

THIS LEASE made and entered into at the City of Portland, Oregon, this 1st day of

May
Corporation

1981 by and between CITY OF PORTLAND, a Municipal

hereinafter called the Lessor

and PENDLETON WOOLEN MILLS, an Oregon Corporation

hereinafter called the Lessee. WITNESSETH

The Lessor hereby leases to the Lessee the following described premises in consideration of

XXXXXXXXXXXXXXXXXXXX and in accordance with the terms, covenants and conditions herein set forth

Premises ~~XXXXXX~~ That space located in the Portland Auto Port Parking Garage designated as 1202 S.W. Second Avenue, containing approximately 1507 square feet, as shown on the attached Exhibit "A".
value
Portland Oregon

Term	For the term beginning on the	1st	day of	May	19 81 .
	and expiring on the	30th	day of	April	19 88 .

Rental For a monthly rental of One Thousand & Four Dollars and and 67 '100

Dollars \$ 1,004.67 (except rental for the month of May & June 1981 shall be One Dollar (\$1.00) for the first year; One Thousand Sixty-Seven Dollars & 46/100 (\$1,067.46) for the second year, which shall be the Basic Monthly Rent and subject to payable monthly in advance on the first day of each and every calendar month, at the office of the Lessor or the Lessor's agent.

periodic increases as described in Paragraph 33.1 of this lease.

The Lessee covenants and agrees as follows

1.1 **Payment** The Lessee will pay said monthly rental in lawful money of the United States at the office of the Lessor or Lessor's agent in advance on the first day of each and every calendar month of said term. ~~XXXXXXXXXXXX~~
~~XXXXXXXXXXXXXXXXXXXXXXXXXXXX~~ the number of days of the month included in the term of this lease

1.2 Delivery of Possession

1.3 Unpaid Rent If rent is not paid within 10 days after it is due Lessor may at its option impose a late charge. ~~xx~~
Unpaid rent shall bear interest at the rate of 10 percent per annum from the date it is due until paid.

2.1 Use The Lessee will use and occupy said premises for office purposes and for no other purposes and the Lessee will at Lessee's own expense repair any damage caused by the Lessee or any of Lessee's employees or agents, or licensees or invitees.

2.2 Assignment and Sub-letting The Lessee will not assign this lease or any interest hereunder, and will not permit any assignment hereof by operation of law, and will not sub-rent or sub-let said premises or any portion thereof, and will not permit the use or occupancy of said premises by other than the Lessee and his agents and employees of the Lessee without first obtaining the written consent of the Lessor.

2.3 Alterations The Lessee will make no alterations in or additions to said premises without first obtaining the written consent of the Lessor, and all additions, improvements and fixtures (except the movable office furniture of the Lessee) made or added either by the Lessee or Lessor shall be and remain the property of the Lessor, provided, however, the Lessor may require that the Lessee remove upon termination of this lease any additions made or fixtures added by the Lessee at the Lessee's expense.

THIS LEASE made and entered into at the City of Portland, Oregon this 1st day of

May 1981 by and between CITY OF PORTLAND, a Municipal Corporation

hereinafter called the Lessor

and PENDLETON WOOLEN MILLS, an Oregon Corporation

hereinafter called the Lessee, WITNESSETH

The Lessor hereby leases to the Lessee the following described premises in consideration of

XXXXXXXXXXXXXXXXXXXX and in accordance with the terms, covenants and conditions herein set forth

Premises XXXXXXXXXXXX That space located in the Portland Auto Port Parking Garage designated as 1202 S.W. Second Avenue, containing approximately 1507 square feet, as shown on the attached Exhibit "A".
Portland, Oregon

Term For the term beginning on the 1st day of May 1981 and expiring on the 30th day of April 1988

Rental For a monthly rental of One Thousand & Four Dollars and 67/100

Dollars (\$ 1,004.67) (except rental for the month of May & June 1981 shall be One Dollar (\$1.00) for the first year; One Thousand Sixty-Seven Dollars & 46/100 (\$1,067.46) for the second year, which shall be the Basic Monthly Rent and subject to payable monthly in advance on the first day of each and every calendar month at the office of the Lessor or the Lessor's agent.

periodic increases as described in Paragraph 33.1 of this lease.

The Lessee covenants and agrees as follows

- 1.1 Payment The Lessee will pay said monthly rental in lawful money of the United States at the office of the Lessor or Lessor's agent in advance on the first day of each and every calendar month of said term. XXXXXXXXXXXX
- 1.2 Delivery of Possession XXXXXXXXXXXX
- 1.3 Unpaid Rent If rent is not paid within 10 days after it is due Lessor may at its option impose a late charge. XX Unpaid rent shall bear interest at the rate of 10 percent per annum from the date it is due until paid.
- 2.1 Use The Lessee will use and occupy said premises for office purposes and for no other purposes and the Lessee will at Lessee's own expense repair any damage caused by the Lessee or any of Lessee's employees or agents, or licensees or invitees.
- 2.2 Assignment and Sub-letting The Lessee will not assign this lease or any interest hereunder and will not permit any assignment hereof by operation of law and will not sub-rent or sub-let said premises or any portion thereof, and will not permit the use or occupancy of said premises by other than the Lessee and his agents and employees of the Lessee without first obtaining the written consent of the Lessor.
- 2.3 Alterations The Lessee will make no alterations in or additions to said premises without first obtaining the written consent of the Lessor and all additions, improvements and fixtures (except the movable office furniture of the Lessee) made or added either by the Lessee or Lessor shall be and remain the property of the Lessor provided however, the Lessor may require that the Lessee remove upon termination of this lease any additions made or fixtures added by the Lessee at the Lessee's expense.

3.1 Liability for Injury and Damage

3.2

4.1 Vacation or Abandonment

5.1 Admittance by Pass-key

6.1 Signs

7.1 Electrical and Mechanical Devices

8.1 Electrical Installations

9.1 Awnings

10.1 Windows

11.1 Floor Coverings

[illegible]

12.1 Inspection of Premises

13.1 Care of Premises

14.1 Surrender of Premises

165

- 15.1 Action or Suit** If any suit or action or appeal thereof is instituted by either party for the enforcement of any covenant contained in this lease, the prevailing party shall recover, in addition to costs and disbursements, such attorneys' fees as the court may adjudge reasonable to be allowed in such suit or action or appeal thereof.
- 16.1 Default Insolvency and Damages** If the rent shall be in arrears for a period of ten (10) days; or if the Lessee fails to keep or perform any of the covenants or conditions of this lease; or if the leasehold interest of the Lessee shall be attached or levied on under execution; or if a petition is filed by Lessee for an arrangement with his creditors under Chapter 11 of the Bankruptcy Act; or if the Lessee shall be declared bankrupt or insolvent according to law; or if any assignment of the Lessee's property shall be made for the benefit of creditors; or otherwise; or if the Lessee fails to make prompt payment of any amounts due the Lessor in connection with the Lessee's occupancy of the premises; then, and in any of said events, the Lessor may at the Lessor's option at once, without notice to the Lessee or any other person, terminate this lease, and upon the termination of said lease at the option of the Lessor, as aforesaid, or at the expiration of this lease, and upon the termination of said lease by its terms, the Lessee will at once surrender possession of said premises to the Lessor and remove all the Lessee's effects therefrom, and if such possession be not immediately surrendered, the Lessor may forthwith enter into and on said premises and repossess them as of the Lessor's former estate and expel the Lessee, or those claiming under the Lessee, and remove the effects of any of them, forcibly if necessary, and lock said premises, without being deemed guilty in any manner of trespass and without prejudice to any remedies which might otherwise be used for arrears of rent or preceding breach of covenant; and that in such event the Lessee expressly waives the service of any notice of intention so to terminate this lease or to retake the premises, and waives service of any demand for payment of rent or for possession, and of any and every other notice or demand prescribed by any law of the State of Oregon.
- 16.2** In the event of termination on default, the Lessor shall be entitled to request immediately, without waiting until the due date of any future rent or until the date fixed for expiration of the lease term, any excess of the value of the Lessee's obligations under this lease, including the obligation to pay rent from the date of default until the end of the term over the reasonable rental value of the property for the same period figured as of the date of default, plus the reasonable costs of reentry and reletting, including, without limitation, the cost of any cleanup, refurbishing, removal of the Lessee's property and fixtures or any other expense occasioned by the Lessee's failure to quit the demised premises upon termination or to leave them in the required condition, any remodeling costs, attorneys' fees, court costs, broker commissions and advertising costs, plus the unpaid cost of any tenant improvements being amortized over the term of this lease, plus the amount of the loss of reasonable rental value from the date of default until a new tenant has been, or, with the exercise of reasonable diligence, could have been, secured.
- 17.1 Liens** The Lessee shall not suffer or permit any mechanic's lien to be filed against the fee of the demised premises nor against the Lessee's leasehold interest in said premises by reason of work, labor, services or materials supplied or claim to have been supplied to the Lessee or anyone holding the demised premises or any part thereof through or under the Lessee, and nothing in this lease contained shall be deemed or construed in any way as constituting the consent or request of the Lessor, express or implied, by inference or otherwise, to any contractor, subcontractor, laborer or materialman for the performance of any labor or the furnishing of any materials for any specific improvement, alteration or repair of or to the demised premises or any part thereof, nor as giving the Lessee any right, power or authority to contract for or permit the rendering of any services or the furnishing of any materials that would give rise to the filing of any mechanic's lien against the fee of the demised premises. If any such mechanic's lien shall at any time be filed against the demised premises, the Lessee shall cause the same to be discharged of record within 20 days after the date of filing the same.
- 18.1 Light and Air** This lease does not grant any rights of access to light and air over property.
- 19.1 Building Alterations and Repairs** In the event the Lessor, during the term of this Lease, shall be required by the City of Portland, the order or decree of any court, or any other governmental authority, to repair, alter, remove, reconstruct or improve any part of the demised premises or of the building of which said premises are part, then such repairing, alteration, removal, reconstruction or improvement may be made by and at the expense of the Lessor without any interference or claim for damages by the Lessee, but there shall be such an abatement or adjustment of rent as shall be just in proportion to the interference with Lessee's occupation of the premises; and that the Lessor and Lessor's agents and employees shall have the right from time to time during the term of this lease to enter into and upon said premises for the purposes of maintaining said premises and making such alterations and repairs and doing such other things thereto and to the equipment or building in which said premises are located, as may become necessary or advisable, without any interference or claim for damages by the Lessee.
- 20.1 Damage to Premises** In case the leased premises, or the building in which they are located, shall be destroyed or damaged by fire or other casualty, making the premises or building untenable, the Lessor may at Lessor's option, exercised within thirty (30) days from the happening of the casualty, elect to terminate this lease or to repair said damages. If the Lessor does not so elect to repair said damages, or the building containing said premises shall have been wholly destroyed, the lease may be terminated by either party as of the date of such damage. If the Lessor elects to repair said damages the Lessor shall at its own expense promptly repair the damages to said leased premises, and the Lessee shall be entitled to an abatement of the rent, or a fair and just proportion thereof, according to the nature of the damage sustained until said premises have been made fit for occupancy and use.
- 20.2** If the Lessor becomes obligated to repair or reconstruct the premises or the building in which they are located, the Lessor shall be relieved of such obligation and the Lessor may terminate this lease if the Lessor is unable to obtain the necessary labor or materials, or if the Lessor is unable to perform such obligation due to any cause beyond its control, including, but not limited to, strikes, lockouts and labor disturbances, acts of civil or military authorities, restrictions by municipal authorities, restrictions by municipal ordinances or federal or state statutes, and military activity.
- 21.1 Eminent Domain** If the premises or the building in which the same are located, or any part thereof, shall be taken or acquired by any municipal or other corporation having the right of eminent domain, either under said right or by purchase without the exercise of said right, the Lessor may at its option terminate this lease without paying any consideration to the Lessee, except that any unearned rental in its possession shall be refunded.

33.1
Escalation
Cost of Living
Index -

Rental Adjustment: At the end of the second leasehold year (April 30, 1983), and at the end of each year thereafter, during the term of this Lease, the Basic Monthly Rent referred to under Rental of this Lease shall be subject to an upward adjustment based on any increase in the Consumer Price Index, but not to exceed an average increase of 8.25% per year.

Such adjustment shall be determined in accordance with the following procedure:

(a) The index to be used for this adjustment shall be the Consumer Price Index as published for Portland, Oregon, all items, all urban consumers, 1967 base = 100, by U.S. Department of Labor, Bureau of Labor Statistics, San Francisco, California.

(b) The Consumer Price Index for March 1982 (hereinafter called Base Year Index), or if no index is published for March, then the index published for the month immediately preceding the second anniversary date of this Lease, shall be the Base Year Index for purposes of all subsequent rental adjustments to be made hereunder.

(c) The March Consumer Price Index immediately preceding each succeeding leasehold year (hereinafter referred to as the Adjustment Year) shall be determined from published figures and shall be the Adjustment Year Index. If there is no index published for March, then the index published for the month immediately preceding the Adjustment Year shall be the Adjustment Year Index.

(d) The Adjustment Year Index shall be divided by the Base Year Index. This quotient shall then be multiplied by the Basic Monthly Rent. The result shall be the Adjusted Monthly Rent for the immediately succeeding leasehold year, except that in no case shall the adjusted monthly rent be lower than the Basic Monthly Rent.

(e) Notwithstanding the above Adjusted Monthly Rent result, in no case shall the monthly rent exceed the following schedule:

<u>Leasehold Year</u>	<u>Monthly Rent Due</u>
May 1, 1981 - April 30, 1982	\$1,004.67 (Initial Rent)
May 1, 1982 - April 30, 1983	1,067.46 (Basic Monthly Rent)
May 1, 1983 - April 30, 1984	1,155.52 (Adjusted Monthly Rent)
May 1, 1984 - April 30, 1985	1,250.85 " " "
May 1, 1985 - April 30, 1986	1,354.05 " " "
May 1, 1986 - April 30, 1987	1,465.76 " " "
May 1, 1987 - April 30, 1988	1,586.68 " " "

34.1 Lessee agrees to pay all operating expenses, including, but not limited to, utilities, janitorial service, real estate taxes, maintenance and repair of electrical and plumbing installations within the demised space. Lessee further agrees to pay for replacement of broken glass.

Operating
and
Maintenance
Real Estate
Taxes

35.1 Lessor agrees to provide HVAC to the demised space. Lessee agrees to contract for installation of the HVAC system, subject to prior written approval of Lessor. Lessor agrees to reimburse Lessee upon completion of installation and receipt of billing.

Lessor
Improvements

36.1 Lessee agrees to install other required tenant improvements, subject to prior written approval of Lessor, at Lessee's expense. Tenant improvements shall be in full conformance with applicable codes.

Lessee
Improvements

IN WITNESS WHEREOF, the parties hereto have executed this instrument in duplicate at the place and on the day and year first herein written, any corporate signature being by authority of the Board of Directors.

CITY OF PORTLAND _____

PENDLETON WOOLEN MILLS _____

AUDITOR _____

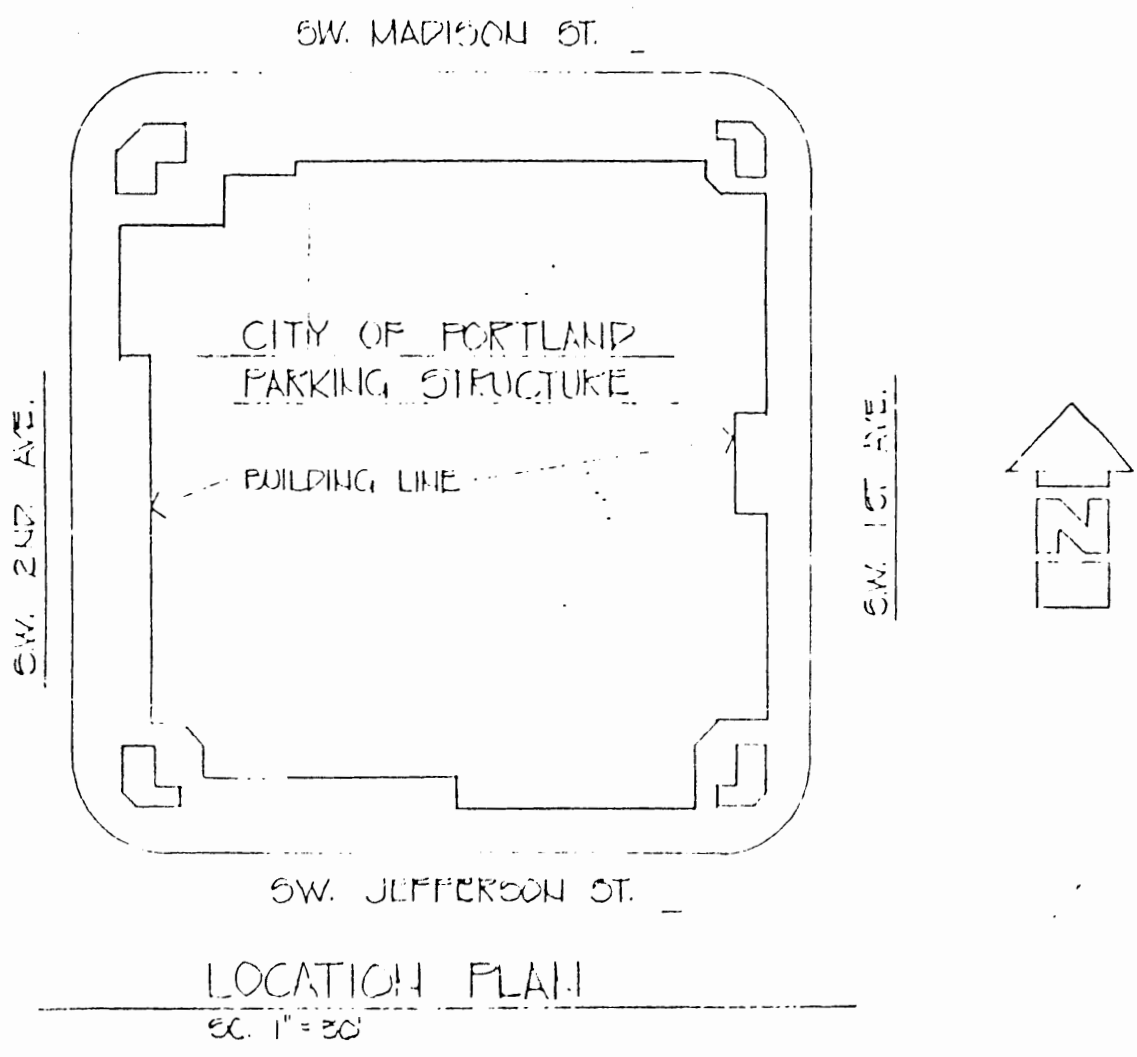
COMMISSIONER OF PUBLIC UTILITIES _____

Lessor

Lessee

APPROVED AS TO FORM

Christopher P. Thomas
CITY ATTORNEY *DRW*



ORDINANCE No. 151461

An Ordinance authorizing an agreement for lease of 1,507 sq. ft. of commercial space in the Portland Auto Port Parking Garage to Pendleton Woolen Mills for a seven-year period, and declaring an emergency.

The City of Portland ordains:

Section 1. The Council finds:

1. Pendleton Woolen Mills is currently leasing 7,625 sq. ft. of commercial space in the Portland Auto Port Parking Garage.
2. Pendleton Woolen Mills wishes to lease an additional 1,507 sq. ft. of adjacent space which is now vacant on the Second Avenue level.
3. Pendleton Woolen Mills is willing to pay \$8.00 per sq. ft. per year plus Consumer Price Index escalation for the 1,507 sq. ft. of office space for a seven-year term. In addition, Pendleton Woolen Mills will pay for tenant improvements, operating costs, and property tax.
4. Pendleton Woolen Mills will improve this space to standard commercial office space at its expense, with the exception of a heating, ventilating, air-conditioning system which will be provided by the City.
5. The improved space will be of greater value when the City inherits leasehold improvements at lease expiration.
6. The lease has been approved by the City Attorney.

NOW, THEREFORE, the Council directs:

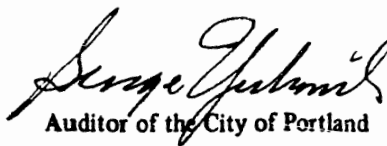
- a. The Auditor and Commissioner of Public Utilities are authorized to execute a lease agreement with Pendleton Woolen Mills for lease of office space, such agreement to be substantially as shown in Exhibit "A".

Section 2. The Council declares that an emergency exists because delay in proceeding with this lease may deprive the City of revenue; therefore, this Ordinance shall be in force and effect from and after its passage by the Council.

Passed by the Council, **APR 29 1981**

Commissioner M. Strachan
Joan M. Cassidy:hkh
April 21, 1981

Attest:


Auditor of the City of Portland

THE COMMISSIONERS VOTED AS FOLLOWS:		
	Yeas	Nays
Jordan	1	
Lindberg	1	
Schwab	1	
Strachan	1	
Ivancie	1	

FOUR-FIFTHS CALENDAR	
Jordan	
Lindberg	
Schwab	
Ivancie	

Calendar No 1299

ORDINANCE No. 151461

Title

An Ordinance authorizing an agreement for lease of 1,507 sq. ft. of commercial space in the Portland Auto Port Parking Garage to Pendleton Woolen Mills for a seven-year period, and declaring an emergency.

Filed APR 24 1981

GEORGE YERKOVICH
Auditor of the CITY OF PORTLAND

By

Deputy

INTRODUCED BY
Commissioner Strachan

NOTED BY THE COMMISSIONER
Affairs
Finance and Administration
Safety
Utilities <i>M. Strachan</i>
Works

BUREAU APPROVAL
Bureau: Facilities Management
Prepared By: J. M. Cassidy Date: 4/21/81
Budget Impact Review:
<input type="checkbox"/> Completed <input type="checkbox"/> Not required
Bureau Head:

CALENDAR
Consent XX Regular

NOTED BY
City Attorney
City Auditor
City Engineer