

COMMERCIAL LEASE SUMMARY

REV. 4 (7-20-23)

DATED: August _____, 2023

LANDLORD: Getz Properties, LLC, an Oregon limited liability company

TENANT: Deschutes County, a political subdivision of the State of Oregon

PREMISES: 2100 NE Wyatt Court
Bend, Oregon 97701

PREMISES AREA: Approximately 10,700 rentable square feet.

COMMENCEMENT DATE & POSSESSION: (Section 1.3): September 1, 2023

RENT COMMENCEMENT November 1, 2023

LEASE TERM (Section 1.1): Sixty (60) months.

ADVANCE RENT PAID (Section 2.2): First month's Base Rent and Operating Expenses (\$26,025.00)

SECURITY DEPOSIT PAID (Section 2.4): N/A

ESTIMATED MONTHLY RENT SCHEDULE:

<u>Period</u>	<u>Base Rent</u>	<u>Est. NNN's*</u>	<u>Total Monthly Rent</u>
Year 1 (10 Mos)	\$21,625.00	\$4,400.00	\$26,025.00
Year 2	\$22,050.00	\$4,400.00	\$26,450.00
Year 3	\$22,500.00	\$4,400.00	\$26,900.00
Year 4	\$22,950.00	\$4,400.00	\$27,350.00
Year 5	\$23,400.00	\$4,400.00	\$27,800.00

*All triple net NNN figures set forth herein are estimated and shall be adjusted based on actual expenses incurred as provided herein

PAYMENT ADDRESS:

Getz Properties, LLC
c/o IRES
PO Box 2356
Bend, OR 97709

RENEWAL OPTIONS (Section 1.7):

Two (2), five (5) year Renewal Options. As referenced in section 1.7 below.

ESTIMATED OPERATING EXPENSES (Section 2.5(c)):

Initial estimated operating expenses
\$4,400.00/month

LATE FEE/INTEREST (Sections 2.6 and 17.7):

Five percent (5%) of the payment if the Rent is not received by Landlord within ten (10) days after it is due; plus interest at the rate of ten percent (10%) per annum from the due date until paid.

PERMITTED USE (Section 3.1):

Office

This summary is not intended to replace the terms of the lease. If there is a conflict between this summary and the lease, the lease shall control.

COMMERCIAL LEASE

DATED: August _____, 2023

PARTIES: Getz Properties, LLC an Oregon limited liability company (“Landlord”)
C/O IRES
PO Box 2356
Bend, Oregon 97709

AND: Deschutes County, a political subdivision of the State of Oregon
 (“Tenant”)

Deschutes County Property Management
PO Box 6005
Bend, OR 97708-6005

RECITALS

A. Landlord is the owner of the commercial building located 2100 NE Wyatt Court Bend, Oregon 97701 (the “**Building**”).

B. By the execution of this Commercial Lease (this “**Lease**”), Landlord leases to Tenant and Tenant leases from Landlord approximately 10,700 rentable square feet in the Building that is located at 2100 NE Wyatt Court, Bend Oregon 97701 (the “**Premises**”).

AGREEMENT

SECTION 1. OCCUPANCY

1.1 Original Term. The term of this Lease shall commence on the Rent Commencement Date (as defined below), and shall continue, subject to the terms and conditions provided in this Lease, for a period of sixty (60) months thereafter (the “**Lease Term**”), plus any partial calendar month in which the Lease Term commences, unless sooner terminated or extended as provided in this Lease. For the purposes of this Lease, the term “Lease Term” means the initial sixty (60) month Lease Term and any extensions or renewals thereof.

1.2 Effective Date. Landlord and Tenant agree and acknowledge that they shall be bound in accordance with the terms of this Lease from and after the date of the parties’ mutual execution of this Lease (the “**Effective Date**”). Landlord and Tenant agree and acknowledge that there are no preconditions to the effectiveness of this Lease or the performance of its terms.

1.3 Rent Commencement Date. The Rent Commencement Date shall be November 1, 2023.

1.4 Delivery of Premises. Landlord shall tender possession of the Premises to Tenant upon the move-out of SCHS (the “**Possession Date**”). Occupancy of the Premises by Tenant prior to the Rent Commencement Date shall be subject to all of the terms and provisions of this Lease excepting only those requiring the payment of Rent.

1.5 Initial Landlord Improvements. N/A

1.6 Acceptance of Premises. Landlord confirms that Building and Premises are in good working order. Tenant agrees and acknowledges that Landlord has made no promise or agreement to repair, alter, construct, and/or improve the Premises. Any Alterations (as defined below) to be made by Tenant must first be approved by Landlord in writing, which approval shall not be unreasonably withheld, conditioned or delayed, and shall be made in accordance with Section 5, below, pertaining to Alterations. Tenant shall have exclusive right to the parking lot and parking spaces associated with the Premises, which includes 36 spaces (33 standard, 1 compact and 2 ADA).

1.7 Renewal Options. If Tenant is not then in default under this Lease, Tenant shall have the option (“**Renewal Option**”) to extend the Lease Term for two (2) terms of five (5) years each, subject to the following terms and conditions:

(a) Tenant shall exercise a Renewal Option by providing Landlord written notice (“**Renewal Notice**”) not less than one-hundred & twenty (120) days prior to the last day of the expiring lease term. A renewal term shall commence on the day immediately following the expiration of the then-effective Lease Term.

(b) The terms and conditions for the renewal term shall be identical with the initial Lease Term except for Base Rent (as defined below). The Base Rent for the first year of first renewal Lease Term shall be two percent (2%) above the Base Rent payable in year 5 of the initial Lease Term. Thereafter, monthly Base Rent shall escalate by an additional two percent (2%) annually in each subsequent year of the first renewal Lease Term. Base Rent for the second renewal term shall be two percent (2%) above the Base Rent payable in year 5 of the first renewal option Lease Term. Thereafter, monthly Base Rent shall escalate by an additional two percent (2%) annually in each subsequent year of the second renewal Lease Term.

1.8 Financial Capability of Tenant. In addition to any other Tenant representation or warranty provided in this Lease, Tenant represents and warrants the following to Landlord: (i) Tenant has sufficient net worth to assure Tenant’s performance of this Lease and the payment of its obligations under this Lease as and when they become due.

SECTION 2. RENT, DEPOSIT, TAXES, FEES, AND CHARGES

2.1 Base Rent and Estimated Additional Rent. During the initial sixty (60) month Lease Term, Tenant shall pay Landlord guaranteed monthly “**Base Rent**” and estimated Additional Rent (defined below), without offset, as follows:

<u>Period</u>	<u>Base Rent</u>	<u>Est. NNN’s*</u>	<u>Total Monthly Rent</u>
Year 1 (10 Mos)	\$21,625.00	\$4,400.00	\$26,025.00
Year 2	\$22,050.00	\$4,400.00	\$26,450.00
Year 3	\$22,500.00	\$4,400.00	\$26,900.00
Year 4	\$22,950.00	\$4,400.00	\$27,350.00
Year 5	\$23,400.00	\$4,400.00	\$27,800.00

*All triple net NNN figures set forth herein are estimated and shall be adjusted based on actual expenses incurred as provided herein.

2.2 Rent Due Date. Rent shall be due and payable to Landlord commencing on the Rent Commencement Date. Rent shall be due and payable on or before the first day of each subsequent month, in advance and without notice or invoice to Tenant, at such place as may be designated by Landlord.

2.3 Additional Rent. All insurance costs, utility charges, Tenant's proportionate share of the Operating Expenses (as defined below), and any other sums Tenant is required to pay to Landlord or any third-party shall be deemed "**Additional Rent.**" For purposes of this Lease, "**Rent**" shall mean both Base Rent and Additional Rent.

2.4 Security Deposit. N/A.

2.5 Tenant's Proportionate Share of Operating Expenses. The Premises constitute the entirety of the Building. Tenant shall pay Tenant's proportionate share of all Operating Expenses (as defined below) attributable to the Building, making this Lease a triple net lease. Unless and until adjusted as provided in this Lease, Tenant's proportionate share of the Operating Expenses shall be one hundred percent (100%).

(a) Operating Expenses. Except as otherwise provided in this Lease, "**Operating Expenses**" shall mean any and all costs and expenses paid or incurred by Landlord (or on Landlord's behalf) necessary or appropriate for the effective and efficient operation, maintenance, and/or repair of the Building, including, without limitation, the following: (i) any assessments now or hereafter levied against the Building/property by the City of Bend; (ii) the cost of commercial general liability and/or casualty insurance, including coverage for loss of rents, on the Building; (iii) the costs and expenses of maintaining and/or repairing the Building, or any part thereof, including (but not limited to) the exterior of the Building, exterior walls, roof, gutters, down spouts, utility systems, mechanical systems including quarterly maintenance of HVAC systems, quarterly maintenance of the elevator, electrical systems, sanitary sewer systems and storm drainage; (iv) the cost to maintain, repair the sidewalks abutting the Building; (v) the costs and expenses of snow/ice removal; (vi) the cost of all utilities and services that are not the responsibility of a tenant of the Building; (vii) all City of Bend water, sewer and stormwater charges/assessments; (viii) a property management fee not to exceed 6% of gross Rent and excluding Operating Expenses; (ix) any and all other charges, costs, or expenses commonly incurred by landlords of comparable buildings for the operation, repair, and maintenance of the Building, including, without limitation,; and (x) any other charges identified as Operating Expenses in this Lease.

(b) Operating Expense Exclusions. Except as otherwise provided in this Lease, Operating Expenses shall not include: (i) depreciation or amortization (except as provided in Section 2.5(a)); (ii) interest on and amortization of debts; (iii) refinancing costs; (iv) damages recoverable by any occupant due to violation by Landlord of any of the terms and conditions of this Lease; (v) repairs occasioned by fire, windstorm, or other casualty; (vi) leasing commissions and other costs, including, accounting and other professional fees, disputes and other transactions with individual present or prospective tenants (other than Tenant); (vii) ground rent; (viii) separately-metered utilities, but only to the extent paid directly by Tenant or other Tenant of the Building; (ix) costs incurred in renovating or otherwise improving, decorating, painting, or

redecorating vacant space for tenants or other occupants of the Building; (x) additions to the Building; (xi) any other expenses which, in accordance with generally accepted accounting principles, would not normally be treated as Operating Expenses by comparable landlords in comparable buildings and (xii) property taxes once Tenant receives approved property tax exemption status by Deschutes County Assessor's Office.

(c) Controllable Operating Expense Cap. Notwithstanding any language to the contrary contained in this Lease, the portion of Tenant's Proportionate Share of Operating Expenses attributable to Controllable Operating Expenses shall not increase by more than three percent (3.0%) annually on a non-cumulative basis. As used herein, "Controllable Operating Expenses" shall mean all Operating Expenses except: (i) City of Bend water, sewer and stormwater charges and/or assessments; (ii) costs of Insurance as specified in Section 6; (iii) costs related to weather related items such as snow, water and ice removal; and (iv) the cost to maintain or, repair the sidewalks.

(d) Written Statement of Estimate. Landlord shall furnish Tenant with a written statement setting forth the estimated Operating Expenses for the current lease year on or before April 1st. Tenant shall pay to Landlord as Additional Rent on the first day of each calendar month, an amount equal to 1/12 of the amount of the Operating Expenses shown on Landlord's annual written statement. In the event Landlord delivers the written statement late, Tenant shall continue to pay to Landlord an amount equal to 1/12 of the Operating Expenses for the immediately preceding lease year until Landlord does furnish the written statement, at which time Tenant shall pay the amount of any deficiency for the expired portion of the current lease year based on Tenant's actual payments during such time; any excess payments made by Tenant shall be credited to the next due payment of Rent from Tenant or refunded at Tenant's option. The late delivery of any written statement by Landlord shall not constitute a waiver of Tenant's obligation to pay the Operating Expenses nor subject the Landlord to any liability, but Landlord shall use reasonable efforts to deliver such written statements of the Operating Expenses as soon as reasonably possible after the commencement of each lease year. Tenant's initial estimated share of the Operating Expenses is \$4,400.00 per month, which does not include separately-metered utility charges paid directly by Tenant. Tenant acknowledges and agrees that Tenant's estimated share of the Operating Expenses is subject to adjustment after the yearly Operating Expense reconciliation is performed by Landlord's property manager.

(e) Accounting. Commencing 2025, on or before April 1st of each year, Landlord shall complete an accounting of the Operating Expenses included in Additional Rent during the prior calendar year and Landlord shall provide Tenant with a detailed itemization and accounting of all Operating Expenses included in the annual expense reconciliation by May 15th of each year. If Landlord's accounting determines that Tenant has paid less than its proportionate share of the Operating Expenses during the preceding calendar year., Tenant shall pay to Landlord the balance of its proportionate share of the Operating Expenses within thirty (30) days of Tenant's receipt of notice from Landlord. If Landlord's accounting determines that Tenant has paid more than its proportionate share of the Operating Expenses during the preceding calendar year, Landlord shall, in Landlord's discretion, (i) return the overpayment to Tenant within thirty (30) days of Landlord's determination that Tenant has overpaid its proportionate share of the Operating Expenses, or (ii) if further rent is due, Landlord may elect to provide Tenant a credit in the amount of Tenant's overpayment against the Rent next coming due. Landlord's accounting referred to herein need not be audited but shall contain sufficient detail to enable Tenant to verify

the calculation of the Operating Expenses. In addition, Tenant, upon at least ten (10) days' advance written notice to Landlord and during normal business hours, may examine and copy any invoices, receipts, canceled checks, vouchers, or other instruments used to support the figures shown on Landlord's accounting; provided, however, that Tenant shall only be entitled to such an examination once during each Lease year.

(f) Disputes. Each accounting provided by Landlord pursuant to Section 2.5(e) shall be conclusive and binding upon Tenant unless within sixty (60) days after Tenant's receipt of such accounting, Tenant shall notify Landlord that it disputes the correctness of the accounting, specifying the particular respects in which the accounting is claimed to be incorrect. If such disputes shall not have been settled by agreement, either party, within sixty (60) days after Tenant's receipt of such accounting, may pursue its available legal remedies; provided, however, Tenant hereby agrees that the dispute over the accounting, any error by Landlord in interpreting or applying the provisions of this Lease regarding Operating Expenses, or in calculating the amounts in the accounting, shall not constitute a breach of this Lease by Landlord and even if any legal proceeding over the accounting is resolved against Landlord, this Lease shall remain in full force and effect and Landlord shall not be liable for any consequential damages. Pending the determination of any dispute concerning the correctness of the accounting, Tenant, within ten (10) days of receipt of such accounting, shall pay Additional Rent in accordance with the accounting, without prejudice to Tenant's position. If the dispute shall be determined in Tenant's favor, within ten (10) days Landlord shall forthwith pay to Tenant the amount of Tenant's overpayment of Rent resulting from compliance with the accounting.

2.6 Late Fee on Rent and Other Charges. If Rent (or other payment due from Tenant) is not received by Landlord within fifteen (15) days after it is due, Tenant shall pay a late fee equal to 5% of the payment (a "**Late Fee**"). Subject to the terms and conditions of this Lease, Landlord may levy and collect a Late Fee in addition to all other remedies available for Tenant's failure to pay Rent (or other payment due from Tenant). All Late Fees shall be payable as Additional Rent, but not included in the property management fee calculation outlined in Section 2.5(a).

SECTION 3. USE OF THE PREMISES

3.1 Permitted Use. The Premises may be used for a typical Office environment for Deschutes County Health Services Department (the "**Business**"), and for no other purpose without the prior written consent of Landlord, which consent may not be unreasonably withheld. Operation of the Business shall be subject to any and all applicable "Legal Requirements" (defined as all federal, state and/or local statutes, laws, ordinances and/or regulations governing the use and/or operation of the Business and Building). Tenant agrees and acknowledges that neither Landlord nor Landlord's agents have made any warranties or representations, whether express or implied, concerning the permitted use that may be made of the Premises or the Building under any Legal Requirements, including, without limitation, the present general plan of the city or county in which the Premises are located, zoning ordinances, and any other existing or future restrictions that pertain to the Premises.

3.2 Restrictions on Use. In connection with Tenant's use of the Premises, Tenant shall:

(a) Conform and comply with any and all Legal Requirements. Tenant shall correct, at Tenant's own expense, any failure of compliance created through Tenant's fault or by reason of Tenant's use of the Premises. Tenant covenants that Tenant has had an opportunity to review and has reviewed any and all Legal Requirements directly or indirectly pertaining to or concerning Tenant's operation of the Business and the condition, use, or occupancy of the Building, including, but not limited to, the Premises.

(b) Refrain from any activity which would make it difficult or impossible to insure the Premises against casualty, would increase the insurance rate, or would prevent Landlord from taking advantage of any ruling of the Oregon Insurance Rating Bureau or its successor allowing Landlord to obtain reduced premium rates for long-term fire insurance policies, unless Tenant pays the additional costs of the insurance.

(c) Refrain from any use which would be reasonably offensive to Landlord or neighboring property, or which would tend to create a nuisance or damage the reputation of the Premises.

(d) Refrain from loading the floors beyond the point considered safe by a competent engineer or architect selected by Landlord.

(e) Refrain from making any marks on or attaching any sign, insignia, antenna, aerial, or other device to the exterior or interior walls, windows, or roof of the Building (including the Premises) without the prior written consent of Landlord, which consent will not be unreasonably withheld, conditioned or delayed.

(f) Refrain from causing or permitting any Hazardous Substances (as defined below) to be spilled, leaked, disposed of, or otherwise released on or under the Premises. Without otherwise limiting the immediately preceding sentence, Tenant may use, store, or otherwise handle on the Premises only those Hazardous Substances typically used, stored, sold, or handled in the prudent and safe operation of the Business. Tenant shall comply with all Environmental Laws and shall exercise the highest degree of care in the use, handling, and storage of Hazardous Substances, and shall take all practicable measures to minimize the quantity and toxicity of Hazardous Substances used, handled, or stored on the Premises. Upon the earlier of the termination or expiration of this Lease, Tenant shall remove, at its sole cost and expense, all Hazardous Substances from the Premises placed and/or caused to be placed on the Premises by Tenant, its employees, agents, contractors or invitees. For purposes of this Lease, the term "**Environmental Law(s)**" shall mean any federal, state, or local statute, regulation, or ordinance, or any judicial or other governmental order pertaining to the protection of health, safety, or the environment. The term "**Hazardous Substance(s)**" shall mean any hazardous, toxic, infectious, or radioactive substance, waste, or material as defined or listed by any Environmental Law and shall include petroleum oil and its fractions.

3.3 Hazardous Substances.

(a) **Indemnification.** Tenant shall indemnify, defend, and hold Landlord and Landlord's agents harmless for, from, and against any and all losses, costs, expenses, claims, and

liabilities resulting from or arising out of, whether directly or indirectly, the use, storage, treatment, transportation, presence, release, or disposal of Hazardous Substances in, on, under, or about the Building or Premises to the extent resulting from the activities of Tenant and/or its agents or employees. Tenant's indemnification obligations provided in this Section 3.3 shall survive the termination and/or expiration of this Lease.

(b) Certification/Landlord Indemnity. Landlord represents and warrants that, to its actual knowledge (without any duty of investigation or inquiry), there are no Hazardous Substances on, in or under the Building, in amounts or kinds that pose a threat to human health or the environment or that could give rise to liability under any Environmental Laws. Landlord shall indemnify, defend, and hold Tenant harmless for, from, and against any and all losses, costs, expenses, claims, and liabilities resulting from or arising out of, whether directly or indirectly, the use, storage, treatment, transportation, presence, release, or disposal of Hazardous Substances in, on, under, or about the Building or Premises to the extent resulting actions occurring prior to the commencement of this Lease. Landlord's indemnification obligation provided in this Section 3.3 shall survive the termination and/or expiration of this Lease.

SECTION 4. REPAIRS AND MAINTENANCE

4.1 Landlord's Obligations. The following shall be the responsibility of Landlord, which shall be done at Landlord's expense and shall not be included in the Operating Expenses:

(a) Replacement of the roof and gutters, exterior walls, bearing walls, structural members, and foundation.

(b) Replacement of water, sewage, gas, electrical services up to the point of entry to the Premises, and asphalt, curbs and sidewalks.

(c) Replacement of HVAC units and major HVAC system components consisting of compressors, motors, fans, and electronics as determined by Landlord.

(d) Repair and replacement of the elevator other than ordinary maintenance and monthly service.

(e) Any repairs necessitated by the negligence of Landlord, its agents, employees, and invitees, except as provided in Section 6.3, below, dealing with waiver of subrogation.

4.2 Landlord's Obligations Chargeable to Operating Expenses. Landlord will perform the maintenance and repairs specified in Section 2.5(a) with the cost of such items included in the Operating Expenses.

4.3 Tenant's Obligations. The following shall be the responsibility of Tenant at Tenant's own expense:

(a) Repair and maintenance of all Premises walls, ceilings, doors, windows, floor coverings, light fixtures, switches, and wiring and plumbing from the point of entry to the Premises.

(b) Repair, maintenance and/or replacement of the building entry and building envelope glass of the Premises.

(c) Repainting of all interior walls of the Premises as needed during tenancy.

(d) Any repairs necessitated by the negligence of Tenant, its agents, employees, and invitees, except as provided in Section 6.3, below, dealing with waiver of subrogation.

(e) Any repairs or alterations required under Tenant's obligation to comply with applicable Legal Requirements as set forth in Section 3.2 above.

4.4 Landlord's Interference with Tenant. Except in the case of an emergency, Landlord shall use reasonable efforts to minimize interference with the conduct of Tenant's business in connection with Landlord's repairs, replacements, alterations, or other work to be performed by Landlord in, on, or around the Premises, but Landlord shall not be required to use overtime or premium time labor, nor shall Landlord be required to perform work during other than normal business hours. Except for negligence of Landlord and Landlord's agents and contractors, Tenant waives and releases any claims for abatement of rent or damages, including loss of business, resulting from the proper exercise of Landlord's rights under this Section 4.4.

4.5 Reimbursement for Obligations Assumed by Landlord. In the event Tenant fails or refuses to perform any of its obligations specified in Section 4.3 above, Landlord may (at its discretion and without any requirement to do so) elect to perform such obligations and charge the actual costs incurred to Tenant. Tenant shall reimburse such expenditures on demand, together with interest at the rate of 10% per annum from the date of expenditure until fully reimbursed. Except in an emergency creating an immediate risk of personal injury or property damage, Landlord shall provide Tenant with 30-days advance written notice (outlining with reasonable particularity the repair, maintenance or replacement required) before commencing any work that is the responsibility of Tenant under Section 4.3.

4.6 Reimbursement for Obligations Assumed by Tenant. In the event Landlord fails or refuses to perform any of its obligations specified in Section 4.1 above, Tenant may (at its discretion and without any requirement to do so) elect to perform such obligations and charge the actual costs incurred to Landlord, Landlord shall reimburse such expenditures on demand, together with interest at the rate of 10% per annum from the date of expenditure until fully reimbursed. Except in an emergency creating an immediate risk of personal injury or property damage, Tenant shall provide Landlord with 30-days advance written notice (outlining with reasonable particularity the repair, maintenance or replacement required) before commencing any work that is the responsibility of Landlord under Section 4.1.

4.6 Inspection of Premises. Landlord shall have the right to enter and inspect the Premises, with twenty-four (24) hours' prior written notice except in the case of emergency, to determine the necessity of repair and/or the condition of the Premises. Whether or not such

inspection is made, the duty of Landlord to make repairs shall not mature until a reasonable time after Landlord has received from Tenant written notice of the required repairs.

SECTION 5. ALTERATIONS

5.1 Tenant Interior Improvements. Tenant intends to construct and install, at its sole cost and expense, with exception to the monetary contribution from the Landlord outlined in Exhibit C, the specific interior improvements to the Premises (“Tenant Improvements”) that are outlined on Exhibit C attached hereto (the “Tenant’s Work Letter”). Tenant may commence construction of the Tenant Improvements upon the Possession Date. Tenant shall obtain all necessary governmental approvals and permits before commencing the construction of any improvements. The Tenant Improvements shall be constructed by licensed contractor(s) in accordance with all applicable Legal Requirements, including but not limited to all land use, building and construction requirements. In connection with the Tenant’s Work Letter, Tenant shall not permit any lien or encumbrance to be placed on or against the Premises, Building, underlying real property or any fixtures, equipment or other property of Landlord. Except for removable machinery and unattached removable trade fixtures, all improvements, alterations, flooring, fixtures, lighting, wiring, cables, conduit, plumbing and plumbing fixtures installed by Tenant shall immediately become part of the Leased Premises, with title vested in Landlord. Any contractor used by Tenant for work in the Leased Premises will be subject to review and approval by Landlord (such approval not to be unreasonably withheld, conditioned or delayed), and Landlord may post notices of non-responsibility in connection with any work being performed in the Leased Premises or at the request of Tenant. See Exhibit c for Tenant’s description of intended tenant improvements.

5.2 Alterations Prohibited. Except as specified in Section 5.1 above, Tenant shall make no additions, improvements, modifications, or alterations on or to the Premises of any kind or nature whatsoever, including, without limitation, the installation of any improvements, fixtures, or other devices on the roof of the Building or the installation of computer and telecommunications wiring, cables, and conduit (collectively, “Alterations”) without first obtaining Landlord’s written consent, which consent may not be unreasonably withheld, conditioned or delayed. Alterations approved by Landlord shall be made in a good and workmanlike manner, in compliance with applicable Legal Requirements and, except as otherwise provided in this Lease, at Tenant’s sole cost and expense.

5.3 Ownership and Removal of Alterations. Alterations performed on the Premises by Tenant shall be the property of Landlord when installed unless the applicable Landlord’s consent or work sheet specifically provide otherwise. Improvements and Alterations by Tenant shall, at Landlord’s option, be removed by Tenant, at Tenant’s cost and expense, and the Premises restored, ordinary wear and tear excepted, unless the applicable Landlord’s consent or work sheet specifically provides otherwise.

5.4 Signage. Subject to Landlord’s prior written consent, Tenant shall be permitted to erect and shall maintain such signage (including on the Property Monument Sign) as may be permitted under the applicable Legal Requirements and Landlord’s sign criteria for the Building (if any), including temporary banners on exterior walls and entrances of the Premises. Signage installed by Tenant shall be removed by Tenant, at Tenant’s cost and expense, upon the termination of this Lease and the sign location restored to its former state, ordinary wear and tear excepted, unless Landlord elects to retain all or any portion of the signage.

SECTION 6. INSURANCE

6.1 Insurance Required. Landlord shall keep the Premises insured against fire and other risks covered by a special form building and personal property coverage policy, including coverage for earthquake damage and loss of rents.

6.2 Liability Insurance. Tenant shall procure, and thereafter shall continue to carry, comprehensive general liability insurance (occurrence version) with a responsible company against personal injury claims arising directly or indirectly out of Tenant's activities on, or any condition of, the Premises, whether or not related to an occurrence caused, or contributed to, by Landlord's negligence, and shall insure the performance by Tenant of Tenant's indemnification obligations under this Lease. Landlord shall be named as an additional insured on Tenant's liability insurance policy. Such insurance shall provide that it is primary insurance and that insurance, if any, maintained by Landlord is excess and noncontributing. Tenant's liability insurance required to be carried pursuant to this Section 6.2 shall have a general aggregate limit of not less than \$2,000,000.00 and a per occurrence limit of not less than \$1,000,000.00. Certificates evidencing the insurance Tenant is required to carry pursuant to this Section 6.2 shall bear endorsements requiring ten (10) days' written notice to Landlord prior to any change or cancellation of such insurance and such certificates shall be furnished to Landlord on Landlord's request.

6.3 Waiver of Subrogation. Notwithstanding anything in this Lease to the contrary, Landlord and Tenant release each other from any claims and demands of whatever nature for damage, loss or injury to the Premises or the Building, or to the other's property in, on or about the Premises or the Building that are caused by or result from risks or perils insured against under any property insurance policies required by the Lease to be carried by Landlord and/or Tenant, and in force at the time of any such damage, loss or injury. Each of Tenant and Landlord covenants that, to the fullest extent permitted by law and by their respective insurers, no insurer shall hold any right of subrogation against the other. Landlord shall advise its insurers of the foregoing and request such waiver be permitted under any property insurance policy maintained by Landlord pursuant to Section 6.1, above.

6.4 Tenant's Indemnification. Tenant shall indemnify, defend, and hold Landlord harmless for, from, and against any claim, loss, or liability arising out of or related to, whether directly or indirectly, (i) any negligent activity of Tenant or its agents or employees on or at the Building, (ii) any condition of the Premises in the possession or under the control of Tenant its agents, employees or invitees, but not including, any such claim, loss, or liability which may be caused or contributed to in whole or in part by Landlord's own negligence or any failure to effect any repair or maintenance required by this Lease; (iii) any claim, loss, or liability incurred by Landlord or which is asserted against or imposed upon Landlord, its successors and assigns, by any party (including, without limitation, any governmental entity) arising out of or connected with Tenant's breach of any provision of this Lease; and/or (iv) any claim, loss or liability arising out of or related to the sale, service, provision or consumption of alcoholic beverages on, about or from the Premises. Landlord shall have no liability to Tenant for any loss or damage caused by third parties or by any condition of the Premises except to the extent caused by Landlord's gross negligence or breach of duty under this Lease.

6.5 Landlord's Indemnification. Landlord shall indemnify, defend, and hold Tenant harmless for, from, and against any claim, loss, or liability arising out of or related to, whether

directly or indirectly, (i) any negligent activity of Landlord or its agents or employees on or at the Building, (ii) any condition of the Premises in the possession or under the control of Landlord its agents, employees or invitees, but not including, any such claim, loss, or liability which may be caused or contributed to in whole or in part by Tenant's own negligence or any failure to effect any repair or maintenance required by this Lease; (iii) any claim, loss, or liability incurred by Tenant or which is asserted against or imposed upon Tenant, its successors and assigns, by any party (including, without limitation, any governmental entity) arising out of or connected with Landlord's breach of any provision of this Lease; and/or (iv) any claim, loss or liability arising out of or related to the sale, service, provision or consumption of alcoholic beverages on, about or from the Premises. Tenant shall have no liability to Landlord for any loss or damage caused by third parties or by any condition of the Premises except to the extent caused by Tenant's gross negligence or breach of duty under this Lease.

SECTION 7. TAXES; UTILITIES

7.1 Personal Property Taxes. Tenant shall pay as due all taxes on its personal property located on the Premises.

7.2 Real Property Taxes and Assessments. Landlord shall pay as due all real property taxes and special assessments levied against the Premises. Landlord's payment shall be considered Operating Costs payable by Tenant under the terms of Section 2.5(a). As used herein, real property taxes include any assessment related to the ownership, use, or rental of the Premises, other than taxes on the next income of Landlord or Tenant. Tenant shall not be responsible for payment of any taxes assessed for a period prior to the Commencement Date, or otherwise out of the Lease term. Tenant shall receive credit for Tenant's Share of any refund of taxes that Landlord receives which is applicable during the Lease Term hereof. Should Tenant secure a property tax exemption, the reduction in Operating Costs shall be passed on directly to Tenant.

7.3 Special Assessments. If an assessment for a public improvement is made against the Premises, Building and/or underlying real property, Landlord may elect to cause such assessment to be paid in installments in which case all of the installments payable with respect to the Lease shall be included in recoverable expenses for the purposes of this Section 7.

7.4 Payment of Utilities Charges. When not included as part of the Operating Expenses, Tenant shall pay when due all charges for services and utilities incurred in connection with the use, occupancy, operation, and maintenance of the Premises, including, but not limited to, charges and expenses for fuel, water, gas, electricity, sewage disposal, power, refrigeration, air conditioning, telephone, internet, and janitorial services. If any utility services are provided by or through Landlord, charges to Tenant shall be actual charges incurred to Landlord. If the charges are not separately metered or stated, Landlord shall apportion the charges on an equitable basis, and Tenant shall pay its apportioned share on demand.

7.5 Triple Net Lease. Landlord and Tenant agree and acknowledge that this Lease is to be construed and interpreted as a "**Triple Net Lease.**" Accordingly, except as expressly provided in this Lease, all charges, costs, and expenses directly or indirectly related to the use, occupation, operation or management of the Building, including the Premises, shall be part of the Operating Expenses, unless Tenant is required to pay such charges, costs, and expenses directly, and excepting such costs as outlined in this Lease.

SECTION 8. DAMAGE AND DESTRUCTION

8.1 Partial Damage. If the Premises are partially damaged and Section 8.2 does not apply, Landlord shall, within a reasonable amount of time after the date of the damage, and subject to the availability of insurance proceeds, repair and restore the Premises to as near the same condition as the Premises existed prior to such damage. Landlord shall have no liability to Tenant for any inconvenience, loss of business, or annoyance arising from any loss by fire (or any other casualty) or by any repair of any portion of the Premises. Repairs shall be accomplished with all reasonable dispatch subject to interruptions and delays from labor disputes and matters beyond the control of Landlord.

8.2 Destruction. If the Premises are destroyed or damaged such that the cost of repair or replacement exceeds 50% of the replacement value of the Premises before the damage, or if the Common Areas are damaged so that the Premises cannot be used for its intended purpose, given an opportunity to repair such damage in a reasonable length of time, Landlord shall so notify Tenant in writing and either party may elect to terminate this Lease as of the date of the damage or destruction by written notice given to the other not more than thirty (30) days following the date of Landlord's notice to Tenant. In such event, all rights and obligations of the parties shall cease as of the date of termination and Tenant shall be entitled to the reimbursement of any prepaid amounts paid by Tenant and attributable to the anticipated term. If neither party elects to terminate, Landlord shall proceed to restore the Premises to substantially the same form as prior to the damage or destruction. Work shall be commenced as soon as reasonably possible and thereafter shall **proceed without interruption, except for work stoppages on account of labor disputes and other matters not under Landlord's control.**

8.3 Rent Abatement. If the Premises are partially damaged or destroyed, Rent shall be abated for the period during which such damage or destruction is being repaired in proportion to the degree to which the Premises are untenantable.

8.4 Damage Late In Term. If damage or destruction to which Section 8.1 would apply occurs within six (6) months prior to the end of the then-current Lease Term, Tenant may elect to terminate this Lease by written notice to Landlord given within thirty (30) days after the date of the damage.

SECTION 9. EMINENT DOMAIN

9.1 Partial Taking. If a portion of the Premises is condemned and Section 9.2 does not apply, this Lease shall continue on the following terms:

(a) Landlord shall be entitled to all of the proceeds of condemnation; provided, however, that Tenant may claim dislocation damages and compensation for damages to Tenant's property if such amount is not subtracted from Landlord's award. Tenant shall have no claim against Landlord as a result of the condemnation.

(b) Landlord shall proceed as soon as reasonably possible to make repairs and alterations to the Premises necessary to restore the remaining Premises to a condition as comparable and reasonably practicable to that existing at the time of the condemnation.

(c) After the date on which title vests in the condemning authority, or an earlier date on which alterations or repairs are commenced by Landlord to restore the balance of the Premises in anticipation of taking, Base Rent shall be reduced in proportion to the reduction in value of the Premises as an economic unit on account of the partial taking.

(d) If a portion of Landlord's property not included in the Premises is taken, and severance damages are awarded on account of the Premises, or an award is made for detriment to the Premises as a result of activity by a public body not involving a physical taking of any portion of the Premises, this shall be regarded as a partial condemnation to which Sections 9.1(a) and 9.1(b) apply, and Base Rent shall be reduced to the extent of reduction in rental value of the Premises as though a portion had been physically taken.

9.2 Total Taking. If a condemning authority takes all of the Premises, or a portion sufficient to render the remaining portion of the Premises reasonably unsuitable for the use that Tenant was then making of the Premises, this Lease shall terminate as of the date title vests in the condemning authorities. Termination of this Lease pursuant to this Section 9.2 shall have the same effect as termination by Landlord under Section 8.2. Landlord shall be entitled to all of the proceeds of condemnation and Tenant shall have no claim against Landlord as a result of the condemnation.

9.3 Sale in Lieu of Condemnation. Sale of all or part of the Premises to a purchaser with the power of eminent domain in the face of a threat or probability of the exercise of the power of eminent domain shall be treated for the purposes of this Section 9 as a taking by condemnation.

SECTION 10. LIABILITY AND INDEMNITY

10.1 Liens. Except with respect to activities for which Landlord is responsible, Tenant shall pay as and when due all claims for work done on and for services rendered or material furnished to the Premises and shall keep the Premises free from any and all liens. If Tenant shall fail to pay any such claims or to discharge any lien, Landlord may do so and collect the costs. Any amount so added shall bear interest at the rate of 10% per annum from the date expended by Landlord and shall be payable on demand. Landlord's payment of Tenant's claims or discharge of any Tenant lien shall not constitute a waiver of any other right or remedy which Landlord may have on account of Tenant's default. If a lien is filed as a result of nonpayment, Tenant shall, within ten (10) days after knowledge of the filing, secure the discharge of the lien or deposit with Landlord cash or sufficient corporate surety bond or other surety satisfactory to Landlord in an amount sufficient to discharge the lien plus any costs, and other charges that could accrue as a result of a foreclosure or sale under the lien. Landlord may require Tenant to furnish a lien and completion bond before the commencement of any work.

10.2 Indemnification. Tenant shall indemnify, defend, and hold Landlord harmless for, from, and against any claim, loss, or liability arising out of Tenant's failure to comply with Section 10.1.

SECTION 11. QUIET ENJOYMENT

11.1 Tenant's Quiet Enjoyment. Provided Tenant is not in default of this Lease, Landlord shall defend Tenant's right to quiet enjoyment of the Premises from the lawful claims of all persons during the Lease Term.

11.2 Estoppel Certificate. Either party shall, within twenty (20) days after notice from the other, execute and deliver to the other party a certificate stating: (a) the date this Lease was executed; (b) the Commencement Date, and the expiration date of the current Lease Term; (c) the current amount of monthly Base Rent and the date to which Base Rent has been paid; (d) that the Lease is in full force and effect, that neither Landlord nor Tenant is in default under the Lease, and that the Lease has not been assigned, modified, supplemented, or amended in any way (or specifying the date and terms of any agreement so affecting this Lease); (e) that this Lease represents the entire agreement between the parties as to this lease transaction (or identifying those other documents that, together with this Lease, form the entire agreement between the parties as to this lease transaction); (f) that all conditions under the Lease to be performed by Landlord have been satisfied (or specifying those conditions that Landlord has not satisfied); (g) that all required contributions by Landlord from any tenant improvement allowance have been made (or specifying those required contributions which Landlord has not made); (h) that as of the date of said statement, there are no existing defenses or offsets that Tenant has against the enforcement of this Lease by Landlord except as specified by Tenant; (i) that no Base Rent has been paid for more than 1 month in advance except as specified by Tenant; (j) that no security has been deposited with Landlord (or the amount of such deposit, if any); and (k) any other information relating to the Lease reasonably requested by the other party. Failure to deliver the certificate within the specified time shall be conclusive upon the party from whom the certificate was requested that the Lease is in full force and effect and has not been modified except as represented in the notice requesting the certificate.

SECTION 12. ASSIGNMENT AND SUBLEASE

12.1 Assignment and Sublease. Tenant shall not assign the Lease or sublet the Premises without the express written approval of Landlord, which consent may not be unreasonably withheld, conditioned or delayed. In its consideration of a proposed assignment or sublease, Landlord may consider, among other issues, the following criteria: (i) proposed subtenant or assignee demonstrates that it is financially responsible by submission to Landlord of such reasonable information as Landlord may request; (ii) proposed subtenant or assignee demonstrates a record of successful experience in operating a business by submission to Landlord of such reasonable information as Landlord may request concerning the proposed subtenant or assignee, and (iii) proposed subtenant or assignee is reputable. Any assignment, encumbrance or sublease without Landlord's written consent shall be voidable and at Landlord's election and shall constitute a default. If Tenant is a limited liability company, any withdrawal or change, voluntary, involuntary or by operation of law of any company member or manager, or the dissolution or transfer of any ownership interest in the company shall be deemed an assignment. All rents received by Tenant from its assignees or subtenants in excess of the rent payable by Tenant to Landlord under this Lease (allocated on a square footage basis in cases of partial subleasing) shall be paid to Landlord. No interest of Tenant in this Lease shall be assignable by involuntary assignment through operation of law (including without limitation the transfer of this Lease by testacy or intestacy). Each of the following acts shall be considered an

involuntary assignment: (a) if Tenant is or becomes bankrupt or insolvent, makes an assignment for the benefit of creditors, or institutes proceedings under the Bankruptcy Act in which Tenant is the bankrupt; or if Tenant is a limited liability company, if any member or manager of the company becomes bankrupt or insolvent, or makes an assignment for the benefit of creditors; or (b) if a writ of attachment or execution is levied on this Lease; or (c) if in any proceeding or action to which Tenant is a party, a receiver is appointed with authority to take possession of the Premises. Such an involuntary assignment shall also constitute a default by Tenant and Landlord shall have the right to elect to terminate this Lease, in which case this Lease shall not be treated as an asset of Tenant.

12.2 Permitted Transfers. Notwithstanding anything to the contrary in this Lease, Tenant may, without Landlord's consent, assign all or any portion of the Lease or its interest therein or sublease all or any portion of the Premises (each, a "Permitted Transfer") to (A) any entity controlling, controlled by or under common control with Tenant or an owner of Tenant; (B) any entity resulting from the merger, consolidation or reorganization of Tenant or an owner of Tenant into or with any other entity; (C) any entity acquiring all or substantially all of the ownership of Tenant or all or substantially all of Tenant's assets; or (D) in connection with the offering or subsequent sale or exchange of Tenant's stock or other ownership interest (or the stock or other ownership interests of any entity described in (A) – (C) above) (each, a "Permitted Transferee"); provided that in all cases the originally named Tenant of this Lease shall not be released from its obligations under this Lease by such Permitted Transfer, no event of default then exists beyond any applicable notice and cure period, and the Permitted Transferee intends to use the Premises for the Permitted Use or such other use as may be reasonably approved by Landlord in writing in advance.

SECTION 13. DEFAULT

13.1 Tenant Default. The occurrence of any of the following events shall constitute a default under this Lease (each an "Event of Default"):

(a) **Default in Payment of Rent or Other Charges.** Failure of Tenant to pay Rent or any other charge, cost, or expense within thirty (30) days of the date due.

(b) **Default in Other Covenants.** Failure of Tenant to comply with any term or condition or fulfill any obligation of this Lease (other than the payment of Rent or other charges) within thirty (30) days after written notice from Landlord specifying the nature of the default. If the default is of such a nature that it cannot be completely remedied within the thirty (30) day period, this Section 13.1(b) shall be deemed complied with if Tenant begins correction of the default within the thirty (30) day period and thereafter proceeds with reasonable diligence and in good faith to effect the remedy as soon as practicable.

(c) **Abandonment.** The vacation or abandonment of the Premises by Tenant at any time following the Rent Commencement Date as evidenced by Tenant's failure to consistently operate its business during normal business hours on twenty (20) or more consecutive normal business days.

13.2 Landlord Default. No act or omission of Landlord shall be considered a default under this Lease until Landlord has received thirty (30) days' prior written notice from Tenant specifying the nature of the default with reasonable particularity. Commencing from Landlord's

receipt of such default notice, Landlord shall have thirty (30) days to cure or remedy the default before Landlord shall be deemed in default of this Lease; provided, however, that if the default is of such a nature that it cannot be completely remedied or cured within the thirty (30) day period, there shall not be a default by Landlord under this Lease if Landlord begins correction of the default within the thirty (30) day period and thereafter proceeds with reasonable diligence to effect the remedy as soon as practical.

SECTION 14. REMEDIES ON DEFAULT

14.1 Termination. Upon the happening of an Event of a Default, this Lease may be terminated at the option of Landlord by notice to Tenant, or at the option of Tenant by notice to Landlord. If this Lease is not terminated by the election of Landlord, Landlord shall be entitled to recover damages from Tenant for the default. If this Lease is not terminated by the election of Tenant, Tenant shall be entitled to recover damages from Landlord for the default. Regardless of whether this Lease is terminated, Tenant's liability to Landlord for damages shall survive such termination, and Landlord may reenter, take possession of the Premises, and remove any persons or property by legal action or by self-help with the use of reasonable force and without liability for damages.

14.2 Reletting. Following reentry or abandonment, Landlord may relet the Premises, and in that connection may make any suitable alterations or refurbish the Premises (or both), or change the character or use of the Premises, but Landlord shall not be required to relet for any use or purpose other than that either specified in this Lease or consistent with other uses of the Building made by other tenants, or which Landlord may reasonably consider injurious to the Premises, or to any tenant which Landlord may reasonably consider objectionable. Landlord may relet all or part of the Premises, alone or in conjunction with other properties, for a term longer or shorter than the Lease Term, upon any reasonable terms and conditions, including the granting of some rent-free occupancy or other rent concession.

14.3 Damages.

(a) Upon the occurrence of an Event of Default by Tenant, Landlord shall be entitled to recover immediately, without waiting until the due date of any future Rent or until the date fixed for expiration of this Lease, and in addition to any other damages recoverable by Landlord, the following amounts as damages:

(1) The loss of reasonable rental value from the date of default until a new tenant has been, or with the exercise of reasonable efforts could have been, secured.

(2) The reasonable costs of reentry and reletting including, without limitation, the cost of any clean-up, refurbishing, removal of Tenant's property and fixtures, or any other expense occasioned by Tenant's failure to quit the Premises upon termination and to leave the Premises in the required condition, including any remodeling costs, court costs, broker commissions, and advertising costs.

(3) The unamortized portion, during the initial Lease Term, of any concessions (e.g. free rent or tenant improvement allowance) granted, and any brokerage commissions incurred, by Landlord in connection with this Lease.

(4) Any excess of the present value of the Rent for the balance of the Lease Term over the present value of the anticipated fair market rent, excluding Operating Expenses for the Premises that could be achieved for said period, after deduction of all anticipated expenses of reletting, including, without limitation, all actual allowances, abatements, construction costs, brokerage commissions and tenant concessions likely to be required under then-existing market conditions. The present value of future amounts shall be computed using a discount rate equal to the prime loan rate of major Oregon banks in effect on the date of trial, or if no trial, on the date the Premises were relet.

(b) Upon the occurrence of an Event of Default by Landlord, Tenant shall be entitled to recover immediately, without waiting until the date fixed for expiration of this Lease, and in addition to any other damages recoverable by Tenant, the following amounts as damages:

(1) The loss of reasonable rental value from the date of default.

(2) The reasonable costs of reletting a new facility including, without limitation, the cost of removal of Tenant's property and fixtures and moving to a new location, refurbishing a new location, or any other expense occasioned by Landlord's default, including any remodeling costs.

(3) Any excess of the present value of the Rent for the balance of the Lease Term over the present value of the anticipated fair market rent, excluding Operating Expenses for the Premises that could be achieved for said period, after deduction of all anticipated expenses of reletting, including, without limitation, all actual allowances, abatements, construction costs, brokerage commissions and tenant concessions likely to be required under then-existing market conditions. The present value of future amounts shall be computed using a discount rate equal to the prime loan rate of major Oregon banks in effect on the date of trial, or if no trial, on the date the Premises were relet.

14.4 Right to Sue More Than Once. Landlord may sue periodically to recover damages during the period corresponding to the remainder of the Lease Term, and no action for damages shall bar a later action for damages subsequently accruing.

14.5 Remedies Cumulative. The foregoing remedies shall be in addition to and shall not exclude any other remedy available to Landlord under applicable law.

14.6 Landlord's Right to Cure Defaults. If Tenant shall fail to perform any obligation under this Lease, Landlord shall have the option to do so after thirty (30) days' written notice to Tenant specifying the nature of the default. Landlord's performance of any Tenant obligation under this Lease shall not waive any other remedy available to Landlord. All of Landlord's expenditures to correct the default shall be reimbursed by Tenant on demand with interest at the rate of 10% per annum from the date of expenditure by Landlord.

SECTION 15. SURRENDER AT EXPIRATION

15.1 Condition of Premises. Upon the expiration or earlier termination of this Lease, Tenant shall surrender the Premises in good condition, reasonable wear and tear excepted., and broom clean. Upon written request by the Landlord, alternations constructed by Tenant shall be removed and the condition of the Premises repaired and restored to its original condition. .

Depreciation and wear from ordinary use for the purpose for which the Premises were let need not be restored, but all maintenance and repairs for which the Tenant is responsible shall be completed to the latest practical date prior to such surrender. Tenant's obligations under this Section 15.1 shall be subordinate to the provisions of Section 8.2 related to destruction. Upon surrender, Tenant shall deliver all keys in Tenant's possession to Landlord, including interior and exterior Premises doors. Tenant shall reimburse Landlord for the cost of re-keying any Premises door for which a key is not delivered to Landlord.

15.2 Fixtures.

(a) All fixtures and attached trade fixtures (hood & fire suppression systems, built in coolers, freezers, etc.) placed upon the Premises during this Lease, shall at Landlord's option, become the property of Landlord. If Landlord so elects, and unless the terms of the permission for the Alteration provide otherwise, Tenant shall remove any or all fixtures which would otherwise remain the property of Landlord and shall repair any physical damage resulting from the removal. If Tenant shall fail to remove such fixtures, Landlord may do so and charge the cost to Tenant with interest at the rate of 10% per annum from the date of expenditure.

(b) Prior to the expiration or termination of this Lease, Tenant shall remove all furnishings, furniture, and un-attached trade fixtures which remain its property. If Tenant fails to do so, this shall constitute an abandonment of the property, and Landlord may retain the property and all rights of Tenant with respect to it shall cease or, by notice in writing given to Tenant within ten (10) days after removal was required, Landlord may elect to hold Tenant to its obligation of removal. If Landlord elects to require Tenant to remove, Landlord may effect a removal and place the property in public storage for Tenant's account. Tenant shall be liable to Landlord for the cost of removal, transportation to storage, and storage with interest at 10% per annum on all such expenses from the date of expenditure by Landlord.

15.3 Holdover.

(a) If Tenant does not vacate the Premises at the time required and Tenant and Landlord have not agreed to a certain date to vacate the Premises, Landlord shall have the option to treat Tenant as a tenant from month-to-month, subject to all of the provisions of this Lease (except the provisions for term and renewal), at a rental rate equal to one hundred and fifty percent (150%) of the Base Rent last paid by Tenant. Failure of Tenant to remove fixtures, furniture, furnishings, or trade fixtures which Tenant is required to remove under this Lease shall constitute a failure to vacate to which this Section 15.3 shall apply if the property not removed interferes with the occupancy of the Premises by another tenant or with the occupancy by Landlord for any purpose including preparation for a new tenant.

(b) If a month-to-month tenancy results from a holdover by Tenant under this Section 15.3, the tenancy shall be terminable at the end of any monthly rental period on written notice from Landlord given not less than thirty (30) days prior to the termination date which shall be specified in the notice. Tenant waives any notice which would otherwise be provided by law with respect to a month-to-month tenancy.

SECTION 16. SUBORDINATION AND ATTORNMENT; MORTGAGEE PROTECTION.

16.1 Subordination. Any mortgage, deed of trust, or ground lease (collectively “Mortgage”) to which this Lease is, at the time referred to, subject and subordinate is called a “Superior Mortgage,” and the holder of a Superior Mortgage, or its successor in interest, at the time referred to, is called a “Superior Mortgagee.” For a Superior Mortgage, if the terms of this Section 16.1 and Section 16.3 below are complied with, this Lease, and all rights of Tenant, will be subject and subordinate to the Superior Mortgage, whether now or hereafter affecting the Building, whether or not the Superior Mortgage also covers other lands and buildings, to each and every advance under such Superior Mortgage, and to all renewals, modifications, replacements, and extensions of such Superior Mortgage. This Section 16.1 is self-operative, and, except for the requirement to comply with Section 16.3 below, and the last sentence of this Section 16.1, no further instrument of subordination will be required. In confirmation of the subordination, Tenant will promptly execute, acknowledge, and deliver any instrument that Landlord or any Superior Mortgagee may reasonably request to evidence the subordination. As a condition of the foregoing, Tenant may require any Superior Mortgagee to enter into a non-disturbance agreement whereby the Superior Mortgagee agrees not to disturb Tenant unless and until there is an Event of Default (as defined in Section 13).

16.2 Notice. If any act or omission of Landlord would give Tenant the right, immediately or after lapse of a period of time, to cancel or terminate this Lease, to claim damages from Landlord, or to claim a partial or total eviction, Tenant will not exercise the right: (i) until it has given written notice of the act or omission to Landlord and each Superior Mortgagee whose name and address previously has been furnished to Tenant; and (ii) until a reasonable period of time for the parties to cure the condition has passed.

16.3 Attornment. For the purposes of this Section, the term “Successor Landlord” means the Superior Mortgagee if the same succeeds to the rights of Landlord under this Lease, whether through possession or foreclosure action (including by power of sale under a deed of trust) or delivery of a new lease or deed, or any third party that succeeds to the rights of Landlord under this Lease by virtue of having purchased the Building at a foreclosure sale. The Successor Landlord will accept Tenant’s attornment, assume Landlord’s obligations under the Lease, and will agree in writing not to disturb Tenant’s quiet possession of the Premises. Tenant will attorn to and recognize the Successor Landlord as Tenant’s Landlord under this Lease, and Tenant and the Successor Landlord will promptly execute and deliver an instrument reasonably acceptable to the parties to evidence the attornment and non-disturbance. Upon the attornment, this Lease will continue in full force and effect as a direct lease between the Successor Landlord and Tenant on all of the terms, conditions, and covenants as are set forth in this Lease except that the Successor Landlord will not: (i) be liable for any previous act or omission of Landlord under this Lease; (ii) be subject to any offset, deficiency, or defense that has accrued to Tenant against Landlord; (iii) be bound by any previous modification of this Lease or by any previous prepayment of more than one (1) month’s Base Rent, unless the modification or prepayment has been expressly approved in writing by the Superior Mortgagee; or (iv) be liable for the return of any security deposit that was not actually transferred to the Successor Landlord.

SECTION 17. MISCELLANEOUS

17.1 Non-waiver. Waiver by either party of strict performance of any provision of this Lease shall 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.

17.2 Attorney Fees. If suit or action is instituted in connection with any controversy arising out of this Lease, each party shall be responsible for its own costs and attorney fees for any claim, action, suit or proceeding, including any appeal. Any such action will be in the Circuit Court of Deschutes County, Oregon.

17.3 Notices. All notices or other communications required or permitted by this Lease must be in writing, must be delivered to the parties at the addresses set forth below, or any other address that a party may designate by notice to the other parties, and shall be considered delivered upon actual receipt if delivered personally or by fax or an overnight delivery service, or at the end of the 3rd Business Day after the date deposited in the United States mail, postage pre-paid, certified, return receipt requested.

<p>Landlord:</p> <p>Getz Properties, LLC c/o Scott Gibbs IRES PO Box 2356 Bend, Oregon 97709 541-285-0110</p> <p>With a copy to:</p>	<p>Tenant:</p> <p>Deschutes County Property Management PO Box 6005 Bend, OR 97708-6005 Attn: Property Manager 541-385-1414</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>With a copy to:</p>
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17.4 Succession. Subject to the above-stated limitations concerning the transfer and assignment of this Lease by Tenant this Lease shall be binding upon and inure to the benefit of the parties, their respective successors and assigns.

17.5 Recordation. Neither this Lease nor any memorandum thereof shall be recorded.

17.6 Entry for Inspection. Landlord shall have the right to enter upon the Premises, with twenty-four hours’ prior written notice except in the case of emergency, to determine Tenant’s compliance with this Lease, to make necessary repairs to the Premises, or to show the Premises to any prospective tenant or purchaser. In addition, Landlord shall have the right, at any time during the last 6 months of the Lease Term, to place and maintain upon the Premises notices for sale or leasing of the Premises. Tenant shall give Landlord keys for all of the doors in the

Premises, excluding Tenant's vaults, safes, lockers, cabinets and files. Tenant shall not change any locks or rekey any Premises doors without prior written authorization from Landlord, which shall not be unreasonably withheld. Tenant shall promptly supply Landlord with copies of new keys.

17.7 Interest on Rent and Other Charges. Except as otherwise provided in this Lease, any Rent or other payment required to be paid by Tenant under this Lease (including without limitation a Late Fee and/or Late Charge under Section 2.6) shall, if not paid within fifteen (15) days ten after it is due, bear interest at the rate of 10% per annum from the due date until paid.

17.8 Severability. If a provision of this Lease is determined to be unenforceable in any respect, the enforceability of the provision in any other respect and of the remaining provisions of this Lease shall not be impaired.

17.9 Further Assurances. The parties shall sign such other documents and take such other actions as are reasonably necessary to further effect and evidence this Lease.

17.10 Governing Law. This Lease is governed by the laws of the State of Oregon, without giving effect to any conflict-of-law principle that would result in the laws of any other jurisdiction governing the Lease.

17.12 Entire Agreement. This Lease contains the entire understanding of the parties regarding the subject matter of this Lease and supersedes all prior and contemporaneous negotiations and agreements, whether written or oral, between the parties with respect to the subject matter of this Lease.

17.13 Signatures. This Lease may be signed in counterparts. Electronic transmission of a signature page shall be considered an original signature page. At the request of a party, a party shall confirm a fax-transmitted signature page by delivering an original signature page to the requesting party.

17.14 Brokerage. Each party hereto warrants to the other that it has not incurred liability for any real estate brokerage fees or any other fees to any third party in connection with this Lease other than Scott Gibbs of Investors Real Estate Solutions, LLC representing Landlord. In the event that any third-party institutes legal action in an effort to recover brokerage fees, then the party through whom the third-party is making the claim shall defend such action and indemnify and hold the other party harmless from any related damages, liability or cost.

17.15 Time. In the event the date for performance of an obligation or delivery of any notice hereunder falls on a day other than a Business Day, the date for such performance or delivery of such notice shall be postponed until the next ensuing Business Day.

17.16 Nonrecourse Lease. Tenant shall look only to Landlord's interest in the Building and the Premises (or the proceeds thereof) for the satisfaction of Tenant's remedies for the collection of a judgment (or other judicial process) requiring the payment of money by the Landlord in the event of any default by Landlord hereunder and no other property or assets of the Landlord or its members or managers, whether disclosed or undisclosed, shall be subject to levy, execution, or other enforcement procedure for the satisfaction of Tenant's remedies under or with

respect to this Lease, the relationship of Landlord and Tenant hereunder, or Tenant's use or occupancy of the Premises.

17.17 Authority. Each party hereby represents and warrants that the person executing this Lease on the party's behalf has the full right, power, and authority to execute, deliver, and perform this Lease on behalf of the party, and that when this Lease is executed and delivered by such person, this Lease shall constitute the valid and binding agreement of the party, enforceable against such party in accordance with its terms.

17.18 Time of Essence. Time is of the essence with respect to all dates and time periods in this Lease.

17.19 Standard for Discretion. When exercising Landlord's discretion under this Lease, or if this Lease is silent on the standard for any consent, approval, determination, or similar discretionary action by Landlord, except as otherwise provided herein, the standard shall be Landlord's commercially reasonable discretion.

Exhibits, attached hereto and incorporated within:

Exhibit A – Site Plan

Exhibit B – Floor Plans, First and Second Floors Prior to Tenant Improvement Work

Exhibit C – Description of Tenant Improvement Work

Exhibit D – Option To Purchase

Signature Pages Follow

IN WITNESS WHEREOF, the undersigned have caused this Lease to be executed as of the day and year first written above.

LANDLORD:

DATED this 24th day of July, 2023.

Getz Properties, LLC

By: 
Judith M. Getz, Co-Managing Member

DATED this 24th day of July, 2023.

Getz Properties, LLC

By: 
Wyatt B. Getz, Co-Managing Member

Signature Page Follows

TENANT:

DATED this ____ day of _____, 2023

BOARD OF COUNTY COMMISSIONERS
OF DESCHUTES COUNTY, OREGON

ANTHONY DEBONE , Chair

PATTI ADAIR, Vice-Chair

Recording Secretary

PHIL CHANG, Commissioner

EXHIBIT A SITE PLAN

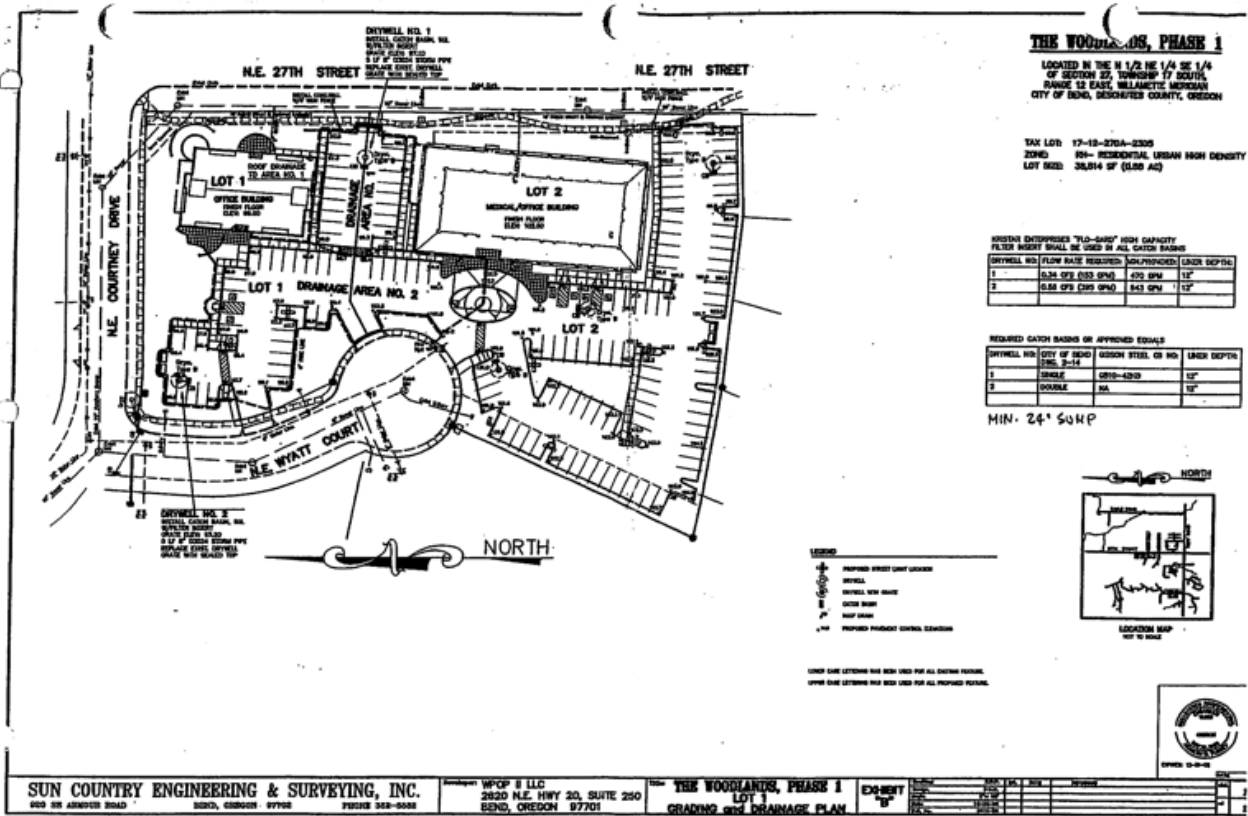


EXHIBIT B FLOOR PLAN (1st Floor)

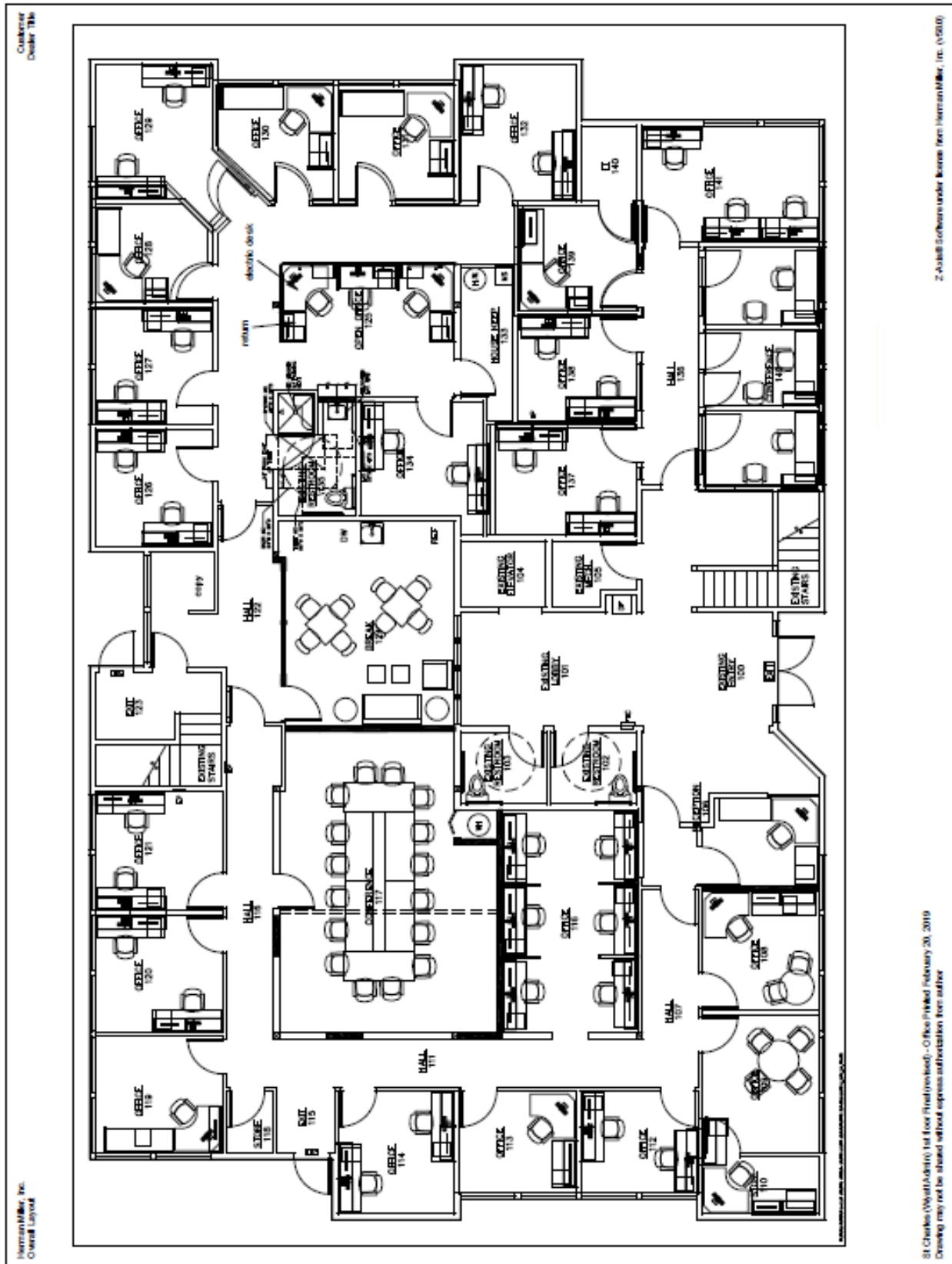
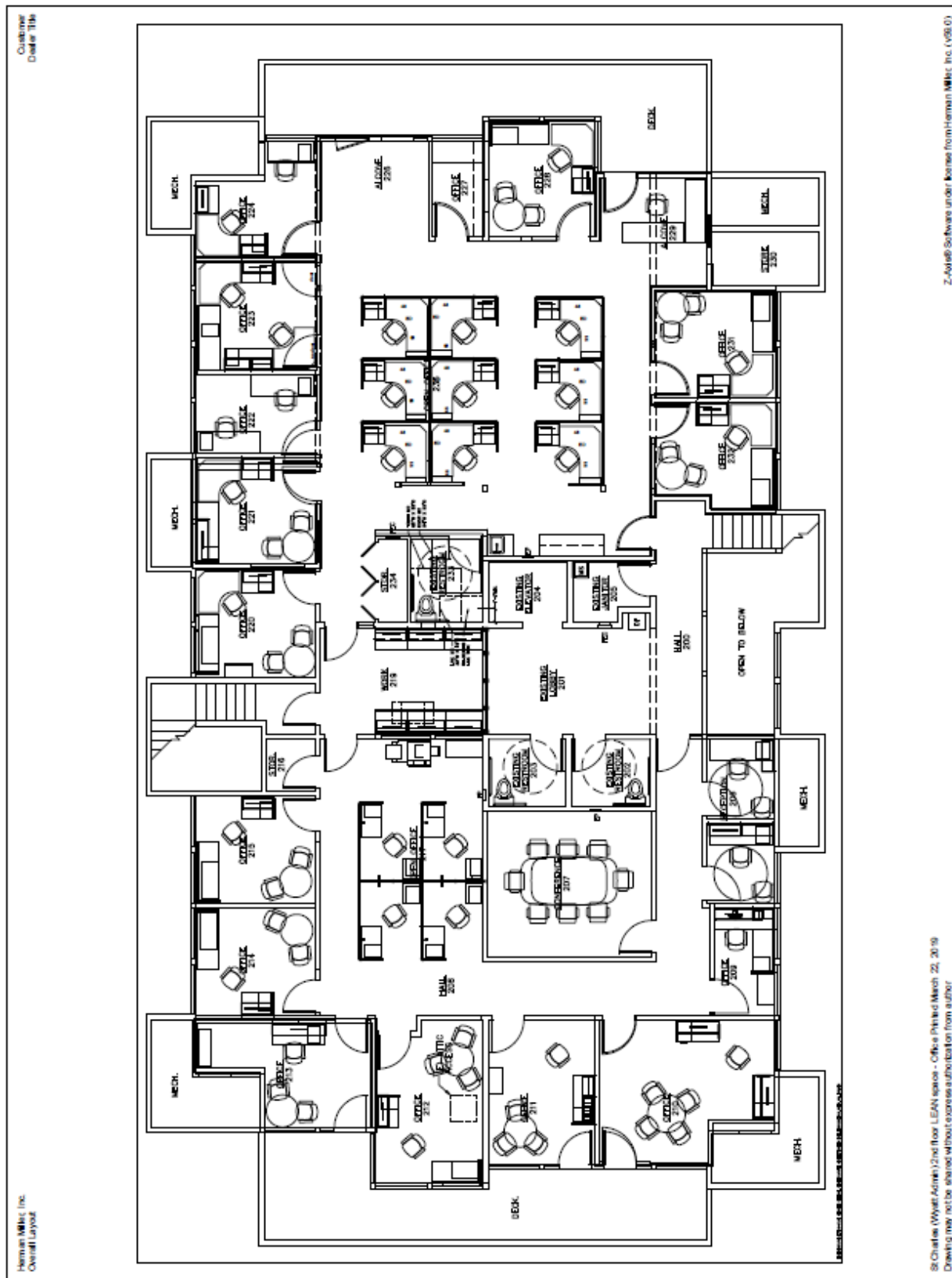


EXHIBIT B FLOOR PLAN (2nd Floor)



Customer
Order Title

Heraman Miller, Inc.
Overall Layout

Z-Soft® Software under license from Heraman Miller, Inc. (V08.0)

St Charles Wyatt Admin 2nd floor LEAN space - Office Printed March 22, 2019
Drawing may not be shared without express authorization from author

EXHIBIT C
DESCRIPTION OF TENANT IMPROVEMENT WORK

Tenant will complete the following tenant improvements to the Premises. Landlord agrees to contribute \$9,600 towards the identified improvements. Upon termination of this Agreement, Landlord will not require Tenant to remove any improvements described below from the Premises.

- Carpet replacement
- Paint
- Reception window
- Card access system
- Information technology infrastructure
- Audio/visual equipment

EXHIBIT D
OPTION TO PURCHASE

At any time during the initial term of the Lease and/or any subsequent Option Period, Tenant may notify Landlord in writing that it is interested in purchasing the Property (the "Purchase Notice"). Landlord and Tenant shall have 30-days from the date of the Purchase Notice (a "Negotiation Period") to reach an agreement regarding the terms of sale and to execute a binding Purchase and Sale Agreement for the Property. In the event Landlord and Tenant do not reach an agreement and fail to execute a binding Purchase and Sale Agreement during the Negotiation Period, neither party shall have any further rights or obligations under this Exhibit D.

In the event Landlord elects to sell the Property to a third-party during the initial term of this Lease and/or any subsequent Option Period, Landlord shall provide Tenant with notice of its intent to sell (the "Sale Notice"). Landlord and Tenant shall have 30-days from the date of the Sale Notice (also a "Negotiation Period") in which to agree in writing on mutually acceptable terms of sale and to execute a binding Purchase and Sale Agreement for the Property. In the event Landlord and Tenant do not reach an agreement and fail to execute a binding Purchase and Sale Agreement during the Negotiation Period, neither party shall have any further rights or obligations under this Exhibit D and Landlord may sell the Property to any third-party under terms and conditions acceptable to Landlord (in its discretion). For purposes of this provision, the term "third-party" shall not include: (i) entities and/or trusts under the control of any member, manager and/or shareholder of the Landlord entity; or (ii) any individual family member of the members/shareholders of the Landlord entity.