

THIRD AMENDMENT AND EXTENSION TO LEASE

THIS THIRD AMENDMENT AND EXTENSION TO LEASE ("Third Amendment") is made and entered into as of _____ by and between PIONEER OFFICE, LLC, a Delaware limited liability company, successor to Pioneer Office Limited Partnership, ("Landlord") and CITY OF PORTLAND, a municipal corporation ("Tenant").

R E C I T A L S:

A. Landlord's predecessor and Tenant entered into a Lease dated August 27, 2008, as amended by a First Amendment to Lease dated September 28, 2011 ("First Amendment") and a Second Amendment to Lease dated June 24, 2013 (collectively, the "Lease"), for Premises containing approximately 16,754 square feet of Rental Area on the fourth floor, Suite 400 (the "Premises"), in the building known as Pioneer Tower, Portland, Oregon (the "Building"); and

B. Landlord and Tenant desire to amend the terms and conditions of the Lease.

NOW, THEREFORE, in consideration of the sum of One Dollar (\$1.00), paid by Landlord and Tenant, each to the other, and the mutual covenants and conditions hereinafter contained, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Landlord and Tenant agree as follows:

1. Definitions. Unless otherwise set forth in this Third Amendment, all capitalized terms shall have the same meaning as set forth in the Lease.

2. Term. The Term of the Lease is hereby extended for a period of thirty-six (36) months ("Renewal Term"), commencing **December 1, 2016** ("Renewal Date") and expiring **November 30, 2019** ("Termination Date").

The foregoing renewal shall be considered an exercise of the Option to Renew set forth in paragraph 6 of the First Amendment.

3. Rent for Renewal Term. Effective as of the Renewal Date, the Annual Basic Rent payable by Tenant shall be as follows:

<u>Period</u>	<u>PSF Basic Rent</u>	<u>Annual Basic Rent</u>	<u>Monthly Installment</u>
12/1/2016 – 11/30/2017	\$30.75	\$515,185.50	\$42,932.12
12/1/2017 – 11/30/2018	\$31.50	\$527,751.00	\$43,979.25
12/1/2018 – 11/30/2019	\$32.50	\$544,505.00	\$45,375.42

4. Option to Renew. Provided Tenant is in possession of the Premises and is not in default of any term, covenant or condition of the Lease, Tenant shall have the Option to renew the Term of the Lease for one (1) additional period of two (2) years ("Second Renewal Term") to commence immediately upon the expiration of the initial Renewal Term set forth herein.

The Second Renewal Term shall be upon the same terms, covenants and conditions as contained in this Lease, except that (i) the Annual Basic Rent during the Second Renewal Term shall be at

(12/23/15)

IN WITNESS WHEREOF, the parties hereto have executed this Third Amendment as of the day and year first above written.

LANDLORD:

PIONEER OFFICE, LLC, a Delaware limited liability company

By: _____
Authorized Signatory

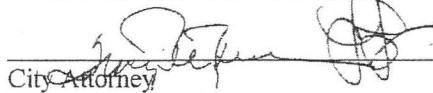
TENANT:

CITY OF PORTLAND, a municipal corporation

By: _____
Authorized Signatory

Approval as to Form

APPROVED AS TO FORM


City Attorney
CITY ATTORNEY

IF TENANT IS A CORPORATION, THE AUTHORIZED OFFICERS SHALL SIGN ON BEHALF OF THE CORPORATION AND INDICATE THE CAPACITY IN WHICH THEY ARE SIGNING. **THIS THIRD AMENDMENT MUST BE EXECUTED BY THE PRESIDENT OR VICE PRESIDENT AND ATTESTED BY THE SECRETARY OR ASSISTANT SECRETARY,** UNLESS THE BYLAWS OR A RESOLUTION OF THE BOARD OF DIRECTORS PROVIDES OTHERWISE. IN THAT CASE, THE BYLAWS OR A CERTIFIED COPY OF THE RESOLUTION SHALL BE ATTACHED TO THIS THIRD AMENDMENT.

(8/5/08)

(w) depreciation, amortization and interest payments, except as provided herein and except on materials, tools, supplies, and vendor-type equipment purchased by Landlord to enable Landlord to supply services Landlord might otherwise contract for with a third party where such depreciation, amortization and interest payments would otherwise have been included in the charge for such third party's services, all as determined in accordance with generally accepted accounting principles, consistently applied, and when depreciation or amortization is permitted or required, the item shall be amortized over its reasonably anticipated useful life;

For any Operating Year during which less than ninety-five percent (95%) of the Rental Area of the Building is occupied, the calculation of that portion of Operating Costs which vary with occupancy shall be adjusted to equal the Operating Costs which Landlord projects would have been incurred had the Building been ninety-five percent (95%) occupied during such Operating Year.

d. "Taxes" means all real estate taxes, assessments (special or otherwise), levies, ad valorem charges, benefit charges, water and sewer rents, rates and charges, privilege permits and any other governmental liens, impositions or charges of a similar or dissimilar nature, and any payments in lieu of such charges, regardless of whether any such items shall be extraordinary or ordinary, general or special, foreseen or unforeseen, levied, assessed, or imposed on or with respect to all or any part of the Property or upon the rent due and payable hereunder by any governmental authority; provided, however, that if at any time during the Term or any extension thereof the method of taxation prevailing at the commencement of the Term shall be altered or eliminated so as to cause the whole or any part of the above items which would otherwise be included in Taxes to be replaced by a levy, assessment or imposition, which is (A) a tax assessment, levy, imposition or charge based on the rents received from the Property whether or not wholly or partially a capital levy or otherwise, or (B) a tax, assessment, levy, imposition or charge measured by or based in whole or in part upon all or any portion of the Property and imposed on Landlord, or (C) a license fee measured by the rent payable by Tenant to Landlord, or (D) any other tax, levy, imposition, charge or license fee, however described or imposed, then such levy, assessment or imposition shall be included in Taxes; provided, however, in no event shall Tenant be required to pay any inheritance, estate, succession, income, profits or franchise taxes unless they are in lieu of or in substitution for any of the above items which would otherwise be included in Taxes.

i) Tenant shall apply for exemption from all real estate taxes, assessments, and levies. To the extent Tenant is determined to be tax exempt, Landlord shall credit tenant the exempt real estate taxes, assessment, and levies.

e. "Fractional Share" means a fraction, the numerator of which is the Rental Area of the Premises and the denominator of which is the Rental Area of the Building. For the purposes of this subparagraph, the Rental Area of the Building shall mean the sum of the Rental Area on all floors of the Building as determined by Landlord.

7.2. Payment of Operating Cost Escalation. For each Operating Year, commencing **January 1, 2009**, Tenant shall pay to Landlord, in the manner provided herein, Tenant's share of increased Operating Costs which shall be computed by multiplying the Operating Costs for the Operating Year by Tenant's Fractional Share and subtracting the Base Operating Costs from the result obtained ("Tenant's Share of Increased Operating Costs") but in no event less than the Base Operating Costs; provided, however, that for the Operating Years during which the Term begins and ends, Tenant's Share of Increased Operating Costs shall be prorated based upon the actual number of days Tenant occupied, or could have occupied, the Premises during each such Operating Year.