

LEASE AGREEMENT

This Lease Agreement ("Lease") is dated <u>August 20</u>, 2014, and is between the URBAN RENEWAL AGENCY FOR THE CITY OF OREGON CITY ("Landlord"), and FIRST CITY CENTRAL MARKETPLACE & BISTRO("Tenant").

1. Summary of Terms				
Premises:	The Building located on the real property legally described on Exhibit A, as such Building is depicted on Exhibit B, consisting of approximately 2,000 rentable square feet.			
Building Address:				
Commencement Date:		•		
Expiration Date:				
Extension Period:	One 3-year extension period.			
Permitted Use:	A "bike bistro," a gathering place for bicyclists to include light food and beverage,			
	some minor bike re	ail sale of bike accessories		
Base Rent:	Period:	Monthly I	Base Rent:	
	Months 1—6	\$-0-		
	Months 7 – 12	\$500.00/r	nonth	
	Months 13 - 24	\$1,000.00	/month	
	Months 25 - 36	\$1,500.00	* 10 C 20 E 10 C 20 C	
		7 /	,	
Security Deposit:	\$1,500.00			
Notice Addresses:	If to Tenant:		If to Landlord:	
		_	Urban Renewal Agency for the	
	Attn:	_	City of Oregon City	
		_	Attn: Economic Development	
		_	Manager	
	Fax:	_	625 Center Street	
			Oregon City, OR 97045	
			Fax:	
Exhibits: Ex	hibit:	Description:	3	
A		Legal Description		
В		Floor Plan of Premis	es	
C		Landlord's Work		

2. Premises, Commencement Date and Term.

Summary of Torme

- (a) Landlord agrees to lease the Premises to Tenant, and Tenant agrees to lease the Premises from Landlord the Premises, subject to the terms and conditions set forth herein. The parties agree that for all purposes of this Lease, the square footage shown in Section 1 of this Lease is approximate, and Landlord does not represent or warrant the size of the Premises. Tenant acknowledges that neither Landlord, nor any employee or agent of Landlord, has made any representation or warranty with respect to the condition of the Premises, including without limitation with respect to the suitability or use of the same for Tenant's intended Permitted Use or operations. Landlord shall have no liability to Tenant whatsoever in the event Tenant cannot conduct its Permitted Use and/or intended operations in the Premises, and in addition to any other requirements set forth in the Lease, Tenant shall obtain all permits necessary for the Permitted Use or operations. Exhibits, riders and addenda are incorporated into and made a part of this Lease by reference.
- (b) The Term will commence at 12:01 a.m. on the Commencement Date and will terminate at midnight on the Expiration Date. Notwithstanding the foregoing, if Landlord is unable to deliver possession of the Premises to Tenant on the Commencement Date for any reason, including, without limitation, the failure of the Landlord's Work (as Page 1 Lease Agreement

defined below) to be substantially completed, then the Commencement Date shall be delayed and shall commence on the

date that Landlord notifies Tenant that the Premises are ready for possession. In such event, Rent shall not be owing under this Lease until Landlord notifies Tenant that the Premises are ready for possession. Landlord shall have no liability for such delays in delivery of possession, and neither party shall have the right to terminate this Lease as a result of any such delays.

grants Tenant an option to extend the steps (the "Option") one time for a period of three (3) years (the "Extended Term"), on the same terms, covenants, and conditions of this Lease, except that the Base Rent will be determined according to Section 3(b) below and Tenant shall have no further option to extend this Lease. Tenant will exercise the Option, if at all, by giving Landlord written notice (the "Option Notice") at least one hundred eighty (180) days before the expiration of the initial Term. Upon Tenant giving its Option Notice as provided herein, Landlord and Tenant shall then be bound to take the steps required in connection with the determination of Base Rent in accordance with Section 3(b) below. The Extended Term shall commence on the day following expiration of the initial Term.

3. Rent.

- specified in Section 1 in addition to any other fees owed and due to Landlord (altogether, "Rent"). Tenant shall pay all Rent to Landlord without notice, demand, deduction, abatement or offset of any kind or nature and at the address shown above, or such other place as Landlord may designate in writing from time to time. Rent for any period during the Term hereof which is for less than one (1) full month shall be prorated based upon the actual number of days of the month involved. If Rent is not paid within five days after due, Tenant shall pay to Landlord, without demand: (i) a late fee in an amount of five percent of the overdue sum; and (ii) interest on the sums overdue at the prime rate as quoted in The Wall Street Journal from time to time plus four percent (the "Default Rate"). Upon execution of this Lease, Tenant shall pay to Landlord the first monthly installment of Base Rent.
- If Tenant exercises its Option as provided in Section 2(d), the Base Rent for the Extended Term will be the greater of (a) the Base Rent for the last year of the preceding Term, plus annual three percent (3%) rent escalations for each year after the initial year of the Extended Term, or (b) the fair market rent for the ensuing Extended Term, including rent escalations for each year after the initial year of the Extended Term, determined as provided in this Section. The parties will use commer cially reasonable efforts, for a period of 30 days after Landlord's receipt of the Option Notice, to agree on the fair market rent for the ensuing Extended Term. If the parties are unable to agree on the fair market rent for the Extended Term within 30 days after Landlord's receipt of the Option Notice, the fair market rent will be determined by a qualified, independent MAI real property appraiser with at least five years of experience and familiar with commercial rental values in the Oregon City, Oregon metropolitan area. The appraiser will be chosen by Tenant from a list of not fewer than three such persons submitted by Landlord within five (5) days of receipt thereof. If Tenant does not select an appraiser within five (5) days after submission of the list, Landlord will make the selection and the selection will be binding on Tenant. If Landlord fails to submit a list within ten (10) days after written request therefor from Tenant, Tenant may name as an appraiser any person with said qualifications. Within thirty (30) days after the appraiser's appointment, the appraiser will provide a written report with the appraiser's determination of fair market rent, including rent escalations for each year after the initial year of the Extended Term, which will be final and binding on both parties. The cost of the appraisal will be borne equally by the parties.

Use.

- (a) Tenant shall use the Premises for the Permitted Use and for no other purpose. Tenant acknowledges that the northern portion of the Premises may also be used by Amtrak customers. Tenant shall at its sole cost cause the Premises to comply with all aws (including environmental laws) ordinances, regulations and directives of any governmental authority applicable to the Premises or the Permitted Use, or to Tenant's use, storage, generation or disposal of Hazardous Substances (defined below) including, without limitation, the Americans With Disabilities Act (collectively "Applicable Laws") whether now in effect or as such Applicable Laws are changed, re-interpreted or amended. Tenant shall at its sole cost obtain any and all licenses or permits necessary for the Permitted Use of the Premises.
- (b) Tenant shall not use the Premises, or permit the Premises to be used, in any manner that: (a) violates any Applicable Law; (b) causes or is reasonably likely to cause any damage or liability to the Premises, the Building,

or Landlord; (c) violates a requirement or condition of any insurance policy covering the Building, and/or the Premises, or increases the cost of such policy; or (d) constitutes or is reasonably likely to constitute a nuisance, annoyance or inconvenience to neighbors, or their property, including, without limitation, any immoral or obscene act or any other act tending to injure the reputation of the Building including the Premises. Tenant shall not commit or allow any waste or damage to be committed on any portion of the Building. Tenant shall not do or permit to be done anything which shall increase the costs of operating or maintaining the Building, including, but not limited to, insurance premiums, property taxes and utility bills. Tenant shall, at its sole cost and expense, obtain all governmental licenses and permits required to allow Tenant to conduct its business operations in the Building.

5. **Signage**. Tenant may, at its sole cost and expense, erect signs on the exterior of the Building stating its name, business, and product; provided (a) Tenant shall first secure Landlord's written approval of the size, color, design, wording and location of the signage, which approval Landlord may withhold or condition at its sole discretion, and (b) Tenant shall erect and maintain all signs in compliance with all Applicable Laws. All signs installed by Tenant shall be removed upon termination of this Lease, with the sign location restored to its former state. Tenant shall at its sole cost maintain the appearance of all of Tenant's signs.

6. Improvements and Alterations.

- (a) Landlord shall deliver the Premises vacant with the improvements specified in Exhibit C substantially completed and substantially in accordance with the construction and architectural drawings dated May, 24, 2014 that have been reviewed and approved by Tenant (the "Landlord's Work").
- (b) Upon completion of Landlord's Work, Tenant shall accept the Premises in its "AS IS, WHERE IS" condition and "WITH ALL FAULTS." Tenant shall not change or alter the Premises or the Building's structure, foundation, or systems in any way without Landlord's prior written approval, which consent shall be given in Landlord's sole discretion and with such conditions as Landlord deems appropriate. If Landlord consents in writing to any proposed alteration of the Premises, Tenant will (i) contract only with a Landlord-approved contractor for the performance of the alterations, (ii) obtain all necessary governmental permits and approvals and deliver copies thereof to Landlord, and (iii) cause all alterations to be completed in compliance with Landlord-approved plans and specifications with all due diligence. All work in the Premises by or at Tenant's request must comply with all applicable laws, ordinances and building codes. Upon termination of this Lease, any improvements or alterations made to the Premises by Tenant after the Commencement Date (collectively "Improvements"), excluding Tenant's trade fixtures and equipment that may be removed without damage to the Premises, shall at once become part of the Premises. Notwithstanding the foregoing, if requested by Landlord, Tenant shall promptly remove all Improvements and alterations made by Tenant and restore the affected portion of the Premises or Building to the condition existing as of the Commencement Date.
- materials supplied to the Premises. Tenant shall keep Landlord, the Premises and the Building free from all liens, stop notices and violation notices relating to any alterations, and Tenant shall protect, indemnify, hold harmless and defend Landlord from any and all loss, cost, damage, liability and expense, including attorneys' fees, related to any such liens or notices. During the progress of such work, Tenant shall, upon Landlord's request, furnish Landlord with sworn contractor's statements and lien waivers covering all work theretofore performed. If Tenant fails to pay and remove such lien, claim or encumbrance within ten (10) days after recordation, Landlord, at its election, may pay and satisfy the same and in such event the sums so paid by Landlord, together with interest thereon equal to the Default Rate, will be due and payable by Tenant upon demand. Tenant, at its expense, shall discharge by bonding or making a payment any lien or charge filed against the Premises, or the Building in connection with any work claimed or determined in good faith by Landlord to have been done by or on behalf of, or materials claimed or determined in good faith by Landlord to have been furnished to, Tenant, within thirty (30) days after Tenant's receipt of notice thereof by payment, filing the bond required by law or otherwise in accordance with all Applicable Laws. Tenant shall provide evidence satisfactory to Landlord, in Landlord's sole discretion, that such lien has been removed or bonded within such thirty (30) day period.
- 7. **Rules and Regulations.** Tenant shall faithfully observe and comply with the Building rules and regulations as promulgated by Landlord on one or more occasions, which Landlord may modify at any time and for whatever reason or

for no reason at all (all together, the 'Regulations'). Landlord's modifications and amendments will become effective immediately upon Tenant's receipt of oral or written notice regarding the same.

- 8. **Utilities**. To the extent necessary, Tenant shall pay all utility connection fees, traffic impact fees and any other extraordinary fees associated with Tenant's use of the Premises. Tenant acknowledges that it has inspected and accepts the utility connections and utilities being supplied to the Premises as of the Commencement Date as being sufficient in their present condition, "AS IS," and for the Permitted Use. Commencing on the Commencement Date, Tenant shall pay to the applicable utility provider, or to Landlord if the Utilities (defined below) are furnished by Landlord to the Premises, all charges for Utilities furnished to the Premises during the Term plus applicable state and local taxes (the "**Utility Charges**"). "**Utilities**" or "**Utility**" means electricity, natural gas, water, garbage collection, sewer and/or any other utility consumed by Tenant during the Term. Landlord will not be liable to Tenant for any loss, damage or expense which the quality or character of the Utilities, used upon or furnished to the Premises are no longer available or suitable for Tenant's requirements, or if the supply of any such Utility ceases or is interrupted as a result of any cause and no such change, interruption or cessation of service shall constitute an actual or constructive eviction of Tenant or entitle Tenant to an abatement of Rent.
- 9. **Parking**. Tenant, its employees, and customers shall have the nonexclusive right to use the Building's passenger vehicle parking spaces, together with members of the public. Landlord shall have no obligation to police or secure the use of such parking lot. Landlord reserves the right to modify, restrict, regulate and/or remove any parking spaces at any time.

Landlord's Responsibilities; Tenant's Responsibilities.

- (a) Landlord shall maintain in good repair, reasonable wear and tear excepted, the structural integrity of the exterior walls (excluding windows, glass or plate glass, doors, special store fronts or office entries), roof, and foundation of the Building. In the event the HVAC system serving the building requires replacement during the term of the Lease, as determined by Landlord in its reasonable discretion, Landlord shall be responsible for replacement of the system at Landlord's expense.
- (b) Tenant shall at its sole cost do the following: (1) correct and repair any damage to the Premises and Building caused by the negligence or willful misconduct of Tenant or its employees, agents or contractors; (2) keep the Premises and the Building and every part thereof in good order, condition, and repair (whether or not such portion of the Premises or the Building requiring repair, or the means of repairing the same, are reasonable or readily accessible to Tenant and whether or not the need for such such portion of the Premises) including, without limiting the generality of the foregoing, glass breakage, all equipment or facilities specifically serving the Premises, such as plumbing, HVAC, electrical, lighting facilities, boilers, fired or unfired pressure vessels, fire hose connectors if within the Premises (provided, however, Tenant shall not be responsible for repair or replacement of such items if they are damaged or broken through no fault of Tenant or its employees, agents or contractors), fixtures, interior walls, in terior surfaces of exterior walls, ceilings, floors, floor coverings, windows, doors, plate glass and light bulbs, but excluding any items which are the responsibility of Landlord pursuant to Section 10(a) above; and (3) perform all other maintenance, repairs, and replacements not otherwise the responsibility of Landlord under this Lease. Tenant is responsible for the repair and maintenance, as well as all electricity charges for the use, of the HVAC system serving the Building, which shall include, without limitation, a preventive maintenance HVAC service contract.
- (c) Landlord will not be liable for injury to Tenant's business or any loss of income therefrom or for damage to the goods, wares, merchandise, equipment and vehicles or other property of Tenant, or its employees, agents or contractors or for injury to the person of Tenant, Tenant's employees, agents or contractors and invitees, except when directly and proximately caused solely by the gross negligence or willful misconduct of Landlord or its employees, agents or contractors. Landlord's liability under this Lease consists of Landlord's interest in the Building as the same may be encumbered and any proceeds of insurance.
- (d) If the Premises presently contains a sprinkler system and fire-alarm and life-safety system serving the Premises, Landlord shall maintain such systems in good order and repair. If the fire insurance rating organization or any governmental authority or any of Landlord's insurers requires or recommends any modifications or improvements be made

or any additional equipment be supplied in connection with the sprinkler system or fire-alarm and life-safety system serving the Building or the Premises by reason of Tenant's business, or the location of the partitions, trade fixtures, or other contents of the Premises, Landlord (to the extent such modifications or improvements are structural, affect any Building's systems or involve the performance of work outside the Premises), or Tenant (to the extent such modifications or improvements are nonstructural, do not affect any Building's systems and do not involve the performance of work outside the Premises) shall make such modifications or improvements, and supply such additional equipment, in either case at Tenant's expense.

days after the date of incident, Landlord shall notify Tenant in writing whether Landlord will restore the Premises or terminate this Lease as of the date of damage. Landlord's determination will be binding upon Tenant. If Landlord elects not to terminate this Lease, Landlord shall use commercially reasonable efforts to repair the damage and restore the Premises (excluding improvements made by Tenant) to their former condition, to the extent of the insurance proceeds made available to Landlord, within 270 days of the date of damage. Base Rent will be abated during the period of restoration to the extent the Premises are not reasonably usable for the Permitted Use unless the fire or other casualty resulted from the negligence or willful misconduct of Tenant, its employees or agents, in which case Base Rent will not abate during the restoration period and Tenant will be liable for the cost of the repair and restoration of the Premises or Building to the extent such cost is not covered by the insurance proceeds. The provisions contained in this Lease shall supersede any contrary laws (whether statutory, common law or otherwise) now or hereafter in effect relating to damage, destruction, self-help or termination.

12. Insurance.

- (a) Tenant, at its expense, shall maintain the following during the Term: (i) all risk (special form) property insurance covering the full replacement cost of all property and any improvements installed or placed in the Premises by Tenant; (ii) worker's compensation insurance with no less than the minimum limits required by law; (iii) employer's liability insurance with such limits as required by law; (iv) commercial liability insurance with a minimum limit of One Million Dollars and 00/100 (\$1,000,000) per occurrence and a minimum umbrella limit of Five Million Dollars and 00/100 (\$5,000,000) for property damage, personal injury or death of persons occurring in or about the Premises and such other insurance as reasonably determined by Landlord or as required by Landlord's mortgagee or ground lessor of the Building; (v) business interruption insurance with a limit of liability equal to a loss of at least 12 months of income; and (vi) liquor liability insurance in a form and in such amounts satisfactory to Landlord. The commercial liability policies shall: (a) name Landlord, its managing agent, its ground lessor and its mortgagee(s) (if any) as additional insureds as their interests appear; (b) will insure on an occurrence basis; and (c) will not be cancelable without thirty (30) days written notice to Landlord and its mortgagee(s). Neither party shall be liable to the other for any loss or damage to the Premises or Tenant's personal property thereon caused by any of the risks covered by insurance and there shall be no subrogated claim by one party's insurance carrier against the other party arising out of any such loss. Certificates of such policy shall be delivered to Landlord on or before the Commencement Date and each renewal of said insurance.
- shall not be liable for, and Tenant hereby waives any claims against, Landlord for injury or damage to the person or the property of Tenant, Tenant's employees, contractors, invitees, customers, or any other person, in or about the Premises or Building from any cause whatsoever, including, but not limited to, damage or injury which is caused by or results from: (i) fire, steam, electricity, gas, water, or rain, or from the breakage, leakage, obstruction, or other defects of pipes, fire sprinklers, wires, appliances, plumbing, HVAC, or lighting fixtures; or (ii) the condition of the Premises or other portions of the Building. Landlord shall not be liable for any damages arising from any act or omission of any other tenant of Landlord nor from the failure by Landlord to enforce the provisions of the Regulations. Notwithstanding any provision in this Lease to the contrary, Landlord shall under no circumstances be liable for injury to Tenant's business, for any loss of income or profit therefrom or any indirect, consequential, special or punitive damages related to or arising from this Lease.
- 13. Indemnification. Tenant shall indemnify, defend by counsel reasonably acceptable to Landlord, and hold harmless Landlord, its employees, agents and contractors from and against liability, loss, damages, claims, liens, costs and expenses, including attorneys fees, it may suffer, sustain or incur as a result of or related to: (a) claims of injury to or death of persons or damage to property or business loss occurring or resulting directly or indirectly from the use or occupancy of

the Premises or Building by Tenant, its employees, contractors or agents or from any act or omission of Tenant, its agents, employees or contractors; (b) claims arising from work or labor performed, or for materials or supplies furnished to or at the request of Tenant in connection with performance of any work done for the account of Tenant within the Premises or the Building; (c) claims arising from any breach or Default on the part of Tenant in performance of any covenant or obligation contained in this Lease; and (d) claims arising from the negligence or willful misconduct of Tenant, its employees, agents and contractors. The foregoing provisions shall not be construed to make Tenant responsible for loss, damage, liability, or expense resulting from injury or death to persons or damage to property of third parties caused by the gross negligence or willful misconduct of Landlord, its agents, employees or contractors. In addition, the foregoing indemnities in favor of Landlord shall also accrue to the benefit of Landlord's mortgagee(s), its agents, employees or contractors. The obligations under this Section 13 shall survive expiration or earlier termination of this Lease.

14. Condemnation. If a condemning authority takes the entire Premises or a portion sufficient to render the remainder of the Premises unsuitable for the Permitted Use, in the reasonable judgment of Landlord only, then Landlord may elect to terminate this Lease within sixty (60) days after receipt of notice of the condemnation, with the termination effective on the date that title passes to the condemning authority ("Condemnation Date"). Otherwise, Landlord shall exercise commercially reasonable efforts to restore the remaining Premises, to the extent practical and only to the extent of the proceeds made available in connection with such condemnation, within 180 days after the Condemnation Date to a condition comparable to that existing at the time of the taking. Base Rent shall be abated in proportion to the area of the Premises so taken from the Condemnation Date through the period of restoration to the extent that such area is not reasonably usable by Tenant and not so used by the Tenant, and Base Rent shall be reduced for the remainder of the Term to an amount equal to such Base Rent multiplied by a fraction, the numerator of which shall be equal to the size of the Premises after restoration and the denominator shall be the size of the Premises prior to the condemnation. All condemnation proceeds shall belong solely to Landlord.

15. Assignment and Subletting.

- (a) Tenant shall not assign, mortgage, pledge, encumber or otherwise transfer all or a part of its interest under this Lease, whether by operation of law or otherwise and shall not sublet, underlet, license, franchise or permit or suffer the Premises or any part thereof to be used or occupied by others, without the prior written consent of Landlord, which consent Landlord may withhold at its sole discretion. Any assignment, sublease, license, franchise, mortgage, pledge, encumbrance or transfer in contravention of the provisions of this Section 15 shall be null and void.
- (b) No assignment or subletting shall relieve Tenant of its obligation to pay rent or perform other obligations required by this Lease. Any assignment or sublease consented to by Landlord shall not relieve Tenant (or its assignee) from obtaining Landlord's consent to any subsequent assignment or sublease, and Landlord may collect rent directly from an assignee, sublessee or transferee. Tenant agrees to pay on demand all of Landlord's actual out of pocket costs (including reasonable attorneys' fees) in connection with a request for consent under this Section. Notwithstanding any assignment or subletting or any acceptance of Rent by Landlord from any assignee or subtenant, Tenant shall remain jointly and severally liable for the payment of all Rent due and for the performance of all other terms, covenants and conditions contained in this Lease on Tenant's part to be observed and performed, and any Default under any term, covenant or condition of this Lease by any subtenant shall be deemed a Default under this Lease by Tenant.
 - 16. **Default**. Any of the following will constitute a "**Default**" by Tenant under this Lease:
 - (a) Tenant's fallure to pay Rent or any other charge under this Lease within five days after it is due.
- (b) Tenant's fallure to comply with any other term or condition of this Lease, other than payment of Rent per Subsection 16(a) above, within 30 days of Tenant's receipt of written notice of such failure.
- (c) Tenant's insolvency, assignment for the benefit of its creditors, Tenant's voluntary petition in bankruptcy or adjudication as bankrupt, or the appointment of a receiver for Tenant's properties, or, if Tenant is a natural person, the death of such person.
 - (d) Tenant's abandonment of the Premises.

- (e) Tenant defaults in the observance or performance of any term, covenant, or condition on Tenant's part to be observed or performed under any other lease or license agreement with Landlord or Landlord's predecessors-in-interest for space in the Building, and such default shall continue beyond any grace period set forth in such other lease for the remedying of such
- 17. **Remedies for Default**. In the event of a Default, Landlord will have the right, with or without notice, to pursue the following remedies in addition to any other remedies provided under applicable law:
- (a) Landlord may make any payment or perform any obligation required of Tenant so as to cure Tenant's Default, in which case Landlord shall be entitled to recover all amounts so expended from Tenant plus interest at the Default Rate from the time disbursed until repaid by Tenant to Landlord.
- (b) Landlord may reenter and retake possession of the Premises, without notice, either by summary proceedings or by any other applicable action or proceeding, or by other means, including self help. Landlord may expel and remove from the Premises Tenant and any other person occupying the same, including any subtenant or subtenants notwithstanding Landlord's consent to any sublease, by any lawful means, and again repossess and enjoy the Premises without prejudice to any of the remedies that Landlord may have under this Lease, or at law or equity by any reason of Tenant's default or of such termination. Landlord hereby reserves the right, but shall not have the obligation, to recognize the continued possession of any subtenant.
- (c) Upon retaking possession of the Premises, Landlord may use the Premises for Landlord's own purposes or relet the Premises on any reasonable terms without prejudice to any other remedies that Landlord may have by reason of Tenant's default. None of these actions will be deemed an acceptance of surrender by Tenant. To the extent permitted by law, and except as expressly provided in this Lease, Tenant waives the service of (i) any notice of intention to terminate this Lease or to retake the Premises, (ii) any demand for payment of Rent or for possession, and (iii) any and every other notice or demand required or permitted under Applicable Laws.
- (d) Landlord at its option may relet the whole or any part of the Premises, from time to time, either in the name of Landlord or otherwise, to any tenants, for any terms ending before, on, or after the expiration date of the Term, at any rentals, and on any other conditions (including concessions and free-rent periods) that Landlord, in its sole discretion, determines to be appropriate. Landlord is to use commercially reasonable efforts to mitigate any damages incurred by Landlord as a result of any default by Tenant. However, no failure to mitigate damages by Landlord will operate to relieve Tenant of any liability under
- (e) Whether or not Landlord retakes possession of or relets the Premises, Landlord may recover all damages caused by the Default (including but not limited to unpaid Rent, attorney fees reasonably incurred, all costs of reletting the Premises, the unamortized cost of improvements installed by Landlord for Tenant, and broker commissions) together with interest thereon at the Default Rate. Landlord may sue periodically to recover damages as they accrue during the remainder of the Term without barring a later action for further damages. Landlord may at any time bring an action seeking accrued damages plus damages for the remaining Term as allowed by law.
 - (f) All of Landlord's rights, privileges and elections or remedies are cumulative and not alternative.
- (g) The specified remedies to which Landlord may resort hereunder are not intended to be exclusive of any remedies or means of redress to which Landlord may at any time be entitled lawfully, and Landlord may invoke any remedy (including the remedy of specific performance) allowed at law or in equity as if specific remedies were herein provided for.
- 18. **Surrender on Termination; Holdover**. On expiration or early termination of this Lease, Tenant shall surrender the Premises broom clean and free of debris inside the Premises and Tenant shall cause the Building to be free of Tenant debris. Subject to the provisions of Section 6 hereof, the Premises shall be surrendered to Landlord in the same condition as at the commencement of the Term, subject only to wear and tear from ordinary use. Tenant shall remove all of its furnishings and trade fixtures. Failure to remove furnishings and trade fixtures shall be an abandonment of such

property, and Landlord may dispose of it at Tenant's expense in any manner without liability to Landlord. If Tenant fails to vacate the Premises at the end of the Term, Tenant will be deemed guilty of unlawful detainer; or, at Landlord's election, this Lease, and there terms and conditions hereof, shall remain in full force and effect as a Tenancy at Sufferance except that the definition of Base Rent under Section 2 herein shall be an amount equal to 200% of the greater of the Base Rent last in effect or the then market rental value of the Premises as determined by Landlord assuming a new lease of the Premises on the same terms as this Lease ("Holdover Rent"). Landlord's acceptance of Holdover Rent or any other payment will not constitute a renewal of this Lease. In addition, Tenant shall be liable for, and indemnify, defend and hold harmless landlord, its employees and agents from and against, any and all loss, cost, damage and expense that Landlord shall incur as a result of Tenant holding over in the with respect to a new Lease or claims by a new tenant against Landlord and/or concessions made to such tenant to prevent any new tenant from terminating such lease due to Tenant's hold-over.

- estate sale contract or deed of trust ('Superior Instrument"), under the holder of such Superior Instrument(s) may claim an interest in the real property of which further instrument of subordination shall be required with regard thereto. Notwithstanding the foregoing, upon Landlord's or such Superior Instrument holder's written request, Tenant or Tenant's successors in interest shall execute and deliver (and shall cause any sublessees under a permitted sublease to execute and deliver), without modification or amendment, any documents including without limitation lender's standard form of Subordination Agreement or such Superior Instrument holder's standard form of ground lease letter (recognition agreement) as the case may be, required to effectuate or confirm such subordination to any Superior Instrument. Failure by Tenant to so execute within ten (10) business days shall be deemed a Default under Section 17(b). Tenant shall attorn to any successor landlord.
- days prior written notice from Landlord, execute, acknowledge and deliver to Landlord a statement in writing certifying that this Lease is in full force and effect (or, if modified, stating the nature of such modification and certifying that this Lease, as so modified, is in full force and effect) and the date to which the Rent is paid in advance, if any, and acknowledging that there are not, to Tenant's knowledge, Defaults, if any are claimed and specifying such other matters as reasonably requested by Landlord or its potential mortgagee, ground lessor or purchaser of its interest. Tenant agrees that if Tenant fails to execute and deliver such certificate within such 10 day period, certificate will be binding on Tenant.

21. Hazardous Substances.

- (a) Except for small quantities of cleaners, copier fluids and toner used in the ordinary course of Tenant's Permitted Use and in compliance with all Applicable Laws, Tenant shall not, and shall not cause or allow any other party to, construct, use, deposit, store, dispose, place or locate on or about the Premises any Hazardous Substances (defined below) without the prior written consent of Landlord, which may be withheld or denied for any reason or no reason at all. If Landlord consents in writing to any Hazardous Substances on the Premises, Tenant shall ensure that such Hazardous Materials remain sealed in their containers at all times while in the Premises, except when necessary for use, and Tenant shall comply with all Applicable Laws in connection with the use, storage and disposal of all Hazardous Substances.
- (b) Tenant shall immediately notify Landlord of: (i) any disposal, release, discharge, migration, spill, or leak of Hazardous Substances; (ii) any inspection, enforcement, clean-up or other regulatory action taken or threatened by any regulatory authority with respect to any Hazardous Substances on, about, above, beneath or from the Building or the migration thereof from or to other property; (iii) any demands or claims made or threatened by any party relating to any loss or injury claimed to have resulted from any Hazardous Substances on, about, above, beneath or from the Building; and (iv) any matters where Tenant is required by any Applicable Laws to give a notice to any regulatory authority concerning Hazardous Substances on or from the Building. Tenant shall indemnify, defend, and hold Landlord harmless from any and all claims, judgments, damages, penalties, fines, costs, liabilities, or losses (including direct, indirect, special and consequential damages of any type) which arise during or after the Lease Term as a result of contamination by Hazardous Substances as a result of Tenant's use or activities or omissions, or the use, activities or omissions of Tenant's

employees, agents or contractors. Tenant shall be liable under this Section 21 for the effects of any contamination or injury to person, property, or the environment created or suffered by Tenant, and the cost of investigation (including consultants' and attorneys' fees and testing), removal, remediation, restoration, and/or abatement thereof, or of any contamination therein involved. Tenant's obligations under this Section 21 shall survive the expiration or earlier termination of this Lease.

- (c) For purposes of this Lease, "Hazardous Substances" means any material or substance: (a) which is defined or becomes defined as a "hazardous substance", "hazardous waste", "infectious waste", "chemical mixture or substance", "dangerous", "toxic", or "air pollutant" under Applicable Laws, or any like or similar term or terms; (b) contains petroleum, crude oil or any fraction thereof; (c) containing polychlorinated biphenyls (PCB's); (d) contains asbestos; (e) which is radioactive; (f) which displays toxic, reactive, ignitable or corrosive characteristics, as all such terms are used in their broadest sense, and are defined or become defined by Applicable Laws; or (g) which cause a nuisance upon or waste to any portion of the Building.
- 22. **Brokerage Fees.** Tenant represents and warrants to Landlord that it has not dealt with any broker in connection with this Lease other than Tenant's Broker and that, to the best of its knowledge and belief, no other broker, finder or like entity procured or negotiated this Lease or is entitled to any fee or commission in connection therewith. Landlord shall pay a brokerage commission ("**Commission**") to Tenant's Broker in the amount set forth in the separate agreement between Landlord and Tenant's Broker. Tenant agrees to indemnify and hold Landlord free and harmless from and against all claims for brokerage commissions or fees and/or finder's fees by any other person or entity (other than Tenant's Broker) claiming to have been retained by Tenant in connection with this transaction or to be the procuring cause of this transaction on behalf of Tenant. The parties' obligations under this Section 22 shall survive the expiration or earlier termination of this Lease.
- Security Deposit. Upon the execution of this Lease, Tenant shall deposit in cash with Landlord the Security Deposit to secure Tenant's faithful performance of this Lease. If Tenant Defaults under this Lease, Landlord may apply all or any portion of the Security Deposit to cure such Default or to compensate Landlord for any loss or damage which Landlord may suffer thereby. If Landlord so applies any portion of the Security Deposit, Tenant shall immediately, upon written demand, restore the Security Deposit to the full amount hereinabove stated. LANDLORD SHALL NOT BE REQUIRED TO KEEP THE SECURITY DEPOSIT SEPARATE FROM ITS GENERAL ACCOUNTS AND TENANT SHALL NOT BE ENTITLED TO ANY INTEREST ON ITS SECURITY DEPOSIT. Provided Tenant is not in Default of this Lease, within 60 days after the expiration of the Term and the vacation of the Premises by Tenant, the Security Deposit, less any portion thereof to which Landlord may be entitled, shall be returned to Tenant. Landlord will have the right to continue to hold the Security Deposit following the expiration of the Term until all of Tenant's obligations under this Lease have been satisfied.
- 24. Alterations to the Building. Landlord has the right at any time to alter the Building without any such acts constituting an actual or constructive eviction and without incurring any liability to Tenant, so long as such changes do not deny Tenant access to the Premises or otherwise adversely affect Tenant's Permitted Use of the Premises in an unreasonable manner. Landlord shall use commercially reasonable efforts to minimize interference with Tenant's Permitted Use of the Premises during the making of such changes or alterations, provided that Landlord shall have no obligation to employ contractors or labor at overtime or other premium pay rates or to incur any other overtime costs or additional expenses whatsoever. In the

General Provisions.

- (a) Waiver by either party of strict performance of any provision of this Lease will not be a waiver nor prejudice the party's right otherwise to require performance of the same provision or any other provision.
- (b) Subject to the limitations on transfer of Tenant's interest, this Lease shall bind and inure to the benefit of the parties, their respective heirs, successors and assigns.
- (c) If this Lease commences or terminates at a time other than the first day or last day of one of the specified rental periods, then Base Rent shall be prorated as of such date, and in the event of termination for reasons other than Default, all prepaid Rent shall be refunded to Tenant or applied to sums due and owing by Tenant.

- (d) Tenant warrants that it has full right and authority to enter into this Lease, and, so long as Tenant complies with all terms of this Lease, it shall be entitled to peaceable and undisturbed possession of the Premises free from any eviction or disturbance by Landlord or persons claiming through Landlord.
- (e) Notices between the parties relating to this Lease shall be in writing, effective when delivered either in person or by facsimile (as evidenced by transmission confirmation receipt), or if mailed, effective on the second (2nd) day following mailing, postage prepaid, certified mail, return receipt requested, and by regular first class mail, to the address for the party stated in this Lease or to such other address as either party may specify by notice to the other. Rent shall be payable to Landlord at the address set forth on the cover page.
- (f) TIME IS OF THE ESSENCE with respect to the performance by Tenant of each and every provision of this Lease. This Lease shall be governed by the laws of Oregon state.
- (g) If either party brings legal action against the other party to enforce any provision of this Lease, the prevailing party shall be entitled to recover reasonable attorneys' fees in addition to any other damages awarded at arbitration, trial and upon any appeal.
- (h) Annually, within ninety (90) days after the end of Tenant's fiscal year, Tenant shall furnish to Landlord, the financial statements of Tenant and any other party which is then liable for any of the obligations under this Lease. In addition, in the event that Landlord is then in the process of selling or refinancing the Building, upon Landlord's request, Tenant shall provide to Landlord financial statements for Tenant and any other party which is then liable for any of the obligations under this Lease for the most recent fiscal quarter then ended, as well as year to date financial statements, provided, however, that so long as Tenant is a publicly traded company and the information set forth in this Section 25(h) is available through public information, Tenant shall be relieved of its obligations under this Section 25(h).
- reasonable times, upon reasonable prior notice, which may be oral, other than in the case of any emergency, in which case any such party may enter the Premises at any time without notice, to(a) inspect the same; (b) exhibit the same to prospective purchasers, prospective mortgagees or tenants; (c) determine whether Tenant is complying with all of its obligations under this Lease, including, without limitation, the handling of Hazardous Substances; (d) supply services to be provided by Landlord to Tenant under this Lease; or (e) post notices of non-responsibility or to make repairs or improvements in or to the Building or the Premises. Landlord may at any time place on or about the Premises or Building any ordinary "For Sale" signs, and Landlord may at any time during the last one hundred eighty (180) days of the Term hereof place on or about the Premises any ordinary "For Lease" signs. Tenant hereby waives any claim for damages for any injury to, or interference with, Tenant's business, any loss of occupancy or quiet enjoyment of the Premises, or any other loss occasioned by such entry or repair or service work which Landlord deems to be reasonably necessary.
- with respect to, and shall not be responsible for any failure to perform, any of Landlord's obligations hereunder if such failure is caused by any reason beyond the control of Landlord including, but not limited to, acts of the Tenant, its agents, employees or contractors, other occupants of the Building, governmental law, ordinances, rules or regulations, strike, labor trouble, fire, flood, earthquake, civil commotion, act of war, terrorism or failure or disruption of utility services ("Force Majeure Events"). The amount of time for Landlord to perform any of Landlord's obligations shall be extended by the amount of time Landlord is delayed in anything in this Lease to the contrary, for any failure to perform, any of Tenant shall incur no liability to Landlord with respect to, and shall not be responsible reason beyond the control of Tenant including, but not limited to acts of the Landlord, its agents, employees or contractors, other occupants of the fire, flood, earthquake, civil commotion, act of war, terrorism or failure or disruption of utility services. The amount of time for Tenant to perform any of Tenant's obligations shall be extended by the amount of time Tenant is delayed in performing such obligation by reason of any Force
- (k) Notwithstanding anything to the contrary contained in this Lease, it is expressly understood and agreed that: (a) the recourse of Tenant against Landlord with respect to the alleged breach by Landlord of any

representation, warranty, covenant, undertaking or agreement contained in any of this Lease or otherwise arising out of this transaction or Tenant's use of the Premises or the Building (collectively, "Landlord's Lease Undertakings") shall extend only to Landlord's interest in the Project, and not to any other assets of Landlord; and (b) no personal liability or personal responsibility of any sort with respect to any of Landlord's Lease Undertakings or any alleged breach thereof is assumed by, or shall at any time be asserted or enforceable against Landlord (beyond the interest of Landlord in the Project and any insurance Landlord may carry with respect to its interest in the Project) or its members or principals. Landlord shall have the right to sell, transfer or assign the Project, or any part thereof, or Landlord's interest in this Lease in which event Landlord shall be automatically freed and relieved from all applicable liability with respect to performance of any covenant or obligation on the part of Landlord after the date of such transfer or conveyance. Any Security Deposits or advance rents held by Landlord shall be turned over to the successor and said successor and all of the obligations of the Landlord hereunder shall be binding on Landlord, its successors and assigns, only during their respective periods of ownership.

- (I) The invalidity of any provision of this Lease, as determined by a court of competent jurisdiction, shall not affect the validity of any other provision hereof.
- (m) This Lease contains all of the terms, covenants, conditions, warranties and agreements between the parties with respect to any matter mentioned herein. There are no oral or written promises, conditions, representations, understandings, interpretations or terms of any kind as conditions or inducements to this execution of this Lease or in effect between the parties. This Lease may not be amended, altered or modified in any way except in writing signed by the parties.
- (n) No remedy or election hereunder shall be deemed exclusive but shall, wherever possible, be cumulative with all other remedies at law or in equity.
- (o) This Lease shall be binding upon the parties, their personal representatives, successors, and assigns and be governed by the laws of the State in which the Premises are located. Any litigation between the parties hereto concerning this Lease shall be initiated in the County in which the Premises are located.
- (p) Tenant assumes all responsibility for the protection of the Premises, Tenant, its agents and invitees and their property from the acts of third parties.
- (q) Preparation of this Lease by either Landlord or Tenant or Landlord's agent or Tenant's agent and submission of same to Tenant or Landlord shall not be deemed an offer to lease. This Lease is not intended to be binding until mutually executed and delivered by all parties hereto.
- (r) Nothing in this Lease creates any relationship between the parties other than that of lessor and lessee, and nothing in this Lease constitutes the Landlord a partner of Tenant or a joint venture or member of a common enterprise with Tenant.
- (s) This Lease may be executed in multiple counterparts, each of which shall constitute an original, but all of which when taken together shall constitute one and the same agreement.
- (t) The parties acknowledge that this Lease is the result of negotiations between the parties, and in construing any ambiguity hereunder no presumption shall be made in favor of either party. No inference shall be made from any item that has been stricken from this Lease other than the deletion of such item.
- (u) Tenant shall neither be relieved from the performance of any of its covenants or obligations under this Lease, including, without limitation, the obligation of Tenant to pay Rent, nor entitled to terminate this Lease, due to a breach or default by Landlord of any of its covenants or obligations under this Lease, unless otherwise expressly provided in this Lease.
- (v) THE PARTIES HERETO SHALL, AND THEY HEREBY DO, WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM BROUGHT BY EITHER OF THE PARTIES HERETO AGAINST THE OTHER ON ANY MATTERS

WHATSOEVER ARISING OUT OF, OR IN ANY WAY CONNECTED WITH, THIS LEASE, THE PREMISES, OR ANY CLAIM OF INJURY OR DAMAGE.

- (w) Landlord shall in no event be in default under this Lease unless Landlord shall neglect or fail to perform any of its obligations hereunder and shall fail to remedy the same within thirty (30) days after notice to Landlord specifying such neglect or failure, or if such failure is of such a nature that Landlord cannot reasonably remedy the same within such thirty (30) day period, Landlord shall fail to commence promptly (and in any event within such thirty (30) day period) to remedy the same and to prosecute such remedy to completion with diligence and continuity. No notice from Tenant to Landlord alleging any default by Landlord shall be effective unless and until a copy of the same is given to the holder of any Superior Instrument (provided Tenant shall have been furnished with the name and address of such holder), and the curing of any of Landlord's defaults by such holder shall be treated as performance by Landlord. This Lease shall be construed as though Landlord's covenants contained herein are independent and not dependent, and Tenant hereby waives the benefit of any law or statute to the contrary.
- (x) In the event Tenant is obligated to pay any amount under this Lease, whether to Landlord or a third party, Tenant shall pay together with that amount the applicable Oregon state and local sales tax.

[signatures on next page]

The parties are signing this Lease on the date stated in the introductory clause.

Landlord:	URBAN RENEWAL AGENCY FOR THE	Tenant:	First City Central Marketplace + Bistro
ı	By: Ciffer fairly	Signature:	E.
Name:	Carol Pauli	Name:	Blane Mejer
Title:	UR Chair	Title:	Managing Member

Exhibit A Legal Description of the Building

TRACT 1: Parcel 1, Partition Plat No. 1992-164, recorded October 16, 1992 in the City of Oregon City, County of Clackanas and State of Oregon. *

TRACT 2: A tract of land in Section 29, Township 2 South, Range 2 East of the Willamette Meridian, in the County of Clackamas and State of Oregon, being a portion of the Hiram Straight Donation Land Claim No. 42, described as follows:

Beginning at the North quarter corner of said Section 29; thence North 162.71 feet; thence East 584.35 feet to Engineer's centerline Station 659+13 of the State Highway I-205; thence South 46 18' 13" West along the centerline of said highway, 137.00 feet to Station 663+00 of said highway; thence South 43' 41' 47" East 100.00 feet to an angle corner in that tract of land conveyed to the State of Oregon, by and through its State Highway Commission, recorded April 14, 1970, Feconder's Fee No. 70+6911, Film Records and the true point of beginning of the tract of land herein to be described, said point being the most Northerly corner of tract described in Deed to Publishers Paper Company, a Delaware corporation, recorded December 31, 1980, Recorder's Fee No. 80-50221, Film Records; thence South 43' 41' 47" East 20.00 feet, more or less, to the point of intersection with the Northwesterly right of way line of that tract of land conveyed to Oregon & California Railroad Co., recorded June 16, 1877 in Book "N", page 425, Deed Records; thence Southwesterly along said right of way line, 1350.00 feet, more or less, to the point of intersection with the Southeasterly line of Market Road No. 38 aka 82nd Street Road; thence continuing along said Railroad right of way 1100 feet, more or less, along the Southeasterly line of Parcal VII of the aforementioned Publishers Paper Company tract, to the Southeasterly line of Parcel No. 1 of Final Judgment in Suit No. 71403 in the Circuit Court of the State of Oregon for the County of Clackanas opposite station 689+00 as set forth in said suit; thence Westerly and Northerly along the Southeasterly line of said Parcel No. 1, said line being the Westerly line of said Parcel VII of said aforementioned Suit, 1800 feet, more or less, to the most Westerly corner of tract described in Deed to Publishers Paper Company, a Delaware corporation, recorded Marxin 3, 1933, Recorder's Fee No. 83-589; thence Northerly along said Westerly line of tract described in Deed to Fublishers Paper Company, a De

EXCEPT that part of Market Road No. 38, aka 82nd Avenue, which was not vacated by Ordinance No. 83 1017 or Ordinance No. 83 1471, recorded as Fee No. 83-41485 and 83-25559.

AND FURTHER EXCEPTING THEREFROM that portion of Edison Avenue not vacated.

a excepting therefrom a parcel of approximately 1.24 scres to be partitioned therefrom prior to closing.

Exhibit B Floor Plan of Premises

Exhibit C Landlord's Work

III. Clarifications & Assumptions

Division I - General Conditions

- Bid proposal assumes building will be un-operational during remodel.
- Supervision and staffing required to complete our scope of work.
- Dumpsters
- Blueprinting
- Consumables, small tools, insurance.

Division II - Demolition

- Demo existing bathroom, relocate WC.
- Demo interior partition walls as shown on drawings.
- Demo existing ACT ceiling, all drywall lids to stay (10').
- Demo existing wainscot in open flex area and drywall.
- Demo existing wood panels for new glazing.
- See exclusions for particulars.

Division VI- Carpentry/Casework

- No structural wood framing included in proposal.
- Reinstall existing wood trim (to be removed and reinstalled).
- Note: we are not removing the bars as noted on drawing T1, detail 30.

Division VIII- Doors & Windows

- Install one (1) new 3'6"x6'8" wood VG fir side and rail, insulated clear tempered glass with Dorma Panic hardware. Paint and/or stain door.
- Install one (1) new prefinished wood door with brown tone timely frame with privacy lock to bathroom.
- Install new door hardware on "back of house" door, office lock set.
- Film bathroom window black, drywall to corner.
- Furnish and install (4) ea 40"x 34"insulated tempered glass.

Division VIV- Finishes

- All wood/metal stud framing of all interior walls as per plans. Walls to go to lid (10').
- Furnish and install all GWB for project.
- Drywall tape and finish @ new walls and existing perimeter wall, level 4 finish.
- Hard-lid ceiling in bathroom.
- Overlay existing ceiling in main area with ½" drywall.
 - Provide new R 15 in perimeter walls -architect to specify)
 ADD \$ 968
- Painting of ceiling and walls (1) coat primer, (2) coats finish on walls.
 - No painting in back storage offices, break room.
- An allowance of \$4,950 has been carried for flooring. Needs to be reviewed with owner/architect.

Division X-Specialties

- Furnish and install (1ea) fire extinguisher and cabinet.
- Furnish and install the following bathroom accessories;
 - (1) TP rolls
 - (1) paper towel
 - (1) mirrors
 - (2) grab bars
- Final clean of space as required to do the work.

Division XII- Cabinetry

Cabinetry and/or furnishings, area rugs, furnished and installed by owner.

Division XV - Mechanical

Plumbing:

- Furnish and install the following;
 - o (1) New bathroom handle faucet
 - (1) New ADA water closets
 - o (1) New ADA wall hung lavatories
 - ABS waste and vent
 - Copper water supply
- Safe-off and removal of existing fixtures
- Modify existing waste and vent for new layout
- Permitting/submittals as required by city, state and building code

HVAC:

- By owner, other, startup and commissioning.
- Remove and reinstall existing floor air supply/ return grills.
- Provide new bathroom exhaust fan to be switched with light.

Fire Suppression:

N/A

Division XVI- Electrical

Electrical:

- Safe off and demo existing electrical as needed in area of work.
- Install one (1) bug light with exit sign (egress lighting).
- Furnish and install (1) new 100cfm bathroom exhaust fan.
- Furnish and install (1) new 1x4 ceiling mount strip light.
- Furnish and install (7) Hampton Bay specified fixtures.
- Furnish and install a silent knight fire alarm system in area of work. Fire marshal meeting will be required. See alternates.
- Provide permits as required.

Exclusions/Notes

- Equipment, TV's, appliances any owner furnished items as per the equipment schedule (DW, refer, etc)
- Low voltage wiring, HVAC, fire protection or suppression.
- Speakers (sound), security system.
- Special Inspections, permits or SDC fees
- Architectural services
- No keying or keyed access systems
- Any and all utility fees including (water, power, gas, sewer, etc)
- Window coverings, films, blinds, etc
- No asbestos or abatement work.

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