaluation, testing, analysis, cleanup, remediation, removal, and disposal relating to Hazardous Substances, including fees of attorneys, engineers, consultants, paralegals, and experts; (e) all expenses of reporting the existence of Hazardous Substances or the violation of Environmental Laws to any agency of the State of Oregon or the United States as required by applicable Environmental Laws; (f) any and all expenses or obligations, including without limitation attorney and paralegal fees, incurred at, before, and after any trial or appeal therefrom or any administrative proceeding or appeal therefrom, whether or not taxable as costs, including without limitation attorney and paralegal fees, witness fees (expert and otherwise), deposition costs, copying, telephone and telefax charges, and other expenses; and (g) any damages, costs, fines, liabilities, and expenses that are claimed to be owed by any federal, state, or local regulating or administrative agency.

11.1.5 Environmental Laws

“Environmental Laws” will be interpreted in the broadest sense to include any and all federal, state, and local statutes, regulations, rules, and ordinances (including those of the Oregon Department of Environmental Quality (DEQ) or any successor agency) now or hereafter in effect, as they may be amended from time to time, that in any way govern materials, substances, or products and/or relate to the protection of health, safety, or the environment.

11.1.6 Hazardous Substances

“Hazardous Substances” will be interpreted in the broadest sense to include any substance, material, or product defined or designated as hazardous, toxic, radioactive, or dangerous, regulated wastes or substances, or any other similar term in or under any Environmental Laws.

11.1.7 Hazardous Substance Release

“Hazardous Substance Release” includes the spilling, discharge, deposit, injection, dumping, emitting, releasing, placing, leaking, migrating, leaching, and seeping of any Hazardous Substance into the air or into or on any land, sediment, or waters, except any release in compliance with Environmental Laws and specifically authorized by a current and valid permit issued under Environmental Laws with which Lessee is in compliance at the time of the release, but not including within the exception any such release in respect of which the State of Oregon has determined that application of the State’s Hazardous Substance removal and remedial action rules might be necessary to protect public health, safety, or welfare, or the environment.

11.1.8 Natural Resources Damage

“Natural Resources Damage” is the injury to, destruction of, or loss of natural resources resulting from a Hazardous Substance Release. The measure of damage is the cost of restoring injured natural resources to their pre-Hazardous Substance Release baseline condition,

compensation for the interim loss of injured natural resources pending recovery, and the reasonable cost of a damage assessment. Natural resources include land, fish, wildlife, biota, air, water, groundwater, drinking water supplies, and other such resources belonging to, managed by, held in trust by, appertaining to, or otherwise controlled by the United States, any state, an Indian tribe, or a local government.

11.2 Limited Business Use of Hazardous Substances

Lessee is permitted to use, handle, and store Hazardous Substances as necessary to conduct its Permitted Uses and in quantities needed to conduct its Permitted Uses, in compliance with applicable Environmental Laws, Best Management Practices, and the provisions of this Lease.

11.3 Hazardous Substance Storage Tanks

Lessee may not operate mobile storage tanks (including fueling trucks), Aboveground Storage Tanks ("AST"), or any AST Facility for the storage of Hazardous Substances except with the prior written consent of Lessor, which consent may be granted or denied in Lessor's sole discretion. For the purposes of this section 11.3, "Aboveground Storage Tank" or "AST" means any tank with a capacity of greater than 55 gallons. No underground storage tanks are allowed to be installed by Lessee on the Premises.

11.4 Soil or Waste

Lessee will not store, treat, deposit, place, or dispose of treated or contaminated soil, industry by-products, or any other form of waste on the Property or Premises, without the prior written consent of Lessor, which consent may be granted or denied in Lessor's sole discretion.

11.5 Environmental Inspection

Lessor reserves the right to inspect for Hazardous Substances and/or Lessee's management of Hazardous Substances on the Premises at any time, and from time to time, without notice to Lessee. If Lessor at any time during the Lease term or any extension thereof has reason to believe that Lessee is handling Hazardous Substances contrary to the requirements of this Lease, in violation of this Lease, or in any manner that may allow contamination of the Property or Premises, Lessor may, without limiting its other rights and remedies, cause to be conducted an Environmental Audit with respect to the matters of concern to Lessor. Lessee will cooperate with all such audits. If Lessor's suspicions are confirmed by the audit, Lessee will reimburse Lessor for the full cost of the audit.

11.6 Safety

Under the terms of this Lease, Lessee must comply with all applicable state, federal, and local laws and ordinances. As a part of this requirement, Lessee will maintain material safety data sheets for each and every Hazardous Substance used by Lessee, or Lessee's agents, employees, contractors, licensees, or invitees on the Property or Premises, as required under the Hazard Communication Standard in 29 CFR section 1910.1200, as it may be amended, redesignated, or retitled from time to time, and comparable state and local statutes and regulations. To ensure that such information is available to Lessor in the event of a spill or other emergency, all the information will be kept current at all times, and a copy of all such materials will be kept in a place known to and easily accessible to Lessor.

11.7 Disposal of Hazardous Substances

Lessee will not dispose of any Hazardous Substance, regardless of the quantity or concentration, within the storm or sanitary sewer drains or plumbing facilities within the Premises or the Property. The disposal of Hazardous Substances will be in approved containers, and Hazardous Substances will be removed from the Property or Premises only in accordance

with the law. If Lessee knows, or has reasonable cause to believe, that any Hazardous Substance Release has come to be located on or beneath the Property or Premises, Lessee must immediately give written notice of that condition to Lessor, whether or not the Hazardous Substance Release was caused by Lessee.

11.8 Lessee's Liability

11.8.1 Hazardous Substance Releases

Except as provided in section 11.8.3, Lessee will be responsible for any Hazardous Substance Release on the Property or Premises, on other properties, in the air, or in adjacent or nearby waterways (including groundwater) that results from or occurs in connection with Lessee's occupancy or use of the Property or Premises.

11.8.2 Lessee's Liability for Environmental Costs

Except as provided in section 11.8.3, Lessee will be responsible for all Environmental Costs arising under this Lease.

11.8.3 Limitation of Lessee's Liability

Notwithstanding anything to the contrary provided in this Lease, particularly in fz 11.9.2, Lessee will have no responsibility for any Hazardous Substances or Hazardous Substance Releases that: (a) existed on the Property or Premises before the Effective Date, except as assumed by Lessee under the Remediation Agreement; (b) were caused by Lessor or the agents, employees, or contractors of Lessor; or (c) Lessee can demonstrate migrated into the Premises from a source off-Premises that was not caused by Lessee.

11.9 Environmental Remediation

11.9.1 Immediate Response

In the event of a violation of applicable Environmental Laws, a violation of an environmental provision of this Lease, a Hazardous Substance Release, or the threat of or reasonable suspicion of the same for which Lessee is responsible under this Lease, Lessee will immediately undertake and diligently pursue all acts necessary or appropriate to correct the violation or to investigate, contain, and stop the Hazardous Substance Release and remove the Hazardous Substance.

11.9.2 Remediation

Lessee will promptly undertake all actions necessary or appropriate to ensure that any Hazardous Substance Release is remediated and that any violation of any applicable Environmental Laws or environmental provision of this Lease is corrected. Lessee will remediate, at Lessee's sole expense, any Hazardous Substance Release for which Lessee is responsible under this Lease and will restore the Premises to its prior condition. Lessee will also remediate any Hazardous Substance Release for which it is responsible under this Lease on any other impacted property or bodies of water. The obligations of Lessee under this section 11.9.2 are subject to the limitations on Lessee's liability set forth in section 11.8.3.

11.10 Natural Resources Damages Assessment and Restoration

Lessee will promptly undertake, at Lessee's sole expense, all actions necessary to ensure that any Natural Resources Damage associated with Lessee's use or occupancy of the Property or Premises and the violation of Environmental Laws, the environmental provisions of this Lease, or any Hazardous Substance Release is investigated, determined, quantified, assessed, and permanently restored and compensated for, to the extent legally required by any natural resource trustee with jurisdiction over the matter.

11.10.1 Report to Lessor

Within 30 days following completion of any investigatory, containment, remediation, or removal action required by this Lease, Lessee will provide Lessor with a written report outlining, in detail, what has been done and the results thereof.

11.10.2 Lessor's Approval Rights

Except in the case of an emergency or an agency order requiring immediate action, Lessee will give Lessor advance notice before beginning any investigatory, remediation, or removal procedures. Lessor will have the right to approve or disapprove the proposed investigatory, remediation, or removal procedures and the company or companies and individuals conducting the procedures that are required by this Lease or by applicable Environmental Laws, whether on the Property, Premises, or any affected property or water. Lessor will have the right to require Lessee to contract for and fund oversight by any governmental agency with jurisdiction over any investigatory, containment, removal, remediation, and restoration activities and to require Lessee to seek and obtain a determination of no further action or an equivalent completion-of-work statement from the governmental agency.

11.11 Notice to Lessor

Lessee will immediately notify Lessor upon becoming aware of: (a) a violation or alleged violation of any Environmental Law; (b) any leak, spill, release, or disposal of a Hazardous Substance on, under, or adjacent to the Property or Premises or threat of or reasonable suspicion of any of the same; and (c) any notice or communication to or from a governmental agency or any other person directed to Lessee or any other person relating to such Hazardous Substances on, under, or adjacent to the Property or Premises or any violation or alleged violation of, or noncompliance or alleged noncompliance with, any Environmental Laws with respect to the Property or Premises.

11.12 Certification

Not later than 30 days after receipt of written request from Lessor, Lessee will provide a written certification to Lessor, signed by Lessee, that certifies that Lessee has not received any notice from any governmental agency regarding a violation of or noncompliance with any Environmental Law; or, if such a notice was received, Lessee will explain the reason for the notice, explain what has been done to remedy the problem, and attach a copy of the notice. Lessee will also certify that Lessee has obtained and has in force all permits required under Environmental Law. Lessee will make copies of all such permits available to Lessor upon request.

11.13 Documentation of Hazardous Substances

Lessee will maintain for periodic inspection by Lessor and deliver to Lessor, at Lessor's request, true and correct copies of the following documents (hereinafter referred to as the "Documents") related to the handling, storage, disposal, and emission of Hazardous Substances, concurrently with the receipt from or submission to a governmental agency: permits; approvals; reports and correspondence; storage and management plans; material safety data sheets (MSDS); spill prevention control and countermeasure plans; other spill contingency and emergency response plans; documents relating to taxes for Hazardous Substances; notice of violations of any Environmental Laws; plans relating to the installation of any storage tanks to be installed in, under, or around the Property or Premises (but the installation of tanks will be permitted only after Lessor has given Lessee its written consent to do so, which consent may be withheld in Lessor's sole discretion); and all closure plans or any other documents required by any and all

federal, state, and local governmental agencies and authorities for any storage tanks or other facilities installed in, on, or under the Property or Premises.

Article 12 LESSEE DEFAULT

12.1 Events of Default

The following will constitute an "Event of Default" if not cured within the applicable cure period as set forth below:

12.1.1 Default in Rent

Failure of Lessee to pay any Rent or other charge within 10 days after written notice from Lessor. However, Lessor will not be required to provide such notice more than 2 times in any calendar year. Thereafter, failure to pay Rent by the due date will be deemed an automatic Event of Default for which no additional notice or cure period need be granted.

12.1.2 Default in Other Covenants

Failure of Lessee to comply with any term or condition or fulfill any obligation of the Lease (other than the payment of Rent or other charges) within 10 days after written notice by Lessor specifying the nature of the default with reasonable particularity. If the default is of such a nature that it cannot be completely remedied within the 10-day period, Lessee will be in compliance with this provision if Lessee begins correction of the default within the 10-day period and thereafter proceeds with reasonable diligence and in good faith to effect the remedy as soon as practicable. Notwithstanding the foregoing, if Lessee violates the same provision of this Lease more than 2 times in any given 1-year period, then the violation will constitute an immediate Event of Default for which no further notice or cure period need be granted by Lessor.

12.1.3 Insolvency

An assignment by Lessee for the benefit of creditors; filing by Lessee of a voluntary petition in bankruptcy; adjudication that Lessee is bankrupt or the appointment of receiver of the properties of Lessee; the filing of an involuntary petition of bankruptcy and failure of the Lessee to secure a dismissal of the petition within 30 days after filing; or attachment of or the levying of execution on the leasehold interest and failure of the Lessee to secure discharge of the attachment or release of the levy of execution within 30 days.

12.2 Remedies on Default

If an Event of Default occurs, Lessor, at Lessor's sole option, may terminate this Lease by notice, in writing, in accordance with section 17.9. The notice may be given before or within any of the above-referenced cure periods or grace periods for default and may be included in a notice of failure of compliance, but the termination will be effective only on the expiration of the above-referenced cure periods or grace periods. If the Premises is abandoned by Lessee in connection with a default, termination may be automatic and without notice, at Lessor's sole option.

12.2.1 Termination and Damages

If this Lease is terminated, Lessor will be entitled to recover promptly, without waiting until the due date, any past due Rent together with future Rent that would otherwise become due and owing up to and through the date fixed for expiration of the Lease Term; any damages suffered by Lessor as a result of the Event of Default, including without limitation all obligations of Lessee; and the reasonable costs of reentry and reletting the Premises, including without limitation, the cost of any cleanup, refurbishing, removal of Lessee's Personal Property including fixtures, or any other expense occasioned by Lessee's failure to quit the Premises upon

termination and to leave them in the condition required at the expiration of this Lease, any remodeling costs, attorney fees, court costs, broker commissions, and advertising costs. Lessor will have no obligation to mitigate damages, except as required by Oregon law at the time of termination.

12.2.2 Reentry after Termination

If the Lease is terminated or abandoned for any reason, Lessee's liability for damages will survive the termination, and the rights and obligations of the Parties will be as follows:

(a) Lessee will vacate the Premises immediately; remove any Personal Property of Lessee, including any fixtures that Lessee is required to remove at the end of the Lease Term; perform any cleanup, alterations, or other work necessary to leave the Premises in the condition required at the end of the term; and deliver all keys to Lessor.

(b) Lessor may reenter, take possession of the Premises, and remove any persons or Personal Property by legal action or by self-help with the use of reasonable force and without liability for damages.

12.2.3 Reletting

Following termination, reentry, or abandonment, Lessor may relet the Premises and in that connection may:

(a) Make any suitable alterations, refurbish the Premises, or both, or change the character or use of the Premises, but Lessor will not be required to relet for any use or purpose (other than that specified in the Lease) that Lessor may reasonably consider injurious to the Premises, or to any tenant that Lessor may reasonably consider objectionable.

(b) Relet all or part of the Premises, alone or in conjunction with other properties, for a term longer or shorter than the term of this Lease, on any reasonable terms and conditions, including the granting of some rent-free occupancy or other rent concession.

12.2.4 Right to Sue More Than Once

In an Event of Default, Lessor may elect to continue this Lease and to sue periodically to recover damages, and no action for damages will bar a later action for damages subsequently accruing.

12.2.5 Equitable Relief

Lessor may seek injunctive relief or an order of specific performance from any court of competent jurisdiction requiring that Lessee perform its obligations under this Lease.

12.3 No Waiver of Default

No failure by Lessor to insist on the strict performance of any agreement, term, covenant, or condition of this Lease or to exercise any right or remedy consequent upon a breach, and no acceptance of partial Rent during the continuance of any breach, will constitute a waiver of the breach or of the agreement, term, covenant, or condition. No agreement, term, covenant, or condition to be performed or complied with by Lessee, and no breach by Lessee, will be waived, altered, or modified except by a written instrument executed by Lessor. No waiver of any breach will affect or alter this Lease, but each and every agreement, term, covenant, and condition of this Lease will continue in full force and effect with respect to any other then-existing or subsequent breach.

12.4 Remedies Cumulative and Nonexclusive

Each right and remedy of Lessor contained in this Lease will be cumulative and will be in addition to every other right or remedy in this Lease, or existing at law or in equity, including without limitation suits for injunctive relief and specific performance. The exercise or beginning of the exercise by Lessor of any such rights or remedies will not preclude the simultaneous or

later exercise by Lessor of any other such rights or remedies. All such rights and remedies are nonexclusive.

12.5 Curing Lessee's Default

If Lessee fails to perform any of Lessee's obligations under this Lease, Lessor, without waiving the failure, may (but will not be obligated to) perform the same for the account of and at the expense of Lessee (using Lessee's Security Deposit or Lessor's own funds, when required), after the expiration of the applicable cure period set forth in section 12.1.2, or sooner in the case of an emergency. Lessor will not be liable to Lessee for any claim for damages resulting from such action by Lessor. Lessee agrees to reimburse Lessor, on demand, for any amounts Lessor spends in curing Lessee's Default. Any sums to be so reimbursed will bear interest at the Delinquency Rate.

12.6 Administrative Costs

If Lessor gives Lessee one written notice of a violation of a specific provision of this Lease, and Lessee violates the same provision again during the subsequent 12-month period, then in addition to all other rights and remedies set forth herein, Lessee agrees to reimburse Lessor for Lessor's administrative costs incurred in connection with any such subsequent violation. Failure by Lessee to pay the costs will be deemed an immediate Event of Default subject to all remedies set forth in this Article 12.

Article 13

LESSOR DEFAULT

13.1 Breach by Lessor

13.1.1 Notice of Breach

Lessor will not be deemed in breach of this Lease unless Lessor fails within a reasonable time to perform an obligation required to be performed by Lessor. For purposes of this section 13.1.1, a reasonable time will in no event be less than 30 days after receipt by Lessor, and any Lender whose name and address have been furnished to Lessee in writing for such purpose, of written notice specifying what obligation of Lessor has not been performed; however, a Lessor event of default will not occur if Lessor's performance is commenced within the 30-day period and thereafter diligently pursued to completion.

13.1.2 No Self-Help

In the event that neither Lessor nor any Lender of Lessor cures any breach within the applicable cure period, Lessee will be entitled to seek any of the remedies provided in section 13.1.3 but will not be entitled to take self-help action.

13.1.3 Remedies in the Event of a Lessor Default

If an uncured event of default is committed by Lessor, Lessee will be entitled to any remedies available at law or in equity for breach of lease; however, damages will be limited to actual damages, excluding consequential and punitive damages, and damages will also be limited to Lessor's interest in the Property and will be subordinate to the rights of Lessor's lenders.

Article 14

INDEMNITIES AND REIMBURSEMENT

14.1 General Indemnity

Lessee agrees to defend (using legal counsel reasonably acceptable to Lessor, taking into account insurance defense requirements), indemnify, and hold harmless Lessor from and against any and all actual or alleged claims, damages, expenses, costs, fees (including but not limited to attorney, accountant, paralegal, expert, and escrow fees), fines, liabilities, losses, penalties, proceedings, and/or suits (collectively "Costs") that may be imposed on or claimed against

Lessor, in whole or in part, directly or indirectly, arising from or in any way connected with (a) any act, omission, or negligence by Lessee or its partners, officers, directors, members, managers, agents, employees, invitees, or contractors; (b) any use, occupation, management, or control of the Premises or Property by Lease, whether or not due to Lessee's own act or omission; (c) any condition created in or about the Premises or Property by Lessee, including any accident, injury, or damage occurring on or about the Premises or Property during this Lease as a result of Lessee's use thereof; (d) any breach, violation, or nonperformance of any of Lessee's obligations under this Lease; or (e) any damage caused on or to the Premises or Property by Lessee's use or occupancy thereof. As used throughout Article 14, "Lessee" includes all of Lessee's partners, officers, directors, members, managers, agents, employees, invitees, and contractors.

14.2 Environmental Indemnity

Without in any way limiting the generality of the foregoing General Indemnity set forth in section 14.1, Lessee will be solely responsible for and agrees to defend (using legal counsel reasonably acceptable to Lessor, taking into account insurance defense requirements), indemnify, and hold harmless Lessor from and against all Environmental Costs claimed against or assessed against Lessor arising, in whole or in part, directly or indirectly, from acts or omissions of Lessee on or about the Premises or Property. Notwithstanding the foregoing, Lessee will not be responsible for, and does not indemnify Lessor for, any actions of Lessor or any other tenant that cause environmental damage or a violation of any Environmental Law on the Premises or Property.

14.3 Reimbursement for Damages

Lessee will fully compensate Lessor for harm to Lessor's real or personal property caused by the acts or omissions of Lessee. This compensation will include reimbursement to Lessor for any diminution in value of or lost revenue from the Premises or other areas of the Property or adjacent or nearby property caused by a Hazardous Substance Release, including damages for loss of, or restriction on use of, rentable or usable property or of any amenity of the Premises or Property, including without limitation damages arising from any adverse impact on the leasing or sale of the Premises or Property as a result thereof.

14.4 Survival

This Article 14 will survive the termination of this Lease with respect to all matters arising or occurring before surrender of the Premises by Lessee.

14.5 Scope of Indemnity

For purpose of this Article 14, references to "Lessor" are deemed to include its respective officers, directors, employees, agents, invitees, and contractors.

Article 15

ASSIGNMENT AND ESTOPPELS

15.1 Consent Required

This Lease will not be assigned, subleased, or otherwise transferred except with the consent of Lessor.

15.1.1 Lessor hereby consents to the sublease of the Premises to the Central Point Chamber of Commerce.

15.2 Estoppel Certificate

Each Party agrees to execute and deliver to the other, at any time and within 20 days after written request, a statement certifying, among other things: (a) that this Lease is unmodified and is in full force and effect (or if there have been modifications, stating the modifications); (b) the

dates to which Rent has been paid; (c) whether the other Party is in default in performance of any of its obligations under this Lease and, if so, specifying the nature of each such default; and (d) whether any event has occurred that, with the giving of notice, the passage of time, or both, would constitute a default and, if so, specifying the nature of each such event. Each Party will also include any other information concerning this Lease as is reasonably requested. The Parties agree that any statement delivered under this section 15.2 will be deemed a representation and warranty by the Party providing the estoppel that may be relied on by the other Party and by its potential or actual purchasers and lenders, regardless of independent investigation. If either Party fails to provide the statement within 20 days after the written request therefor, and does not request a reasonable extension of time, then that Party will be deemed to have given the statement as presented and will be deemed to have admitted the accuracy of any information contained in the request for the statement.

Article 16 CONDEMNATION

If the Premises or any interest therein is taken as a result of the exercise of the right of eminent domain or under threat thereof (a "Taking"), this Lease will terminate with regard to the portion that is taken. If either Lessee or Lessor determines that the portion of the Property or Premises taken does not feasibly permit the continuation of the operation of the facility by either the Lessee or Lessor, this Lease will terminate. The termination will be effective as of the date of the Taking. Any condemnation award relating to the Property or Premises will be the property of Lessor. Lessee will not be entitled to any proceeds of any such award, except Lessee will be entitled to any compensation attributed by the condemning authority to Lessee's relocation expense, trade fixtures, or loss of business.

Article 17 GENERAL PROVISIONS

17.1 Covenants, Conditions, and Restrictions

This Lease is subject and subordinate to the effect of any covenants, conditions, restrictions, easements, loans, mortgages, deeds of trust, ground leases, rights of way, and any other matters of record now or hereafter imposed on the Property and to any applicable land use or zoning laws or regulations. Lessee will, upon request of Lessor, execute and deliver agreements of subordination in the form reasonably requested by Lessor and described in section 17.22.

17.2 Nonwaiver

Waiver by either Party of strict performance of any provision of this Lease will not be a waiver of or prejudice the Party's right to require strict performance of the same provision in the future or of any other provision.

17.3 Attorney Fees

If any suit, action, or other proceeding (including any proceeding under the U.S. Bankruptcy Code) is instituted in connection with any controversy arising out of this Lease or to interpret or enforce any rights or obligations hereunder, the prevailing Party will be entitled to recover attorney, paralegal, accountant, and other expert fees and all other fees, costs, and expenses actually incurred and reasonably necessary in connection therewith, as determined by the court or body at trial or on any appeal or review, in addition to all other amounts provided by law. Payment of all such fees also applies to any administrative proceeding, petition for review, trial, and appeal. Whenever this Lease requires one Party to defend the other Party, the defense

will be by legal counsel acceptable to the Party to be defended, understanding that claims are often covered by insurance with the insurance carrier designating the defense counsel.

17.4 Time of Essence

Time is of the essence in the performance of all covenants and conditions to be kept and performed under the terms of this Lease.

17.5 No Warranties or Guarantees

Lessor makes no warranty, guarantee, or averment of any nature whatsoever concerning the physical condition of the Premises or Property, or suitability of the Premises or Property for Lessee's use. Lessor will not be responsible for any loss, damage, or costs that may be incurred by Lessee by reason of any such condition.

17.6 No Implied Warranty

In no event will any approval, consent, acquiescence, or authorization by Lessor be deemed a warranty, representation, or covenant by Lessor that the matter approved, consented to, acquiesced in, or authorized is appropriate, suitable, practical, safe, or in compliance with any applicable law or this Lease. Lessee will be solely responsible for such matters, and Lessor will have no liability therefor.

17.7 Construction

In construing this Lease, all headings and titles are for the convenience of the Parties only and are not considered a part of this Lease. Whenever required by the context, the singular includes the plural and vice versa.

17.8 Lessor Consent or Action

If this Lease is silent on the standard for any consent, approval, determination, or similar discretionary action, the standard is the sole discretion of Lessor, rather than any standard of implied good faith or reasonableness. If Lessee requests Lessor's consent or approval under any provision of the Lease and Lessor fails or refuses to give the consent or approval, Lessee will not be entitled to any damages as a result of the failure or refusal, whether or not unreasonable.

17.9 Notices

All notices required under this Lease will be deemed to be properly served when actually received or on the third Business Day (defined in section 17.16) after mailing, if sent by certified mail, return receipt requested, to the last address previously furnished by the Parties hereto in accordance with the requirements of this section 17.9. Until hereafter changed by the Parties by notice in writing, sent in accordance with this section 17.9, notices must be sent to the following addresses:

If to Lessor: Freel & Associates, LLC
P. O. Box 587
Shady Cove, OR 97539

If to Lessee:

The addresses to which notices are to be delivered may be changed by giving notice of the change in address in accordance with this Notice provision.

17.10 Governing Law

This Lease is governed by and will be construed according to the laws of the State of Oregon, without regard to its choice-of-law provisions. Any action or suit to enforce or construe

any provision of this Lease by either Party will be brought in the Circuit Court of the State of Oregon for Josephine County.

17.11 Survival

Any covenant or condition (including, but not limited to, environmental obligations and all indemnification agreements) set forth in this Lease, the full performance of which is not specifically required before the expiration or earlier termination of this Lease, and any covenant or condition that by its terms is to survive, will survive the expiration or earlier termination of this Lease and will remain fully enforceable thereafter.

17.12 Partial Invalidity

If any provision of this Lease is held to be unenforceable or invalid, it will be adjusted rather than voided, if possible, to achieve the intent of the Parties to the extent possible. In any event, all the other provisions of this Lease will be deemed valid and enforceable to the fullest extent.

17.13 Modification

This Lease may not be modified except by a writing signed by the Parties.

17.14 Successors

The rights, liabilities, and remedies provided in this Lease will extend to the heirs, legal representatives, and, as far as the terms of this Lease permit, successors and assigns of the Parties. The words "Lessor," "Lessee," and their accompanying verbs or pronouns, whenever used in the Lease, apply equally to all persons, firms, or corporations that may be or become parties to this Lease.

17.15 Limitation on Liability of Lessor

The obligations under this Lease do not constitute any personal obligation of Lessor or any of its owners, members, partners, shareholders, officers, directors, or employees, and Lessee has no recourse against any of them. Lessor's liability under this Lease is strictly limited to whatever interest it holds in the Premises, subject to and subordinate to any rights of the lenders or secured creditors of Lessor.

17.16 Calculation of Time

Unless referred to in this Lease as Business Days, all periods of time referred to in this Lease include Saturdays, Sundays, and Legal Holidays. However, if the last day of any period falls on a Saturday, Sunday, or Legal Holiday, then the period extends to include the next day that is not a Saturday, Sunday, or Legal Holiday. "Legal Holiday" means any holiday observed by the federal government. "Business Day" means any day Monday through Friday, excluding Legal Holidays.

17.17 Exhibits Incorporated by Reference

All exhibits attached to this Lease are incorporated by reference herein.

17.18 Brokers

Lessee and Lessor each represent to one another that they have not dealt with any leasing agent or broker in connection with this Lease, and each agrees to indemnify and hold harmless the other from and against all damages, costs, and expenses (including attorney, accountant, and paralegal fees) arising in connection with any claim of an agent or broker alleging to have been retained by the other in connection with this Lease. Lessee and Lessor acknowledge Jeanne Freel is a licensed Real Estate Broker in the State of Oregon and a member of Freel & Associates, LLC and her involvement in this contract is as a member of Freel & Associates, LLC with no commission owed by either party.

17.19 Interpretation of Lease; Status of Parties

This Lease is the result of arms-length negotiations between Lessor and Lessee and neither party shall be deemed to be the drafting party. Nothing contained in this Lease will be deemed or construed as creating the relationship of principal and agent, partners, joint venturers, or any other similar relationship, between the Parties hereto.

17.20 No Recordation of Lease

This Lease will not be recorded.

17.21 Force Majeure

The time for performance of any of Lessee's or Lessor's obligations hereunder will be extended for a period equal to any hindrance, delay, or suspension in the performance of that Party's obligations, beyond the Party's reasonable control and directly impacting the Party's ability to perform, caused by any of the following events: unusually severe acts of nature, including floods, earthquakes, hurricanes, and other extraordinary weather conditions; civil riots, war, terrorism, or invasion; any delay occurring in receiving approvals or consents from any governmental authority, including DEQ or other agency review of environmental reports (as long as an application for the approval or consent was timely filed and thereafter diligently pursued); major fire or other major unforeseen casualty; labor strike that precludes the Party's performance of the work in progress; or extraordinary and unanticipated shortages of materials (each a "Force Majeure Event"). Lack of funds or willful or negligent acts of a Party will not constitute a Force Majeure Event. Further, it will be a condition to any extension of the time for a Party's performance hereunder that the Party notify the other Party within five Business Days following the occurrence of the Force Majeure Event and diligently pursue the delayed performance as soon as is reasonably possible.

17.22 Subordination

This Lease is subordinate to any ground lease, mortgage, deed of trust, or other hypothecation or security device (collectively, "Security Device"), now or hereafter placed on the Property, to any and all advances made on the security thereof, and to all renewals, modifications, and extensions thereof. Lessee agrees that the holders of any Security Devices (in this Lease together referred to as "Lenders") have no liability or obligation to perform any of the obligations of Lessor under this Lease.

17.23 Attornment

If Lessor transfers title to the Property, or the Property is acquired by another upon the foreclosure or termination of any security interest to which this Lease is subordinated, (a) Lessee will, subject to the nondisturbance provisions of section 17.24, attorn to the new owner and, on request, enter into a new lease containing all the terms and provisions of this Lease, with the new owner for the remainder of the term hereof, or, at the election of the new owner, this Lease will automatically become a new lease between Lessee and the new owner; and (b) Lessor will thereafter be relieved of any further obligations hereunder and the new owner will assume all of Lessor's obligations, except that the new owner will not: (i) be liable for any act or omission of any prior lessor or with respect to events occurring before acquisition of ownership; (ii) be subject to any offsets or defenses that Lessee might have against any prior lessor; (iii) be bound by prepayment of more than one month's rent, or (iv) be liable for the return of any security deposit paid to any prior lessor.

17.24 Nondisturbance

With respect to any loan agreement or other security agreement entered into by Lessor after the execution of this Lease (a "Subsequent Loan"), Lessee's subordination of this Lease

will be subject to Lessee's receipt of a commercially reasonable nondisturbance agreement (a "Nondisturbance Agreement") from the lender of the Subsequent Loan that provides that Lessee's possession of the Premises, including any options to extend the term hereof, will not be disturbed as long as Lessee is not in default of this lease and attorns to the record owner of the Premises.

17.25 Capacity to Execute; Mutual Representations

Lessor and Lessee each warrant and represent to one another that this Lease constitutes a legal, valid, and binding obligation of that Party. Without limiting the generality of the foregoing, each Party represents that its governing board has authorized the execution, delivery, and performance of this Lease by it. The individuals executing this Lease each warrant that they have full authority to execute this Lease on behalf of the entity for whom they purport to be acting.

17.26 Entire Agreement

This Lease, together with all exhibits attached hereto and by this reference incorporated herein, constitutes the entire agreement between Lessor and Lessee with respect to the leasing of the Premises.

17.27 Counterparts

This Lease may be executed in one or more counterparts.

IN WITNESS WHEREOF, the Parties have executed this Lease to be effective as of the Effective Date.

LESSOR

By:

Print Name:

As Its:

LESSEE

By:

Print Name:

As Its:

Exhibit A

Legal Description - 650 E. Pine St, Central Point

Lots 1,2,3 and 4, Block 43, of the City of Central Point, Jackson County, Oregon , according to the Official Plat thereof, now of record.

(Map 372W02CC Tax Lot 6900)

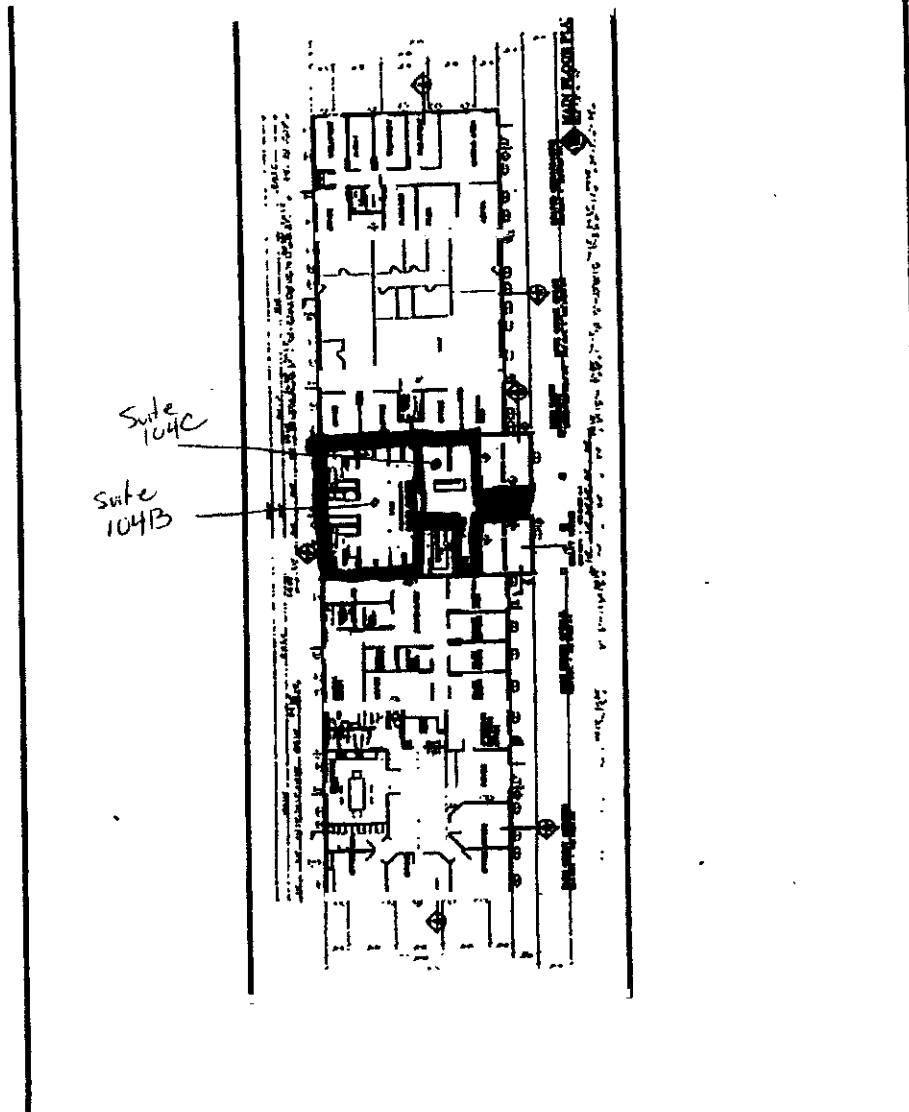
NOTE: This legal description was created prior to January 1, 2008

Tax Parcel Number 1-013395-5

City of CP
Chamber

Exhibit B

DESCRIPTION OF IMPROVEMENTS



LEVEL ONE FLOOR PLAN