
FACILITIES LEASE

BETWEEN

URBAN RENEWAL AGENCY OF THE CITY OF
WILSONVILLE

AND

WILSONVILLE COMMUNITY SHARING

TABLE OF CONTENTS

1.	AGREEMENT TO LEASE	1
1.1	Description of Premises and Condition	1
1.1.1	Relocation to Kiva Building	1
1.1.2	Permitted Use	2
1.1.3	Limits on Use	2
1.2	Use of Common Areas.....	2
2.	TERM	2
3.	RENT	3
3.1	Rent, Taxes, and Insurance	3
3.2	Adjustments to Rent.....	3
3.3	Security Deposit.....	3
3.4	Time and Place of Rent Payment.....	4
3.4.1	Delinquency Charge.....	4
3.4.2	Acceptance of Rent	4
3.5	Janitorial Services	4
3.6	Taxes	4
3.6.1	Clackamas County as Third-Party Beneficiary.....	5
3.7	Parking	5
4.	LESSEE’S OTHER OBLIGATIONS.....	5
4.1	“As Is” Condition of Leased Space	5
4.2	Lessor’s Consent Required	5
4.3	Ownership of Lessee’s Improvements.....	5
4.4	Removal and Demolition	5
4.5	No Liens.....	6
4.6	Signs.....	6
4.7	Compliance with Laws	6
4.8	Fire Safety	6
4.9	Noninterference with Utilities.....	6
5.	MOVEMENT OF EQUIPMENT OR PROPERTY WITHIN THE BUILDING	6
6.	SANITATION AND CLEANLINESS.....	7
6.1	Public Areas	7
6.2	Handling of Trash	7
6.3	Waste Reduction, Recycling, Reuse	7
6.3.1	Generally	7
6.3.2	Recyclable Materials.....	7
7.	LESSOR/LESSEE OBLIGATIONS	7
7.1	Delivery of Leased Space	7
7.2	Condition of Property	7

7.3	Lessor's Maintenance and Repair Obligations	7
7.4	Lessee's Maintenance and Repair Obligations	8
7.5	Lessor's Rights If Lessee Fails to Maintain and Repair	8
7.6	Right to Terminate	8
8.	LESSOR RESPONSIBILITIES AND RIGHT OF ACCESS	8
8.1	Damage to Leased Space, Common Areas, or Premises by Lessee	8
8.2	Lessor Access to Property	8
8.3	Lessor Authority Over the Premises	9
9.	ENVIRONMENTAL MANAGEMENT AND COMPLIANCE	9
9.1	Definitions	9
9.1.1	Environmental Laws	9
9.1.2	Hazardous Substances	9
9.1.3	Environmental Costs	9
9.1.4	Hazardous Substance Release	9
9.2	General Environmental Obligations of Lessee	10
9.2.1	Lessee Management and Conduct	10
9.2.2	Prohibition on Use of Hazardous Substances; Exceptions	10
9.2.3	Lessee's Liability for Hazardous Substance Releases	10
9.2.4	Environmental Response and Notice to Lessor	10
9.3	Environmental Inspection	10
10.	INDEMNITY AND INSURANCE REQUIREMENTS	10
10.1	General Indemnity	10
10.2	Insurance Requirements	11
10.2.1	Certificates; Notice of Cancellation	11
10.2.2	Additional Insured; Separation of Insureds	11
10.2.3	Primary Coverage	11
10.3	Required Insurance	11
10.3.1	General Liability Insurance	11
10.3.2	Fire Legal Liability Insurance	12
10.3.3	Property Insurance	12
10.3.4	Workers' Compensation Insurance	12
10.3.5	Lessee's Risks	12
10.4	Waiver of Subrogation	12
10.5	Periodic Review	12
10.6	Survival of Indemnities	13
11.	DAMAGE OR DESTRUCTION	13
12.	TERMINATION	13
12.1	Termination Date	13
12.2	Earlier Termination Due to Damage or Destruction	13
12.3	Duties on Termination	13
12.4	Title to Lessee's Improvements	13
12.5	Holding Over	13

12.6	Lessee's Personal Property	14
12.6.1	Removal Requirement.....	14
12.6.2	Time for Removal	14
13.	DEFAULT	14
13.1	Event of Default.....	14
13.1.1	Default in General	14
13.1.2	Abandonment	14
13.2	Remedies on Default.....	14
13.2.1	Re-Entry	15
13.2.2	Rent Recovery and Other Damages	15
13.3	Termination.....	15
13.4	Remedies Cumulative and Nonexclusive	15
13.5	Curing Lessee's Defaults	15
14.	ASSIGNMENT, SUBLEASE, MORTGAGE, AND TRANSFER.....	16
14.1	General Prohibition.....	16
15.	GENERAL PROVISIONS	16
15.1	Laws of Oregon.....	16
15.2	Covenants, Conditions, and Restrictions	16
15.3	No Benefit to Third Parties	16
15.4	No Implied Warranty	16
15.5	Notices	16
15.6	Time of the Essence	17
15.7	Nonwaiver.....	17
15.8	Survival.....	17
15.9	Partial Invalidity.....	17
15.10	Lease Subject to Bonds and Ordinances	17
15.11	Lease Subject to Nondiscrimination	17
15.12	Security	17
15.13	Limitation on Lessor Liability	18
15.14	Calculation of Time	18
15.15	Headings, Table of Contents, and Table of Definitions.....	18
15.16	Exhibits Incorporated by Reference.....	18
15.17	Modification.....	18
15.18	Brokers.....	18
15.19	Attorney Fees/Venue	18
15.20	Entire Agreement.....	19
15.21	Provisions Applicable to Others	19
15.22	Successors; the Parties	19
15.23	Interpretation of Lease; Status of Parties	19
15.24	Defined Terms	19
15.25	Counterparts.....	19
15.26	Capacity to Execute	20

DEFINITIONS

ADA	6
As Is	5
Building.....	1
Business Days	18
Common Areas	2
Default.....	14
Delinquency Charge.....	4
Effective Date	2
Environmental Costs	9
Environmental Laws	9
Event of Default.....	14
Expiration Date	2
Hazardous Substance Release.....	10
Hazardous Substances.....	9
ISO	11
Lease	1
Lease Term.....	2
Leased Space.....	1
Legal Holiday.....	18
Lessee.....	1, 11, 19
Lessee's Improvements.....	5
Lessor.....	1, 19
Parties.....	1
Premises	1
Rent.....	3
Residential use or shelter	2
Security Deposit.....	3
Taxes	4
Termination Date	2

EXHIBITS

Exhibit A-1..... Art-Tech Leased Space and Common Areas
Exhibit A-2..... Kiva Building Leased Space and Common Areas
Exhibit B Notice to Tenants

FACILITIES LEASE

This **FACILITIES LEASE** (“Lease”), dated July 1, 2022, is by and between the **URBAN RENEWAL AGENCY OF THE CITY OF WILSONVILLE**, an Oregon public body corporate and politic (“Lessor”) and **WILSONVILLE COMMUNITY SHARING**, an Oregon public-benefit non-profit corporation (“Lessee”). Lessor and Lessee are collectively sometimes referred to herein as the “Parties.”

RECITALS

A. Lessor is the owner of two buildings located at 29796 SW Town Center Loop East, Wilsonville, Clackamas County, Oregon (“the Building”). The name of these two buildings are the Art Tech Building and the Kiva Building.

B. Lessor is currently planning to rehabilitate the roof and its supporting structure within the Kiva Building. The Parties intend Lessee to initially lease approximately 1,116 square feet of space at the Art Tech Building, during the Kiva Building renovation, for office space and a food pantry. Once the Kiva Building renovations are complete, the parties intend Lessee to relocate to the Kiva Building and lease approximately 980 square feet of space in the Kiva Building.

C. The Parties intend this Lease to apply during Lessee’s occupation of the Art Tech Building and, subsequently, relocating Lessee to the Kiva Building, assuming that the planned renovations of the Kiva Building are completed prior to the expiration of this Lease. The Parties agree, subject to the terms stated herein, that the Lease will no longer apply to the Art Tech Building location once Lessee vacates that building and relocates to the Kiva Building, if the Kiva Building renovation is completed prior to the expiration of this Lease. The terms “the Building” and “Leased Space” set forth below in this Lease, are meant to apply to the building and space Lessee currently is occupying.

NOW, THEREFORE, the Parties, intending to be legally bound by the terms of this Lease, incorporate the Recitals as if fully set forth herein and agree as follows:

1. AGREEMENT TO LEASE

1.1 Description of Premises and Condition

Lessor hereby leases to Lessee a portion of the Building (“Leased Space”), as depicted in **Exhibit A-1** in the Art Tech Building, and thereafter the Kiva Building as depicted in **Exhibit A-2**, once Lessee vacates the Art Tech Building and relocates to its permanent location in the Kiva Building. This will include the use of certain Common Areas, as also shown and described on **Exhibits A-1 and A-2**, respectively (collectively the “Premises”), subject to the terms of this Lease. The Premises are leased in “As Is” condition. Lessee is responsible for insuring all of Lessee’s property and improvements located within the Premises.

1.1.1 Relocation to Kiva Building

If the City completes the planned renovations to the Kiva Building prior to the expiration of the Lease, within thirty (30) days of Lessor’s completion of the renovation of the Kiva Building, Lessor shall provide written notice to Lessee of its completion. Within ten (10) days of receiving this notice, Lessee shall have the right to inspect the new rental space to confirm its condition. If Lessee

should discover any deficiencies in the space and Common Areas, Lessee may elect to remain in the Art Tech Building for the remainder of the Lease Term or terminate the Lease.

1.1.2 Permitted Use

Lessee may use the Leased Space, consistent with its legal status under Oregon law as a public-benefit non-profit corporation providing services to people in need, including but not limited to social services, a food bank, and other related services consistent with its public-benefit non-profit status, for office space and for a food pantry where people in need of food and other services provided by Lessee may come to obtain Lessee's services.

1.1.3 Limits on Use

1.1.3.1 No portion of the Premises may be used for temporary or permanent residential use or shelter. "Residential use or shelter," for the purposes of this Lease, means occupation of the Premises by one or more individuals that remain on the Premises more than sixteen (16) consecutive hours.

1.1.3.2 Lessee shall not, without the prior written consent of Lessor, use any device which would violate any local noise ordinance or cause substantial noise, vibration, fumes, debris, or electronic interference on or adjacent to the Premises. Lessor reserves the right to impose reasonable restrictions on hours of operations or other conditions or activities at the Premises, as Lessor deems reasonable.

1.1.3.3 No satellite or electronic transmitting devices (other than telephone, internet, or telefax machines) shall be installed, maintained, or operated on the Premises, except with the written approval of Lessor.

1.1.3.4 Lessee shall not use or permit anyone else to use the Premises, nor shall Lessee permit anything to be done on the Premises, which: (i) creates any condition that may be a safety hazard or violates any law, including the Wilsonville Code; (ii) creates or tends to create a hazard or a nuisance; or (iii) interferes in any way with Building systems operations.

1.2 Use of Common Areas

Lessor grants to Lessee the nonexclusive right to use, in common with Lessor, other tenants of the Building, and the public, the areas of the Premises designated by Lessor to be Common Areas, including the parking lot, walkways, streets, roadways, landscape areas, and other public conveniences ("Common Areas"), as depicted on **Exhibit A-1 and A-2**, respectively.

2. TERM

This Lease shall be binding on the Parties as of July 1, 2022 ("Effective Date"). The term of this Lease (the "Lease Term") shall commence on the Effective Date, and shall continue thereafter for a period of two (2) years from the Effective Date (the "Expiration Date"), if Lessee remains in the Art Tech Building. If Lessee relocates to the Kiva building the Lease Term shall continue for a period of four (4) years from the Effective Date (the "Expiration Date") unless earlier terminated under the provisions of this Lease. Thereafter, unless otherwise terminated, in writing, by Lessor or Lessee with thirty (30) days' advance notice, the Lease will continue on a month-to-month basis for up to an additional twelve (12) months, unless a new lease term is agreed upon, in writing. Any Lease termination date earlier or later than the Expiration Date is referred to herein as the "Termination Date."

3. RENT

3.1 Rent, Taxes, and Insurance

Rent for the Leased Space is One Thousand Dollars (\$1,000) per month and includes all utilities except cable, internet, and garbage and recycling services. Lessee will pay for Lessee's own cable, internet, and garbage and recycling services. Lessee will contact Republic Services to establish garbage and recycling services for Lessee at the Premises. Lessee shall not be responsible for any property taxes assessed against the Premises, as described below, while it maintains its non-profit corporate status under Oregon law. If Lessee should lose its non-profit corporate status, and such non-profit status is not reinstated within sixty (60) days, Lessee shall only be responsible for the pro rata portion of the property taxes of the Premises attributed to the square footage of the Leased Space, excluding the Common Areas and other portions of the building falling outside the Leased Space Lessee is occupying. Lessee shall provide its own property insurance covering the Leased Space and shall also provide Lessor with the required insurance, as set forth below.

3.2 Adjustments to Rent

If this Lease remains in effect on a month-to-month basis after the Expiration Date, for up to twelve (12) months, Rent will increase by four percent (4%). Lessor shall provide one (1) full-month abatement of rent during the following: the month Lessee transitions to the Kiva Building. Lessee will be entitled to only one (1) full-month rent abatement for such transition, even if the transition begins in one month and ends in a subsequent month.

3.3 Security Deposit

Lessee shall not be required to post a security deposit unless an Event of Default (as defined in **Section 13**) shall occur during the Lease Term. Should an Event of Default occur but be cured so that this Lease remains in effect, Lessee shall deposit with Lessor, and continuously maintain, a cash security deposit in the amount equal to one (1) month's rent ("Security Deposit"). The Security Deposit shall secure Lessee's full and faithful performance and observance of all of Lessee's obligations under this Lease. The Security Deposit shall not be considered to be held in trust by Lessor for the benefit of Lessee, and shall not be considered an advance payment of Rent or a measure of Lessor's damages in the case of an Event of Default (as defined in **Section 13.1**) by Lessee. The Security Deposit shall not earn interest for Lessee and may be commingled with other funds of Lessor. Lessor may, but shall not be obligated to, draw upon and apply the Security Deposit to: (i) pay any Rent not paid on or before the date it is due, and Lessor shall not be required to give notice or opportunity to cure before drawing on the Security Deposit; (ii) pay any other amounts due under this Lease; and/or (iii) remedy any violation of this Lease, after Lessee has received notice and opportunity to cure, if such notice and opportunity to cure is required under this Lease. If Lessor applies any of the Security Deposit to any of the above, Lessee shall, 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, will be released within thirty (30) days from the Expiration Date or earlier Termination Date of this Lease. However, if any 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 Date of this Lease, Lessor shall be entitled to require that the Security Deposit remain in place until Lessor is fully 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 thirty (30) days to make such a determination to Lessor's satisfaction.

3.4 Time and Place of Rent Payment

Lessee shall pay any Rent due to Lessor on or before the first (1st) day of each calendar month but no later than the tenth (10th) day of each month. Payment of Rent shall be made without offset, abatement, or deduction to Lessor at the following address, or such other place as Lessor may designate: **City of Wilsonville, 29799 SW Town Center Loop E, Wilsonville, OR 97070 (Attn: Finance Dept.).**

3.4.1 Delinquency Charge

All Rent not paid when due by the tenth (10th) day of each month shall bear a “Delinquency Charge” of nine percent (9%) per annum, or the maximum rate of interest allowed by law, whichever is less. Such interest shall be charged from the eleventh (11th) day after the rent for that month is due until the Rent and the Delinquency Charge are both paid in full. Imposition of a Delinquency Charge shall not constitute a waiver of any other remedies available to Lessor for failure to timely pay Rent.

3.4.2 Acceptance of Rent

Lessor’s acceptance of a late or partial payment of Rent and/or a Delinquency Charge shall not constitute a waiver of any Event of Default, nor shall it prevent Lessor from exercising any of its other rights and remedies granted to Lessor under this Lease or by law. It is hereby agreed that any endorsements or statements on checks of waiver, compromise, payment in full, or any other similar restrictive endorsement, shall have no legal effect. Lessee shall remain in default and obligated to pay all Rent due even if Lessor has accepted a partial or late payment of Rent.

3.5 Janitorial Services

Lessee is responsible for paying its own janitorial services and shall keep the Premises in good clean condition at all times. Lessor will maintain the Common Areas, including the public restrooms.

3.6 Taxes

If Lessee loses its non-profit corporate status, and such non-profit status is not reinstated within sixty (60) days, Lessee agrees to pay, when due, all taxes, assessments, user fees, and other applicable charges, however named, which become due after the loss of its non-profit corporate status, levied by the state, county, Lessor, district, or any other body upon the Premises or any improvements located on the Premises, or upon any interest of Lessee acquired pursuant to this Lease, or any possessory right which Lessee may have in or to the Premises or the improvements thereon by reason of Lessee’s occupancy thereof, as well as all taxes, assessments, user fees or other such charges on all property, real or personal, owned or leased by Lessee in or about said Premises (collectively, “Taxes”), together with any other tax or charge levied wholly or partly in lieu thereof. If available by law, rule, or order of the taxing authority, Lessee may, but only with Lessor’s prior written consent, make payments in installments. Lessee may contest the validity of an assessment against the Premises so long as Lessee deposits with an escrow agent approved by Lessor, with irrevocable instructions to pay such funds to the taxing authority upon written instruction from Lessor, sufficient funds to satisfy any amount determined to be owing at the conclusion of the proceeding to contest the assessment. In the event that Lessee fails to pay Taxes on or before their due date, then, in addition to all other remedies set forth in **Section 13**, Lessor shall automatically have the right, but not the obligation, to pay the Taxes and any interest and penalties due thereon, with no notice to Lessee, and Lessee shall immediately reimburse Lessor for any sums so paid. Lessee understands that the Premises are exempt from real property taxes until leased to a taxable entity and, although Lessor understands that Lessee is a nonprofit and may be tax exempt, it is Lessee’s responsibility to obtain tax exempt status through Clackamas County, if required. In the event that the term of this Lease ends after the end of any tax

year, Lessee, unless exempt, shall be responsible for payment of property taxes for the Premises for the entire tax year, without proration or, in the event of any change in property tax law, for any taxes due under such law (currently the tax year runs from July 1 to June 30).

3.6.1 Clackamas County as Third-Party Beneficiary

If Lessee loses its non-profit corporate status, and such non-profit status is not reinstated within sixty (60) days, then Lessee agrees that Clackamas County, Oregon, becomes an intended third-party beneficiary of Lessee's obligation, if any, under this Lease to pay taxes owed to Clackamas County, and that Clackamas County may enforce such obligation directly, by an action for a money judgment, without affecting any right or remedy available under this Lease or otherwise. See **Exhibit B**.

3.7 Parking

Lessee shall have a non-exclusive right to use the parking lot areas on the Premises. Lessor maintains and manages the parking lot. No overnight or illegal parking of vehicles is allowed.

4. LESSEE'S OTHER OBLIGATIONS

4.1 "As Is" Condition of Leased Space

Lessee accepts the Leased Space in "As Is" condition with absolutely no warranties as to condition or suitability for use being given by Lessor. All improvements made to the Leased Space ("Lessee's Improvements"), unless otherwise specified in **Section 7**, shall be made and maintained by Lessee, at Lessee's sole expense.

4.2 Lessor's Consent Required

Except as otherwise provided in this Lease, Lessee shall make no improvements or alterations of any kind on or to the Premises without first obtaining Lessor's written consent. In addition to any other requirements imposed by applicable law, Lessee shall not commence work on any permitted alteration or improvement unless Lessee obtains a construction permit from Lessor. In connection with such approval and permit process, Lessor may impose reasonable requirements on Lessee and on the contractors and agents performing work on behalf of Lessee, including, but not limited to, the requirement to submit plans and specifications in such detail and quantity as is determined necessary by Lessor. Lessor shall have thirty (30) days from the date of the submission of all required information concerning the work to approve, disapprove, or approve, subject to conditions, the proposed work. Once approved, the work shall be performed only in accordance with the approved plans and specifications, and with any conditions imposed upon such approval. All work performed on the Premises shall be performed in a workmanlike manner and, once commenced, shall be completed promptly thereafter.

4.3 Ownership of Lessee's Improvements

Subject to Lessor's reversionary rights set out in **Section 12.4**, Lessee shall be the owner of all Lessee Improvements constructed by Lessee upon the Premises during the Lease Term.

4.4 Removal and Demolition

Except as provided elsewhere in this Lease, Lessee shall not remove or demolish, in whole or in part, any improvements on the Premises without the prior written approval of Lessor, which may, at its discretion, condition such approval upon the obligation of Lessee to replace the same by an improvement specified in such approval and to remove the same upon expiration of this Lease.

4.5 No Liens

Lessee agrees to pay, when due, all sums for labor, services, materials, supplies, furnishings, machinery, or equipment which have been provided or ordered, with Lessee's consent, to the Premises. If any lien is filed against the Premises which Lessee wishes to protest, then Lessee shall immediately 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 bond acceptable to Lessor within ten (10) days shall constitute an Event of Default under this Lease, and Lessor shall automatically have the right, but not the obligation, to pay the lien off with no notice to Lessee, and Lessee shall immediately reimburse Lessor for any sums so paid to remove any such lien. Lessee shall not encumber the Premises or any improvements thereon without prior written approval of Lessor.

4.6 Signs

Lessee shall not erect, install, or permit upon the Premises any sign or other advertising device without first having obtained Lessor's written consent, which may require a sign review approval process pursuant to the Wilsonville Code. Lessee shall remove all signs and sign hardware upon termination of this Lease and restore the sign location to its former state, unless Lessor elects to retain all or any portion of the signage.

4.7 Compliance with Laws

Lessee shall comply with all applicable federal, state, and local laws, rules, regulations, and ordinances, including, but not limited to, laws pertaining to Americans with Disabilities Act ("ADA"); state and local building code requirements; Workers' Compensation laws; minimum and prevailing wage requirements; laws, rules, regulations, and policies relative to occupational safety and health; all fire code requirements; all federal, state, regional, and local environmental laws; and ordinances and rules adopted by Lessor.

4.8 Fire Safety

Lessee shall exercise due and reasonable care and caution to prevent and control fire on the Premises and, to that end, shall provide and maintain such fire suppression and other fire protection equipment as may be required pursuant to 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.

4.9 Noninterference with Utilities

Lessee shall do nothing that could interfere with the drainage or sewerage systems, fire hydrants, heating and air conditioning systems, electrical systems, water systems, gas, fire suppression systems, fire alarm system, or plumbing on the Premises. Lessor is responsible for ordinary repair and maintenance of heating, cooling, and plumbing systems, but Lessee must notify Lessor immediately in the event of any system failure. Lessee will also be required to reimburse Lessor for repairing any damage to any system caused by Lessee's negligent or overuse thereof.

5. MOVEMENT OF EQUIPMENT OR PROPERTY WITHIN THE BUILDING

Lessee shall, at its own expense, provide protective padding or other protective devices that will protect entrance and exit doors and all other Premises property from damage while moving its furniture and equipment or other property at or around the Premises.

6. SANITATION AND CLEANLINESS

6.1 Public Areas

Lessee shall keep Common Areas free of hazardous conditions originating from Lessee's operations. Lessee shall notify Lessor promptly upon becoming aware of other hazardous conditions within the Common Areas, whether or not such hazard was caused by Lessee's operations.

6.2 Handling of Trash

Lessee shall be responsible for the adequate sanitary handling of all trash and other refuse for the Premises and shall provide for its timely removal.

6.3 Waste Reduction, Recycling, Reuse

6.3.1 Generally

Lessee shall place all garbage, refuse, and recyclable materials in the appropriate containers located in the designated area(s) of the Premises. Lessee shall participate in Lessor's recycling program. Lessee shall provide and use suitable covered fireproof receptacles for all trash and other refuse. Lessee shall not permit boxes, cartons, barrels, pallets, or other similar items to be piled or stored in view of any Common Areas.

6.3.2 Recyclable Materials

Lessee shall provide containers for recycling the following: (i) corrugated cardboard; (ii) magazines; (iii) newspapers; (iv) tin and steel cans; (v) glass that is clear, brown, or green; and (vi) office paper, including letterhead, typing paper, colored paper, recycled paper, photocopy paper, and computer paper. Recyclable materials must be separated into the appropriate containers and not placed in with the other trash.

7. LESSOR/LESSEE OBLIGATIONS

7.1 Delivery of Leased Space

Lessee and Lessor will do a conditions walk-through of the Leased Space and Premises prior to the Effective Date, and prior to the relocation to the Kiva Building, should such relocation occur. Any existing conditions or defects noted by Lessee during the walk-through will not be the responsibility of the Lessee to repair or replace.

7.2 Condition of Property

Lessor makes no warranties or representations regarding the condition of the Premises, including, without limitation, the suitability of the Leased Space for Lessee's intended uses. Lessee has inspected and accepts the Premises in "As Is" condition upon taking possession, and assumes all risks of the condition of the Premises, known and unknown. Lessor shall have no liability to Lessee, and Lessee shall have no claim against Lessor, for any damage or injury caused by the condition of the Premises.

7.3 Lessor's Maintenance and Repair Obligations

Lessor shall maintain the Common Areas and Building structure, including HVAC, plumbing, electrical, lighting, and fire system up to the point of use. Lessee is responsible for determining that any appliances or other Lessee assets that rely upon these systems do not exceed the capacity of the system. If improvements are needed in order to accommodate Lessee's appliances or other assets, Lessee is responsible for those costs.

7.4 Lessee's Maintenance and Repair Obligations

Except as provided above, Lessee shall be responsible for all other repair and maintenance of the Leased Space. Lessee agrees to take good care of the Premises, and further agrees to deliver the Premises to Lessor in good condition at the end of the term of this Lease, normal wear and tear excepted.

7.5 Lessor's Rights If Lessee Fails to Maintain and Repair

If Lessee fails to promptly and regularly perform its maintenance obligations hereunder, Lessor may perform those obligations on behalf of Lessee and charge Lessee the full cost thereof, plus interest at the rate of nine percent (9%) per annum until repaid in full. Before Lessor undertakes to perform on behalf of Lessee, Lessor will provide Lessee with written notice describing with particularity Lessee's failure to perform its required repair, maintenance, or replacement obligations as set forth in this Lease. Lessee will then have thirty (30) days to respond to Lessor's notice by completing the repair, maintenance, or replacement within that time period or by starting to make the repair, maintenance, or replacement within that time period and advising Lessor of how long it will take Lessee to complete such work, using good faith and diligent efforts. Notwithstanding the foregoing, nothing contained herein requires Lessor to perform any such work on behalf of Lessee, and failure of Lessee to perform its repair, maintenance, and replacement obligations, as set forth in this Lease, shall constitute an Event of Default under this Lease.

7.6 Right to Terminate

In the event the Building should suffer significant structural damage, including, but not limited to, earthquake damage, mold infestation, or significant dry rot, either Lessor or Lessee shall have the option to terminate this Lease early, upon the giving of thirty (30) days' notice to the other unless the damage causes the notice period to be shorter.

8. LESSOR RESPONSIBILITIES AND RIGHT OF ACCESS

8.1 Damage to Leased Space, Common Areas, or Premises by Lessee

Any repair of damage caused by Lessee, Lessee's agents, employees, volunteers, invitees, or contractors shall be Lessee's responsibility and shall be charged to Lessee. Lessee must contact Lessor to repair any such damage unless the damage is minor and is contained within the Leased Space.

8.2 Lessor Access to Property

Lessor shall have the right to enter upon the Premises for the purposes of: (i) confirming the performance by Lessee of all obligations under this Lease; (ii) doing any other act which Lessor may be obligated or have the right to perform under this Lease; and (iii) for any other lawful purpose. Such entry shall be made with forty-eight (48) hours' advanced written notice to Lessee, and during normal business hours, where 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 such entry, except to the extent caused by the negligence or willful misconduct of Lessor. Lessee shall not install new locks on any doors without the prior consent of Lessor. In the event that Lessor approves the installation of any new locks, Lessor shall be given keys with which to unlock all locks installed by Lessee. Lessor shall have the right to use any and all means which Lessor may deem reasonable to open doors in an emergency in order to obtain entry into the Premises.

8.3 Lessor Authority Over the Premises

In addition to any other rights granted by law or by this Lease, Lessor reserves the following rights: (i) to use all other areas of the Building and Common Areas for any purpose and to permit others to use the Common Areas, but will take all reasonable measures not to interfere with Lessee's non-profit operations; (ii) to lease other portions of the Building to other tenants; (iii) to close all or any portion of the Building if necessary due to safety or for repair or construction, but will take all reasonable measures not to interfere with Lessee's non-profit operations; (iv) to construct improvements at the Building, but will take all reasonable measures not to interfere with Lessee's non-profit operations; and (v) to bar from the Premises anyone who fails to comply with any applicable laws, including applicable Lessor Ordinances.

9. ENVIRONMENTAL MANAGEMENT AND COMPLIANCE

9.1 Definitions

For the purposes of this Lease, the following definitions shall apply:

9.1.1 Environmental Laws

"Environmental Laws" shall be interpreted in the broadest sense to include any and all federal, state, and local statutes, regulations, rules, permit terms, codes, and ordinances, now or hereafter in effect, as the same may be amended from time to time, and applicable decisional law, which in any way govern materials, substances, regulated wastes, emissions, pollutants, animals or plants, noise, or products and/or relate to the protection of health, natural resources, safety, or the environment.

9.1.2 Hazardous Substances

"Hazardous Substances" shall be interpreted in the broadest sense to include any and all substances, emissions, pollutants, materials, or products defined or designated as hazardous, toxic, radioactive, dangerous, or regulated wastes or materials, or any other similar term in or under any Environmental Laws. "Hazardous Substances" shall also include, but not be limited to, fuels, petroleum, and petroleum derived products. However, fuels, petroleum, or petroleum derived products, so long as entirely contained within vehicles, including automobiles, aircraft, and marine vessels, shall not be defined as "Hazardous Substances" under the terms of this Lease.

9.1.3 Environmental Costs

"Environmental Costs" shall be interpreted in the broadest sense to include, but not be limited to, costs and damages arising from or relating to: (i) any actual or claimed violation of or noncompliance with any Environmental Law; (ii) claims for damages, response costs, fines, fees, or other relief relating to matters addressed in any Environmental Law; (iii) injunctive relief relating to matters addressed in any Environmental Law; (iv) Hazardous Substance Releases (as defined in **Section 9.1.4**); and (v) violations of any environmental provisions of this Lease. Costs and damages, as used in this Section, shall include, but not be limited to: (a) costs of evaluation, testing, analysis, clean-up, remediation, removal, disposal, monitoring, and maintenance; (b) costs of reporting to or negotiating with any government agency; (c) fees of attorneys, engineers, consultants, and experts, whether or not taxable as costs, incurred at, before, or after trial, appeal, or administrative proceedings; (d) lost profits; and (e) diminution of value, loss, or restriction on use of property.

9.1.4 Hazardous Substance Release

"Hazardous Substance Release" shall be interpreted in the broadest sense to include the spilling, discharge, deposit, injection, dumping, emitting, releasing, leaking, or placing of any

Hazardous Substance into the air or into or on any land or waters, except as authorized by a then current permit issued under applicable Environmental Laws.

9.2 General Environmental Obligations of Lessee

9.2.1 Lessee Management and Conduct

Lessee shall manage and conduct all of its activities on or relating to the Premises in compliance with all Environmental Laws and the Environmental provisions of this Lease. Lessee shall manage and, as appropriate, secure the Leased Space and its occupation or use of the Leased Space so as to prevent any violation of Environmental Laws by any party on or relating to the Leased Space.

9.2.2 Prohibition on Use of Hazardous Substances; Exceptions

No use, handling, storage, generation, creation, placing, disposal, or transportation of any Hazardous Substance is permitted on, about, or from the Premises, except small quantities of ordinary janitorial and office supplies available at retail.

9.2.3 Lessee's Liability for Hazardous Substance Releases

Lessee shall be liable for any Hazardous Substance Release that is caused by Lessee's use of the Premises, including any Hazardous Substance Release caused by Lessee's employees, volunteers, invitees, or contractors, that occurs during the term of the Lease. Any Environmental Cost arising therefrom shall be paid by Lessee on or before the date such Environmental Costs are due. Any Environmental Cost incurred by, paid by, or assessed against Lessor, for which Lessee is responsible under this Lease, shall be paid by Lessee within thirty (30) days after the date of written notice or invoice from Lessor.

9.2.4 Environmental Response and Notice to Lessor

Lessee shall promptly notify Lessor upon becoming aware of: (i) a violation or alleged violation of any Environmental Law related to the Premises or to Lessee's occupation or use of the Leased Space; (ii) any Hazardous Substance Release on, under, or adjacent to the Premises or threat of or reasonable suspicion of any of the same; and (iii) any notice or communication from a governmental agency or any other person directed to Lessee relating to any Hazardous Substance, Hazardous Substance Release, or any violation or alleged violation of any Environmental Laws which relate to the Premises or to Lessee's occupation or use of the Leased Space. In the event of an environmental incident of any kind occurring in connection with Lessee's operations, Lessee shall be responsible for all necessary response and shall promptly notify Lessor of the incident and the response. If notice must be given on the weekend or after 5:00 p.m. on any day, Lessee shall notify Lessor by calling Lessor's emergency telephone number. That number is currently 1-866-252-3614.

9.3 Environmental Inspection

Lessor reserves the right, at any time and from time to time, after notice to Lessee, to inspect the Premises for environmental compliance.

10. INDEMNITY AND INSURANCE REQUIREMENTS

10.1 General Indemnity

To the extent allowed under Oregon law, Lessee agrees to defend (using legal counsel reasonably acceptable to Lessor), indemnify, and hold harmless Lessor from and against, and reimburse Lessor for, any and all actual or alleged claims, damages, expenses, costs, including

Environment Costs as defined in **Section 9.1.3**, attorney fees and related costs of defense which may be imposed upon or claimed against or incurred by Lessor and which arise from any of the following, unless exclusively resulting from Lessor's negligence or willful misconduct with respect to those areas of the Premises being used by Lessor: (i) any act, omission, or negligence of Lessee relating to Lessee's activities at the Premises; (ii) any use, occupation, management, or control of the Premises by Lessee, whether or not due to Lessee's own act or omission and whether or not occurring on the Premises; (iii) any condition created in or about the Premises by Lessee after the Effective Date of this Lease; (iv) any breach, violation, or nonperformance of any of Lessee's obligations under this Lease; and (v) any damage caused by Lessee on or to the Premises. For purposes of this **Section 10.1**, "Lessee" shall be deemed to include Lessee's agents, employees, volunteers, invitees, and contractors.

10.2 Insurance Requirements

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 Lessor is willing to accept to help insure full performance of all terms and conditions of this Lease. All insurance required by Lessee under this Lease shall meet the following minimum requirements:

10.2.1 Certificates; Notice of Cancellation

On or before the Effective Date of this Lease, and thereafter during the term of the Lease, Lessee shall provide Lessor with current certificates of insurance, executed by a duly authorized representative of each insurer, as evidence of all insurance policies required under this **Section 10.2.1**. No insurance policy may be canceled, materially revised, or non-renewed without at least thirty (30) days' prior written notice being given to Lessor. Insurance must be maintained without any lapse in coverage during the term of the Lease. Insurance allowed to lapse without Lessor consent shall be deemed an immediate Event of Default under this Lease. Lessor shall also be given certified copies of Lessee's policies of insurance, upon request. Failure of Lessor to demand such certificates or other evidence of full compliance with these insurance requirements, or failure of Lessor to identify a deficiency from evidence that is provided, shall not be construed as a waiver of Lessee's obligation to maintain the insurance required by this Lease.

10.2.2 Additional Insured; Separation of Insureds

Lessor shall be named as an additional insured in each general liability policy. Such insurance shall provide cross-liability coverage equivalent to the standard Separation of Insureds clause published by the Insurance Services Office ("ISO") or its successor organization.

10.2.3 Primary Coverage

The required policies shall provide that the coverage is primary and will not seek any contribution from any insurance or self-insurance carried by Lessor.

10.3 Required Insurance

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

10.3.1 General Liability Insurance

Lessee shall maintain an occurrence form commercial general liability policy or policies insuring against liability arising from activities conducted in or on the Premises (including loss of use thereof), operations, independent contractors, products-completed operations, personal injury and

advertising injury, and liability insured under an insured contract (including the tort liability of another assumed in a business contract) occurring on or in any way related to the Premises or occasioned by reason of the operations of Lessee. Such coverage shall be in an amount of not less than ONE MILLION DOLLARS (\$1,000,000) per occurrence.

10.3.2 Fire Legal Liability Insurance

Lessee shall maintain fire legal liability insurance in an amount equal to ONE HUNDRED THOUSAND DOLLARS (\$100,000) per occurrence.

10.3.3 Property Insurance

Lessor shall insure all permanent fixtures affixed to the Building that are not the property of Lessee. Lessor is not responsible to insure any of Lessee's own personal property, trade fixtures, Lessee's Improvements, or any property in Lessee's care, custody, and control, which items shall not be covered by Lessor insurance, and Lessor shall have no liability to Lessee for any loss thereof.

10.3.4 Workers' Compensation Insurance

Lessee shall maintain in force workers' compensation insurance for all of Lessee's employees, including coverage for employer's liability in an amount not less than required by Oregon law.

10.3.5 Lessee's Risks

Lessee shall be responsible for obtaining any insurance it deems necessary to cover its own risks, including without limitation: (i) business interruption, such as gross earnings, extra expense, or similar coverage; (ii) Lessee's Improvements (as conditioned by **Section 10.3.3**), trade fixtures, and other personal property; and/or (iii) automobile physical damage and/or theft. In no event shall Lessor be liable for any (a) business interruption or other consequential loss sustained by Lessee; (b) damage to or loss of Lessee's Improvements, trade fixtures, or other personal property; (c) loss due to theft; or (d) damage to or loss of an automobile, whether or not such losses are insured, unless such liability arises from Lessor's gross negligence, or reckless or intentional misconduct.

10.4 Waiver of Subrogation

The Parties hereto waive any right of action that they and/or their insurance carriers might have against the other for property loss or damage, to the extent that such loss or damage is covered by any property insurance policy or policies and to the extent that proceeds (which proceeds are free and clear of any interest of third parties) are received by the party claiming the loss or damage. This waiver of subrogation does not apply to the deductible amount. The Parties hereto agree to give to each insurance company that has issued to it a policy of fire, extended coverage, or other property insurance written notice of the terms of this mutual waiver of subrogation and to have said insurance policies properly endorsed (if necessary) to prevent the invalidation of said insurance coverages by reason of this waiver and (if requested) to give to the other party a certificate from its insurance company to that effect.

10.5 Periodic Review

Lessor shall have the right to periodically review the types, limits, and terms of insurance coverage. In the event Lessor determines that such types, limits, and/or terms should be changed, Lessor will give Lessee a minimum of thirty (30) days' notice of such determination, and Lessee shall modify its coverage to comply with the new insurance requirements of Lessor. Lessee shall also provide Lessor with proof of such compliance by giving Lessor an updated certificate of insurance within fifteen (15) days.

10.6 Survival of Indemnities

The indemnities set forth in this **Section 10** shall survive the expiration or earlier termination of the Lease and shall remain fully enforceable thereafter.

11. DAMAGE OR DESTRUCTION

Lessee shall immediately notify Lessor upon becoming aware of damage or destruction to any improvements located in the Leased Space, Common Areas, or other areas of the Building.

12. TERMINATION

12.1 Termination Date

This Lease shall automatically terminate on the Expiration Date.

12.2 Earlier Termination Due to Damage or Destruction

Lessor or Lessee shall be entitled to terminate this Lease early and without liability, pursuant to **Section 7.6**, if there is significant damage to the Building that Lessor elects not to repair or that Lessee believes will take too long to repair to allow Lessee to continue to occupy the Leased Space.

12.3 Duties on Termination

Upon the Expiration Date or earlier Termination Date of the Lease, Lessee shall deliver all keys to the Premises to Lessor and surrender the Premises in a clean and sanitary condition.

12.4 Title to Lessee's Improvements

Upon the Expiration Date or earlier Termination Date of this Lease, any improvements affixed to the Premises and installed by Lessee, at Lessor's sole discretion, shall become the property of Lessor. Notwithstanding the foregoing, Lessor may, by written notice given to Lessee not later than thirty (30) days prior to the expiration of this Lease, or thirty (30) days after the earlier termination of this Lease, require Lessee, at Lessee's expense, to remove any or all improvements installed or constructed by Lessee on the Premises and restore the Premises.

12.5 Holding Over

If Lessee shall hold over after the Expiration Date or earlier Termination Date of this Lease, and Lessor and Lessee have not otherwise agreed, in writing, to the terms and provisions of such holding over, Lessee shall be deemed by Lessor to be a month-to-month holdover tenant for up to twelve (12) months, and thereafter a tenant at sufferance, and Lessee shall remain bound by all terms, covenants, and agreements hereof. If Lessee is deemed to be a holdover tenant, Lessee and Lessor agree that: (i) the tenancy shall be from month-to-month and may be terminated at any time by thirty (30) days' prior written notice from either party to the other; and (ii) Rent shall adjust as of the date of such termination or expiration of the Lease to increase by four percent (4%), pursuant to **Section 3.2**. In the event that Lessor deems Lessee a tenant at sufferance, all of the provisions of the previous sentence shall apply, except that Lessor will notify Lessee, in writing, that Lessee is a tenant at sufferance. Thereafter, Lessor may take immediate action to evict Lessee, without notice, and may otherwise exercise any other rights and remedies available to it at law or in equity for breach of this Lease.

12.6 Lessee's Personal Property

12.6.1 Removal Requirement

Inventory, furniture, decorations, detached floor covering, curtains, blinds, furnishings, and removable trade fixtures shall remain the property of Lessee if placed on the Premises by Lessee, at Lessee's expense. At or before the termination of this Lease, Lessee, at Lessee's expense, shall remove from the Premises any and all of Lessee's removable personal property and shall repair any damage to the Premises resulting from the installation or removal of such personal property. Title to any items of Lessee's trade fixtures and other personal property that remain on the Premises after the termination of this Lease shall, at the option of Lessor, be automatically taken by Lessor, and Lessor shall have the option, in its sole discretion, of: (i) retaining any or all of such trade fixtures and other personal property without any requirement to account to Lessee therefor, or (ii) removing and disposing of any or all of such trade fixtures and other personal property and recovering the cost thereof, plus interest from the date of expenditure at Lessor's then current interest rate, from Lessee upon demand. Any items being stored by Lessee must be removed by Lessee immediately upon termination. Any such items remaining on the Premises upon the Expiration Date or earlier Termination Date of this Lease shall be stored by Lessor at the sole expense of Lessee.

12.6.2 Time for Removal

The time for removal of any property that Lessee is required to remove from the Premises upon termination shall be on or before the Expiration Date or earlier Termination Date of this Lease.

13. DEFAULT

13.1 Event of Default

The occurrence of any of the following shall constitute an "Event of Default" (also referred to herein as "Default").

13.1.1 Default in General

Failure of Lessee to pay any Rent or to comply with any term, covenant, or condition of this Lease within thirty (30) days after written notice by Lessor describing the nature of the default. Furthermore, if any Event of Default threatens to cause serious harm to Lessor or other tenants or persons, then Lessor shall not be required to serve any notice before proceeding to request immediate injunctive relief. If Lessee begins in good faith to cure the Event of Default within the thirty (30) day period but needs additional time to complete the cure, then Lessor shall grant Lessee additional time to complete the cure. Failure to pay Rent, however, is strictly limited to the thirty (30) day cure period and the time will not be extended for an Event of Default for failure to pay Rent. Violation of the same Lease provision three or more times shall be an automatic Event of Default for which there may be no cure period, in Lessor's sole discretion.

13.1.2 Abandonment

Failure of Lessee for thirty (30) days or more to use and occupy the Leased Space for one or more of the purposes permitted under this Lease, unless such failure is excused under other provisions of this Lease.

13.2 Remedies on Default

Immediately following an uncured Event of Default or an Event of Default for which there is no cure period, Lessor may exercise any or all of the following remedies, in addition to any other rights and remedies provided in this Lease or at law or equity:

13.2.1 Re-Entry

Lessor may re-enter the Premises, or any part thereof, by suitable action or proceeding at law, or by force or otherwise, without being liable for indictment, prosecution, or damages as a result of such entry, and may repossess the Leased Space and remove any person or property therefrom, to the end that Lessor may have, hold, and enjoy the Premises.

13.2.2 Rent Recovery and Other Damages

Whether or not Lessor retakes possession or relets the Leased Space, Lessor shall have the right to recover unpaid Rent and all damages caused by the Default. Damages shall include, without limitation, all legal expenses and other related costs incurred by Lessor as a result of Lessee's Default, and all costs incurred by Lessor in restoring the Leased Space to good order and condition. To the extent permitted under Oregon law, Lessor may sue periodically for damages as they accrue without barring a later action for further damages.

13.3 Termination

Even though Lessee has breached this Lease, this Lease shall continue for so long as Lessor does not terminate Lessee's right to possession, and Lessor may enforce all of its rights and remedies under this Lease. Acts of maintenance or preservation or efforts to relet the Leased Space, or the appointment of a receiver upon initiative of Lessor to protect Lessor's interest under this Lease, shall not constitute a termination of Lessee's rights to possession unless written notice of termination is given by Lessor to Lessee. Any notice to terminate may be given before or within the cure period for default and may be included in a notice of failure of compliance. No such termination shall prejudice Lessor's right to claims for damages for such breach or any other rights and remedies of Lessor. Lessor may terminate this Lease at any time upon the occurrence of an Event of Default.

13.4 Remedies Cumulative and Nonexclusive

Each right and remedy 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.

13.5 Curing Lessee's Defaults

If Lessee shall fail to perform any of Lessee's obligations under this Lease, Lessor, without waiving such default, may (but shall not be obligated to) perform the same for the account of and at the expense of Lessee, without notice in a case of emergency and, in any other cases, only if such failure continues after the expiration of thirty (30) days from the date Lessor gives Lessee notice of the failure. Lessor shall not be liable to Lessee for any claim for damages resulting from such action by Lessor. Lessee agrees to reimburse Lessor upon demand, as Additional Rent, any amounts Lessor may spend in complying with the terms of this Lease on behalf of Lessee. Lessor shall have the same rights and remedies in the event of the nonpayment of sums due to be reimbursed under this Section, as in the case of Default by Lessee in the payment of any other Rents. Any sums to be so reimbursed shall bear a Delinquency Charge.

14. ASSIGNMENT, SUBLEASE, MORTGAGE, AND TRANSFER

14.1 General Prohibition

This Lease is personal to Lessee. No part of the Leased Space, nor any interest in this Lease, may be assigned, pledged, transferred, mortgaged, or subleased by Lessee, nor may a right of use of any portion of the Premises be conveyed or conferred on any third party by Lessee by any other means. Any assignment or attempted assignment shall be void. This provision shall apply to all transfers, including any that may occur by operation of law.

15. GENERAL PROVISIONS

15.1 Laws of Oregon

This Lease is governed by the laws of Oregon. Any disputes relating to this Lease must be resolved in accordance with the laws of Oregon. Jurisdiction shall be with Clackamas County Circuit Court.

15.2 Covenants, Conditions, and Restrictions

This Lease is subject and subordinate to the effect of any covenants, conditions, restrictions, easements, mortgages, deeds of trust, ground leases, rights of way, and any other matters of record pertaining to the Premises and to any applicable land use or zoning laws or regulations. Lessee shall, upon request of Lessor, execute and deliver agreements of subordination in the form requested by Lessor.

15.3 No Benefit to Third Parties

Except as provided in **Subsection 3.6.1** above, Lessor and Lessee are the only Parties to this Lease and, as such, are the only Parties entitled to enforce its terms.

15.4 No Implied Warranty

In no event shall any consent, approval, 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 shall be solely responsible for such matters and Lessor shall have no liability therefor.

15.5 Notices

All notices required or desired to be given under this Lease shall be in writing and may be delivered by personal delivery or by deposit in the United States mail, postage prepaid, as certified mail, return receipt requested, and addressed as follows:

To Lessor: Urban Renewal Agency of the City of Wilsonville
 Attn.: Urban Renewal Manager
 29799 SW Town Center Loop E
 Wilsonville, OR 97070

To Lessee: Wilsonville Community Sharing
 Attn: Leigh Crosby, Director
 28925 SW Boberg Rd
 Wilsonville OR 97070

Any notice delivered by personal delivery shall be deemed received by the addressee upon actual delivery; any notice delivered by mail as set forth in this Lease shall be deemed received by the addressee on the third business day after deposit in the United States mail in the continental United States, postage prepaid. The addresses to which notices are to be delivered may be changed by giving notice of such change in accordance with this notice provision.

15.6 Time of the Essence

Time is of the essence in the performance of and adherence to each and every covenant and condition of this Lease.

15.7 Nonwaiver

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

15.8 Survival

Any covenant or condition (including, but not limited to, indemnification provisions) set forth in this Lease, the full performance of which is not specifically required prior to the expiration or earlier termination of this Lease, and any covenant or condition which by its terms are to survive the termination of this Lease, shall survive the expiration or earlier termination of this Lease and shall remain fully enforceable thereafter.

15.9 Partial Invalidity

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

15.10 Lease Subject to Bonds and Ordinances

This Lease shall be subject and subordinate to existing bonds and ordinances which create liens and encumbrances affecting the Premises. Lessee agrees that Lessor may hereafter adopt bond ordinances which impose liens or encumbrances on said Premises and Lessor's interest in the leasehold. In order to comply with the requirements of existing Lessor bond ordinances, Lessee hereby makes an irrevocable commitment not to claim depreciation, cost recovery, or an investment credit with respect to any of the leased space or to any improvements constructed by Lessor using Lessor funds or Lessor bond funds, or constructed by Lessee or someone else but paid for using Lessor funds or Lessor bond proceeds.

15.11 Lease Subject to Nondiscrimination

No person shall be illegally discriminated against by Lessee in violation of state or federal law on grounds that include, but are not limited to, sex, gender, race, color, creed, religion, marital status, age, disability, sexual orientation, gender identity, or national origin. Any violation of this provision shall be grounds for termination of this Lease by Lessor.

15.12 Security

Lessee is solely responsible for security in and around the Premises.

15.13 Limitation on Lessor Liability

Lessor shall have no liability to Lessee for loss, damage, or injury suffered by Lessee on account of theft or any act or omission of any third party, including other users of the Premises. Lessor shall only be liable for its own willful misconduct or negligence and then only to the extent of actual and not consequential damages and only as allowed pursuant to Oregon law. Although this Lease gives Lessor certain rights of inspection, such rights shall impose no obligation on Lessor to make any inspections, nor impose liability on Lessor if Lessor fails to make such inspections.

15.14 Calculation of Time

“Legal Holiday” shall mean any holiday observed by the City of Wilsonville. “Business Days” shall mean Monday through Friday and shall exclude Saturday, Sunday, and Legal Holidays. Unless referred to as Business Days, all periods of time referred to in this Lease shall 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 shall be extended to include the next day which is not a Saturday, Sunday, or Legal Holiday.

15.15 Headings, Table of Contents, and Table of Definitions

The section headings, table of contents, and table of definitions contained in this Lease are for convenience in reference and are not intended to define or limit the scope of any provision of this Lease.

15.16 Exhibits Incorporated by Reference

All Exhibits attached to this Lease are incorporated by reference in this Lease for all purposes.

15.17 Modification

This Lease may not be modified except by a writing signed by Lessor and Lessee.

15.18 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.

15.19 Attorney Fees/Venue

If a suit, action, or other proceeding of any nature whatsoever (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 shall 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. If Lessor is required to seek legal assistance to enforce any term of this Lease, such fees shall include all of the above fees, whether or not a proceeding is initiated. Payment of all such fees shall also apply to any administrative proceeding, trial, and/or any appeal or petition for review. Whenever this Lease requires Lessee to defend Lessor, it is agreed that such defense shall be by legal counsel reasonably acceptable to Lessor. Venue for any suit, action, or proceeding of any nature to enforce any term of this Lease shall be within Clackamas County, Oregon.

15.20 Entire Agreement

This Lease represents the entire agreement between Lessor and Lessee relating to Lessee's use of the Premises and shall supersede all previous communications, representations, or agreements, whether verbal or written, between the Parties hereto. It is understood and agreed by Lessee that neither Lessor nor Lessor's agents or employees have made any representations or promises with respect to this Lease or the making or entry into this Lease, except as expressly set forth in this Lease, and that no claim or liability or cause for termination shall be asserted by Lessee against Lessor for, and Lessor shall not be liable by reason of, the claimed breach of any representations or promises not expressly stated in this Lease, any other oral agreement with Lessor being expressly waived by Lessee.

15.21 Provisions Applicable to Others

All provisions of this Lease governing Lessee's obligations or responsibilities and Lessee's activities and conduct on, about, or from the Premises shall apply to Lessee's agents, employees, volunteers, invitees, and contractors.

15.22 Successors; the Parties

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

15.23 Interpretation of Lease; Status of Parties

This Lease is the result of arms-length negotiations between Lessor and Lessee and shall not be construed against Lessor by reason of its preparation of this Lease. Nothing contained in this Lease, including the method of computation of rentals or construction of improvements in the Leased Space, shall be deemed or construed as creating the relationship of principal and agent, partners, joint venturers, or any other similar such relationship, between the Parties hereto.

15.24 Defined Terms

Capitalized terms shall have the meanings given them in the text of this Lease.

15.25 Counterparts

This Agreement may be executed in several counterparts, each of which shall be deemed an original, and all of such counterparts together shall constitute one and the same instrument.

///

///

///

15.26 Capacity to Execute

Lessor and Lessee each warrant and represent to one another that this Lease constitutes a legal, valid, and binding obligation of that party. The individuals executing this Lease personally warrant that they have full authority to execute this Lease on behalf of the entity for whom they purport to be acting.

IN WITNESS HEREOF, the Parties have subscribed their names hereto effective as of the year and date first written above.

WILSONVILLE COMMUNITY SHARING

CITY OF WILSONVILLE

By: _____

By: _____

Print Name: _____

Print Name: _____

As Its: _____

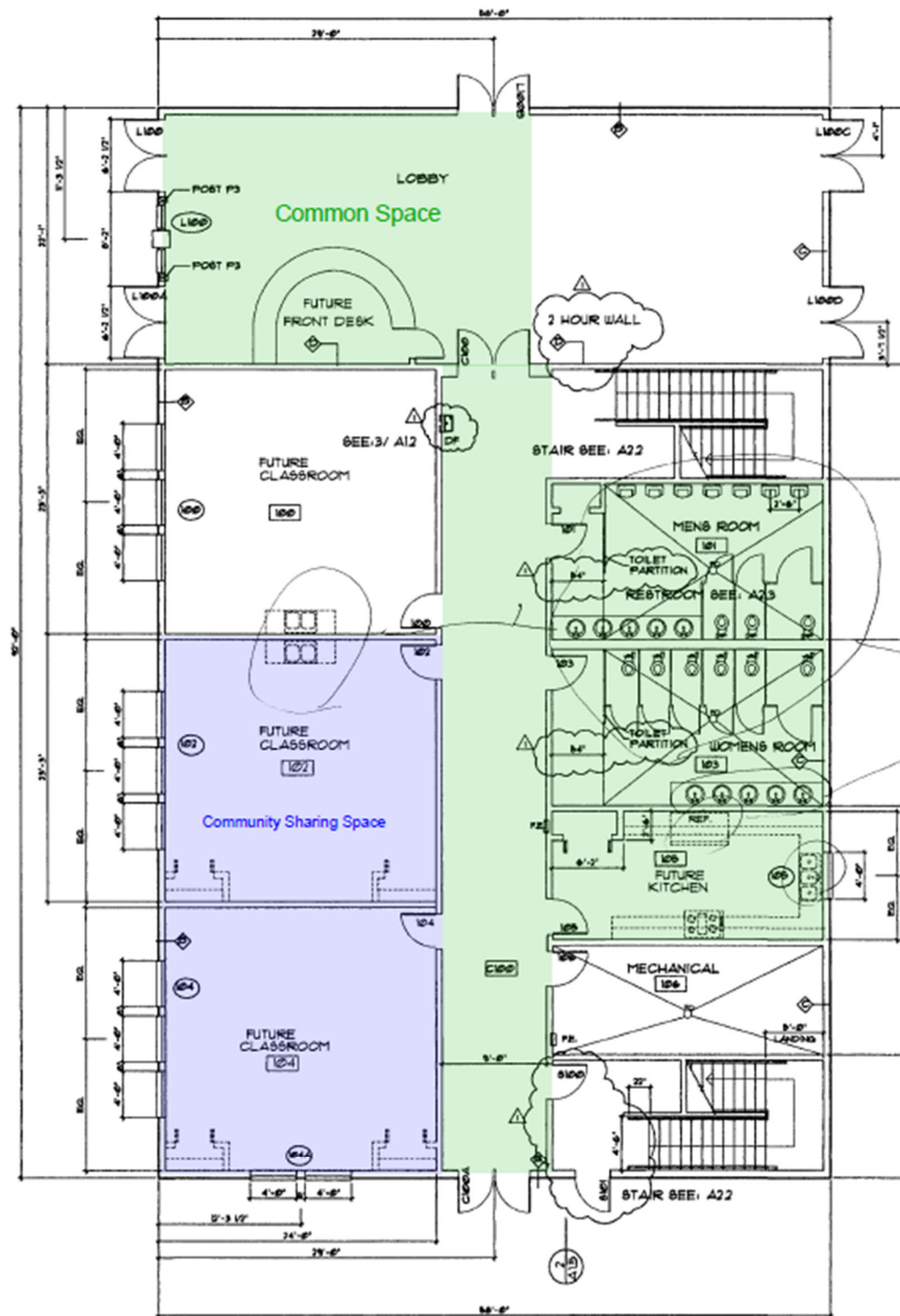
As Its: _____

APPROVED AS TO FORM:

Amanda Guile-Hinman, City Attorney
City of Wilsonville, Oregon

EXHIBIT A-1

ART-TECH LEASED SPACE AND COMMON AREAS



1 FIRST FLOOR
SCALE : 1" = 8'-0"

EXHIBIT A-2

KIVA BUILDING LEASED SPACE AND COMMON AREAS

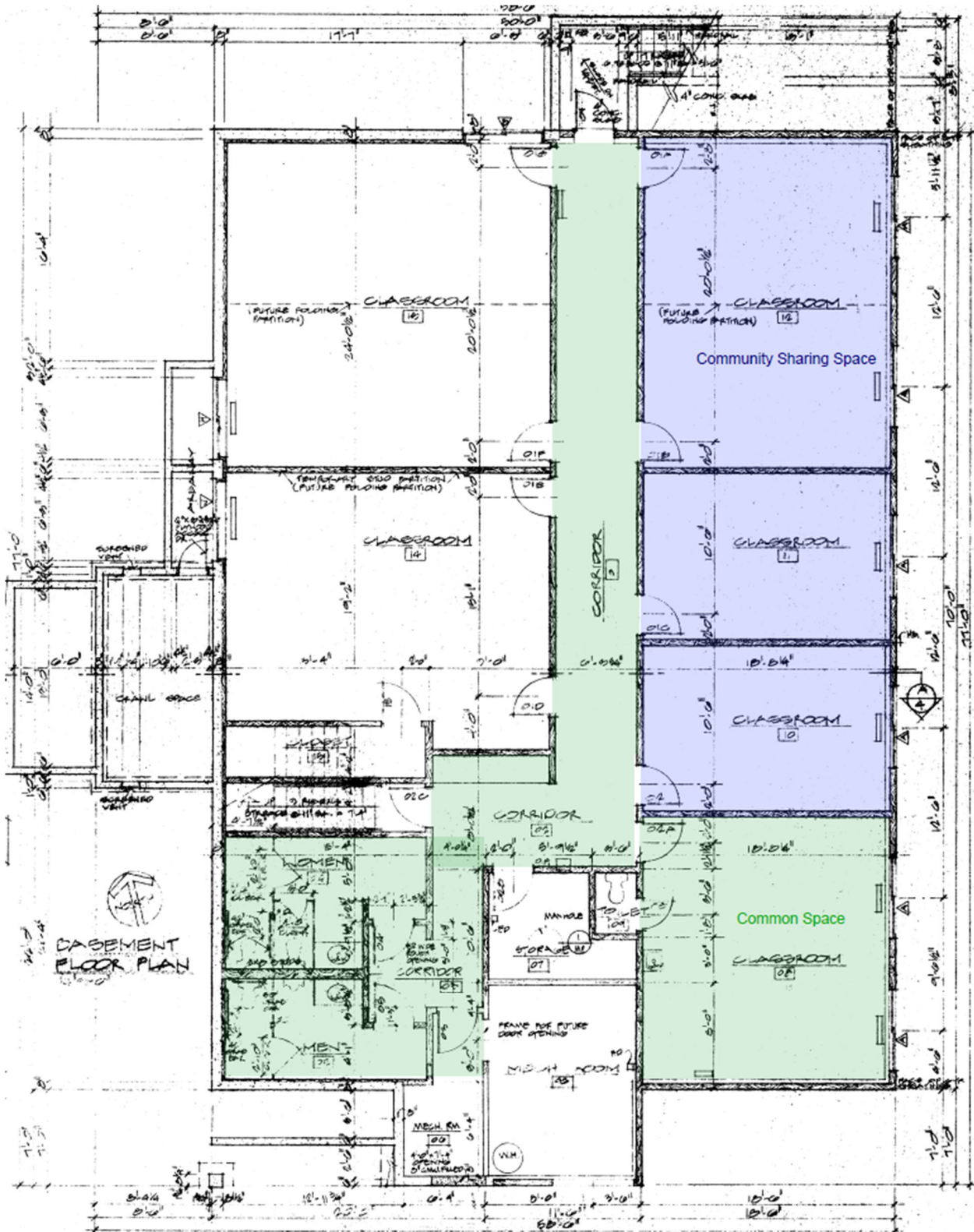


EXHIBIT B
NOTICE TO TENANTS

Dear Tenant:

As you are aware, your Lease with Lessor requires you to pay all property taxes assessed against the property you occupy. The Lessor of Wilsonville and Clackamas County take this obligation seriously, and will strictly enforce it. If taxes are not paid promptly when due, Lessor may pursue remedies for default, including termination of your Lease. Clackamas County may also pursue a collection action for unpaid taxes.

Property tax statements are sent by Clackamas County each November. If you wish to have your property tax statements sent to a different address, please contact the Clackamas County Division of Assessment and Taxation at:

Clackamas County
Assessment & Taxation
Development Services Bldg
150 Beavercreek Rd
Oregon City, OR 97045
Telephone: (503) 655-8671