

AMENDMENT NO. 2 OF LEASE

This Amendment No. 2 of Lease (this "Amendment") is made as of _____, 2015, between Three Nineteen Washington LLC, a Delaware limited liability company ("Landlord"), and the City of Portland acting by and through the Portland Children's Levy, formerly known as the Portland Children's Investment Fund ("Tenant").

RECITALS

A. Landlord's predecessor in interest and Tenant executed that certain Lease dated January 31, 2005, as amended by Amendment No. 1 of Lease date as of March 3, 2010 (collectively, the "Lease"). Pursuant to the Lease, Landlord leases to Tenant that approximately 1,283 rentable square feet of space located in Suite 415 of the project commonly known as the Spalding Building (the "Building"), which space is located at 319 SW Washington Street, Portland, Oregon and more particularly described in the Lease (the "Premises"). Capitalized terms used in this Amendment shall have the meanings given to them in the Lease, except as provided in this Amendment.

B. Landlord and Tenant desire to extend the term of the lease in accordance with the terms and conditions set forth in this Amendment.

AGREEMENT

In consideration of the mutual covenants and conditions contained herein and for other good and valuable consideration, Landlord and Tenant agree as follows:

1. Amendment of Lease

A. Extended Lease Term. The Term of the Lease is extended for a period of sixty-one (61) months, commencing on June 1, 2015 (the "Extended Term Commencement Date") and terminating on June 30, 2020 (the "Extended Term").

B. Base Monthly Rent. The Base Monthly Rent during the Extended Term shall be as follows, due and payable in the manner otherwise provided in the Lease:

Period		Rentable Square Footage	Annual Rent Per Square Foot	Annual Rent	Base Monthly Rent
From	Through				
6/01/15	6/30/15	Abated*	Abated*	Abated*	Abated*
7/01/15	5/31/16	1,283	\$23.00	\$29,509.00	\$2,459.08
6/01/16	5/31/17	1,283	\$23.69	\$30,394.27	\$2,532.86
6/01/17	5/31/18	1,283	\$24.40	\$31,306.10	\$2,608.84
6/01/18	5/31/19	1,283	\$25.13	\$32,245.28	\$2,687.11
6/01/19	5/31/20	1,283	\$25.89	\$33,212.64	\$2,767.72
6/01/20	6/30/20	1,283	\$26.66	\$34,209.02	\$2,850.75

*As reflected above, Tenant shall have no obligation to pay monthly installments of Base Monthly Rent for the first (1st) full month of the Extended Term beginning with the Extended Term Commencement Date (the "Free Rent Period") resulting in an abatement of Base Monthly Rent in the amount of \$2,459.08. If the Lease is terminated during such Free Rent Period, Tenant shall not be entitled to any such Rent abatement after the date of termination nor shall Tenant be entitled to assert any right to Rent abatement after such

termination against any sums due Landlord. The Rent abatement granted under this Section is solely for the benefit of the entity executing this Amendment as tenant and is not transferable to any assignee or subtenant. In the event of a default by Tenant under the terms of the Lease which results in early termination pursuant to the provisions hereof, then as a part of the recovery to which Landlord shall be entitled shall be included a portion of such Rent which was abated under the provisions of this Section, which portion shall be determined by multiplying the total amount of Rent which was abated under this Section by a fraction, the numerator of which is the number of months remaining in the Extended Term of the Lease at the time of such default and the denominator of which is the number of months during the Extended Term of the Lease that Tenant is obligated to pay Base Monthly Rent.

C. Base Year. Commencing on the Extended Term Commencement Date, the Base Year shall be 2015 for Expenses and 2014/2015 for Real Property Taxes.

D. As-Is Condition of Premises. Tenant acknowledges that no representations respecting the condition of the Premises have been made by Landlord or its agents to Tenant, it being expressly understood that Tenant shall accept the Premises in its "as is" condition and Landlord shall have no obligation to make any improvements to the Premises or provided any allowance therefor.

E. Relocation.

(1) Landlord shall have the right at any time during the Extended Term to require Tenant, at Landlord's selection, to relocate to (a) other space in the Building (the "Spalding Substitution Space"), or (b) space in any one of the buildings located at 529 SW Third Avenue, Portland, Oregon (the "Hamilton Building"), 317 SW Alder Street, Portland, Oregon (the "Loyalty Building"), or 510 SW Third Avenue, Portland, Oregon (the "Postal Building") (space in each such building is referred to as the "Affiliate Substitution Space"). For purposes herein, the term "affiliate" means an entity controlled by, controlling or under common control with Landlord. The Spalding Substitution Space and the Affiliate Substitution Space are collectively hereinafter referred to as the "Substitution Space."

(2) The Substitution Space shall have approximately the same rentable square footage as the Premises. If Landlord desires to exercise such right, Landlord shall give Tenant not less than sixty (60) days prior written notice that Tenant is to relocate to another space. Within ten (10) days of receipt of Landlord's notification, Tenant shall give Landlord written notice of Tenant's election to agree to relocate, or to decline to relocate and terminate the Lease as set forth below. Tenant's failure to reject the Substitution Space within such 10-day period shall be deemed Tenant's acceptance of the Substitution Space. If Tenant rejects the Substitution Space, Landlord shall have the right, exercisable within ten (10) days, to cancel and terminate this Lease effective seventy (70) days following receipt of Tenant's written notice.] Landlord shall pay for all reasonable costs directly related to such relocation, including all reasonable costs and expenses related to improving the space with leasehold improvements equal to those then in Tenant's Premises. After such relocation, all terms, covenants, conditions, provisions, and agreements of this Lease shall continue in full force and effect and shall apply to the Substitution Space, except that (a) if the Substitution Space contains more square footage than the presently leased Premises, the monthly rental shall be increased proportionately, and (b) if the Substitution Space is located in the Hamilton Building, Loyalty Building, or the Postal Building, Landlord shall notify the owner of such Affiliate Substitution Space and cause the owner thereof to enter into an amendment to this Lease reflecting the relocation of the Premises to the

Affiliate Substitution Space. In the event Tenant relocates to Affiliate Substitution Space, subject to the affiliate owner entering into an amendment of this Lease assuming the obligations of Landlord with respect to the Affiliate Substitution Space, Landlord shall be released and discharged from all further obligations to Tenant with respect to the Affiliate Substitution Space. If the Tenant declines to relocate and gives Landlord the required written notice, then the Lease shall be terminated and Tenant shall vacate the Premises on the sixtieth (60th) day following the date of the Landlord's initial notice requiring the Tenant to relocate. If Tenant shall retain possession of the Premises or any part thereof following the date set for relocation or termination, Tenant shall be liable to Landlord for each day of such retention, for double the amount of the daily rental for the last period prior to the date of such expiration or termination, plus actual damages incurred by Landlord resulting from delay by Tenant in surrendering the Premises, including, without limitation, any claims made against Landlord by any succeeding tenant to the Premises and Landlord's costs in taking any action to evict Tenant from the Premises.

F. Termination Right. Provided that Tenant is not in default of its lease, in the event Tenant loses its funding source, Tenant shall have the one (1) time right to terminate this Lease as of June 30, 2019, provided Landlord receives at least 180 day prior written notice of Tenant's exercise of such termination right, which notice must be accompanied by payment of the Termination Penalty. The Termination Penalty shall be the sum of \$3,341.98, which is equal to the unamortized leasing costs, including Tenant Improvement costs, leasing commissions, and rental abatement provided by the Landlord. The amortization is calculated on a straight-line basis using an interest rate of six percent (6.0%).

G. Option Rights. Except for the Termination Right provided in Section F above, all option rights granted to Tenant, if any, contained in the Lease, including, without limitation, options to extend or renew the term of the Lease or to expand the Premises or to terminate the Lease, are hereby deleted and are of no force and effect.

2. Tenant Representations

Tenant represents and warrants that:

A. Due Authorization. Tenant has full power and authority to enter into this Amendment without the consent of any other person or entity;

B. No Assignment. Tenant has not assigned the Lease, or sublet the Premises;

C. No Default. Tenant is not in default of the Lease and Tenant acknowledges that Landlord is not in default of the Lease;

D. Binding Effect. The Lease is binding on Tenant and is in full force and effect, and Tenant has no defenses to the enforcement of the Lease; and

E. Real Estate Brokers. There is no real estate broker or agent who is or may be entitled to any commission or finder's fee in connection with the representation of Tenant in this Amendment other than Kidder Mathews, Inc., whose commission shall be paid pursuant to a separate written agreement, and Tenant shall indemnify and hold Landlord harmless from and against any and all claims, demands, losses, liabilities, lawsuits, judgments, costs and expenses (including without limitation, attorneys' fees and costs) with respect to any leasing commission or equivalent compensation alleged to be

owing on account of such Tenant's discussions, negotiations and/or dealings with any real estate broker or agent other than Kidder Mathews, Inc.

3. General Provisions.

A. Attorneys' Fees. If a suit or an action is instituted in connection with any dispute arising out of this Amendment or the Lease or to enforce any rights hereunder or thereunder, the prevailing party shall be entitled to recover such amount as the court may adjudge reasonable as attorneys' and paralegals' fees incurred in connection with the preparation for and the participation in any legal proceedings (including, without limitation, any arbitration proceedings or court proceedings, whether at trial or on any appeal or review), in addition to all other costs or damages allowed.

B. Counterparts; Facsimile and Scanned Email Signatures. This Amendment may be executed in counterparts and when each party has signed and delivered at least one such executed counterpart to the other party, then each such counterpart shall be deemed an original, and, when taken together with the other signed counterpart, shall constitute one agreement which shall be binding upon and effective as to all signatory parties. Facsimile and scanned e mail signatures shall operate as originals for all purposes under this Amendment.

C. Effect of Amendment. The Lease is unmodified except as expressly set forth in this Amendment. Except for the modifications to the Lease set forth in this Amendment, the Lease remains in full force and effect. To the extent any provision of the Lease conflicts with or is in any way inconsistent with this Amendment, the Lease is deemed to conform to the terms and provisions of this Amendment.

D. Binding Effect. The provisions of this Amendment shall be binding upon and inure to the benefit of the parties and their respective successors and assigns. No amendment, modification or supplement to this Amendment shall be binding upon the parties unless in writing and executed by Landlord and Tenant.

E. Integration. This Amendment contains the entire agreement and understanding of the parties with respect to the matters described herein, and supersedes all prior and contemporaneous agreements between them with respect to such matters.

F. Submission of Amendment. The submission of this Amendment for examination and negotiation does not constitute an offer to execute this Amendment by Landlord. This Amendment shall become effective and binding only upon execution and delivery hereof by Landlord and Tenant. No act or omission of any officer, employee or agent of Landlord or Tenant shall alter, change or modify any of the provisions hereof.

[Remainder of Page Intentionally Left Blank; Signature Page Follows]

IN WITNESS WHEREOF, Landlord and Tenant have executed this Amendment as of the date first above written.

TENANT:

City of Portland by and through The Portland
Children's Levy

By: _____

Name: Dan Saltzman

Title: Commissioner, City of Portland

LANDLORD:

THREE NINETEEN WASHINGTON LLC, a Delaware
limited liability company

By: _____

Name: _____

Title: _____

APPROVED AS TO FORM

 68
CITY ATTORNEY 3/20/15

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